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Rossi-Doria
Centre for Economic and Social Research
Centre of Excellence - Roma Tre University



European Trade Policy and Global Value Chains

Key Messages

Rome, June 10th, 2022, 09:00 am

AULA 10, School of Economics and Business
Studies - Roma Tre University

Via Silvio D'Amico, 77

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02. Positioning in Global Value Chains: World Map and Indicators. A new dataset available for GVC analyses

03. Deglobalisation? the reorganisation of gvcs in a changing world

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Summary

07. Value chain, regional institutions, and firm growth in Europe

08. Trade policy and the cost of exporting for agri-food firms in selected EU countries

09. Global Value Chains, Tariffs and Non-Tariff Measures in Agriculture and Food

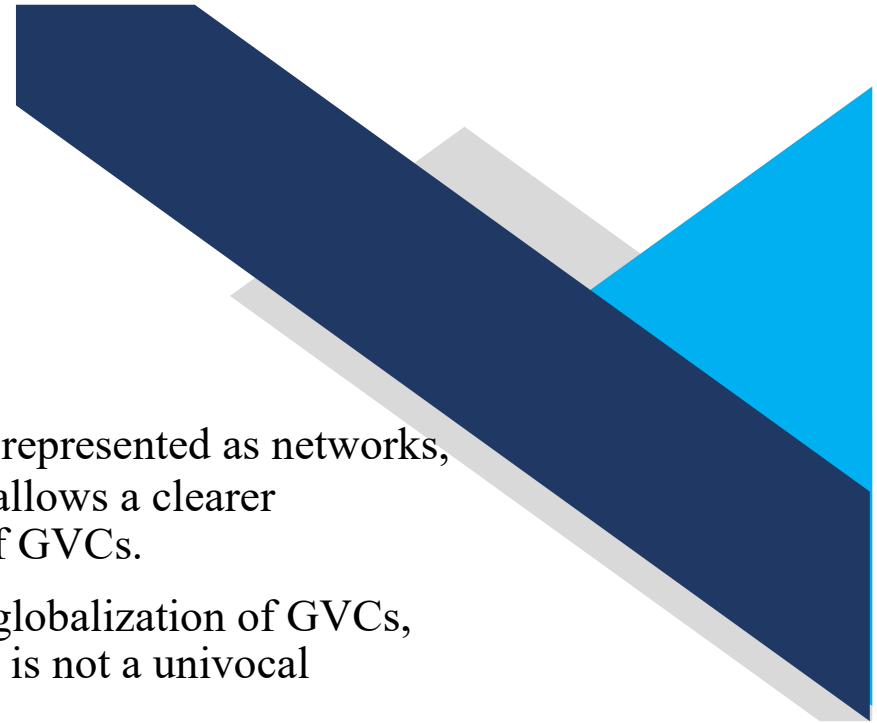
10. Participation in GVCs: an augmented gravity model to assess the impact of national transportation systems in emerging economies



01. Patterns of variability in the structure of global value chains: a network analysis

C. Piccardi, L. Tajoli, R. Vitali

- Global value chains (GVCs) are non-linear structures, better represented as networks, and exploiting a set of indicators based on network analysis allows a clearer understanding of the structural and geographical evolution of GVCs.
- In terms of the current debate on regionalization rather than globalization of GVCs, and their changing geographical patterns, we show that there is not a univocal tendency emerging across industries and countries.
- At the industry level, our results show the general resilience of GVCs, confirming the importance of the “relational approach” in GVCs described in many theoretical models.
- The shifts in geographical patterns of the links also support the view that firms organizing this complex form of production are ready to grasp better opportunities when they appear in the global markets.

