The Causes of Falling Wage Share and Prospects for Growth with Equality in a Globalised Economy

This INET funded research project analyses the determinants of the wage share in order to contribute to the theory and empirical analysis of income distribution, combining insights from political economy, institutional economics, and industrial relations.

There has been a significant decline in the share of wages in GDP in both developed and developing countries since the 1980s. Empirically, this project estimates the effects of technological change, globalisation, labour market institutions, financialization, changes in the composition of government spending, rise in personal income inequality, and market concentration on the wage share, using both firm- and sector-level data. The research fills the gaps in the literature by developing more detailed measures of welfare state retrenchment, financialization, globalisation, and bargaining power.

Research and policy related output

Policy Briefs


Technical Reports

Guschanski, A. and Onaran, Ö. (2017), "Why is the wage share falling in emerging economies? Industry level evidence.", Greenwich Papers in Political Economy, University of Greenwich, #GPERC52

Guschanski, A. and Onaran, Ö. (2017), "The political economy of income distribution: industry level evidence from 14 OECD countries.", Greenwich Papers in Political Economy, University of Greenwich, #GPERC51