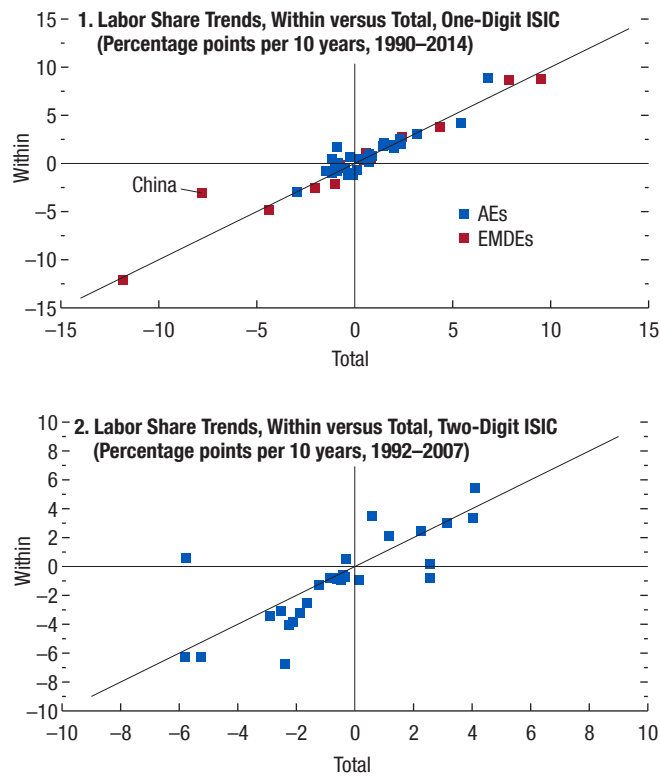


Figure 3.10. Shift-Share Analysis

More than 90 percent of variation in labor share trends across countries is explained by within one-digit sector variation, and over 70 percent by within two-digit sector variation. The role of between-sector reallocation often associated with structural transformation is small, on average, but plays a dominant role in China.



Sources: CEIC database; Organisation for Economic Co-operation and Development database; World Input-Output Database; and IMF staff calculations. Note: AEs = advanced economies; EMDEs = emerging market and developing economies; ISIC = International Standard Industrial Classification of all Economic Activities, Revision 4.