

## THE GLOBALISATION OF PRODUCTION AND VALUE CHAINS: ISSUES FOR DISCUSSION

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The OECD work on globalisation raises important challenges for statistical measurement and for empirical analysis. The problems in measuring globalisation are well known and have been the subject of work at the international level for many years, both in the context of OECD work and that of other international organisations and expert groups. The need for better measurement has become even more urgent in the light of the greater political priority that many OECD countries are currently attaching to issues related to globalisation. A new OECD project on globalisation and structural adjustment was launched following the OECD Ministerial Meeting in May 2005, and a considerable amount of work is already underway in the OECD's 2005-2006 Programme of Work and Budget. Some of this work will be presented at this workshop in a variety of OECD presentations.

To help address some of the major challenges in measurement and empirical analysis, the Directorate for Science, Technology and Industry (DSTI) has organised a workshop on globalisation in the context of the 2005 meeting of the Statistical Working Party, from 15-16 November. It will focus on a number of themes that are of particular interest for the OECD work on globalisation. The discussion will be spread over two days. Apart from a short opening session, four thematic sessions are proposed. The section below provides key issues for discussion in each of the sessions, and to the key issues for the closing panel discussions on both days.

### **Session 1: Measuring the employment impacts of globalisation**

This session will examine how the globalisation of production and value chains, in manufacturing as well as services, affects employment in OECD economies. A considerable amount of work on this issue has already been done, both at the OECD and in individual member countries. The session should provide a better understanding on the size of the overall employment impacts of global production, how these can be measured, and how they are distributed across countries, activities and worker groups. The key issues for discussion during this session and the issues that will need to be addressed by the panel at the end of the first day are the following:

- *What are the employment impacts of globalisation? Which groups, activities and countries are most affected?*
- *How should the impacts of globalisation on employment be interpreted? Are current methods and measures sufficient to provide insights in the employment impacts of globalisation? What are the constraints?*
- *Is better measurement feasible? Which data sources and methodological approaches are most promising and which organisations are best placed to make progress?*

### **Session 2: The impacts of globalisation on productivity – perspectives at the firm level**

This session will present evidence from firm-level studies prepared by experts in OECD countries to examine how the globalisation of production and value chains is affecting firm and industry performance, e.g. in affecting productivity, economies of scale and industrial specialization of firms, industries and countries. The session is intended to deepen the current understanding of globalisation on firm

performance. It will not end with a panel discussion, but participants are encouraged to examine two questions:

- *Are firm-level data in your own country currently being explored to examine the impacts of globalisation?*
- *Would their country be able and willing to participate in an OECD effort to examine the impacts of globalisation with firm-level data?*

### **Session 3: The overall impacts of the globalisation of production**

The third session of the workshop will present evidence from studies prepared in OECD countries that assess the overall impacts of the globalisation of production and value chains. It will need to provide a better understanding of the balance between potential negative impacts of globalisation, *e.g.* in reducing employment for certain activities or worker groups, and possible positive impacts, *e.g.* in enhancing productivity, lowering prices or increasing overall employment. The section should also help provide insights in the spread of global value chains and the countries and regions most affected by their diffusion, as well as those most likely to be left out. The costs of adjusting to globalisation could also be considered in these studies. This session will not end with a panel discussion. However:

- *Participants are encouraged to contribute findings and evidence from studies in their own country that have examined the overall impacts of globalisation.*

### **Session 4: Implications for statistics, analysis and policy.**

The closing session of the workshop will involve a panel discussion between high-level experts that will draw the implications of the workshop for further statistical and analytical work. It may also draw possible policy implications. The key issues for discussion that will need to be addressed by the panel at the end of the workshop are the following:

- *Which policies are important in helping OECD countries adjust to the globalisation of production and value chains? Which policies require further investigation?*
- *Do current methods, measures and analytical frameworks provide sufficient insights in the impacts of globalisation and in the policies affecting the adjustment to globalisation? Which improvements can be made in statistics, analysis and policy?*
- *What role can the OECD play in improving measurement, analysis and policy? How can further work with firm-level data help?*