Identifying Australia’s High Employment Generating Industries

Abstract

Using the 1996-97 input-output table, the objective of this paper is to identify Australia’s high employment generating industries. First, the “real” (direct and indirect) contribution of the tradeable industries to employment are quantified by adopting the “loss of the industry” or “shut-down of industry” approach. Second, the sectoral employment elasticities are calculated to determine the leading employment generating sectors. The empirical analysis and rankings undertaken in this study shed some light on sectoral potentials in relation to the creation of jobs in the economy. It is found that, inter alia, the following industries will play a crucial role in generating employment in the years to come: Retail Trade; Construction; Health & Community Services; Property & Business Services; and Education. These industries are not only the fastest growing and the largest sectors in terms of employment but also possess relatively higher employment elasticities.

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Key words: input-output analysis, Employment, Australia.