

List of Projects

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EU-Asia relations: technological competition and trade policies in an era of regionalisation

Anniversary Fund of the Oesterreichische Nationalbank

June 2023 - May 2026

This project analyses various aspects of EU-Asia relationships (with a focus on East and Southeast Asia; E-SE Asia). It addresses two main aspects which characterise current global economic developments: a tendency towards competing regional integration ('regionalisation') and fiercer technological competition. It analyses intra- and interregional research collaborations of firms, the positioning of EU and E-SE Asian countries in terms of the functional specialisation of global value chains, technology spillovers from eMNCs (multinationals from emerging E-SE Asian economies) and aMNCs (multinationals from advanced economies) to domestic EU firms, the roles of competing trade policy arrangements and technological complementarity in regional vs. inter-regional integration processes, the impact of different trade policy designs on trade structures in the context of industry-specific technology catching-up and leap-frogging, and global and regional competition between regulatory standards.

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Importance of Services Trade for the EU Economy and the Impact of Brexit

Anniversary Fund of the Oesterreichische Nationalbank

January 2019 - September 2020

Services are a key sector of the global economy, accounting for the bulk of GDP in most countries and for a significant share of global trade. The long history of economic integration created close ties between the UK and rest of the EU that are not so easy to disentangle. In order to estimate the potential costs of Brexit it is important to better understand the interdependency of the EU members' economies with respect to services trade as a rise in services trade cost post-Brexit would impact not only the UK services firms, but also services suppliers and manufacturing producers in the EU. It is likely that some trade diversion will take place both in the UK and the EU, resulting in reallocation of resources to less efficient firms and negative welfare effects. In our study we explored in detail the linkages between the UK and EU-27 economies with respect to services sectors and estimate possible effects of Brexit for both the UK and the remaining EU members.

Growth-Innovation-Competitiveness: fostering cohesion in Central and East Europe (GRINCOH)

European Commission, 7th Framework Programme

April 2012 - March 2015

GRINCOH was an FP7 research project with the main objectives: (1) to establish development scenarios for the CEECs for the period up to 2020; (2) to identify the implications for sustainable growth - based on innovation and the development of technological capabilities - and greater economic, social and territorial cohesion in the CEECs; and (3) to advise on future policy options for the CEECs, and in particular for EU cohesion policy. wiiw led a work package on economic development patterns and structural change in the process of transition and EU membership. Furthermore, wiiw contributed research on labour market development, migration, inequality, trade integration, foreign direct investment, EU budget as well as regional aspects.

<http://www.grincoh.eu>

Study on various aspects of earnings distribution using micro-data from the European Union Structure of Earnings Survey

*European Commission, DG Employment, Social Affairs and Inclusion
June 2013 - January 2014*

This study contributed to a better understanding of the question as to what extent employment contract types, gender and skills affect the structure of earnings across industries and EU Member States. The study covered the 27 Member States, EEA countries (Iceland, Lichtenstein and Norway), Accession, candidate and pre-candidate countries (Croatia, Former Yugoslav Republic of Macedonia, Serbia and Turkey) for which data are available and highlight similarities and differences between them, as well as developments at the level of the European Union. To address this question, use has been made of the 2002, 2006 and 2010 release of the SES anonymized micro-data.

Reducing productivity and efficiency gaps: the role of knowledge assets, absorptive capacity and institutions (Competitiveness Report 2013)

*European Commission, DG Enterprise and Industry
November 2012 - June 2013*

This study serves as a background report for the yearly Competitiveness Report of the EC. It analyses the impact of knowledge assets on productivity and technical efficiency in the EU, as well as their role in the process of knowledge transfer. The analysis will cover the role of the institutional and regulatory environment in affecting productivity and technical efficiency and how different regulations interact with both the accumulation of knowledge assets and the transfer of technology. Special emphasis will be put on the analysis of trends and performance within the EU, across countries and sectors. The trends and performance of the EU at aggregate and sectoral levels will also be contrasted with that of other major competitors, such as the US, Japan or Korea. The study will also explore what are the effects of the recent crisis on productivity and efficiency at firm level. wiiw conducted this study in cooperation with NIESR and WIFO.

A manufacturing imperative in the EU - Europe's position in global manufacturing and the role of industrial policy (Competitiveness Report 2013)

*European Commission, DG Enterprise and Industry
November 2012 - June 2013*

This study served as a background report for the annual European Competitiveness Report of the European Commission (DG ENTR). The objective was (i) to detect the structural changes that have occurred in the European economy in order to identify the major challenges that lie ahead European manufacturing and (ii) to analyse and evaluate past and current approaches to industrial policies (and instruments) at the European and the EU Member State level. Based on the structural challenges for the EU economy and experiences with industrial policies the study formulated suggestions for potential elements of a renewed European industrial policy. The policy conclusions took into account the interaction of industrial policy with related policies such as competition rules, innovation policies and trade policies. The study contains both qualitative and quantitative analyses, including cluster analysis and various econometric techniques and made use of numerous data sources such as the World Input-Output Database (WIOD), OECD ANBERD, Eurostat, European Commission State Aid Scoreboard database and the Community Innovation Survey (CIS).

