Seminario de Microeconomía Aplicada - Global Labor Market Power

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Abstract: We estimate the labor market power of over 13,000 manufacturing establishments across 82 low and middle-income countries around the world. Within local labor markets, larger and more productive firms have higher wage markdowns and pay lower wages. Labor market power across countries exhibits a mild non-linear relationship with GDP per capita, entirely driven by a strong hump-shaped relationship with the share of self-employed workers. Labor market institutions fully account for the hump shape: in countries with unemployment protection, wage markdowns increase with the share of self-employment while the opposite is true in countries without it. We explain this finding through the lens of a simple oligopsonistic labor market model with frictions. Self-employment prevalence correlates with the elasticity of labor supply to the wage paid, and labor market institutions can change the sign of this relationship.

Acerca del expositor: Francisco Amodio es profesor asociado de economía y desarrollo internacional de la Universidad McGill. Sus intereses son el estudio del sector privado en países de ingresos bajos y medios y su potencial para fomentar el crecimiento económico sostenible y reducir la pobreza.

Tiempo de exposición: 1 hora

Fuente: https://www.banrep.gov.co/es/seminario-microeconomia-aplicada-global-labor-market-power