Managers Mobility, Trade Status and Wages*

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October 2009

Extended Abstract

The recent availability of firm-level trade data has allowed us to improve our understanding of the determinants of export status and success in the export activity. As highlighted by many empirical studies, selection into export based on firm productivity is a key element and many heterogeneous firm models, including the seminal paper by Melitz (2003), build on such a Darwinian mechanism. Data further suggests that exporting firms differ in other dimensions. In particular they are larger, have a more skilled workforce, do more R&D, and pay higher wages. However, even considering all these different dimensions, we are still far from matching the degree of cross-section heterogeneity across firms in their export participation and intensity. Moreover, the ample evidence that firms incur substantial sunk costs to entry export markets is in stark contrast with the 'volatility' of the export activity across time. Our contribution is to offer empirical evidence of an overlooked channel that is related to both a firm export status and its dynamics: the acquisition of export experience from outside the firm via managers' mobility. In particular, using unique data from Portugal obtained by merging a matched firm-worker panel and a matched firm-transaction panel, we find that the share of managers having acquired export experience in another firm is a powerful predictor of export status. This is particularly true when looking at new

*Acknowledgements : The analysis, opinions and findings represent the views of the authors, they are not necessarily those of Banco de Portugal.

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exporting firms. However, we also find that only continuing exporters offer a wage premium to managers with outside the firm export experience. The absence of a premium for new exporters suggests, as long as premia reflect the risk and profitability of entering the export market, that ex-ante entry benefits are zero.