



# BLADE EXPO

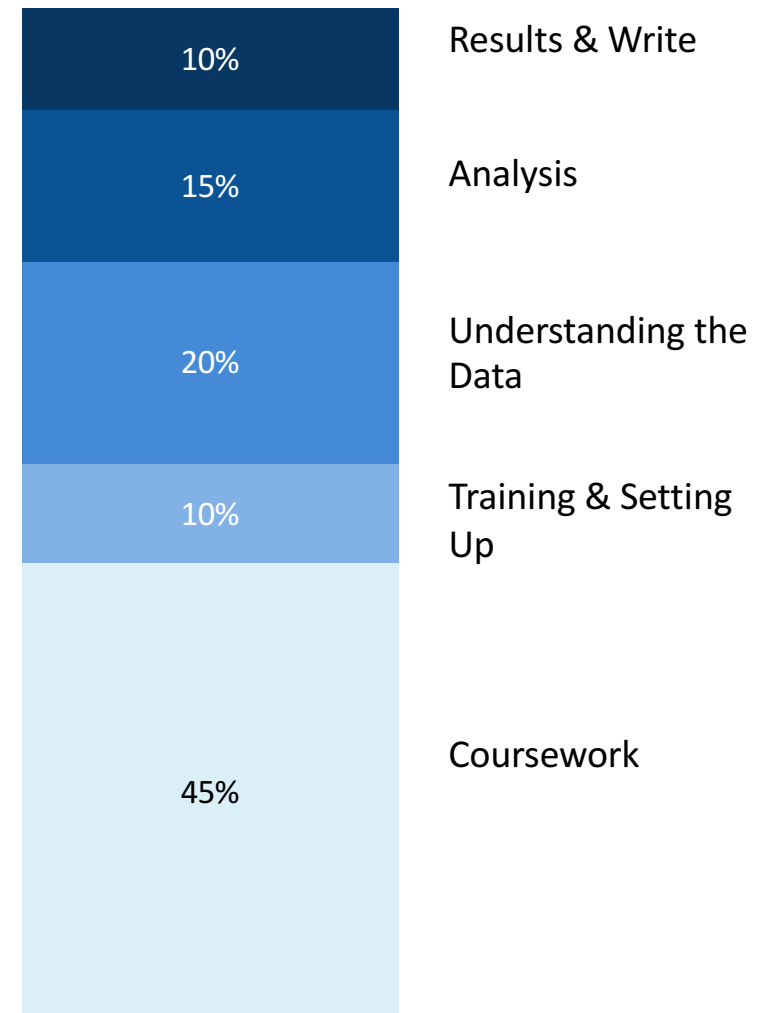
NALINI AGARWAL UNSW

*13 FEBRUARY 2020*

## My experience with BLADE

- UNSW Honours Student 2019
- Dataset for my thesis: *Dissecting Labour Shares using BLADE*
- Access to BLADE at UNSW restricted to the Data Lab (physical location, token key)
- Priviledged opportunity to learn from experienced users

