

# BROWNBAG SEMINAR

## Services Trade Liberalization and Manufacturing Labor's Slice of the Pie: Evidence from Chinese Firms

By Prof. CHEN Bo (Professor, Huazhong University of Science and Technology)

### Abstract:

The labor share, defined as the share of value-added paid to labor, has steadily declined globally since the 1980s. Existing literature, however, intensively discusses the reasons mainly from manufacturing sector. In this paper, we investigate the impact on labor income share from the greater openness of service sector, based on China's firm level evidences.

We find that (1) Services trade liberalization reduces manufacturing firms' labor share. (2) The reduction in the firm's labor share is due to the fact that the growth in labor productivity exceeds the growth in labor wage. (3) The negative effect of services trade liberalization on firms' labor share decreases or even becomes positive with the elevation of firms' initial productivity level (the decrease of firms' initial labor share).



### Biography:

Prof. CHEN Bo earned his Ph.D. degree in Economics from Simon Fraser University (Vancouver, Canada) in 2008. He currently holds the position of professor in economics at Huazhong University of Science and Technology. In addition, He has been appointed as a Research Associate of the Federal Reserve Bank of Dallas and the Pacific Economic Cooperation Council (PECC).

*Welcome to join!*

**Register Here:**



**Date: 15 November 2023 (Wednesday)**

**Time: 12:00 - 13:30**

**Venue: WYL314, 3/F, Dorothy Y.L. Wong Building, Lingnan University**

Enquiry: 2616 7043 (Carmen)

**\*\*Registration is required\*\***