

Exports and Intergenerational Mobility

by Mitra, Pham, and Ural-Marchand

DISCUSSED BY

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JIE – World Bank Trade and Uneven Development

September 12, 2024

Export Market Expansion \Rightarrow Intergenerational Occupational Mobility

- ▶ Effects of US-*Vietnam* Bilateral Trade Agreement (\Downarrow US import tariffs) on **occupational** intergenerational mobility
- ▶ Exploit variation in *initial* composition of industries (Bartik):
 - ▶ Absolute mobility for father-son & *mother-daughter*
 - ▶ Different birth cohort
 - ▶ Across & within sectors
 - ▶ Education
 - ▶ Relative mobility
 - ▶ Income mobility
- ▶ This paper: Impressive data work! (10 Sections)

Main Findings

- ▶ No significant effect on overall population (son/daughters) BUT
 - ▶ Heterogeneity across *cohorts*, with positive for some
 - ▶ Similar results for *both* gender
 - ▶ Negative for *relative* mobility
- ▶ Potential mechanisms/Other variables
 - ▶ ↑ demand for high-skilled labor: *across* industries *not* within
 - ▶ ↑ supply of high-skilled labor: through ↑ education
 - ▶ ↑ in wage for *some* jobs
 - ▶ ↑ income mobility, *not* for females

Outline

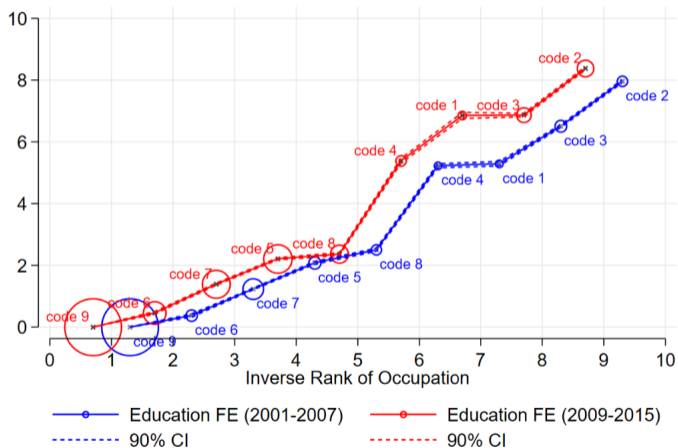
1. Main Empirical Exercise
2. Mechanism
3. Big Picture

Main Exercise: Measurement (Petty Comments)

- ▶ **Selection**: sample restricted to pairs of both employed, co-residing, (in-law)
 - ▶ some, but can be done more: employment status, age restrictions, etc.
- ▶ **Ranking** of occupation: pre-reform as composition change

Skill Intensity of Occupations

Figure 1: Skill Intensity Ranking and Distribution of Employment across 1-digit ISCO Occupations

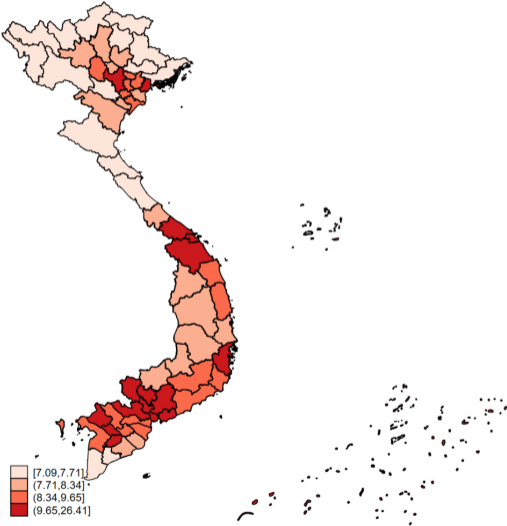


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 - ▶ Living Standards Survey 1997-'98
- ▶ **Pre-trends**
- ▶ Other major reforms (e.g. WTO in 2007, markets liberalizations '90s)
 - ▶ Difference between South and North (1954 division in two countries)

Exposure Measure: South and North

Figure 6: The BTA Exposure across Vietnam's Provinces and Central Cities



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 - ▶ Difference between South and North (1954 division in two countries)
- ▶ Exposure **Measure** $\tau_p^{BTA} = \ln(1 + \tau_p^{MFN}) - \ln(1 + \tau_p^{Columns2})$
 - ▶ Are there zeros? Interpretation? Inverse hyperbolic sine
- ▶ **Upward** mobility only
 - ▶ Downward mobility (return to this when talk big picture)

