

The Research Centre of the School of Economics and Business in cooperation with the Bank of Slovenia invites you to a research seminar on **Thursday, 16 April 2026, at 12:00 CEST in room P-125** at the School of Economics and Business

José V. Rodríguez Mora (CUNEF Universidad & University of Edinburgh)

will present the article:

The Role of Industries in Rising Inequality

Abstract:

While the sharp rise in earnings inequality since the 1980s is well documented, its underlying structure and causes remain contested. This paper provides new evidence on the evolution of earnings inequality over several decades, based on exceptionally detailed Italian administrative data. We first offer a comprehensive decomposition of the inequality trend across sectors and firms, showing that the predominant component of the rise is sectoral rather than firm-specific. This shift is closely associated with increased sorting between worker skills and sectoral attributes, as well as heightened segregation of workers across sectors. To interpret these patterns, we develop a parsimonious Roy-style model of sectoral choice with assortative matching. Calibrating the model to the data, we find that the observed increase in segregation and sorting can be accounted for by a rise in the dispersion of skill-biased sectoral productivity. Our findings highlight the central role of sector-level heterogeneity in shaping long-run trends in earnings inequality.

We look forward to welcoming you at the seminar.