

## **Research Seminar**

**Theme:** International Trade Theory

**Title:** Skills, Tasks, and Technologies and Income Inequality Under Trade Liberalization

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### **Overview**

The immersing rate of technological progress and globalization that had been experienced in recent decades drew attention to changes in the returns to skills and the evolution of earnings, thereby income inequality. A substantial number of dynamics observed and challenged researchers such as job polarization, substitution dynamics of capital for labor, and offshoring.

In my thesis, I propose to investigate the distributive effects of trade liberalization among different social groups as we studied in International Trade Theory and Policy focusing on open economy applications of the extended canonical model of skills, tasks, and technologies introduced by Acemoglu and Autor (2011)<sup>1</sup> in which various fascinating variables (can be) are included such as productivity growth, non-homothetic wage growth, offshoring, etc. Furthermore, a possibility, or idea of, introducing labor mobility across countries to the model may enable us to study different effects under different PTA's i.e., the Existence of free movement of production factors.

Proper selection of countries, or states, will be a vital challenge since they will depend on the requirements variables and country characteristics of the model under examination. Though an empiric analysis of EU countries and, or USA states would be most likely to be selected due to data accessibility, quality, and availability concerns (i.e. Population and housing censuses for EU, American Community Survey (ACS) for the US ). The data to be analyzed is expected to be in the form of panel data which enables researchers to utilize different methods of econometrics literature, and enable PTA comparison by inclusion of proper control, and/or fixed effect variables.

Of course, the methodology and title might be adjusted in the course of the research.

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<sup>1</sup> Acemoglu, D., & Autor, D. (2011). *Handbook of Labor Economics* (Vol. 4) (p. 1044-1048).