

Input-Output analysis, Global Value Chains and the structure of production

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Project description:

Global Value Chains (GVCs) have in recent years become increasingly important in business and management, and development economics, but to date this phenomena has tended to be under theorised in relation to the structure of trade, foreign direct investment and its impact on relative prices. Opportunities for theoretical development are opened up by the tradition of classical input-output analysis associated with Leontief, Pasinetti, Goodwin and Sraffa. In this tradition, the importance of supply and trade in intermediate goods is placed at the heart of the structure of production.

Related empirical opportunities are also offered by recent development of the world input-output database covering 56 sectors across 43 countries (Timmer et al, 2015). Using this and other related databases, possible research topics include:

- *Global Production Nodes.* A key question is the extent to which global production networks are clustered around particular regional nodes. To what extent does the Far East for example, have a different network than Europe? Post Brexit, how does this impact, for example, on the importance of access to the European Single European Market (SEM) and customs union for European businesses? Or how does it impact on the other supra-national regions and their networks?
- *Natural Resources.* GVCs depend on the extraction of natural resources. For example, copper is in various stages first mined as ore to produce concentrate, then smelted, and used up in intermediate inputs, before the sale of any final product. All the products in the value-chain starting with concentrate are also sold on global markets. Issues arise concerning the capacity of economic and natural resources to respond to requirements of the global economy in a way that is planned and sustainable.

We welcome applications to this studentship from potential students with an interest and mathematical skill base in input-output analysis, combined with an enthusiasm for political economy and theoretical thinking. The successful student will join a vibrant and growing community of academics and PhD students in the Open Political Economy Group (OPEG) at the OU.

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