

Human Capital Diversification in Anticipation of Sectoral Shocks

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Summary :

Starting from the assumptions that

- human capital is multidimensional;
- different occupations require different components of human capital;
- there is accumulation of human capital through the use of skills in the practice of one's job;

this project studies the relevance of a human capital diversification strategy in anticipation of future sectoral shocks in the case of occupations with high returns to experience using two policy instruments:

- mixed careers: carriers that are characterised by the acquisition of experience of medium duration in two distinct occupations (as opposed to specialised carriers characterized by long-term experience in a single occupation);
- reserve employment: excess employment in a given occupation relative to the optimal level of employment in that occupation in a world in which the relative demand for occupations in the future will remain the same as it is at present.

The main idea is that although a more diversified stock of human capital generates losses in terms of productivity at present, it has the potential to make the economy more resilient in the event of a large-scale sectoral shock or structural transformation in the future.