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Abstract: Regional Trade and Employment in ECOWAS

This study deals with the effects of regional trade in the ECOWAS region on decent employment. The first part analyzes the composition of regional versus global trade in terms of its linkages with three dimensions of decent work: Number of jobs, labour productivity, and employment and income security. It argues that regional trade has an important role for all three dimensions, but that effects vary substantially across countries.

Following recent trends in international trade literature, the second part looks at firm level data to identify differences in the employment characteristics of domestic firms, regional exporters, and global exporters. It finds that both regional and global exporters are larger, have higher labour productivity, and pay higher wages compared to domestic firms, but are not significantly different from one another in these categories. This means that regional exporters create high quality jobs, but in the context of firm level trade models it also suggests that they continue to face high trade costs which may prevent less productive firms from entering the regional market.