

Economics of Globalization

Sciences Po Saint-Germain-en-Laye
2nd year

Winners and losers from globalization in Western European countries

Losers from globalization

- Globalization is associated with decline in industrial employment. ▶ Local effects ▶ U.S. employment
 - 10% of manufacturing employment decline in France between 2001 and 2007 (Malgouyres, 2017), 25% in the U.S. (Autor et al., 2013).
 - Trade-off between diffuse price decline and observable employment losses. ▶ Price effects
- With measurable economic, social, and political effects
 - Globalization is associated with increase in mental distress, death of despair, and decrease in health outcomes (Colantone et al., 2019; Autor, Dorn and Hanson, 2019; Pierce and Schott, 2020; Finkelstein et al., 2026)
 - Associated with shift to the right, more nationalist and isolationist parties (Western Europe: Colantone and Stanig, 2018; U.S.: Autor et al., 2020)
- Channels are: economic competition, employment and income losses, effects on insecurity, socialization, beliefs, etc.

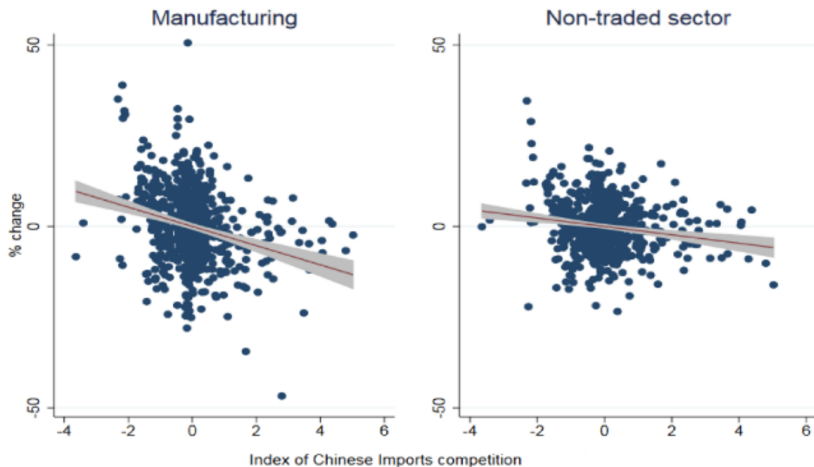
Winners and losers from globalization in Western European countries

Winners from globalization

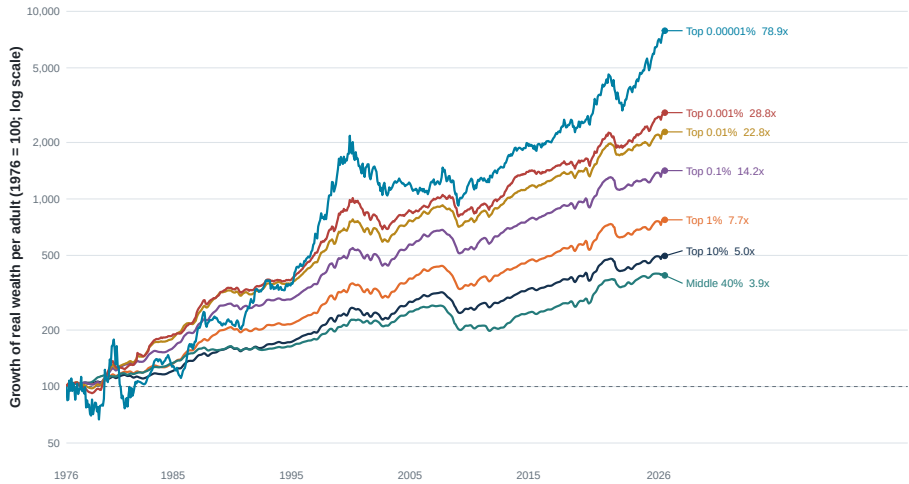
- Globalization is associated with an increase in corporate power and wealth concentration.
 - Wealth concentration drastically increase in the last 30 years. [▶ U.S. wealth growth](#) [▶ Global wealth](#)
 - It spills over the political processes. [▶ Campaign contributions](#)
- Different mechanisms
 - Gain in bargaining power with respect to government: decline in corporate taxation compensated with increase in consumption and labor taxation, constraints on political action [▶ Tax](#)
 - Gain in bargaining power with respect to workers.
 - Concentration of economic activity. [▶ Firm concentration](#)
- Need to keep in mind the increase in global purchasing power [▶ Consumer prices](#)

Globalization and manufacturing employment

Chart 3. Relationship between local employment and Chinese import competition (1995-2007)

