How does international trade contribute to a sustainable growth of employment?

José M. Rueda-Cantuche, Iñaki Arto, Valeria Andreoni, Ignazio Mongelli

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The European Commission’s in-house science service
Introduction

- We live in a globalized world, where countries produce commodities with different emission and employment intensities.

- International trade increasingly links supply and demand of commodities on a global scale leading to different employment levels and different GHG emissions across countries.

- For the first time, a single consistent database allows for analysing the evolution of the links between trade, employment and environment for the 27 Member States and their main non-EU trade partners.
Agenda

• How many jobs in the world are linked to international trade?

• How many GHG emissions are driven by international trade?

• To what extent changes in employment from 1995-2008 across countries can be attributed to international trade?

• To what extent variations in GHG emissions from 1995-2008 across countries are driven by international trade?
How many jobs in the world are linked to international trade (exports)?

- 0%
- 5%
- 10%
- 15%
- 20%
- 25%
- 30%
- 35%

- 1995
- 2008

- BRA CAN CHN EUR IND JPN RUS USA

- Million jobs

- EU 29%
- USA 17%
- Stable
How many GHG emissions are driven by international trade (exports)?

Growth: 4.8 -> 9.6

21%

23%
Factors driving changes in GHG emissions and changes in employment

- *Changes in the domestic technology*
- *Changes in the domestic final demand*
- *Changes brought about by international trade*
To what extent changes in employment from 1995-2008 across countries can be attributed to international trade?
To what extent variations in GHG emissions from 1995-2008 across countries are driven by international trade?
Summary of conclusions on the factors driving employment and GHG emission changes

• The evolution of both variables is mainly driven by the growth in the levels of domestic final demand;

• Trade plays a secondary but relevant role;

• Technological change contributes notably to offset the positive growth effects of domestic final demand and trade on employment and GHG emissions.
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Thanks for your attention!!!

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