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PII: S0014-2921(18)30025-4
DOI: [10.1016/j.euroecorev.2018.02.007](https://doi.org/10.1016/j.euroecorev.2018.02.007)
Reference: EER 3119

To appear in: *European Economic Review*

Received date: 19 March 2017
Accepted date: 19 February 2018

Please cite this article as: Masha Brussevich, Does Trade Liberalization Narrow the Gender Wage Gap? The Role of Sectoral Mobility, *European Economic Review* (2018), doi: [10.1016/j.euroecorev.2018.02.007](https://doi.org/10.1016/j.euroecorev.2018.02.007)

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Does Trade Liberalization Narrow the Gender Wage Gap? The Role of Sectoral Mobility*

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Abstract

This paper analyzes the impact of import competition and dynamic labor adjustment on gender outcomes in wages and welfare in the U.S.. I consider a dynamic model of sectoral choice and structurally estimate mobility costs using data from the Current Population Survey and O*NET. A measure of intersectoral distance in task characteristics facilitates the structural estimation of switching costs that vary by gender and across sectors. In a set of trade shock simulations, an import competition shock in the manufacturing sector disproportionately affects male employment and wages. Since manufacturing is male labor intensive and men face higher exit costs from manufacturing, wage and welfare gains from trade are higher for women than men.

Keywords: Import competition; gender wage gap; sectoral mobility costs; gravity equation.

JEL classifications: F16, F66, J16.

*I am grateful to David Hummels for his guidance and support. I thank the Editor and two anonymous referees, as well as Erhan Artuç, Mohitosh Kejriwal, John McLaren, Miguel Sarzosa, Anson Soderbery, Michael Sposi, and Cathy Zhang for valuable comments and suggestions. I am also thankful to many seminar and conference participants for helpful discussions. All errors are my own. The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management.

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