While technological change affected mostly the income share of labor in unskilled sectors, the labor income share in skilled sectors was more affected by labor globalization.

Source: IMF staff calculations.

1982–2002 or longest period available. 1986–2001 for Japan, as changes in the relative import price in earlier years reflected the yen’s strong appreciation rather than globalization. The contributions are based on estimated regression coefficients and average annual changes in the respective variables by country (see Appendix 5.1).