

Computer use and the wage structure in Austria

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Abstract

The influence of technological change on the labour market chances of workers with different skill levels is hotly debated in the scientific literature. In this paper, we empirically investigate the relationship between computer premia and job positions. We estimate a treatment effects model by full maximum-likelihood. The size of the wage effect attributed to computer use varies significantly between job hierarchies. Persons in higher positions receive less rewards for computer use than workers at lower hierarchy levels. One possible explanation for computer premia is that more workers with higher wages than low wage workers are computer users, because the relative costs for high-wage workers to carry out a certain task are much higher than for low-wage workers performing a similar task. Hence, firms gain more by letting high-wage workers complete such tasks using computerized equipment. If such tasks predominantly consist of routine work, this might explain our result that computer premia in lower hierarchy levels exceed computer premia in higher hierarchies, as workers in low hierarchy jobs devote more time to routine work.

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