

Functional Income Distribution in the Chilean Mining Sector: An Input-Output Approach.

By

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Acknowledge

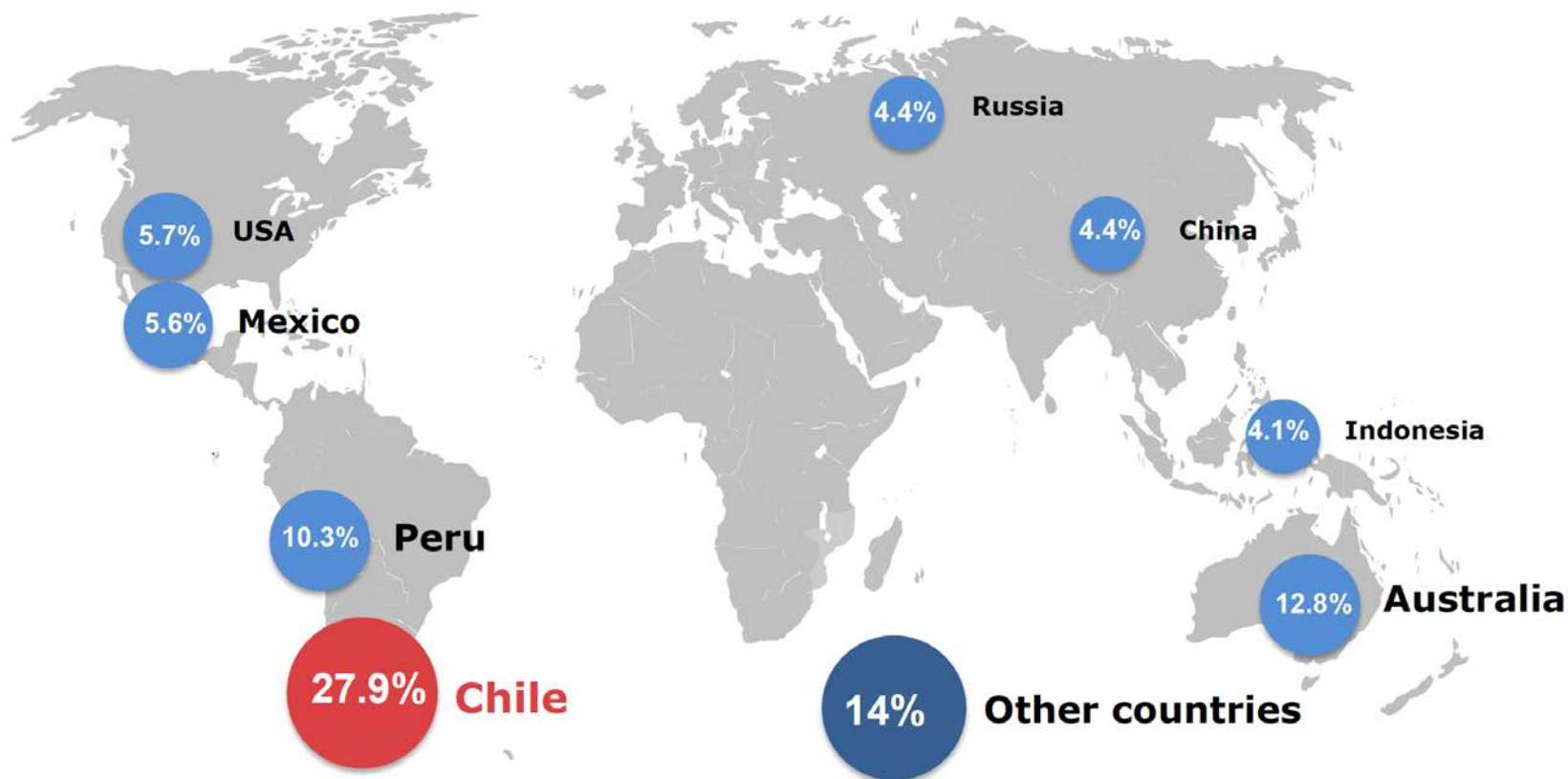
- Organization of the Conference
- Joint work -> Nicolás Garrido & Daniel Manzor from CEPR, Universidad Adolfo Ibáñez
- Support from COES (Centre for Conflict and Cohesion Studies – FONDAP/CONICYT # 15130009)

Chile in numbers

- Surface territorial area: 756,950 km² (2)
- position 37 in the world
- Population: 17.4 million (2012 estimate) (2)
- position 60 in the world
- GDP 2013: US\$ 277,196 million (1)
- position 37 in the world
- GDP PPP: US\$ 386,071 million (3)
- position 41 in the world
- GDP per capita: US\$ 15,732 (3)
- position 44 in the world
- GDP per capita PPP: US\$ 21,911 (3)
- position 51 in the world
- Mining GDP: 11.1%

