

Faculti Summary

<https://faculti.net/industry-mix-local-labor-markets-and-the-incidence-of-trade-shocks/>

This video discusses the impact of import competition on manufacturing workers and the adjustment costs they face when transitioning to new jobs. The research focuses on the importance of skills accumulation in determining wage growth and the varying degrees of skill transferability across different sectors for these workers. It also highlights the significance of location in affecting the outcomes of workers post-competition shock, emphasizing the importance of geographical mobility and sector availability in mitigating adjustment costs. The findings suggest policy implications such as targeting support programs to workers in regions most affected and considering local labor market conditions when designing retraining initiatives.