

The Offshoring of Business Functions in Global Supply Chains: Implications for Incomes and Jobs

Topic: Global Value Chain Analysis

Author: Gaaitzen de Vries

Co-Authors: Marcel Timmer, Robert Stehrer

This paper analyzes business functions involved in the various stages of global value chains across countries. We identify the emergence of global production networks by tracing the flow of goods and services across industries and countries in world input-output tables. The production of final manufacturing goods is decomposed into incomes and jobs in any country that are directly and indirectly needed for the various production stages. Our findings suggest that mature economies specialized in pre-production (e.g. R&D and design) and post-production stages (e.g. marketing and after-sales services), although patterns differ across countries. In all advanced countries, production jobs rapidly disappeared during the past decades.