Research Seminar Economics

You are cordially invited to the following seminar
Thursday, 25 March from 12:15 – 13:15hrs, ONLINE via ZOOM

“Are Your Labor Shares Set in Beijing? The View through the Lens of Global Value Chains”

We study the evolution of labor shares in 1995–2014, while taking into account international trade based on value added concepts. Declines in labor shares accelerate in 2001–2007, concurrently with global value chain (GVC) integration, after which there is no trend for both. We develop a gravity-based instrument and find that the acceleration in the decline in labor shares is caused by increased intensity of intermediate input exporting. China’s integration into GVCs accounts for much of this. Declines in labor shares are shouldered mostly by less skilled workers in fabrication functions. Relatively capital abundant countries integrate more into forward GVCs linkages, which is associated with greater upstreamness within GVCs and increases in capital intensity. Forward GVC integration is associated with international vertical integration of both upstream input production and of downstream assembly.

Ariell Reshef is an Associate Member of the Paris School of Economics, CNRS researcher (Directeur de Recherche), and Scientific Adviser at CEPII. Until January 2016 he was an Associate Professor (with tenure) at the University of Virginia. He obtained his Ph.D. in economics from New York University in 2008. His research interests focus on income distribution – in particular, the relationship of labor markets with global trade, technological change, and regulation. His work lies at the intersection of International Trade, Labor Economics, and Macroeconomics. His current research projects examine structural change of employment and evolution of productivity in France, compensation in the financial sector, the long run evolution of the legal services sector in the United States, and global value chains.