

# Global value chains, employment and workforce composition evolution: firm-level evidence from Italy

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This paper studies how inclusion within global value chains (GVCs), and the position within the chain, affect employment and its composition over time. Using longitudinal firm-level data on roughly 25,000 Italian firms, we find that firms' participating in supply chains experience a significant decrease in employment. Figures show that such a drop is stronger for firms located in the middle of the chain. However, once the workforce is disaggregated by occupational task, we observe growth in the production workforce and a decrease in sales and distributional workers. We obtain the same results when we take into account position heterogeneity. Then, we provide evidence that taking part within global supply chains is negatively related to the use of precarious labour contracts. Finally, we argue that a possible channel explaining such results is linked to growth in productivity along with Italian comparative advantage in low-skilled labor-intensive stage of production.