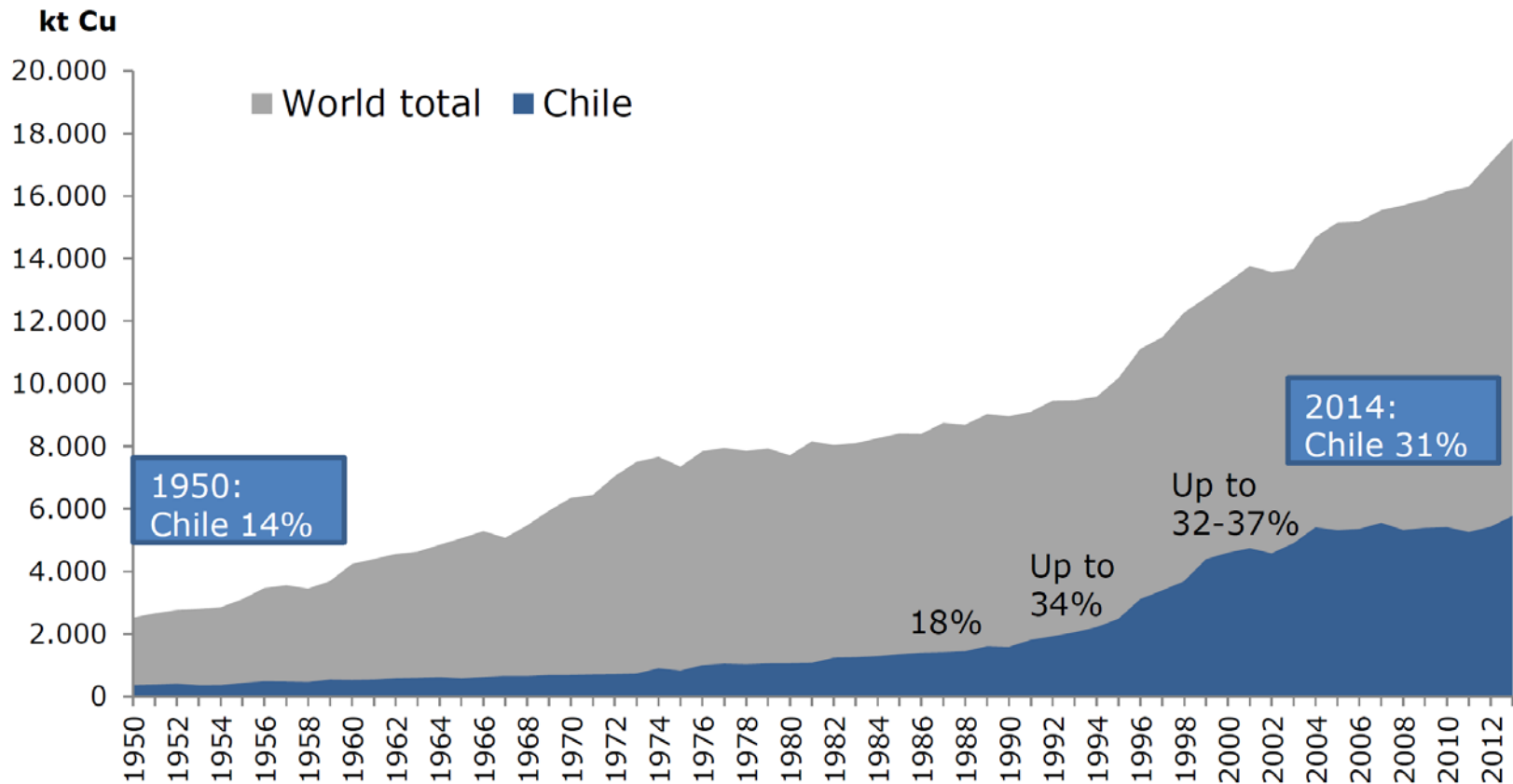


Geological potential



Source: USGS Mineral Commodity Summaries (2014)

World copper mining participation



Source: COCHILCO, WBMS and Wood Mackenzie

Criticizing society



Environmental
awareness

Motivation Concentration in the world



The image shows the front cover of the book 'Capital in the Twenty-First Century' by Thomas Piketty. The cover is cream-colored with a red border. At the top, there is a decorative flourish. The title 'CAPITAL' is written in large, bold, red capital letters. Below it, the subtitle 'in the Twenty-First Century' is written in a smaller, italicized black font. Another decorative flourish is below the subtitle. The author's name 'THOMAS PIKETTY' is written in large, bold, black capital letters. At the bottom, it says 'TRANSLATED BY ARTHUR GOLDHAMMER' and '2014'.

CAPITAL

in the Twenty-First Century

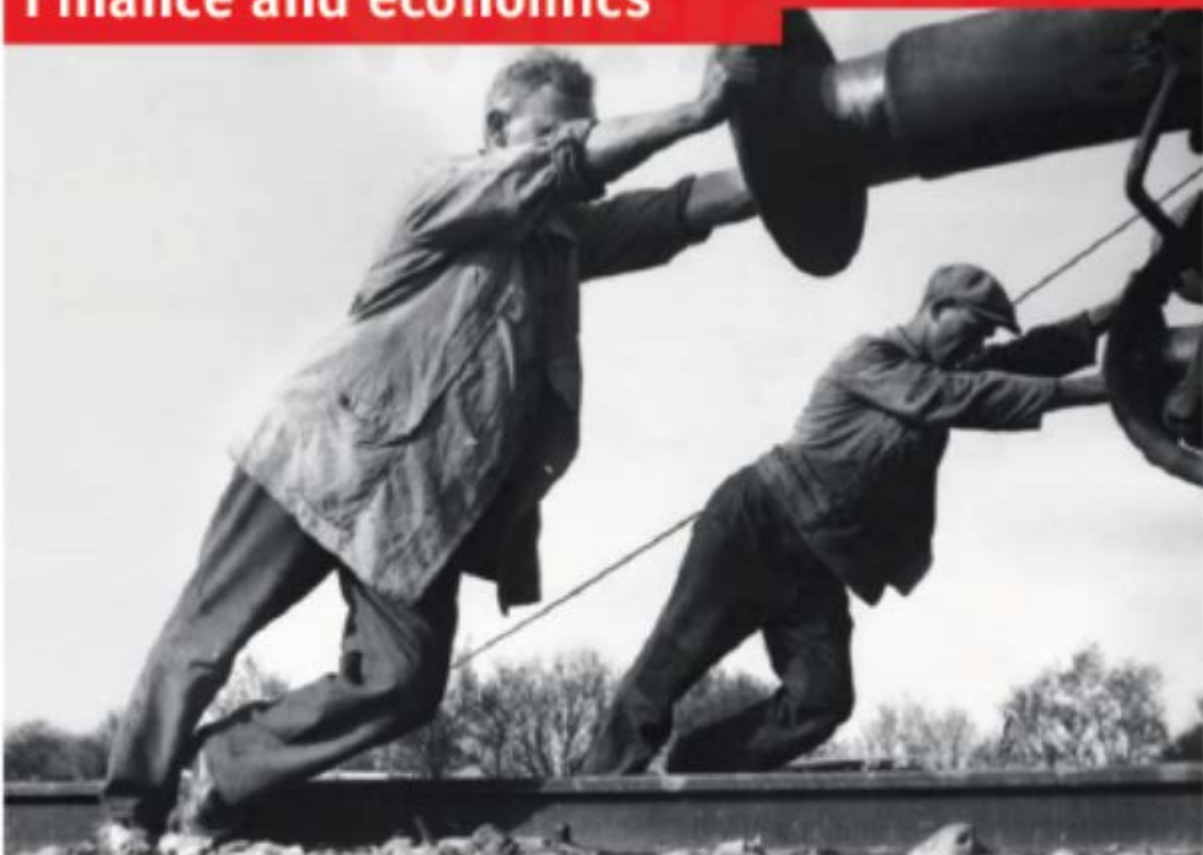
THOMAS
PIKETTY

TRANSLATED BY ARTHUR GOLDHAMMER

2014

Reason:

