



Leibniz-Institut für
Wirtschaftsforschung Halle

IWH Research Seminar in Economics

Montag, 23. Mai 2016, 14:15 – 15:45 Uhr, Konferenzsaal im Erdgeschoss



Adjusting to Globalization – Evidence from Worker-establishment Matches in Germany

Juniorprofessor Dr. Wolfgang Dauth, Julius-Maximilians-Universität Würzburg

This paper addresses the impact of rising international trade exposure on individual earnings profiles in heterogeneous worker-establishment matches. We exploit rich panel data on job biographies of manufacturing workers in Germany and apply a high-dimensional fixed effects approach to analyze endogenous mobility between plants, industries, and regions in response to trade shocks. Rising import penetration reduces earnings within job spells, and it induces workers to leave the exposed industries. Intra-industry mobility to other firms or regions is a far less common adjustment. This induced industry mobility mitigates the adverse impacts of import shocks in the workers' subsequent careers, but their cumulated earnings over a longer time horizon are still negatively affected. By contrast, we find much less evidence for sorting into export-oriented industries, but the earnings gains mostly arise within job spells. These results point at an asymmetry in the individual labour market response to trade shocks: Import shocks trigger substantial “push effects”, whereas the “pull effects” of export shocks are weaker.

Wissenschaftlicher Ansprechpartner am IWH:

Felix Pohle, M.Sc.

Tel +49 345 7753 865, Felix.Pohle@iwh-halle.de

Leibniz-Institut für Wirtschaftsforschung Halle (IWH)

Kleine Märkerstraße 8, D-06108 Halle (Saale)

Tel +49 345 7753 60, Fax +49 345 7753 820



www.iwh-halle.de

