Human Capital Embodied in China’s International Trade

Topic: International Trade
Author: Huijuan Wang

International trade offers the opportunity for human capital flow across national borders. As the world's second largest trading nation, as the leader of world’s most populous nation, the masses of cheap labour made great contributions to the economic development of our country. First, this paper presented a new model, called input-occupancy-output model with education classified employment. This model include employment matrix, which classified the human capital according to the level of education. Based on this model, this paper proposed the concept and calculation formula of human capital embodied in international trade. Secondly, this paper calculated the human capital embodied in import and export export and its structure in 2007. And using time-series this model form 1992 to 2005, this paper analyzed the human capital changing over a long period. According to the calculated results, our country has always been a net export country of embodied human capital.