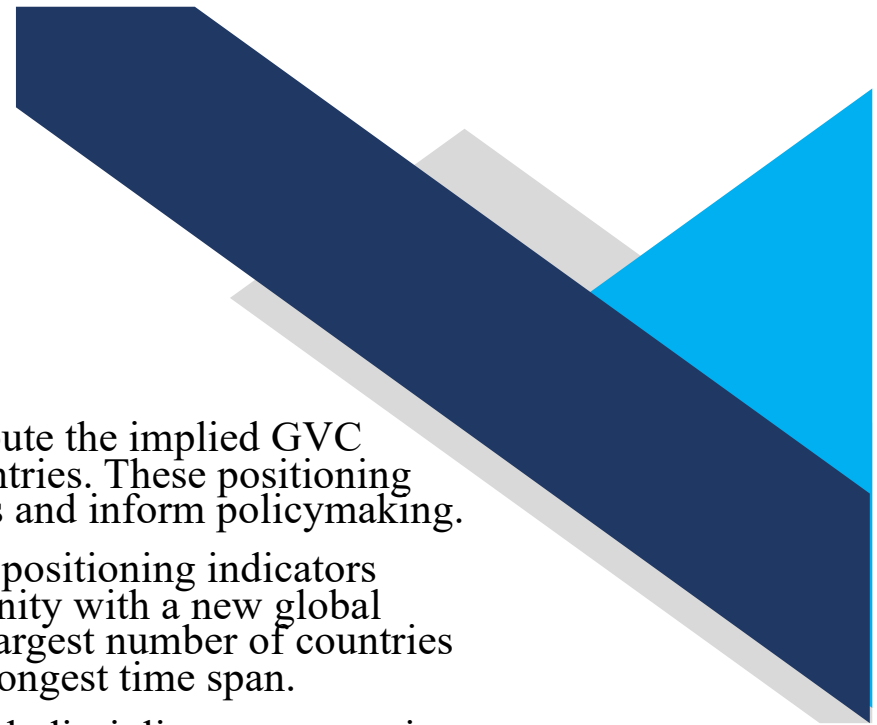


02. Positioning in Global Value Chains: World Map and Indicators.

A new dataset available for GVC analyses

M. Mancini, P. Montalbano, S. Nenci, D. Vurchio

- Using the global Input-Output tables, it is now possible to compute the implied GVC upstreamness or downstreamness of specific industries and countries. These positioning measures help enrich and complete empirical analyses on GVCs and inform policymaking.
- This work aims to review and compute the most common GVC positioning indicators used in the empirical literature and provide the research community with a new global dataset of upstreamness and downstreamness measures for the largest number of countries -including most developing countries – and sectors and for the longest time span.
- Researchers working on GVC and belonging to different research disciplines – economic sociology, international economics, economic geography, international political economy, supply chain management, and international business – will benefit from these ready-to-use indicators without necessarily getting into technicalities and performing matrix calculations.
- We also provide some descriptive statistics, by sectors and countries, of these fresh indicators and their evolution over time.
- Lastly, in order to illustrate the possible use of these indicators, we test the effects of GVC positioning indicators on productivity by country and sector worldwide.



03. Deglobalisation? the reorganisation of GVCs in a changing world

A. Jaax, S. Miroudot, E. Van Lieshout

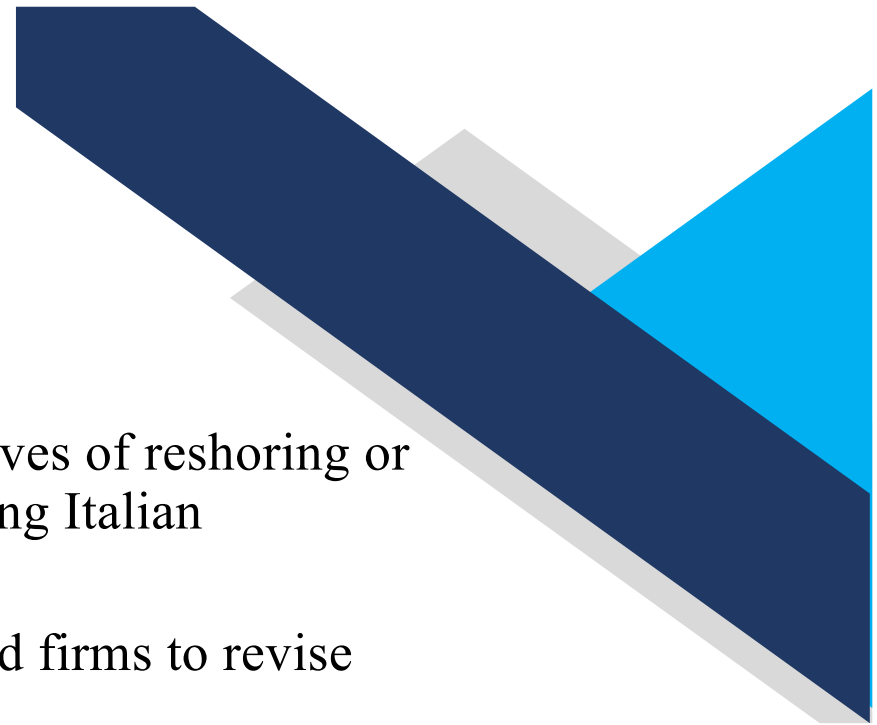
- Reports of the demise of globalisation have been exaggerated. TiVA data in constant prices indicate that there is a slowdown in the expansion of GVCs but the international fragmentation of production remains at its highest level in 2018 (the latest year available in the data).
- Before the pandemic, there was no sign of reshoring, regionalisation of value chains or higher concentration of supply. More domestic value chains is a significant trend only in China and a limited number of economies in East and South East Asia.
- Bilateral trade costs have decreased since 2011 both for intermediate inputs and final goods and services. But trade costs on final products are higher than for intermediate inputs and services face higher trade costs than manufacturing goods.
- Trade policies have rather contributed to a decline of trade costs along value chains between 2011 and 2018. A reduction in the ease of trade and a more uncertain environment seem to be the main drivers of the reorganisation of supply chains and increasing cumulative trade costs for some GVCs.



