An overview of the research program on globalization at Statistics Netherlands

2nd meeting Committee of Experts on Business and Trade Statistics

Hank Hermans
June 11-13 2019
Globalization research program

– Covenant with Ministry of Foreign Affairs
– Research mostly based on Microdata Linking (MDL)
  - Firm and individual level data
  - Micro-level heterogeneity in macro-economic indicators and value chains
  - Econometric analyses of relations between variables
– Policy insights through innovative combinations of data and academic-level research
– Dissemination through the Internationaliseringsmonitor, news articles, discussion papers, conference presentations…
Research strands

- Path of internationalization
  - Inclusiveness
  - Financialization
  - Digitalization
  - Servitization

- Heterogeneous export strategies: carry-along-trade, incidental vs permanent traders, two-way trading, complementary firm strategies (innovation)

- Employment effects of globalization (exporting, MNEs); by gender, age, and migration status; type of jobs (e.g. routine/non-routine)

- Access-to-finance Financial structure of exporters
  - Transfer pricing
  - Special purpose entities
Internationalization Monitor

set up as part of the statistical development program “International economic relations”

2007-2013: annual publication in English

2014-present: quarterly publication in Dutch, (includes English executive summary; selected editions have been translated)

Contents are determined in close contact with Min Foreign Affairs
Broad thematic setting
Information is timely and highly accessible
Alignment with current events (e.g. Brexit, US import tariffs)
March 21 2019: Minister Kaag of Foreign Affairs receives first copy of the US monitor (Internationalization Monitor, 2019-Q1). Left-to-right: Tjark Tjin-A-Tsoi (DG StatsNL), Sandra Wilms (Head of Information and Output), Sigrid Kaag (Minister of Foreign Affairs), Hanneke Imbens (Director of Economic Statistics), Marjolijn Jaarsma (chief editor of Internationalization monitor).
Linked Employer Employee Data (LEED)

Enterprise groups \(\times\) Enterprises \(\times\) Jobs \(\times\) Persons

Business Register & Business Demographics
- Ownership (UCI)/FATS
- Statistics of Finances of Non-Financial Enterprises
- International Trade TEC/STEC
- Fiscal Data
- SBS & STS Surveys
- Investments
- R&D

Job register
- Fiscal Data

Population register
- Surveys Persons and Households

External data sources (policy instruments, big data)
Some recent insights I

International trade and global value chains
• Trade data...
• ... combined with business characteristics (MNEs, SMEs)
• ... combined with sectoral Input/Output information

Access-to-finance
• Finance monitor (e.g. financial characteristics)
• Balance sheet and profit/loss statement information

1/3 GDP and employment can attributed to exports (directly and/or indirectly)
Increasing import share in export (trade in value added)
(independent) SMEs: 25% of export, 43% of income
Foreign MNEs contribute 18% to employment, domestic MNEs 9%
Larger and more productive firms are less financially restricted
Internationalization is not additionally related to access to finance
First-time exporters are relatively more financially restricted
Some recent insights II

Globalization and employment

- Employer info: ownership, MNEs, type of trader
- Employee info: demographic, type of job/affiliation

30 thousand jobs were lost as a consequence of offshoring, mostly in production activities, 3 out of 4 lower or middle educated workers.

Foreign owned firms and international traders pay higher wages.

Workers at foreign owned firms are on average higher educated, but wage differences are mainly explained by other demographic characteristics.

1/3 of employment of men is sustained by exports; for women this is 1/5.

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Job loss related to offshoring, 2016.

Source: CBS Internationaliseringsmonitor 2018, 2nd quarter.
Other work

– International Sourcing and Global Value Chain pilot survey (ISGVC)
– Business demographics (SBS) and additional population characteristics (SME, MNE, high-growth, ownership/UCI)
– Global production
– Digital trade and cross-border e-commerce
Selected links

Globalization dossier:
https://www.cbs.nl/en-gb/dossier/dossier-globalisation

Internationalization monitor:
https://www.cbs.nl/en-gb/economy/international-trade/internationalisation-monitor


Papers:
https://www.cbs.nl/nl-nl/reeksen/papers
Facts that matter