The capital profits grow faster than
labor salaries



Also in this section

- 78 **Buttwood: corporate profits**
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bijn of the Federal Reserve Bank of San Francisco and Aysegul Sahin of the Federal Reserve Bank of New York. They calculated how much different industries in America are exposed to competition from imports, and compared the results with the decline in the labour share in each industry. A greater reliance on imports, they found, is associated with a bigger decline in labour's take. Of the 3.9 percentage-

Workers' share of national income

Labour pains

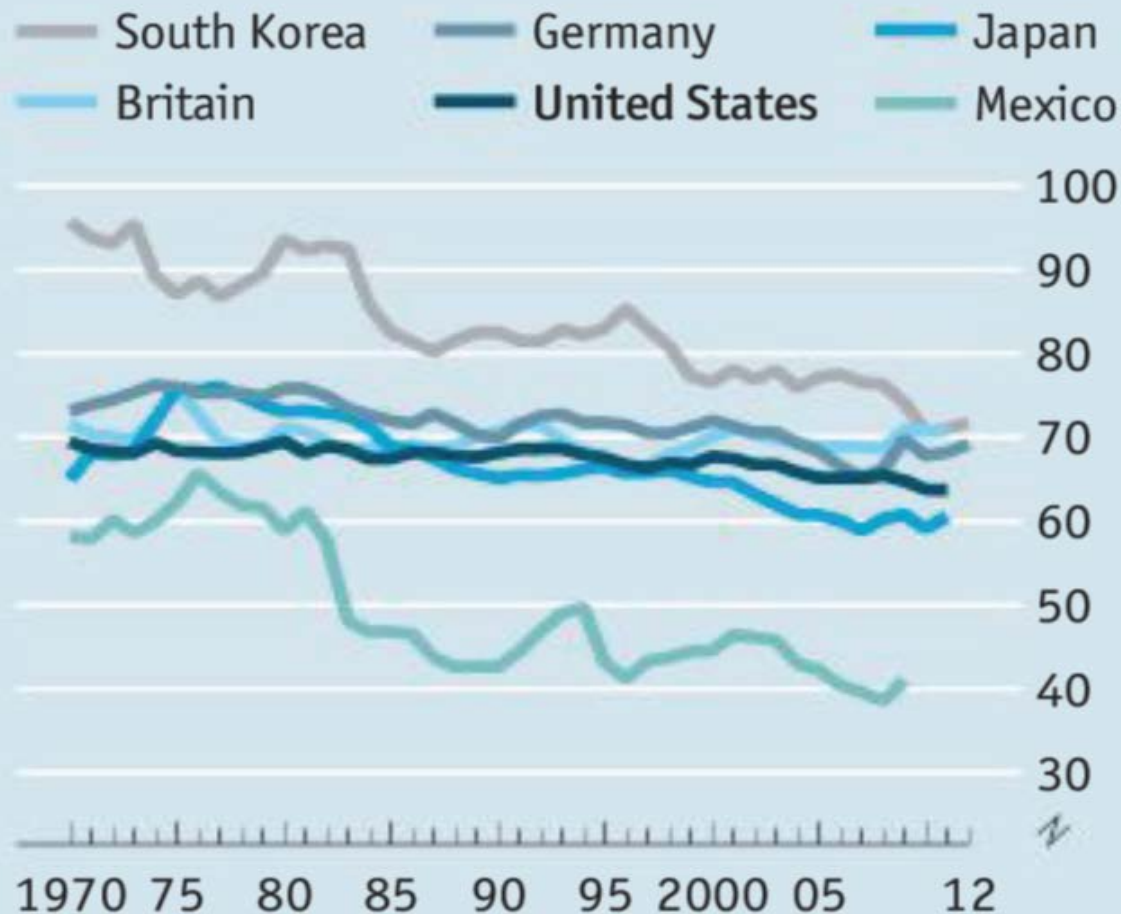
Pago al Trabajo en el Ingreso Nacional

Sufrimiento Laboral

Alrededor del mundo, los trabajadores pierden respecto del capital
 All around the world, labour is losing out to capital