04. Reshoring and Plant Closures in Covid-19 Times: Evidence from Italian MNEs

E. Di Stefano, G. Giovannetti, M. Mancini, E. Marvasi, G. Vannelli

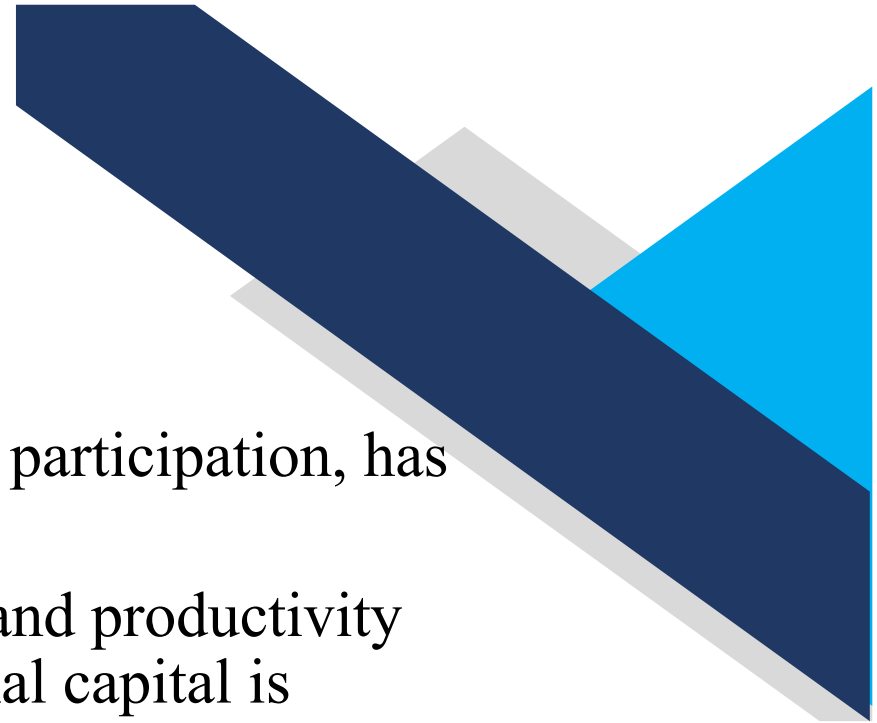
- New data show that Covid-19 did not spur large waves of reshoring or plant closures nor changes of existing suppliers among Italian multinationals
- Long-run trade policy uncertainty might instead lead firms to revise their internationalization strategies
- These findings are consistent with a multi-period theoretical model in which sunk costs cause hysteresis
- The model shows that large temporary shocks, which alone would not induce changes, can do so when combined with other, even small, permanent shocks



