

Regional Employment Patterns in a Globalizing World: A Tale of Four Italies

Topic: Special WIOD-session 3: Economic Effects of Globalization

Author: Bart Los

Co-Authors: Luca Cherubini

This paper presents the results of a first attempt to integrate sub-national Input-Output tables into the World Input-Output Database (WIOD), in order to assess the effects of changes in the structure of global value chains (GVCs) on regional employment patterns. As emphasized in recent literature concerning regional development, one of the paradoxes of globalisation is the enduring significance of subnational areas as centres of economic activity. A number of GVC studies explore how regional clusters are embedded into global production systems and how changes in this embeddedness (for example as a consequence of 'upgrading') affected development of these clusters. Usually these case studies cannot be generalised, however, as a consequence of which the effects on regional development cannot be studied.

This paper integrates data on four Italian regions (Northwest, Northeast, Centre and South) and WIOD data, to apply the new global value chain metrics introduced by Erumban et al. (2011) at regional level. Italy is an interesting country to study at subnational level, since it is characterized by a high degree of regional heterogeneity. Each region has peculiar geographic, social and economic features which are likely to influence the degree to which regional production systems contribute to GVCs. Furthermore, the mutual trade linkages between the four regions have intensified considerably over the period 1995-2006.

Using detailed labour force survey data, we analyse to what extent the varying degrees to which industries in the four Italian regions managed to capture stages in GVCs affected the level and composition of labour demand in the 1995-2006 period.