

International division of labour and countries' competitiveness: the case of Italy and Germany

Topic: Vertical specialization and outsourcing I

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The paper is going to use the WIOD to analyse the structure, extent and evolution of production processes outsourcing in Italy and Germany from 1995 to 2011 by means of global vertically integrated sectors, in order to single out and compare the different sources of gains/losses in competitiveness.

Secondly, global vertically integrated sectors are going to be employed to get a measure of labour productivity changes in the two countries.

By comparing the trends of these two sets of indicators, it is possible to shed light on the evolution of international competitiveness in the two countries, to assess the extent to which competitiveness gains/losses are associated to actual productivity increases/decreases and to what extent they are simply due to a different geographical allocation of production stages.