Globotics and Macroeconomics Globalisation and Automation of the Service Sector

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Globalisation affects the functioning of the macroeconomy. The macroeconomy’s functioning, in turn, conditions the conduct and impact of monetary policy. This is why globalisation matters for central banks. It is also why central bankers should pay attention to the evolution of globalisation. And evolve it has. This paper argues that the future of trade is trade in services – especially trade in intermediate services. Barriers are radically higher and falling radically faster for services versus goods, and, unlike farm and factory goods, there is no capacity constraint when it comes to the export of intermediate services from emerging markets. Undertaking the macroeconomic analysis for services trade that was done in the 2000s for goods trade, however, will require a substantial upgrading of the data available.