Main Empirical Results: 2001 - 2015

$$Upward_{ipc} = \theta \times PostBTA_t \times \tau_p^{BTA} + \kappa \tau_{pt}^{VN} + X'_{ipt} \beta + \lambda_p + \lambda_t + \varepsilon_{ipt}$$

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No control BTA w/ Controls BTA by Cohorts BTA and Vietnam

Sons-Fathers

Dependent Variable: $Upward_{ipt}$

	No control	BTA w/ Controls	BTA by Cohorts	BTA and Vietnam
$PostBTA_t \times \tau_p^{BTA}$	-0.277 (0.239)	-0.260 (0.232)	-0.022 (0.266)	0.190 (0.359)
$PostBTA_t \times \tau_p^{BTA} \times \text{Born 1979-1983}$			-0.305*** (0.097)	-0.293*** (0.094)
$PostBTA_t \times \tau_p^{BTA} \times \text{Born 1983-1986}$			-0.432*** (0.137)	-0.413*** (0.134)
$PostBTA_t \times \tau_p^{BTA} \times \text{Born 1986-1989}$			-0.501*** (0.167)	-0.478*** (0.164)
$PostBTA_t \times \tau_p^{BTA} \times \text{Born After 1989}$			-0.018 (0.191)	0.013 (0.187)

23 y.o.

19 y.o.

Main Empirical Results: By Cohort, 2001 - 2015

$$Upward_{ipt} = \sum_c \theta_c \times PostBTA_t \times \tau_p^{BTA} \times \mathbf{I}\{cohort_{ipt} = c\} + \kappa \tau_{pt}^{VN} + X'_{ipt} \beta + \lambda_p + \lambda_t + \lambda_{t, cohort} + \varepsilon_{ipt}$$

No control BTA w/ Controls BTA by Cohorts BTA and Vietnam

Sons-Fathers

Dependent Variable: Upward_{ipt}

$PostBTA_t \times \tau_p^{BTA}$	-0.277 (0.239)	-0.260 (0.232)	-0.022 (0.266)	23 y.o. ↓	0.190 (0.359)
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Main Empirical Results: By Cohort, 2001 - 2007

BTA w/ Controls BTA by Cohorts

Sons-Fathers

Dependent Variable: Upward_{ipt}

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$$PostBTA_t \times \tau_p^{BTA} \times \text{Born After 1989}$$

-0.322 (0.222)	
	23 y.o. → -0.411* (0.223)
	0.036 (0.071)
	19 y.o. → 0.266*** (0.092)
	0.449*** (0.117)
	<16 y.o. → 0.548*** (0.162)

Mechanism/Other Variables: A Lot of Work!

A lot of work! on various channels, but evidence is mixed:

- ▶ Positive for absolute *mobility*, but not for relative
- ▶ Effect for some *cohorts*, but not for others
- ▶ ↑ demand for high-skilled labor *across* industries, but not *within*
- ▶ ↑ of some *education* for one *gender*, but not other
- ▶ ↑ in wage for some *jobs*, but not for others
- ▶ ↑ *income* mobility, but not for females/cohorts
- ▶ Positive for some *parental sector*, but not other

Maybe **narrow** focus with more details on a given channel/heterogeneity

Mechanism: Not Linked to Occupational Mobility

Two main mechanism explored: \uparrow in high-skilled labor Demand and Supply

- ▶ Demand: change in Share of individuals employed in {H, M, L}-skilled occupations
 - ▶ In a given industry (industry level)
 - ▶ In a given province (province level)
- ▶ Supply: Educational Outcomes or educational controls

Interesting objects to study, but **not linked** to occupational mobility

- ▶ Use those dimensions to divide sample (similar to gender)

Big Picture

- ▶ Effects of exports expansion on *occupational intergenerational mobility* OR **sectorial composition** (maybe just semantic!)
 - ▶ Only Upward mobility \Rightarrow would add also Downward
 - ▶ Lower Relative mobility \Rightarrow is the message about Mobility
- ▶ Position in the literature
 - ▶ “Trade liberalization and intergenerational occupational mobility in urban India,” by Ahsan and Chatterjee (JIE, 2017)
 - ▶ “Export Expansion and Investment in Children’s Human Capital: Evidence from the US-Vietnam Bilateral Trade Agreement,” by McGaig, Nguyen, and Kaestner (NBER, 2022)

Final Thoughts

- ▶ A lot of data work has been done!
- ▶ Many non-obvious results !not ex-ante expected & not in line w/ prior (mine)
 - ▶ Occupational mobility for both genders, but income mobility only for males
 - ▶ Occupational mobility not driven by family where parent is in agriculture



Lots of potential to push the paper by **narrowing** focus and addressing empirical concerns