

Learning by Working in High-Skill Sectors

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Summary

- Micro-level evidence on learning by working within and across industries using Brazil's matched employer-employee data
- Findings: The **value of experience** accumulated in high-skill industries
 - ▶ Earning premium in skill-intensive industries that are not due to worker, location and firm attributes
 - ▶ Experience in high-skill manufacturing industries raises wages **only if** workers stay in the same industries
 - ▶ But returns from experience in high-skill service industries **persist** even if workers move to less skill-intensive industries

Comments: General

- **Learning by Working:** Important research question that looks at an under-explored channel of learning at the worker level
- Rich microdata that documents individual career profiles across employers and industries and over time
- Thoughtful empirical analysis with rigorous efforts to account for the effects of worker and firm attributes and establish the value of experience

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 - ▶ Learning by workers vs. Learning by employers
 - ★ Are workers getting better or just getting more pay due to, for example, reduced information asymmetry and better matching with employers and positions?
 - ★ Especially if only continuing workers are included in the analysis

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 - ★ Adda and Dustman (2022): “Routine-manual skills are a key driver of early wage growth while cognitive-abstract skills become important later on”

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 - ★ Adda and Dustman (2022): “Routine-manual skills are a key driver of early wage growth while cognitive-abstract skills become important later on”
 - ▶ The value of experience also varies across the matrix of occupations as workers switch tasks, depending on the transferability of knowhow
 - ★ This may help explain some of the results on the persistence of (or the lack thereof) the experience premium

Comments: Specification

- Instead of singling out top-10 industries and interacting them with experience, perhaps directly construct a “knowledge” proximity measure between industries/occupations and see whether the value of experience persists between proximate/related positions
- Could there be selection bias as workers enter and exit labor force?
- Microregion-industry-year FE to control for local productivity and demand shocks

Comments: Policy Implications

- How to inform policies on industrial development?
 - ▶ The paper motivated the question with industrial development and the implications of robotization
 - ▶ A stronger link between the findings and the motivation would be helpful
 - ★ If trying to inform on the future of industrial growth amid automation, understanding task-specific wage growth path becomes even more relevant
 - ▶ What are the implications of the findings? Setting industrial and labor market policies to facilitate the growth and experience accumulation of workers

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