

The Factor Content of Trade: Time-series Evidence

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Author: Gaaitzen de Vries

Co-Authors: Marcel Timmer, Neil Foster, Robert Stehrer

This paper provides time-series evidence of the Heckscher-Ohlin-Vanek (HOV) theorem during an era of emerging global production networks. We use world input-output tables, which consist of national input-output tables of forty major economies (including Brazil, Russia, India, and China) linked through international trade statistics for the period 1995 to 2006. These tables are combined with data on employment by industry and detailed labor-skill categories to test predictions by the HOV theorem. Our results suggest the fit between the measured and predicted factor content of trade is good but worsens over time. During the past decades, the traditional HOV theorem may break down due to the changing nature of international trade.