

A measurement framework and a narrative on global value chains and economic globalisation

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Economic globalization is a dynamic, long-term historical process which changes its character and extent over time, with profound effects on countries in the trading system. Advances in information technology, better codification schemes, and improvements in transport and logistics increase the potential for the geographical fragmentation of work. Because of this, the potential for economic globalization appears to be increasing rapidly.

As it becomes more likely that value chains in large, economically important enterprises and industries will be spread across multiple countries, it is more difficult to conceive of national industries as self-contained systems and national economic performance as endogenous. The measurement and policy challenges posed by these changes are non-trivial. Thus, it is essential that the statistical resources to fully characterize and better respond to the process of economic globalization be in place as soon as possible. This document provides a short background discussion, then proposes a conceptual framework for determining the data sources required for better measurement, finally identifies data gaps and provides a vision for moving forward and a list of priorities to be addressed for providing a more comprehensive narrative to policy makers.

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