05. Organizational capital and GVC participation: fostering productivity growth in the digital economy

C. Jona-Lasinio, V. Meliciani, S. Sopranzetti

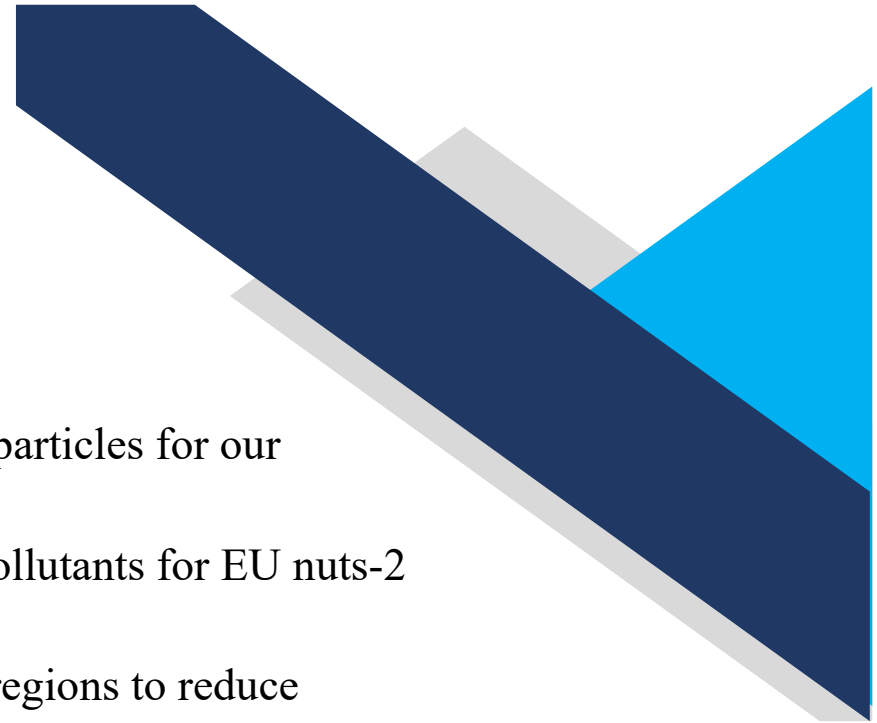
- Participation in GVCs especially backward participation, has a strong productivity enhancing effect.
- In the relation between GVC participation and productivity growth the mediating effect of organizational capital is critical to exploit the benefits of new business models induced by the digital transformation.
- The strong asymmetries in managerial capabilities across countries and sectors may, lead to asymmetric productivity gains from GVC participation



06. Global Value Chains as Channel of Green Knowledge in EU Regions. A Twostep GMM Analysis

F. Colozza, C. Pietrobelli

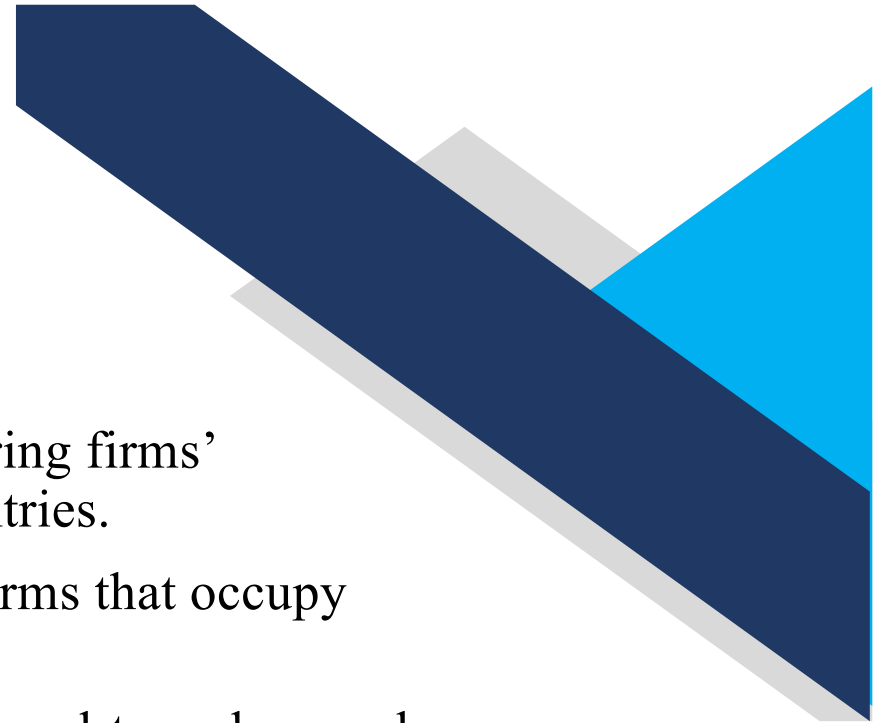
- Nitrogen and Sulphur oxides are two of the most dangerous particles for our ecosystem.
- This research builds on a novel dataset on emissions of air pollutants for EU nuts-2 regions.
- Participation in higher value added chains allows European regions to reduce emissions of air pollutants.
- Green technologies are an important factor in this mechanism, contributing to the abatement of air pollution.
- This process is largely shaped by policy: the less regions are aware of environmental conditions, the more Global Value Chains and green patents are important in reducing emissions of dangerous particles.



