EX	CECUTIVE SUMMARY	1
Α.	INTRODUCTION	13
В.	TRADE FLOWS AND EMPLOYMENT:	
	THE CURRENT CONTEXT	14
C.	TRADE AND EMPLOYMENT: THEORY AND EVIDENCE	. 19
	1. Trade and income levels	. 20
	2. Trade, job destruction, job creation and unemployment:	
	what theory tells us	. 24
	3. The evidence: trade and (un)employment	. 30
D.	TRADE AND INEQUALITY	. 38
	1. Trade and inequality: what theory tells us	. 40
	(a) Trade and the relative demand for different types	
	of labour	. 40
	(b) Trade, FDI and the possibility to substitute	
	domestic workers by foreign workers	. 42
	2. The evidence: trade and wage inequality	. 45
	3. The evidence: trade and income inequality	. 50
	4. The evidence: trade, FDI and the possibility to substitute	
	domestic workers by foreign workers	. 52
	(a) Does globalization affect labour demand elasticities?	. 52

	(b) Globalization, insecurity and the bargaining power of workers	54
E.	THE ROLE OF POLICY-MAKERS	55
	1. Labour market institutions	56
	(a) Insuring workers against adverse professional events	57
	(b) Facilitating transition following trade reform	60
	(i) Social protection and the potential role	
	of the international community	61
	(ii) Active labour market policies	63
	(c) Freedom of association and collective bargaining	65
	(d) Trade reform and the informal economy in developing countries	69
	2. Redistribution policies	73
	3. Education policies	76
	4. Other policy areas	80
	(a) Supply response in developing countries	80
	(b) The role of financial markets for efficiency and stability.	83
	(c) The pace of trade liberalization	84
F.	CONCLUSIONS	85
	DECEDENCES	Ω1