

## **The route of the labor compensation share of the GDP: a structural decomposition analysis for Brazil in 2000-2005**

Topic: Feedback Session 4b

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The aim of this paper is to contribute to the underexplored field of the functional income distribution through a structural decomposition analysis of the main determinants for the behavior of the labor compensation share of the Brazilian GDP. On that scope, it uses the input-output and labor data gathered by the Brazilian Institute of Geography and Statistics (IBGE). The labor compensation in this work is regarded as the wages added by the half of the Gross Mixed Income, since the later may refer to both capital and labor income, considering that the former cannot be distinguished from the latter. The main objective in this paper is to discern the relative empirical relevance of changes in the labor compensation and in productivity, both commons to almost every industry in the economy (shift effects), from the changes in the labor inputs coefficients, in the intermediate input and in the final demands, which in turn are all related to the structural changes (share effects). The dataset used in this work covers the period 2000-2005 and 110 industries of the Brazilian economy. The methodology used is the Structural Decomposition analysis (SDA) proposed by Dietzenbacher et. al (2005), using the Brazilian input-output tables (IBGE, 2008).