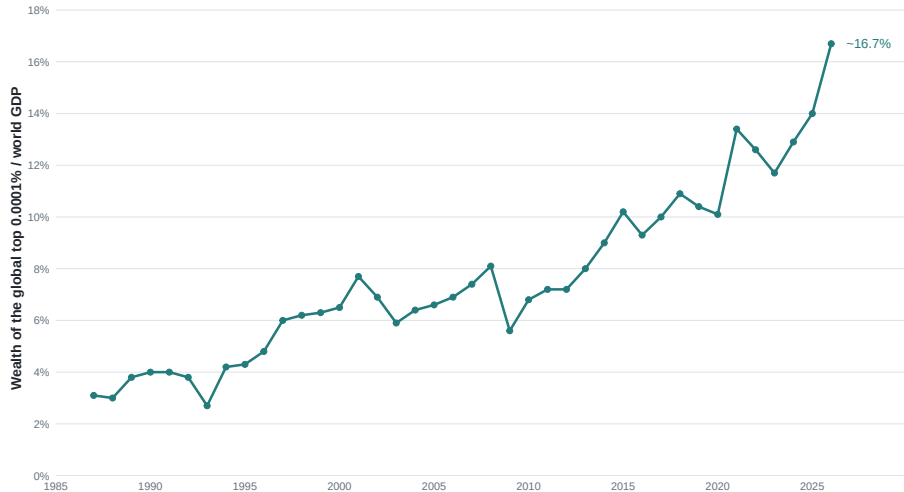


Growth of U.S. wealth since 1976



Source: Blanchet et al. (2026).

The wealth of the global top 0.0001% (3000 households, billionaires)

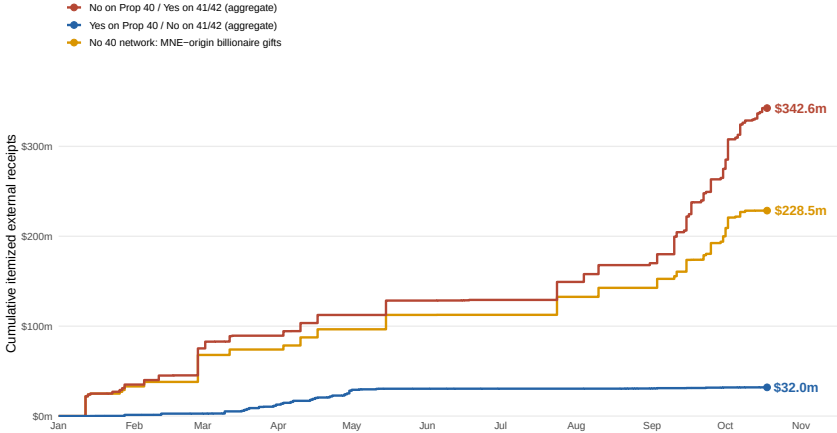


Source: Zucman (2026).

Wealth and the political process: California

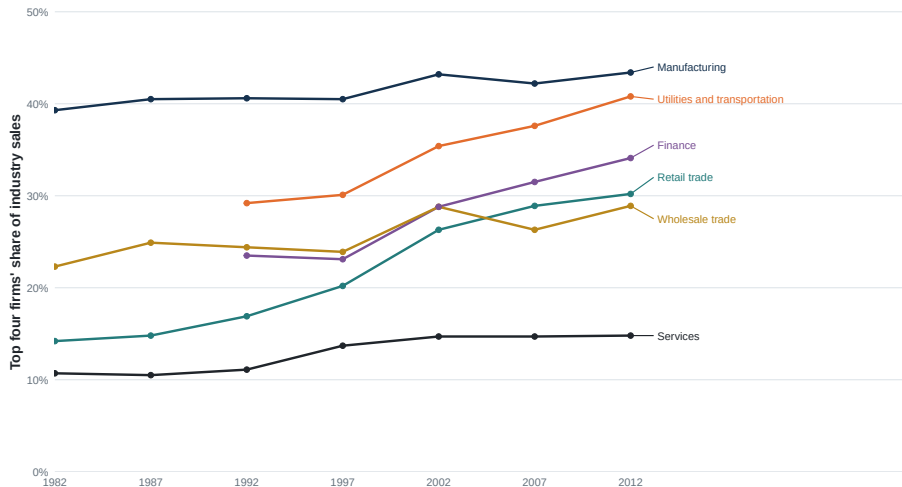
Campaign contributions over time

Disclosed receipts through October 18, 2026



Source: Laffitte (2026)

The concentration of economic activity



U.S. four-digit industries; sales-weighted averages within sectors. Utilities/transportation and finance begin in 1992.

Source: Autor et al. (2020), *The Quarterly Journal of Economics*, Figure IV. Approximate digitization of sales-based CR4.

