



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

av

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Abstract

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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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