



Leibniz-Institut für
Wirtschaftsforschung Halle

IWH Research Seminar in Economics

Montag, 14. November 2016, 14:15–15:45 Uhr, Konferenzsaal im Erdgeschoss



Trade Exposure and the Decline in Collective Bargaining: Evidence from Germany

Professor Dr. Daniel Baumgarten, Ludwig-Maximilians-Universität München

We analyse whether the increase in trade exposure induced by the rise of China and the transformation of Eastern Europe has been a driver of the severe decline in collective bargaining coverage rates among German establishments from the mid 1990s onwards, which has been identified as a major source of rising wage inequality in Germany. For identification, we exploit cross-industry variation in trade exposure, and, adopting the instrumental variable strategy of Autor, Dorn and Hanson (2013), we use trade flows of other high-income countries as instruments for German import and export exposure. Our results suggest that increased import exposure is associated with an increase in the probability of German firms to leave sectoral bargaining agreements.

Wissenschaftlicher Ansprechpartner am IWH:

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