Abstract:

We exploit a unique dataset on offshoring-induced employment layoff events, which we link to rich establishment-level US Census Bureau micro-data, to analyze the impact of offshoring on a number of outcomes including employment, wages, sales, capital and productivity, at two distinct levels: (i) on the affected plant, and (ii) on the affected firm, and in particular, other establishments owned by multi-unit firms, relative to control groups of industry peers. We find significant difference-in-differences declines in employment, output and (to a lesser extent in) capital at both the plant and firm-level. Contrary to some theoretical models, we find very little evidence for increases in productivity or wages at the firm-level.

http://www.isid.ac.in/~pu/seminar.html