Tackling Barriers to Firm Trade
Liberalisation, Migration, and Servicification

av

Magnus Lodefalk

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Christian-Albrechts-Universität zu Kiel
Kiel, Tyskland

Örebro universitet
Handelshögskolan

701 82 ÖREBRO
Abstract


This thesis analyses how to tackle barriers to firm trade and the consequences thereof. In Essay 1, we carefully model trade liberalisation scenarios that include the key elements of the WTO Doha round, scenarios that are implemented in a computable general equilibrium model. The simulation results indicate particularly strong gains for developing countries from liberalisation. A conservative estimate is that global income increases by approximately 0.2-0.7 per cent of initial GDP, depending on the degree of liberalisation, with trade facilitation contributing the most to these results. Overall, simulations indicate the importance of countries’ own liberalisation for national income gains and of a broad-based round of trade negotiations. In Essay 2, we analyse the mechanisms through which immigrant employees help firms overcome informal barriers to trade, based on a heterogeneous-firm trade model. By exploiting a rich employer-employee panel for Sweden, we show that immigrants’ skills and length-of-stay strongly influence their impact on firm trade. The link is also stronger for smaller firms and for differentiated goods, but similar across product margins of trade. Our findings are consistent with the hypothesis that immigrant employees facilitate firm trade by lowering information frictions and infusing trust into business relationships through knowledge of foreign markets and access to networks. Essay 3 is concerned with structural changes in the Swedish economy with respect to services in manufacturing. Despite suggestive evidence, large gaps remain in our knowledge about the process of servicification, a process whereby manufacturing focuses increasingly on services. We therefore analyse these changes in manufacturing in depth. The results show that manufacturing has been servicifying substantially. In Essay 4, the role of services for manufacturing firm exports is analysed. The microeconometric results suggest that service inputs affect a firm’s export capabilities. Overall, Essay 4 provides new firm-level evidence for the role of services as inputs in manufacturing.

Keywords: trade, liberalisation, WTO, CGE, trade facilitation, services, migration, employer-employee, networks, servicification, manufacturing, firm, enterprise group, deindustrialisation

Magnus Lodefalk, School of Business
Örebro University, SE-701 82 Örebro, Sweden, magnus.lodefalk@oru.se