Essays on Offshoring, Labor Demand and Hypothetical Bias in Choice Experiments

av

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Abstract

This dissertation consists of four papers on offshoring, labor demand and hypothetical bias in travel-time stated choice experiments. They are summarized as follows. Essay 1: Firm-level Effects of Offshoring of Materials and Services on Relative Labor Demand analyzes the effect of relocation of production process abroad (offshoring), on relative labor demand for the Swedish manufacturing sector over the period 1997-2002. This essay gives no support to the expected negative effect of out-location of high-skilled activity in Swedish firms and even shows an increase in relative demand of high-skilled labor due to service offshoring. Essay 2: Labour Demand, Offshoring and Inshoring: Evidence from Swedish Firm-level Data adds to the existing literature of offshoring by simultaneously analyzing the effect of offshoring and inshoring measured as firm-level imports and exports, respectively, of intermediate goods (materials) or services on firm-level relative labor demand for high-skilled labor. The causality that we find between relative labor demand and service offshoring, cannot be established neither from goods nor services inshoring. Essay 3: Is ‘Referencing’ a Remedy to Hypothetical Bias in Value of Time Elicitation? Evidence from Economic Experiments demonstrates negative hypothetical bias, i.e. higher value of time is revealed by real choice when it is compared with the value estimated from a hypothetical choice survey. Referencing, that involves interviewing the respondents about the attributes of a reference trip that has been made and then constructing the stated choice experiment presenting variations of that trip, is tested as a suggested remedy. The results indicate that any negative hypothetical bias that would exist without referencing treatment would have been further magnified by the referencing design. Essay 4: Joint Usage of Referencing and Certainty in Travel Time Stated Choice Experiments explores the heterogeneous association of referencing with respect to self-reported choice-certainty with responses in stated choice experiments. The findings in the essay show that while uncertain respondents are more likely to accept the offer of a travel-time prolongation for monetary compensation with referencing, certain respondents tend to be less likely to accept the offer under referencing conditions.

Keywords: Offshoring, Inshoring, Firm-level Data, Relative Labor Demand, Stated Choice Experiments, Hypothetical Bias, Referencing, Certainty Calibration, Value of Time.

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