Connecting new and old data to GVC concepts

Topic: Global Value Chain Analysis
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The objective of this paper is to offer a framework for characterizing and quantifying as precisely as possible countries’ participation in GVCs though the knowledge obtained by linking the new indicators obtained through World input-output modelling and databases with more traditional indicators and other data sources. Such knowledge is intended to contribute to improved policy towards raising countries’ competitiveness and facilitating countries’ integration into global markets. Specifically, this paper connects the new information on GVCs derived from IO measures to key GVC concepts in a systematic way, providing a theoretical framework for interpreting the evidence. This allows a better understanding of countries’ integration and linkages within GVCs, even in those cases where not all available datasets cover a particular economy. While we now have much better data to analyze a country’s participation in global value chains, the current challenges are two. First, not all of the most useful measures are available for all countries, and existing GVC databases are presented at a fairly aggregate level from the standpoint of goods and services. Second, no single database in isolation (not even the most sophisticated and recent ones) gives a complete, policy-actionable overview of countries participation in GVCs. By connecting GVC concepts to existing data, this paper proposes therefore strategies for leveraging and triangulating among both traditional and newer data used in GVC analysis, so to move a step further both in the direction of analyzing the GVC participation of smaller and poorer countries and in facilitating micro analysis of GVC participation with a more detailed product focus.