**Fig 1: My Year**





## Key Insights

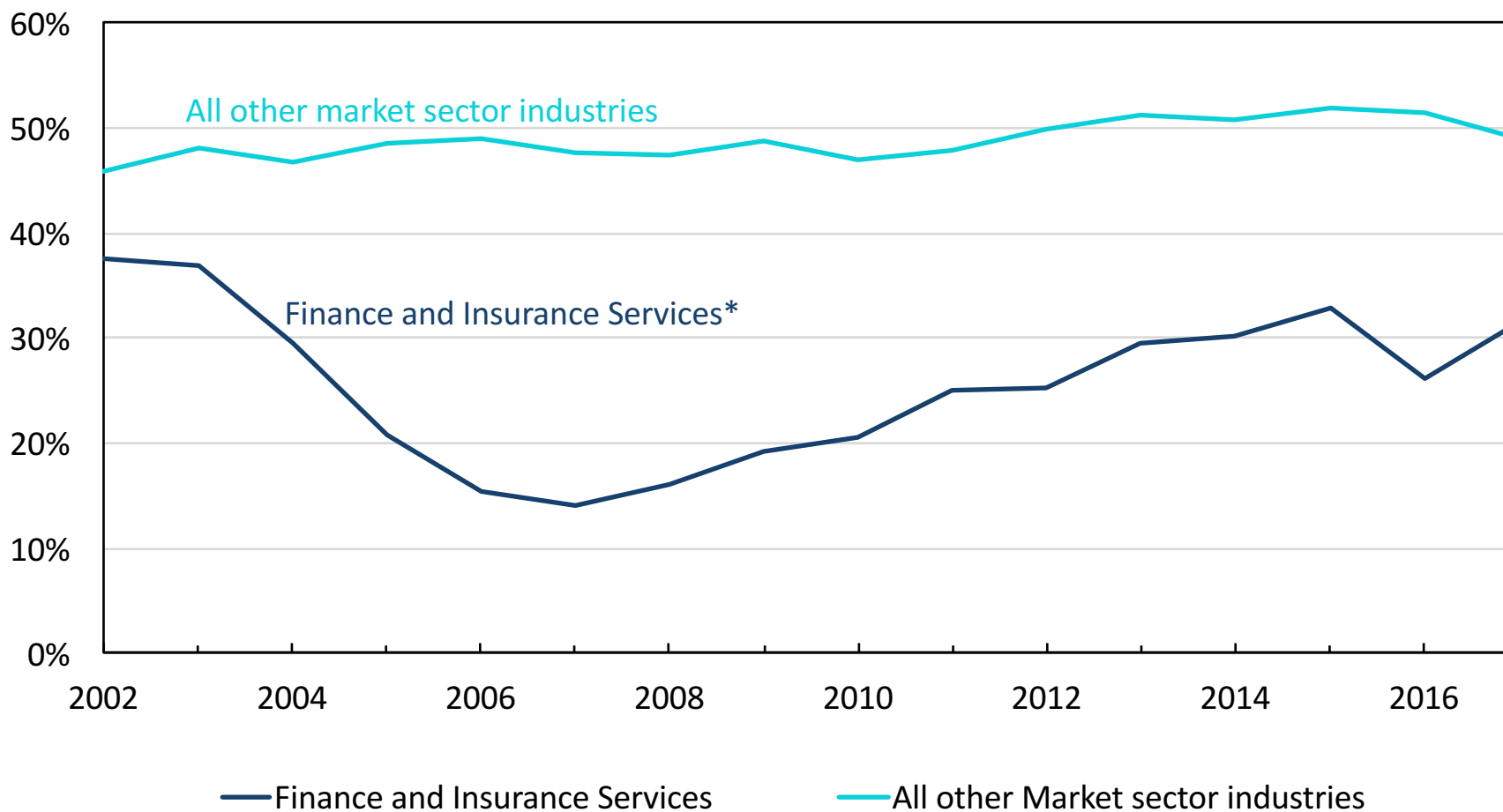
More than just an aggregated outcome:

1. Heterogeneity & Distribution
2. Enables Firm Level Insights
3. Microeconomic Channels

# More than just an aggregated outcome

Labour share of income closely aligns with ABS National Account Results

**Fig 2: Labour's Share of Income (2002-2017)**



Source: ABS BLADE; Takes weighted mean of firm level labour shares

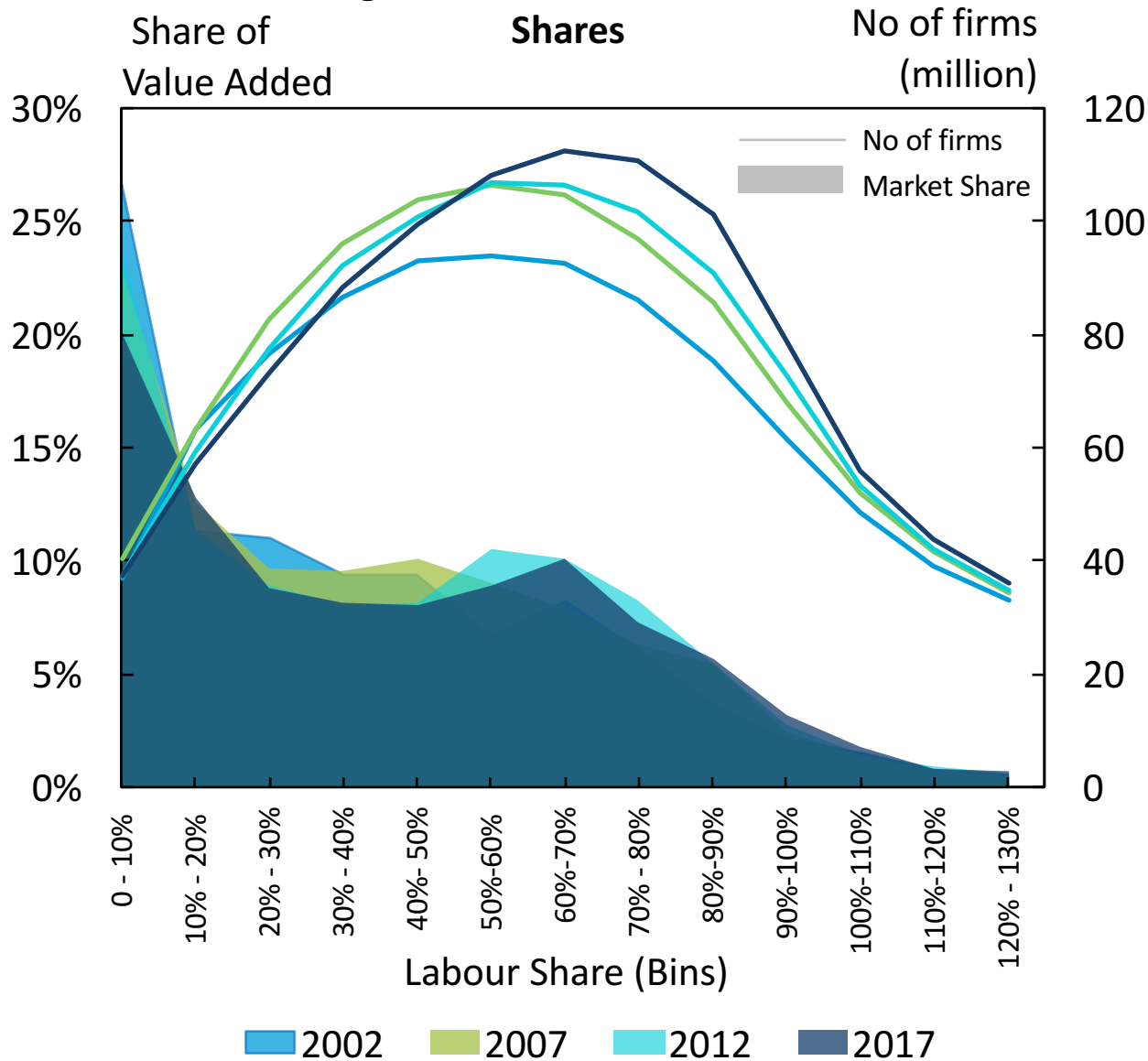
\*For further discussion, please see [appendix](#).