07. Value chain, regional institutions, and firm growth in Europe

G. Cainelli, R. Ganau, A. Giunta

- Regional institutions' quality enhances manufacturing firms' performance across Western European Union countries.
- Yet, such returns are unevenly distributed across firms that occupy different positions along the (global) value chain.
- Suppliers – serving other firms with tailored, produced-to-order goods – benefit the most from high-quality local institutions, while local institutions are neutral for final firms serving end markets.
- Among suppliers, high-quality regional institutions enhance the growth performance of only local-embedded ones with operations confined to their own regional market – i.e., the 'weakest' node of the value chain.



08. Trade policy and the cost of exporting for agri-food firms in selected EU countries

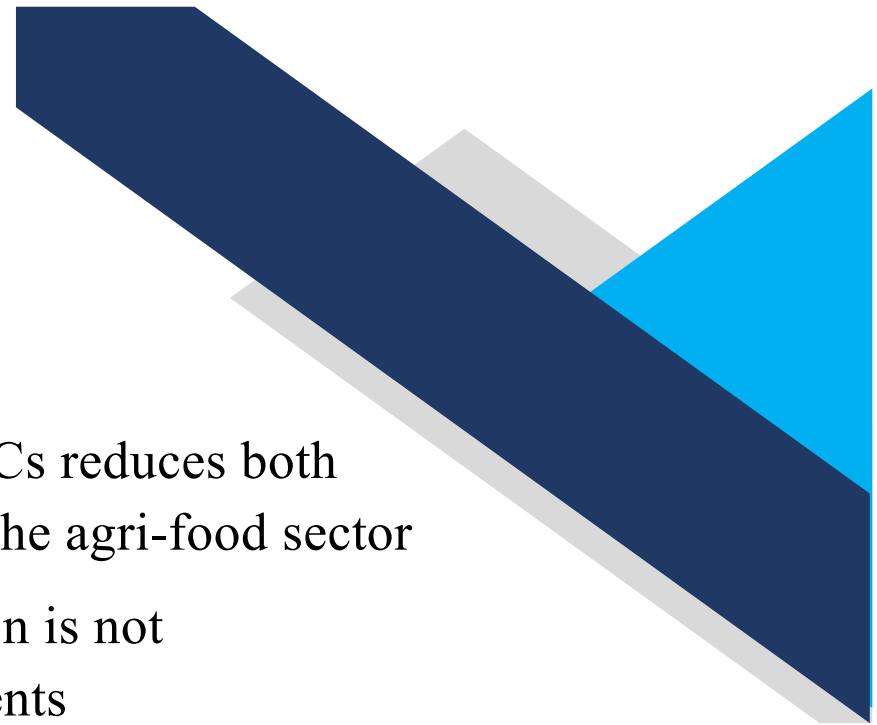
I. Fusacchia, L. Salvatici

- EU tariff structure impacts the export performance of the EU countries under examination.
- The impact of the same EU trade policy is heterogeneous across member countries, depending on the structural characteristics of exporting economies.
- Germany is the most impacted country showing the highest index in both gross and value-added terms (5.73% and 4.63%, respectively), while France seems to be the less affected (1.49% for gross exports and 1.29% for domestic value-added).
- In all the cases under examination, the impact is lower for indirect exports of agricultural value-added, that is the agri-food value-added embedded in other sectors' exports.

09. Global Value Chains, Tariffs and Non-Tariff Measures in Agriculture and Food

V. Raimondi, A. Piriou, J. Swinnen, A. Olper

- We find evidence that country participation in GVCs reduces both tariffs and the ad-valorem equivalent of NTMs in the agri-food sector
- The protection reduction effect of GVCs integration is not heterogeneous inside or outside free trade agreements
- Results highlight the governments' difficulty to cooperate over trade policy when the agri-food sector is at stake



10. Participation in GVCs: an augmented gravity model to assess the impact of national transportation systems in emerging economies

A. S. Bergantino, A. Spiru

- Participation in global value chains is related to the availability and the quality of national transportation systems in emerging economies.
- Trade costs arising from geographic distance between trading partners are partly moderated by the national transportation system, in particular related to the backward integration of emerging countries.
- Both network and nodes of within-country transportation are important facilitators of integration in the global production of emerging economies.
- Trade in value added remain expose to gravity, and distance dimension, like geographical and economic, negatively impact forward and backward integration in GVCs.
- Institutional distance positively affects GVCs integration by mitigating the country's risky environment for trade-related purposes. While cultural distance seems not to impact integration in GVCs in emerging countries showing negative effect for developed ones.

