

Alternative Measurement of Vertical Specialization using a Ghosh Supply-driven Input-Output Model

Topic: Supply chains

Author: Bo Meng

Co-Authors: N. Yamano

Import contents of export based on the traditional Leontief demand-driven input-output model has been widely used as an indicator for the degree of globalization. In this paper, we propose an alternative measurement to capture the vertical specialization from the viewpoint of activity of multinational enterprises based on the Ghosh supply-driven input-output model. Using the cross border flow data of multinational enterprises (AFA/FATS) and the OECD Input-Output database, the new measurement is applied to selected OECD countries to illustrate the different perspective of the international production network.