

## **Who Works for Whom in South Korea: An MRIO Structural Shift-Share Decomposition Analysis, 2003-2013**

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Compared to most other OECD nations, employment growth in South Korea has been fairly slow. Some researchers have suggested this is due to the slow pace of regulatory reform there compared to that going on in other nations. But it could also be due to lifestyle changes of Korean households, international competitive pressures (e.g., the rise of China's economy), shifts in the nature of the nation's capital investments, and changes in the composition of the nation's exports, among other possibilities. We examine such potential proximate causes across regions of South Korea using a structural decomposition approach. In this paper we apply, for the first time, a shift-share version of structural decomposition analysis developed elsewhere by Dietzenbacher and Lahr (2017). We use data from for regions of South Korea for 2003, 2005, 2010, and 2013 as published by the Bank of Korea. These data are quite detailed, containing 16 regions with 82 industries per region. We interpret the findings on the proximate causes of employment change using seven (7) components by broad sector by region in light of known interregional relocations, international trade agreements, regulatory and other differences across the regions of South Korea.