# Heterogeneity & Distribution

Reallocation of market share towards high labour share firms

**Fig 3: Distribution of Labour**

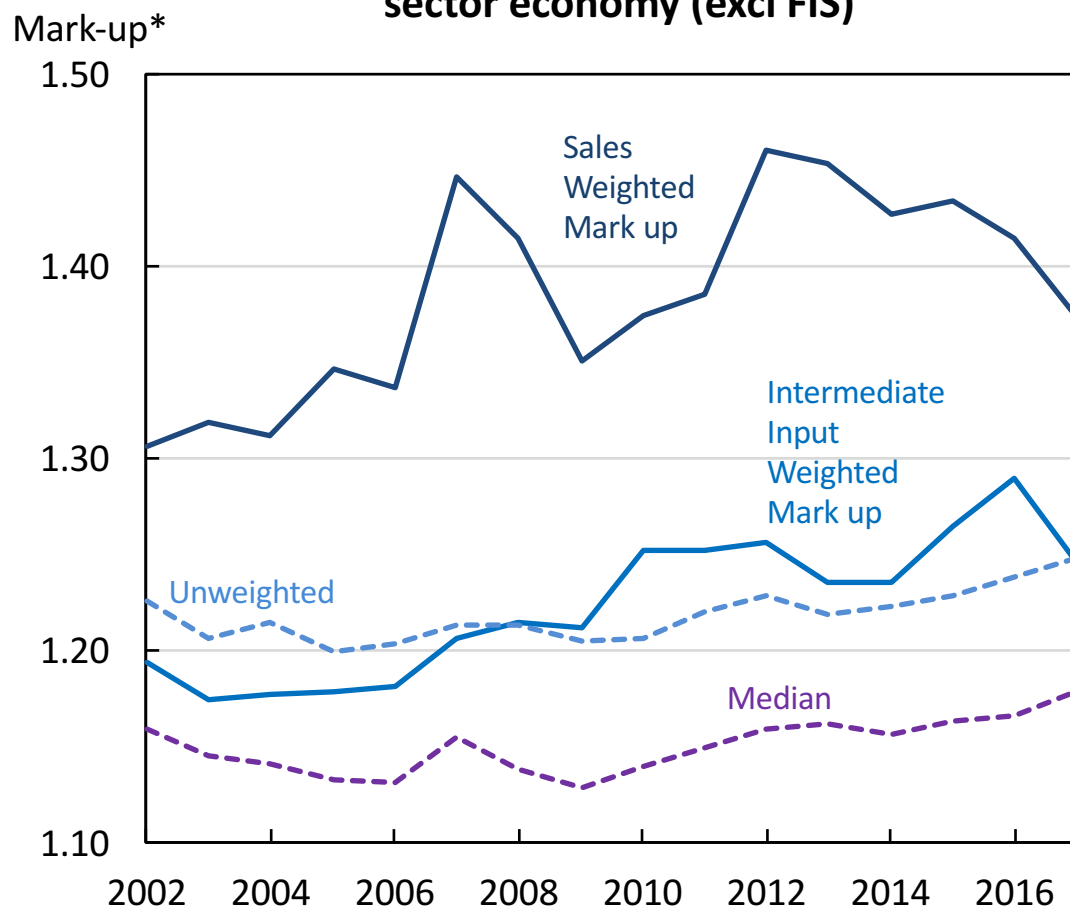


- Low labour share firms have a high share of value added
- Most firms have high labour shares
- Distribution of value added has shifted towards high labour share firms
- Number of high labour share firms have increased

