

Global Value Chain, Productivity and Job Market Effect

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Abstract

Applying a set of comprehensive Global Value Chain (GVC) indices, this study evaluates the GVC's employment impact with the most recent WIOD dataset between the years 2000 and 2014 from 56 industries in 43 economies, which include 28 EU countries and 15 other major countries and are classified into high-, middle-, and low-productivity groups. The results show that GVC participation only has some small positive impact for more advanced economies when the forward and backward GVCs are combined in estimation, all other impacts are very weak and insignificant. Also, the backward GVCs tend to be more beneficial in generating domestic job opportunities than the forward GVCs, especially for the less developed economies.

Keywords: backward GVC linkage, employment, forward GVC linkage, Global Value Chains, GVCs