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Approximate Analysis of Multi-Queue Stations with 1-Limited Service

Bericht des Review of World Economics

Kurzfassung

We observe a substantial increase in foreign ownership in Sweden in the 1990s. Did that have any effect on relative demand for skilled labor? Has technology transfers—often associated with inward FDI—led to an increased demand for skills due to skilled-biased technical change? Are there any grounds for the concerns in the public Swedish debate that more skilled activities have been moved to other countries where the headquarters are located? Estimating relative labor demand at the firm level and using propensity score matching with difference-in-difference estimation, we obtain support for that relative demand for skilled labor tend to rise in non-multinationals (non-MNEs)—but not in multinationals (MNEs)—that become foreign-owned. Other interesting findings are that larger presence of foreign MNEs in an industry appears to have a positive impact on the relative demand for skills in Swedish MNEs within the same industry and that the elasticity of substitution between skilled and less-skilled labor seems to be lower in MNEs than in non-MNEs.