5. Estimation Results

5.1 Estimation Results for Austria

Table 2 shows our estimation results for Austria for the total pool, while Table 2 reports the results for manufacturing and services separately.

We estimate specifications (1) to (3) at the 2-digit level while specifications (4) to (8) is estimated at the 1-digit level. We separately estimate the effect of increasing import penetration and outward FDI on the wage share, while controlling for union density and individual government spending at the country level in specifications (1) to (6). To avoid multicollinearity we estimate specifications with union density and government spending separately and exclude union density from specifications (7) and (8) since it’s strongly correlated with other country-level variables (negative correlation below -0.9 for Austria).