

Dear all,

You are kindly invited to the next Joint Firm Analysis Seminar of the NBB, KUL, UA, UCL, UGent, UHasselt, ULB, ULg and UMons

Given by **Michael Rubens** (UCLA) on **Exploiting or Augmenting Labor?**

Joint paper with Yingjie Wu, Minghzi Xu.

on **Friday, 23 February** at 14.30 in in the Auditorium of the National Bank of Belgium (Room A), rue Montagne aux Herbes potagères 61, 1000 Brussels.

Abstract

We examine whether the decline of the labor cost share in Chinese manufacturing industries is due to labor-augmenting technical change or rising wage markdowns. We show that existing "production approaches" do not separately identify wage markdowns from labor-augmenting productivity, and propose a solution to such a challenge by jointly estimating a labor supply curve with the production function. Applying our method to Chinese non-ferrous metal manufacturing and mining industries, we find that the decline in the labor cost share was mainly due to technical change rather than the change in labor market power. Wage markdowns slightly decreased over time, whereas a Hicks-neutral model that fails to capture factor-biased technology change would lead to the opposite finding. Finally, labor-augmenting productivity grew rapidly and was partly driven by the privatization of state-owned enterprises.

Prof. Rubens will be present at the bank on 23 February and there are several slots for a meeting with him. Please contact us at nbbfirmanalysis.seminar@nbb.be if you are interested. This is not just a polite phrase; we very much invite you or any of your colleagues to make use of this opportunity.

Whilst we encourage your physical presence, we also offer the possibility to follow the seminar online via Teams. Please send an email to nbbfirmanalysis.seminar@nbb.be to obtain the link.

For those who attend physically, we emphasize that due to security reasons, you need to register by email to nbbfirmanalysis.seminar@nbb.be before Thursday 22 February at 4:00 pm if you plan to attend the seminar. Without registration, you will not be allowed in the seminar room. You will receive a nominative badge at the entrance. We recommend that you arrive at least 10 minutes before the start of the seminar. Please include name and car plate number for access the NBB Parking Warmoesberg 41.

We already have the following speakers planned for 2024:

- 18/04 Paloma Lopez-Garcia (European Central Bank)
- 10/10 Natalia Ramondo (Boston University)
- TBD Gabriel Chodorow-Reich (Harvard)
- TBD Ioana Marinescu (University of Pennsylvania)

Looking forward to seeing you there.

Kind regards,

Gert Bijnens (NBB), Emmanuel Dhyne (NBB-UMons), Catherine Fuss (NBB), Johannes Van Biesebroeck (KU Leuven), Joep Konings (KU Leuven), Hylke Vandenbussche (KU Leuven), Vincent Vandenberghe (UCL), Gonzague Vannoorenberghe (UCL), Bart Cockx (UGent), Glenn Rayp (UGent), Paola Conconi (ULB), Ilan Tojerow (ULB), Mathieu Parenti (ULB), Alain Finet (UMons), Jan Bouckaert (UA), Mark Vancauteran (UHasselt), Axel Gautier (ULg), Glenn Magerman (ULB) and Estelle Cantillon (ULB)