

Testing the Acemoglu–Pischke model in Spain

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Abstract

The Acemoglu–Pischke approach to training in imperfect labor markets predicts that wage compressions should shift incentives to invest in training from workers to firms. This will increase firm-sponsored general training when workers are unable to invest in training by themselves. Spain is on the top of the ranking of regulated labor markets. However, the training figures for Spain indicate a poor effect of highly compressed wage structure on firm-sponsored training.