Skill upgrading and trade in Italian manufacturing

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Outline of the paper and results I

Research question:
What is the effect of import and export on skill upgrading?

- export $\rightarrow$ product quality $\rightarrow$ skill-upgrading
- import of final goods $\rightarrow$ competition
  $\rightarrow$ exit of less skill-intensive firm
  $\rightarrow$ skill-ugrading within each remaining firms
- import of intermediates $\rightarrow$ input susbtitution
  $\rightarrow$ keep more skill-intensive activities at home (if import is part of offshoring)
  $\rightarrow$ need more skilled workers to operate imported machines or higher quality intermediates (not in the paper)

Outline of the paper and results II

Results:

Using data on Italian provinces-sectors over the 1995-03 and controlling for endogeneity

- both export and import have a **positive impact on average schooling**
    - export to developed and import from developing drive the results
- export has a **positive** effect on hours worked
    - the effect is *larger on white collars* than on blue collars
- import has a **negative** effect on hours worked
    - effect is *larger on blue collars*

Outline of the paper and results III

- some side (but interesting) results:
    - **export to developing countries** has a larger impact on hours worked by white collars than on blue collars
        - is this suggesting that export is part of offshoring?
    - **import from developing countries** has no impact on hours worked
        - the negative effect is due only to import from advanced countries

Comments I

- to what extent the effect on schooling is due **composition effect between white and blue collars**, or it is rather an increase in schooling?
    - you say that you control for white-blue collar ratio, but it does not appear in regressions
- to what extent it is due to firm exit or rather to within-firm skill-upgrading?
    - could you try and control for firm exit using Movimprese data?

Comments II

- estimation strategy
    - further controls: graduates from local universities, share of population with secondary and tertiary degrees, firm-density (agglomeration economies)
    - what about looking at the dispersion (or the whole distribution) of scholing, instead that focussing on the average $\rightarrow$ a way to account for exit of low-skill firms?
    - alternative approach (as a robustness check): the share of workers with a tertiary, secondary, primary degree , estimated using SURE
    - try and separate import of intermediates from total imports using input/output matrix (following, for example, Amity and Konings, which disentangle the import tariffs)
    - why not trying within-group estimation?