Costo Laboral como % del PGB

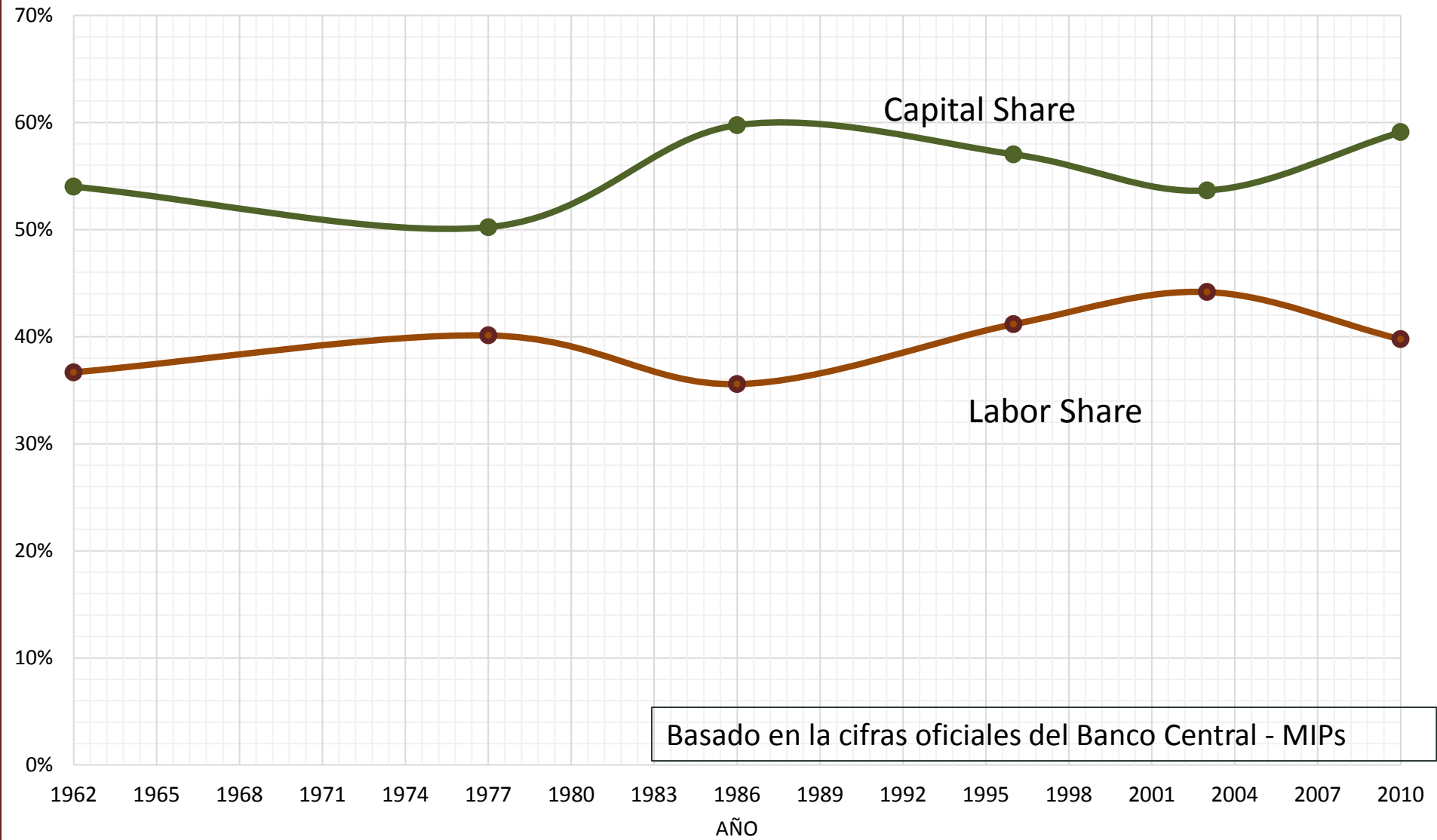
Labour costs as % of nominal GDP



Source: OECD

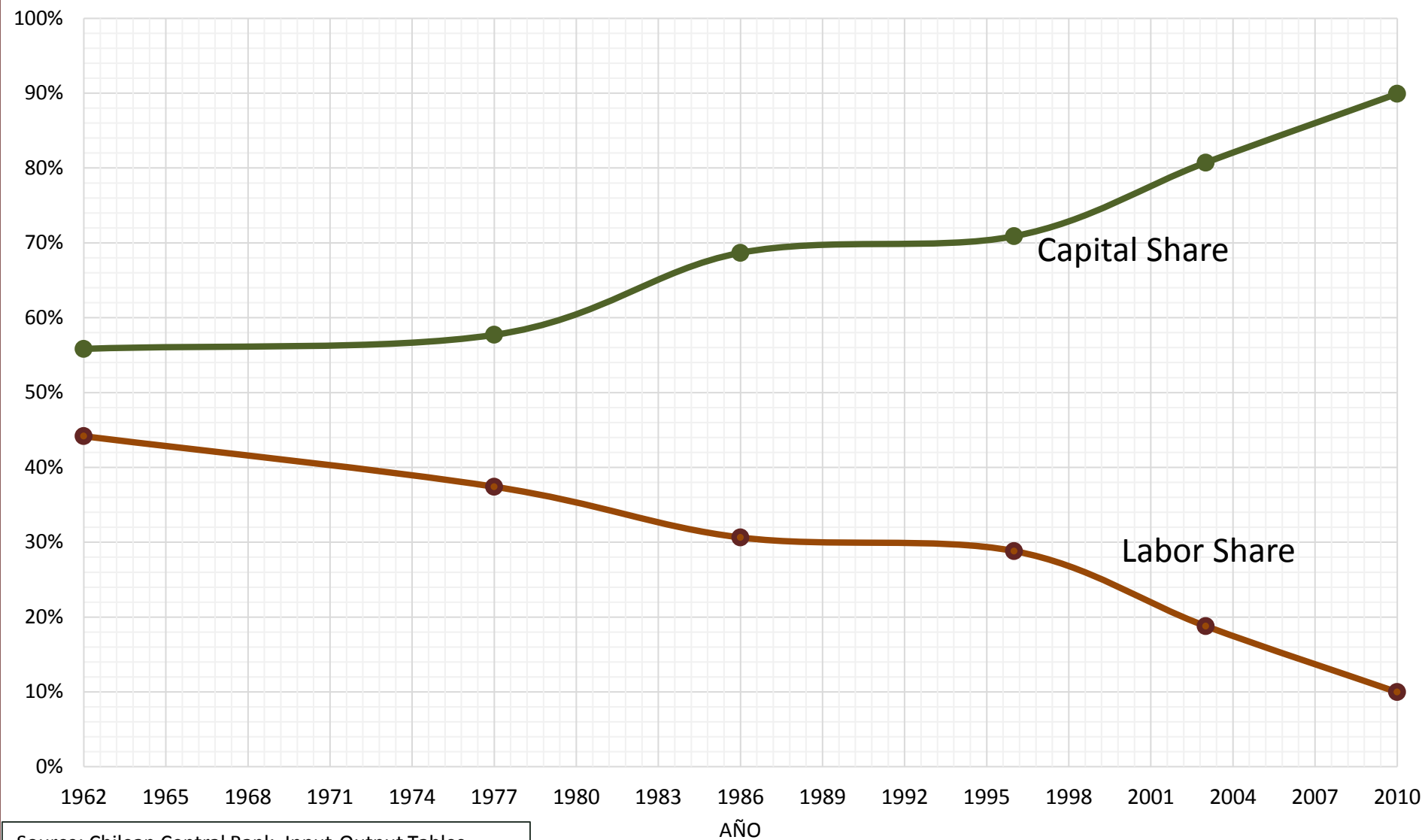
Proporción del Valor Agregado del Capital y el Trabajo: Economía Chilena