Tax competition: corporate income tax rates

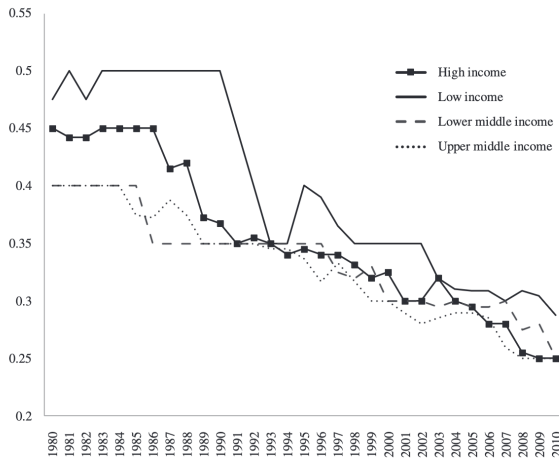
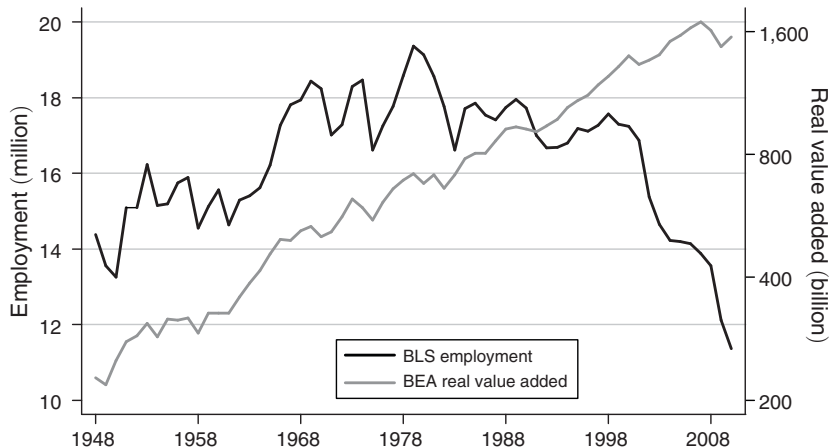


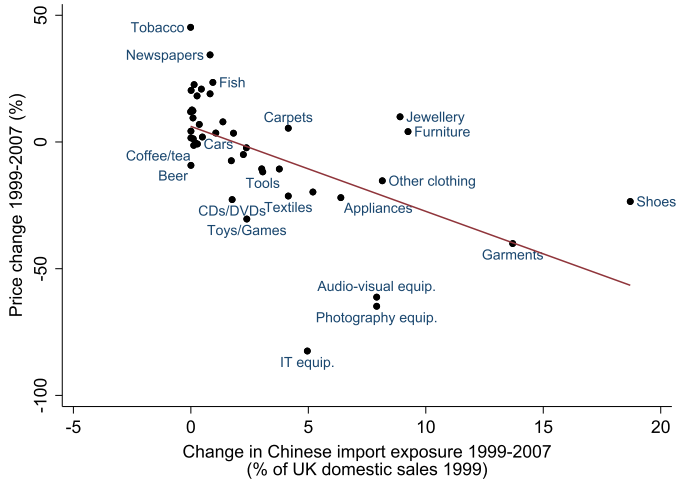
Figure 1 Median statutory corporate tax rates by income group, 1980–2010. *Note:* Tax rates from KPMG tax rates online and IMF compilation. Countries classified by income, at each date, into four equal-sized groups.

The decline in U.S. manufacturing employment



Source: Pierce and Schott (2016), Figure 3. BLS employment and BEA real value added, 1948–2010.

Import competition and lower consumer prices



Source: Dorn and Levell (2024), Figure 6 (left panel). UK industries, 1999–2007.

Selected references and figure sources

Trade, employment and prices

Autor, Dorn and Hanson (2013)

The China Syndrome: Local Labor Market Effects of Import Competition in the United States.

American Economic Review, 103(6), 2121–2168.

Pierce and Schott (2016)

The Surprisingly Swift Decline of US Manufacturing Employment.

American Economic Review, 106(7), 1632–1662.

Dorn and Levell (2024)

Trade and Inequality in Europe and the US.

Oxford Open Economics, 3(S1), i1042–i1068.

Wealth and firm concentration

Blanchet et al. (2026)

U.S. wealth series used for the wealth-growth figure.

Zucman (2026)

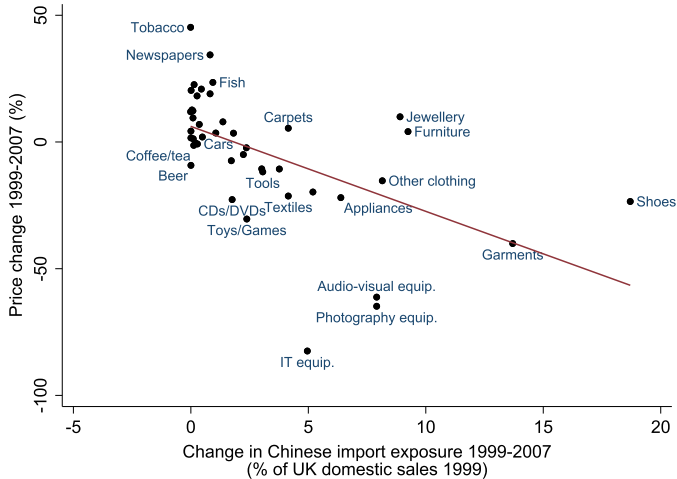
Wealth of the global top 0.0001%, relative to world GDP.

Autor, Dorn, Katz, Patterson and Van Reenen (2020)

The Fall of the Labor Share and the Rise of Superstar Firms.

The Quarterly Journal of Economics, 135(2), 645–709.

Import competition and lower consumer prices



Source: Dorn and Levell (2024), Figure 6 (left panel). UK industries, 1999–2007.