

RUSSIA'S ACCESSION TO WTO : LABOUR DEMAND STORY

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This work is devoted to analyses of possible impact of Russia's entrance to the World Trade Organisation on the labour market. It is originally designed to study potential changes in employment due to changes in economics circumstances, but also concerns issues of labour market liberalization. In the first time, the Arellano-Bond GMM estimator and large six-year panel dataset, which cover approximately 14.000 larges and medium enterprises, were used to estimate labour demand elasticities in Russia. We use the obtained elasticities to estimate the possible changes in labour demand due to expected adjustments in output growth and tariffs. The employment changes are analyzed under several scenarios of Russia's accession to WTO. Under the output changes predicted by the CGE model after Russia's accession to the WTO the employment changes are found to be insignificant different from zero. We also conclude that Russian labour market has become more competitive, in terms of the labour demand elasticities, than it was earlier reported.