● Remuneraciones / Valor Agregado ● Exc de Explotación / Valor Agregado



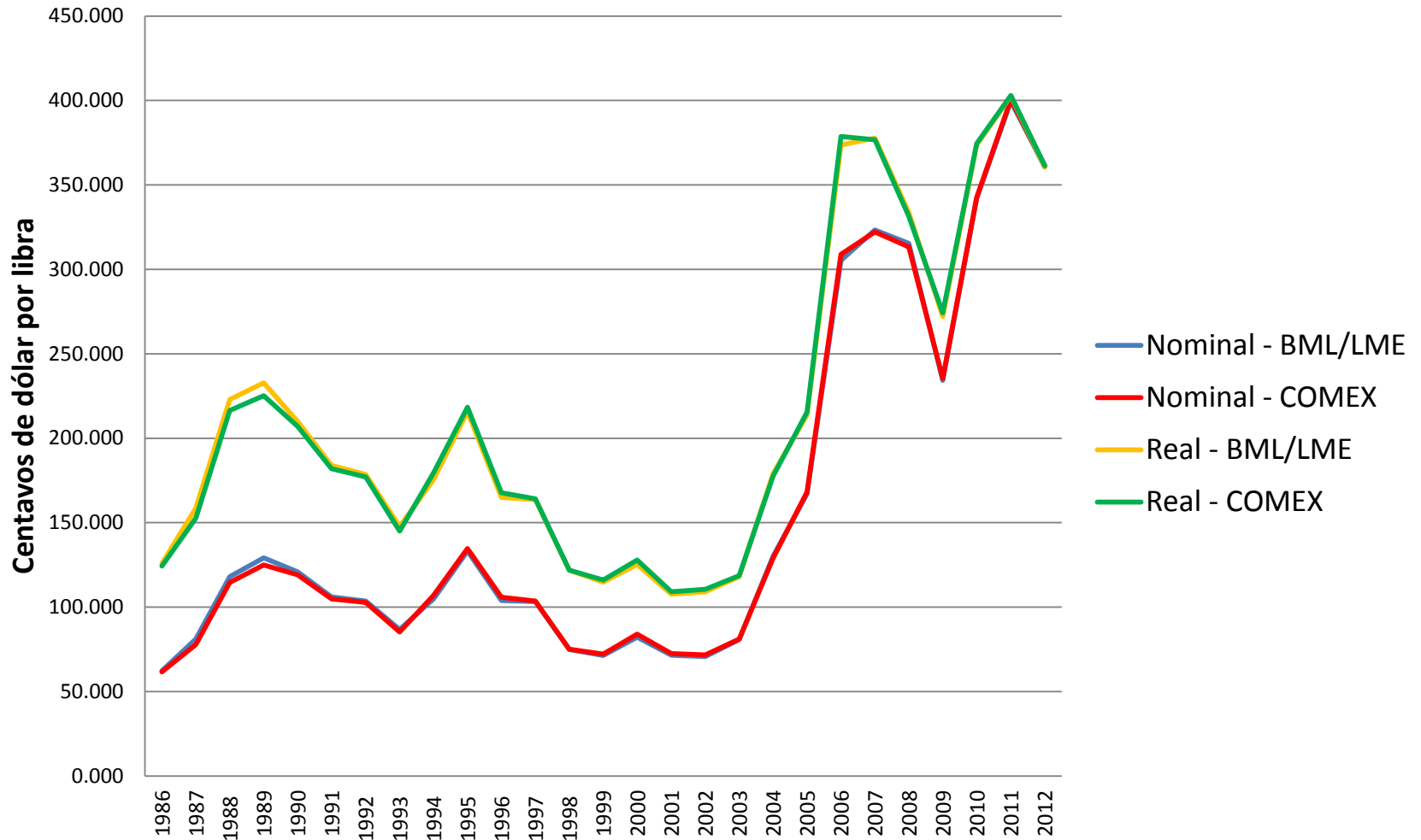
Basado en la cifras oficiales del Banco Central - MIPs

