Comment for Trade and Labour Market: Cross Country Findings) by Ralf Peters, UNCTAD

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Ideas from Paper

- Adjustment costs: reallocate factors of production
- Impact of regional integration/ FTA/ACFTA: employment
- Adjustment Policies of labour market issues

Export and Labour

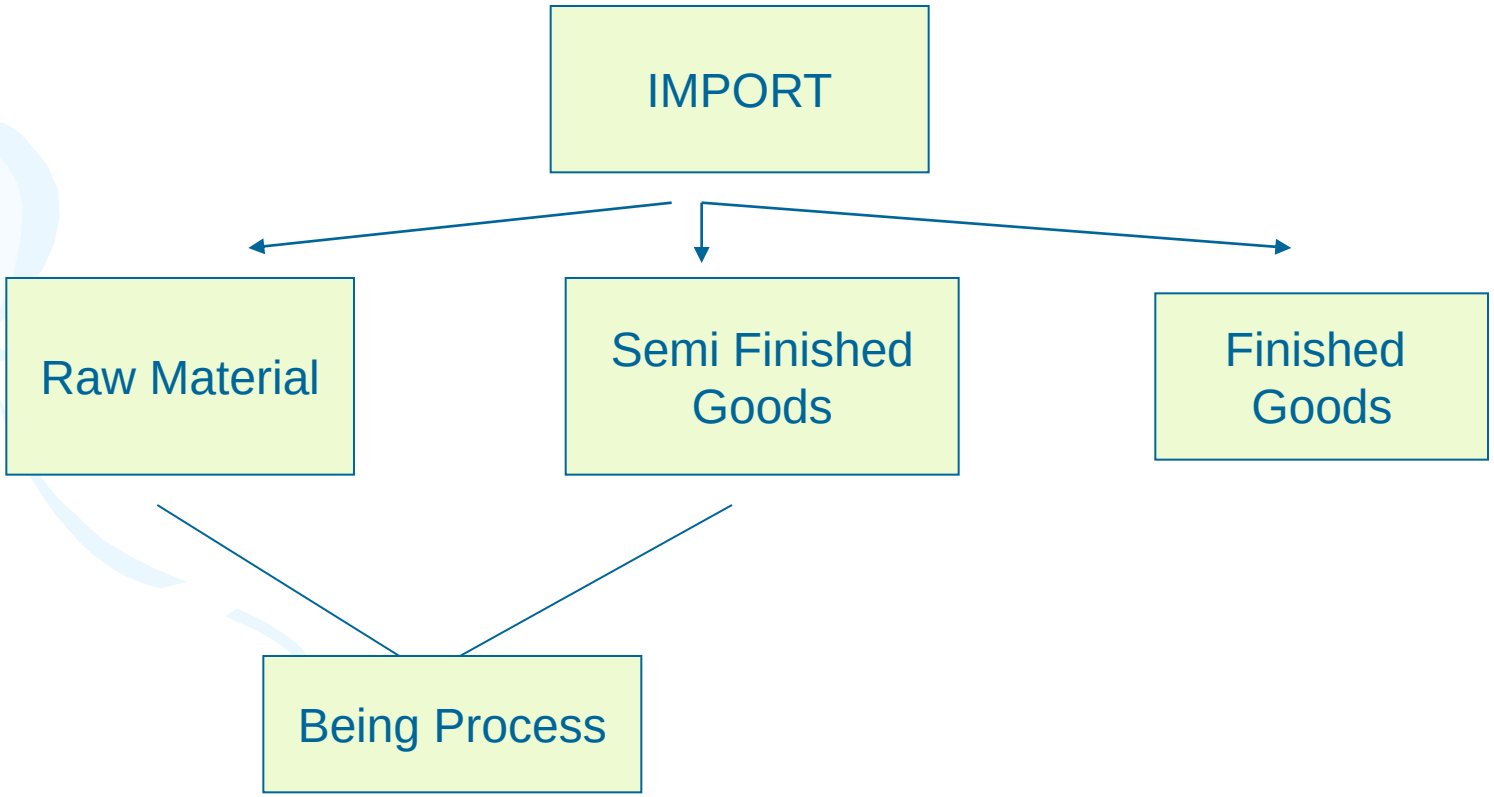
EXPORT
Production

Goods:
-Raw Material
-Semi Finished
-Finished

Scale of Industry:
-Small
-Medium
-Large

Orientation:
-Capital
-Labour

Import and Labour



Trade Liberalization

- Efficiency: Cost:
  - raw and supporting material
  - distribution
- Welfare: Income:
  - higher wages
  - more labour
  - income distribution
- Competition: competitiviness
- Specialization

Some Facts in Indonesia:

- Related to ACFTA: more china's product with lower price and various; textile n footwear
- Subcontract production: industrial linkage
- Change Business: be a distributor
- Distribution: family channel, illegal

Adjustment Costs

Private Adjustment costs: depends on sclae of industries and production pattern

Public Sector Adjustment: Social safety net spending higher

Adjustment Policies

- Reevalution commitmen
- Investment: regulation, infrastructure, law enforcement
- Quality of labour: Skill, education, wages