

# Are Developing Country Labor Markets Polarizing, Too?

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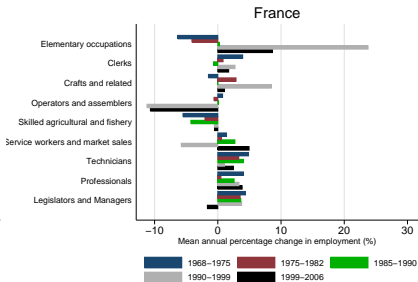
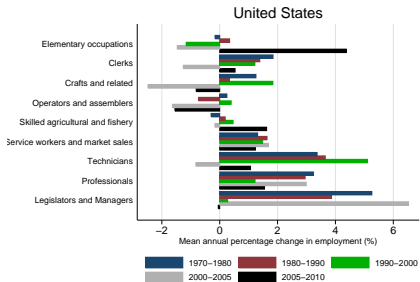
# Motivation

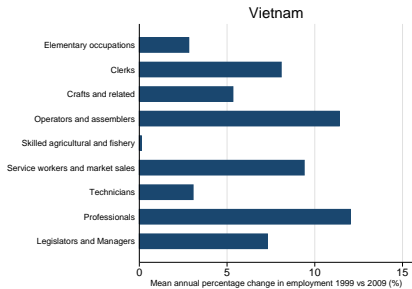
- US: Katz (2006), Autor (2010, 2013) show post 2000, expanding job opportunities in both high-skill, high-wage occupations and low-skill, low-wage occupations, coupled with contracting opportunities in middle-wage, middle-skill white collar and blue-collar jobs.
- Europe: Goos, Manning and Salomons (2014) From 1993 to 2006 middle wage occupations decline as a share of employment in 16 countries.
- US: Beaudry, Green and Sand (2013) show that the collapse of middle level paying jobs has now spread to the high-skill labor market.
- **The Question:** Are we seeing Polarization in the Developing world?
- **Data:** Census data 21 countries before and after 2000, more

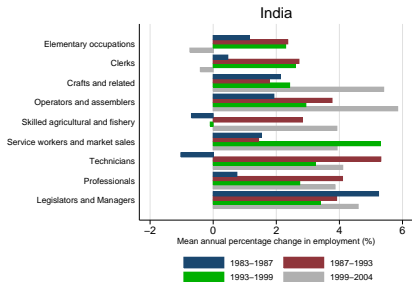
# Polarization in developing countries

Should we expect to see polarization in developing countries as well?

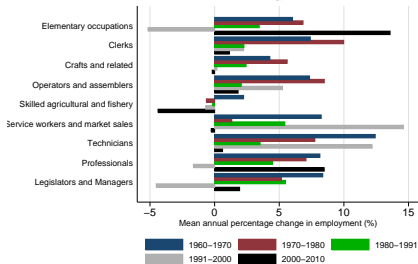
- Differing initial occupational distributions?
- Net impact of off-shored jobs?
- Impact of ICT?
- Automation related productivity growth in small economies?
- Limited feasibility of automation in LDCs?
- Skills for emerging complementary tasks (Acemoglu and Autor 2016)?



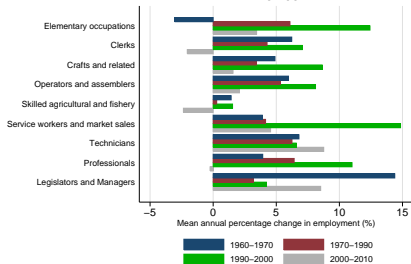


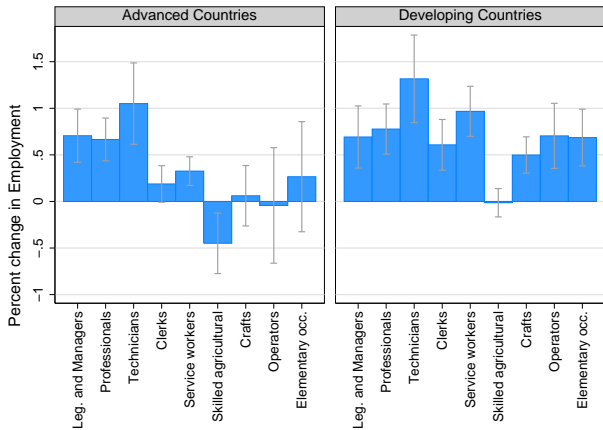


### Brazil



### Mexico







# Polarization in developing and advanced countries

## Testing changes in log of employment after 2000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Variables	Legislators and Managers	Professionals	Technicians	Clerks	Service workers and market sales	Skilled agricultural and fishery	Crafts and related	Operators and assemblers	Elementary occupations
<i>Year</i> ≥ 2000*AC	0.706*** (0.124)	0.666*** (0.0996)	1.051*** (0.186)	0.188** (0.0852)	0.326*** (0.0667)	-0.449*** (0.141)	0.0613 (0.141)	-0.0430 (0.269)	0.266 (0.257)
<i>Year</i> ≥ 2000*DC	0.692*** (0.166)	0.777*** (0.133)	1.316*** (0.233)	0.608*** (0.135)	0.967*** (0.133)	-0.0138 (0.0755)	0.498*** (0.0968)	0.704*** (0.173)	0.686*** (0.151)
FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	210	210	203	209	210	210	210	208	210
R-squared	0.944	0.946	0.884	0.957	0.945	0.977	0.965	0.937	0.891

Two way robust-clustering standard errors to year and country level

\*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

# Polarization in developing and advanced countries

## Testing changes in share of employment after 2000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Variables	Legislators and Managers	Professionals	Technicians	Clerks	Service workers and market sales	Skilled agricultural and fishery	Crafts and related	Operators and assemblers	Elementary occupations
Year $\geq$ 2000*AC	2.869*** (0.536)	4.441*** (0.825)	6.318*** (0.851)	-1.006 (0.669)	0.862*** (0.267)	-4.786*** (1.354)	-3.596** (1.585)	-4.537 (3.447)	-0.682 (1.852)
Year $\geq$ 2000*DC	0.465 (0.334)	1.421*** (0.361)	2.305*** (0.490)	0.887 (0.540)	5.161*** (0.996)	-11.39*** (2.489)	-0.672 (0.528)	0.617 (0.838)	1.169 (1.072)
FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	210	210	203	209	210	210	210	208	210
R-squared	0.944	0.946	0.884	0.957	0.945	0.977	0.965	0.937	0.891

Two way robust-clustering standard errors to year and country level

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Thank you