Functional Distribution of the Added Value in the Chilean Mining Sector



Source: Chilean Central Bank, Input-Output Tables

Copper Price



Council of Large Mining Firm

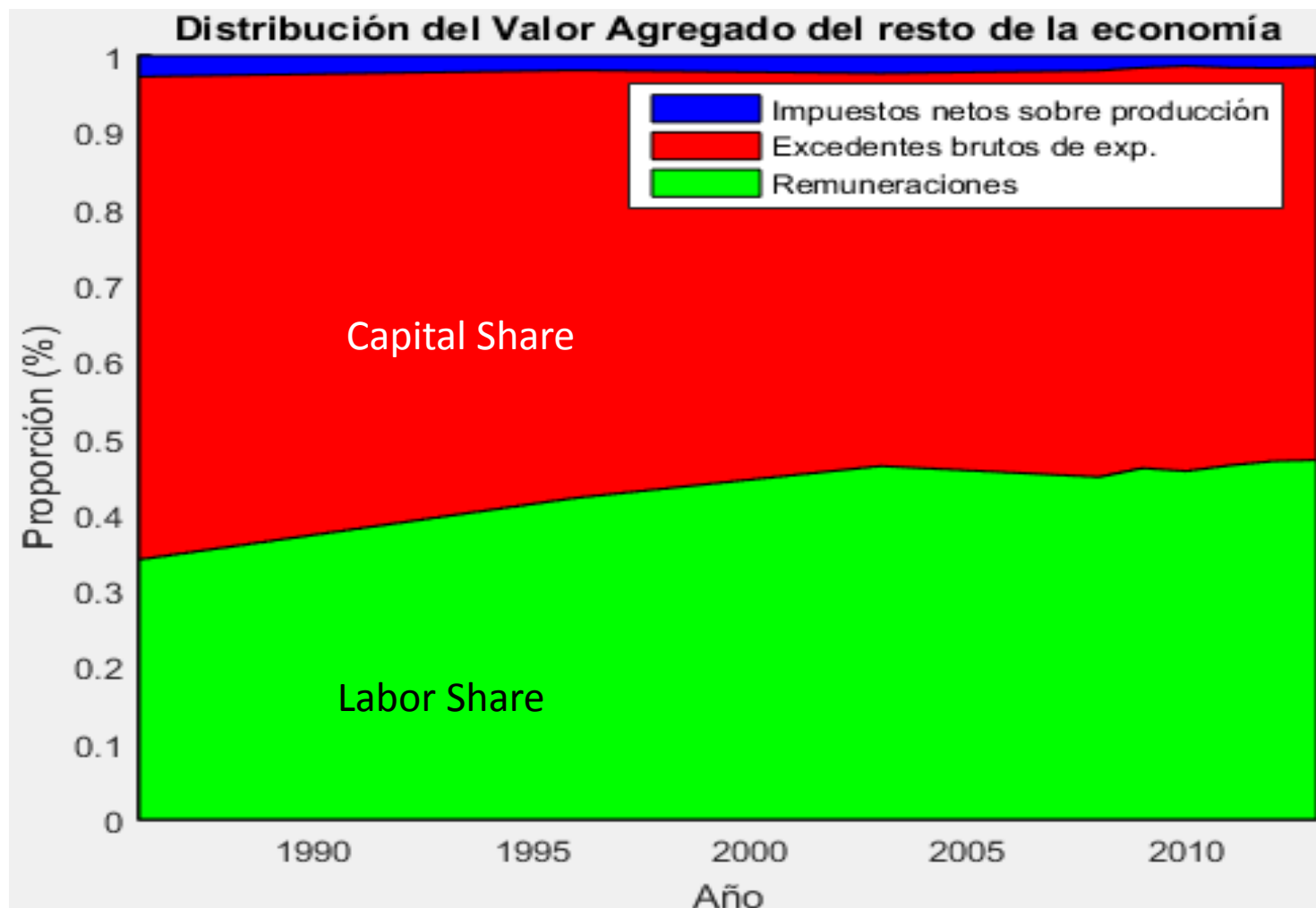
- The impact of the mining come from linkages, especially through the outsourcing.
- Therefore the aims of this papers is to test that statement.

