Cross-border Allocation of Employment in Global Value Chains: A Measurement Using International IO Decomposition Techniques

Topic: Global Value Chain Analysis
Author: Bo Meng
Co-Authors: Jiemin Guo

This paper aims to trace the creation and distribution of employment in relation to Global Value Chains (GVCs). Incorporating the recently developed concept of "Trade in Value Added" in GVCs related context, we propose a similar concept "Trade in Employment" to measure how a country's employment allocation could be traced by both domestic and foreign final demand through different routes in GVCs. We also apply recently developed decomposition techniques to the World Input-Output Database (WIOD) to show how a country's exports can induce job opportunities by different routes both for domestic and foreign labor markets. In addition, applying derived the Trade in Employment results, the paper further attempt to estimate the labor based Revealed Comparative Advantage for 41 countries.