



HONOURS THESIS

**International Trade and Job Polarisation:
Are all the middle-waged jobs disappearing?**

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supervised by

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Declaration

Except where appropriately acknowledged this thesis is my own work, has been expressed in my own words and has not previously been submitted for assessment.

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Abstract

This thesis investigates the influence that international trade exposure has on the composition of the labour force in the manufacturing sector in Australia between 2008 and 2013. In particular we investigate whether the phenomenon of job polarisation is present within the industry, and whether increased trade exposure contributes to this. Thus we have had to carefully map employment data with trade data. Our panel data fixed effects estimation suggests that job polarisation does not exist within the manufacturing sector. This does not rule out its existence when accounting for the entire labour force however. The most significant finding is that increased exposure to trade leads to a movement of labour down the wage distribution. Such a finding has the potential to have significant policy implications.

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