

Abstract

In this thesis we use meta-analytic methods to quantitatively summarize empirical evidence on elasticity of substitution between skilled and unskilled labor. Review is based on sample of 684 estimates from 78 studies. After a brief overview of theoretical framework, estimation strategies and distribution of the existing estimates, we test for publication bias. According to regression-based tests for publication bias, we do not reject null hypothesis of no publication bias in the existing literature. To explain heterogeneity between the estimates, we use Bayesian Model Averaging. We find that both real factors and research design influence resulting value of estimated elasticity. Our synthetic estimates of the elasticity imply that skilled and unskilled workers are imperfect substitutes in the long run, substitutability in the short-run is mostly limited.

JEL Classification: J82, J23, J24, J31

Keywords: elasticity of substitution between skilled and unskilled labor, meta-analysis, publication bias

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