Data

- Input-Output Tables for the Chilean Economy
 - 1986, 1996, 2003, 2008 to 2013

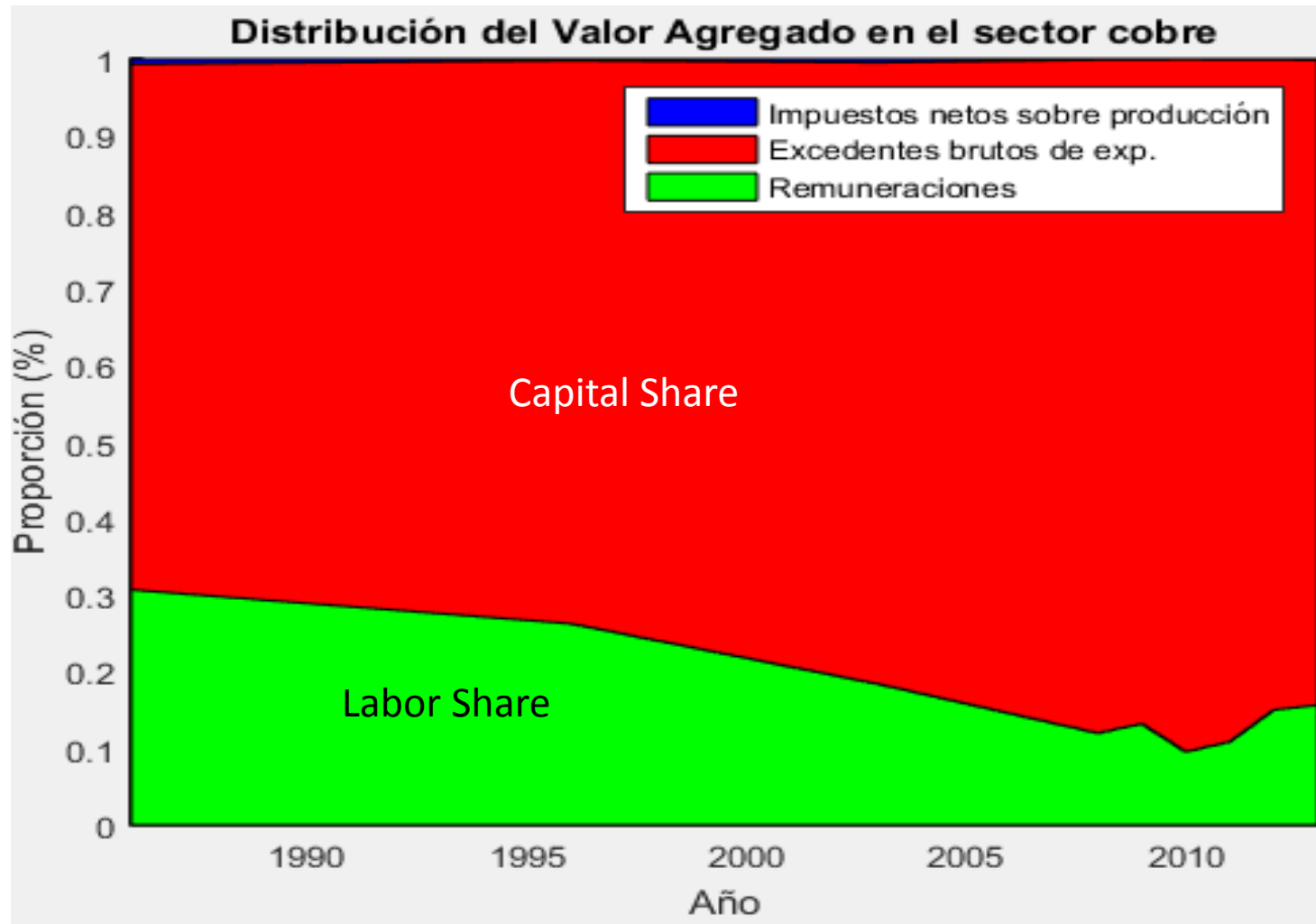
Direct Effects: A

Economy - Copper



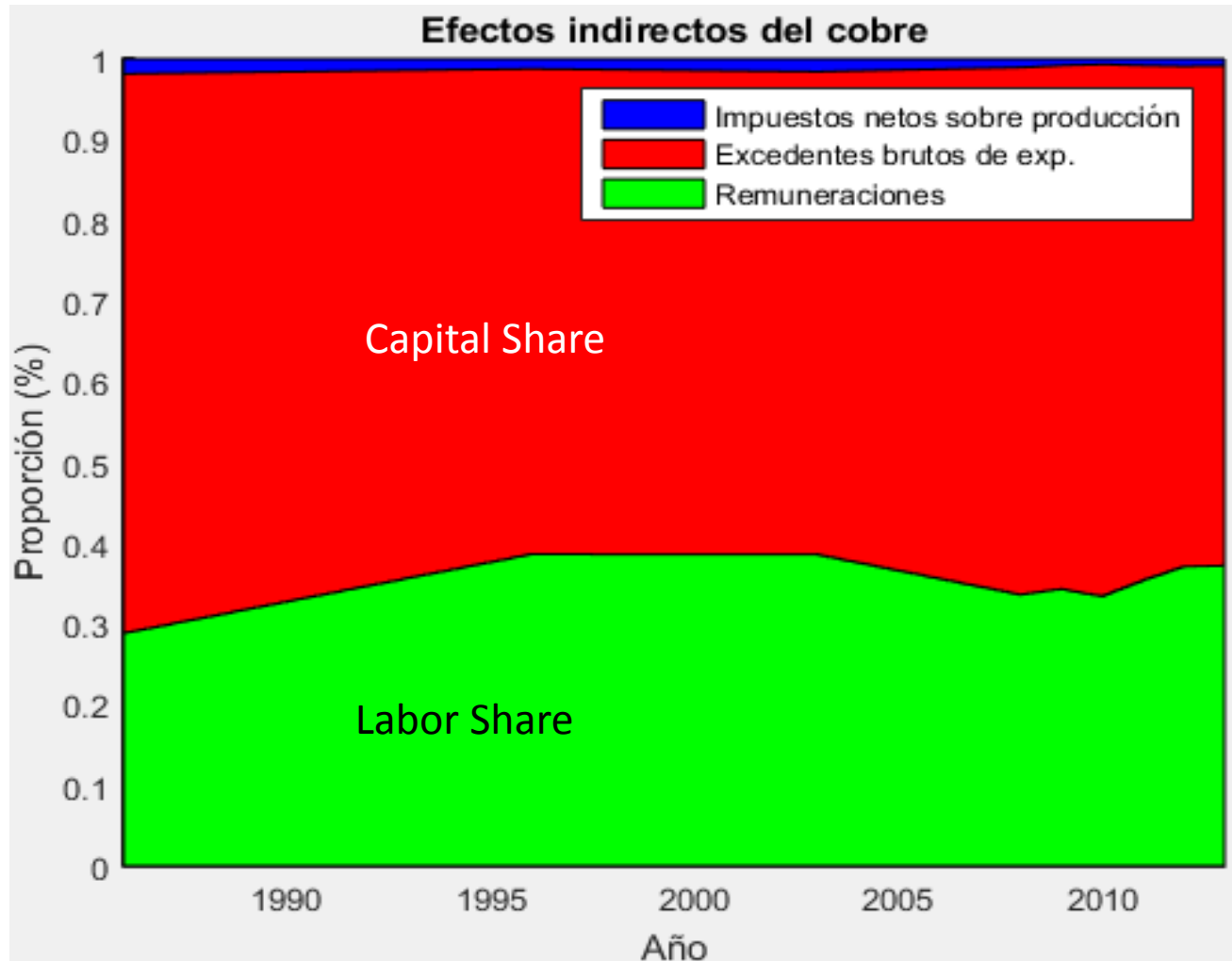
Direct Effects: A

Copper Sector

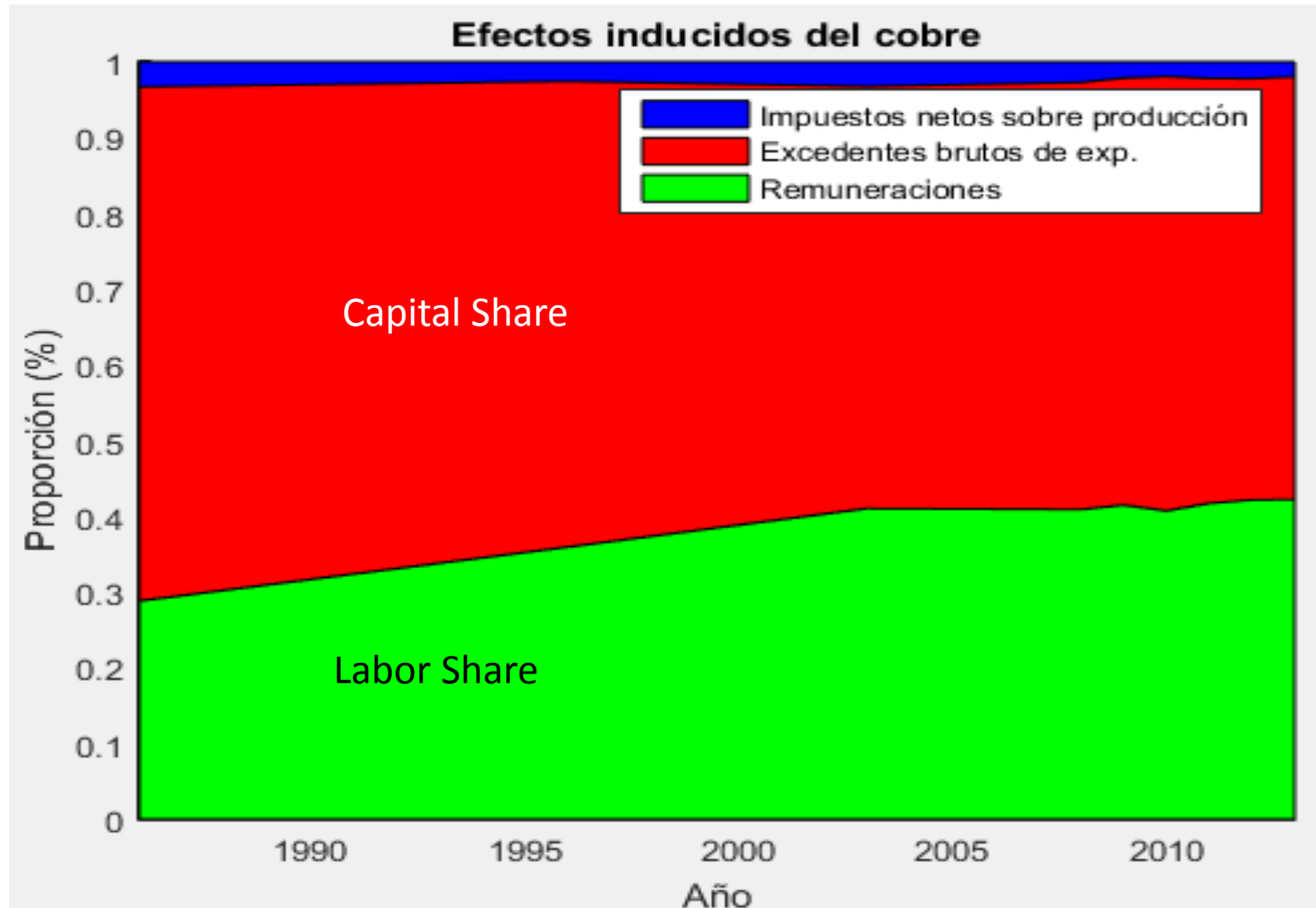


