

**Table 2.3.1. Drivers of Improving Participation in Global**

Dependent Variable: log (PI)	(1)	(2)
	GVC	GVC
	Participation:	Participation:
	Coeff.	Coeff.
<b>Level of Development</b>		
Real GDP per capita (lag 1)	0.153***	-0.268***
<b>Infrastructure and Human Capital Development</b>		
Infrastructure (lag 1)	0.079***	0.128**
Years of schooling (lag 1)		0.551**
Quality of education system (lag 1)	0.053**	
Health expenditure (lag 1)	0.079**	
<b>Institutions and Labor Regulations</b>		
Governance (lag 1)	0.230***	
Lax labor regulations (lag 1)		0.264***
<b>Tariffs and Other Trade Impediments</b>		
Distance weighted by economic size (lag 1)		-0.325***
Trade restrictiveness (lag 1)	-0.115**	
Investment restrictiveness (lag 1)		-0.364***
Tariff on intermediate goods (lag 1)	-0.118***	-0.074*
No. of Obs.	431	346
R-squared	0.993	0.824
Robust S.E.	Y	Y
Country & time FE	Y	Y

Source: IMF staff estimates.

Note: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 2.3.2. Capturing a Bigger Slice in Global Value Chains**

Dependent Variable: log (DVA)	(1)		(2)	
	High-tech manufacturing		Low-tech manufacturing	
	Coeff.	S.E.	Coeff.	S.E.
Log (GDP)	0.874***	(0.12)	0.678***	(0.10)
Log (DFD)	1.065**	(0.42)	0.860**	(0.43)
Log (ECI)	0.531	(0.34)	0.770***	(0.20)
Log (Tariff)	-0.359***	(0.09)	-0.211**	(0.10)
Observations	723		939	
R-squared	0.882		0.77	
Industry FE	Y		Y	
Country FE	Y		Y	
Year FE	Y		Y	
Cluster S.E.	Country and Industry		Country and Industry	
Classification	High-tech manufacturing		Low-tech manufacturing	

Source: IMF staff estimates.

Note: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1