

'Import Competition and Skill Content in U.S. Manufacturing Industries' by Lu Yi and Travis Ng, Review of Economics and Statistics

In this paper Lu Yi (Economics) and Travis Ng show that manufacturing industries facing more intense import competition employ significantly more non-routine skills and less routine cognitive skills.

Lu and Ng examine whether and how manufacturing industries in the U.S. change their skill sets in response to foreign competition. By merging the data from the Dictionary of Occupational Titles with the data from the U.S. Current Population Census, they are able to characterize five types of skills: cognitive routine (including set limits, tolerances, or standards),



cognitive non-routine (including general educational development in mathematics and reasoning and relationship to data), interactive non-routine (including general educational development in language, relation to people, and direction, control, and planning), manual routine (including finger dexterity), and manual non-routine (including eye-hand-foot coordination). Their estimation results suggest that industries that face more intense import competition employ more non-routine skill sets (including cognitive, interpersonal, and manual non-routine skills) and fewer cognitive routine skills. Meanwhile, the impact of import competition on skills is not driven by imports from low wage countries such as China.

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