TITLE: MODELING SOCIO-ECONOMIC ISSUES IN THE WIOD PROJECT

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ABSTRACT:

The proposed WIOD database together with the socio-economic accounts will allow studying some recent phenomena in the changing trade and international integration patterns. It further allows to analyze potential effects on labor markets and productivity in more detail and with a much larger coverage of countries and industries compared to existing studies. We shall present three streams of research as potentially fruitful applications of the database which have in common a proper modeling and integration of the much debated outsourcing phenomena. First, we shall overview how trade in intermediates can be taken into account in studies analyzing the factor contents of trade. Second, the dataset allows for a broader analysis of the effects of trade in intermediates on labor markets differentiating between groups of countries which might be affected differently. Third, from a modeling perspective we will discuss steps towards an implementation of a dynamic trade matrix into a multicountry econometric IO model. The presentation will mainly outline proposed research ideas and modeling strategies in the above mentioned topics as well as discuss the challenges ahead.