Indirect Effects (L-A-I)

Copper Sector

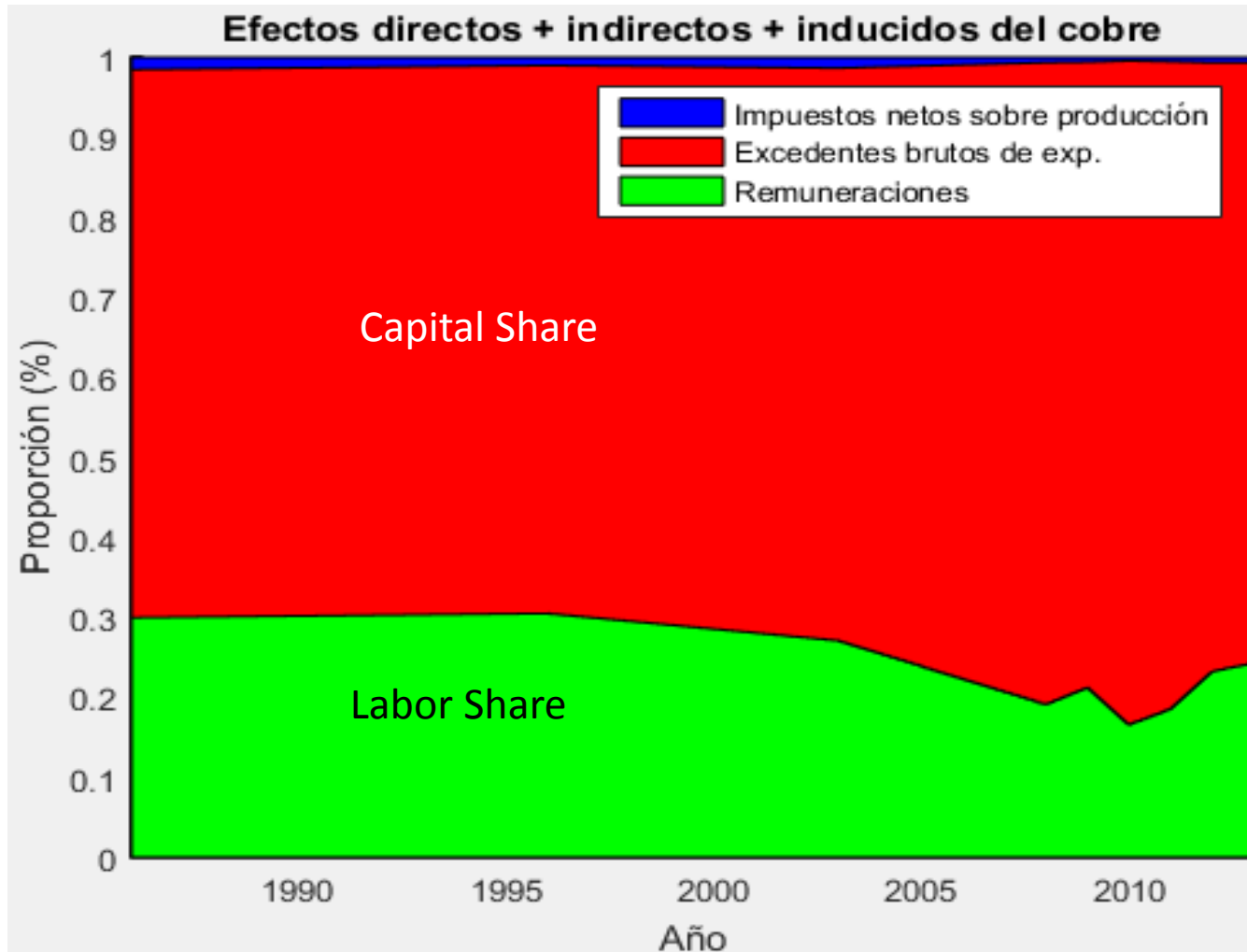


Induced Effects: $(\hat{L} - L)$ Copper Sector



Total Effects: (\hat{L})

Copper Sector





Conclusions and Challenges

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