

## **The effect of trade exposure to China and Eastern European countries on workers and firms in the Italian labour market: preliminary evidence**

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The fast opening to trade that has followed the access of Eastern Europe to the EU and the entry of China in WTO has affected deeply several European Markets. We analyse whether the opening to trade and the extent of trade exposure of different industries have pushed workers in the various manufacturing industries to move to other sectors, into non employment or in some form of welfare program in Italy. Following workers overtime, we find that increased trade, especially from China, pushed Italian workers to non-manufacturing sectors and to non-employment both in the short and in the long run. Carrying out the analysis at the firm level we do find, instead, no significant links between changes in trade exposure and firms' outcomes. However, results might be biased by the missed distinction between import of final and intermediate goods. Future steps of this research will analyse whether the evidence changes when we focus on the import of final goods only.