# Firm Level Analysis

Unlocked opportunities for nuanced and deeper analysis

**Fig 4: Mark- up estimation for the Market sector economy (excl FIS)**



Other insights gained:

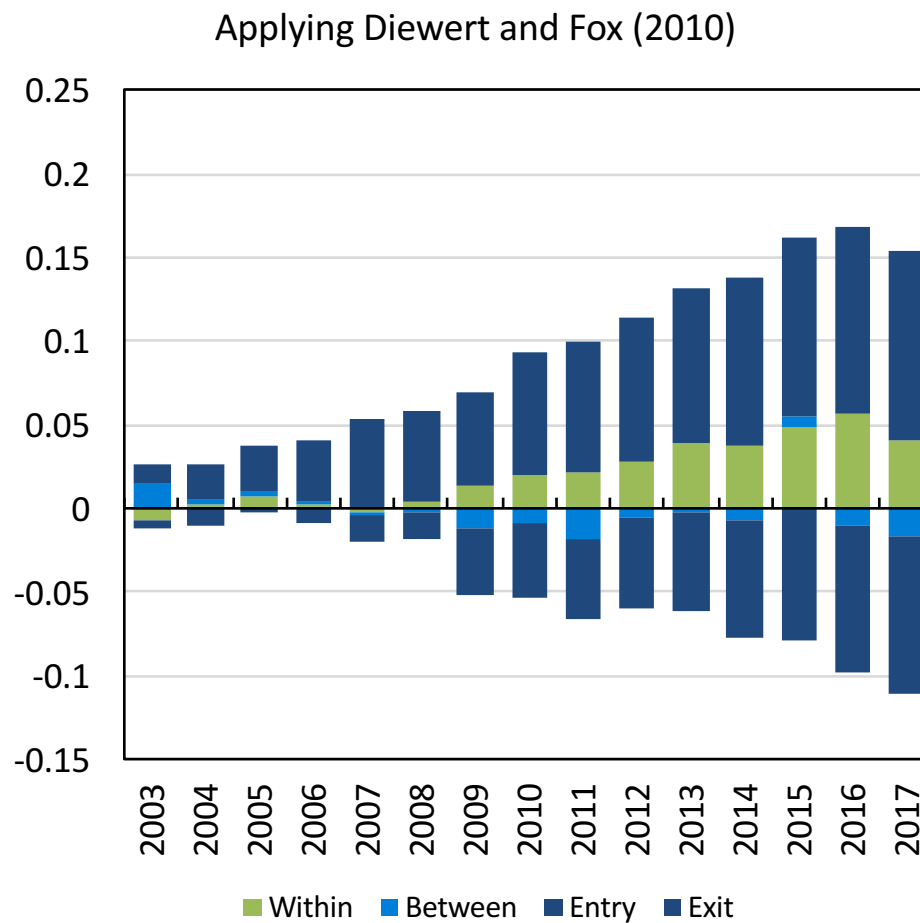
- Regressions with fixed effects at the 2-digit industry level or firm level
- Firm level adjustment of labour share measurement issues (e.g. self employment)
- Labour productivity dispersion of top 90/bottom 10

Firm – level mark ups estimated using De Loecker and Warzinski (2012) approach and subsequent papers. Here, a gross output production function and intermediate inputs are used instead of a value added function to avoid endogeneity with value-added labour shares. Firm – level mark ups are aggregated according to weighted means, unweighted means and median as shown in the diagram

# Channels

Understanding how competition has affected labour share through microeconomic mechanisms

**Fig 5: Dynamic Decomposition of Australian Labour Shares**



Source: ABS BLADE 2016-17

Notes: These charts show the cumulative dynamic decomposition of Australian labour shares of the corporate sector, using the Diewert and Fox (2010) methodology



## Additional Value

### Strengths, Ongoing/WIPs, Future Opportunities

#### **Strengths**

- Strong informal network (Sharing code and results)
- Responsive and helpful microdata team (no backlog or bottlenecks)
- Robust infrastructure (security, software, programming)

#### **Ongoing/WIP**

- Increased collaboration with database creators and end users/analysts
- Formal network of BLADE users
- Increased access for academics

#### **Future Opportunities**

- Online portal/central database for sharing code, resources and work (e.g. HILDA)
- Simplify access procedure for education (e.g. subsamples)
- Standardised methods (e.g. cleaning)
- Increased transparency of alignment with ABS statistics (e.g. value added)