The extent and impact of offshoring in the European Union

*Anniversary Fund of the Oesterreichische Nationalbank
July 2011 - June 2013*

In this project, the impact of both offshoring of production and of services on the structure and the macro-economy of EU countries is examined, using data over the period 1995-2010. In particular, the impact of production and services offshoring on both the level and structure of wages and employment in EU countries is examined. One issue addressed is whether the impact of production offshoring - which is expected to impact negatively upon low-skilled workers - has been offset by the increase in service offshoring, which mainly involves the offshoring of tasks undertaken by skilled labour. Furthermore, the impact of production and service offshoring on the macro-economy as well as on business cycle volatility and co-movement is examined.

Global value chains and growth: impacts and prospects for EU Member States

*European Commission, DG Economic and Financial Affairs
August 2012 - March 2013*

This study investigated the different degrees of international competitiveness and their correlation with the growth performance of individual European countries. In doing so, the internationalisation of countries and the respective

comparative advantages were analysed on the basis of value added chains. The importance of certain specialisation patterns, technology intensities, regional and international integration, and offshoring strategies as drivers of productivity and economic growth is analysed, contributing to an explanation of the differing growth trajectories and structural developments within Europe.

The world and Europe in 2030 (AUGUR)

*European Commission, 7th Framework Programme
October 2010 - January 2013*

The challenge of this project was to capture, within a set of scenarios, the characteristics and implications of a variety of patterns that may occur in 2030 in all domains, be it political, economic, social, environmental or technological in Europe and in the world. The project attempted to take stock of medium to long-term trends identified in demography, environmental changes as well as to feature some of the effects of likely changes in technology and behaviours, but it also took into account important institutional transformations. wiiw was one of seven project partners and acted as the leader of a work-package on the effects of innovation and technology diffusion on growth. wiiw contributed to the elaboration of policy scenarios for EU policy makers, designed to deal with the different economic trajectories. In particular, wiiw contributed papers on foreign direct investment, intellectual property rights, trade specialisation, trade in services and macroeconomic issues.

<http://www.augurproject.eu>

Internationalisation of business investments in R&D and analysis of their economic impact

*European Commission, DG Research and Innovation
June 2010 - October 2012*

The internationalisation of corporate research and development activities is one of the most important issues within the current integration of the world economy. The study aimed at providing an in-depth analysis of this development. A consortium consisting of wiiw and AIT (Austrian Institute of Technology) construed a comprehensive dataset on R&D activities of foreign-owned firms in a number of countries. In a second step, they employed this database to analyse cross-country patterns of R&D internationalisation, as well as the drivers and impacts of R&D internationalisation. wiiw contributed its expertise in the analysis of economic growth and structural change, international trade and foreign direct investment, labour markets and the European integration process to the study.

World Input-Output Database (WIOD)

*European Commission, 7th Framework Programme
May 2010 - April 2012*

WIOD aimed to develop databases, accounting frameworks and models for policy-makers who are facing increasing and pressing trade-offs between socio-economic growth and environmental problems. The core of the database is a set of harmonised supply and use tables, alongside with data on international trade in goods and services. These two sets of data have been integrated into sets of inter-country input-output tables. Taken together with extensive satellite accounts with environmental and socio-economic indicators, these industry-level data provided the necessary input to several types of models used to evaluate policies aimed at striking a suitable balance between growth, environmental degradation and inequality across the world. wiiw led two work packages in this project: (1) WP2 „International Trade Data“ and (2) WP8: „Application of the database: Socio-Economic Aspects“. The institute also contributed to WP3 „Estimation of inter-country input output tables“ and to WP5 „Satellite Accounts: Socio-Economic Indicators“.

<http://www.wiod.org>

The revival of NMS mutual trade after their EU accession: in search of the reasons behind

*Anniversary Fund of the Oesterreichische Nationalbank
August 2009 - March 2011*

Since their EU accession, mutual trade of the Central European new members has been expanding more dynamically than before 2004 and much faster than these countries' trade with the 'old' EU members. The project's target was to identify the reasons behind this phenomenon. First, changes in the structural features of these countries' mutual trade before and after the 2004 EU enlargement were analysed; revealed comparative advantage, marginal intra-industry trade and intensive and extensive margins of trade indicators were calculated and interpreted. Second, the significance of foreign-owned enterprises' presence in various industries and bilateral trade relations was investigated. Third, trade and FDI in services were scrutinised. Fourth, the potential of mutual

trade was addressed with the help of a gravity model. Policy lessons for EU candidate countries and possible effects on Austria were discussed.

The Competitiveness of firms, regions and industry in the knowledge-based economy: What room for job-rich growth in Europe? (MICRO-DYN)

European Commission, 6th Framework Programme

October 2006 - January 2011

MICRO-DYN dealt with growth, employment and competitiveness in the knowledge-based European economy through a micro-founded firm-based approach. The nature of the analysis was 'bottom-up' i.e. moving from the micro-entities of economic actions and strategies at the enterprise level to sectoral, regional, national and European levels. The rationale for such an approach was that understanding the microeconomic foundations of innovation, competitiveness and growth at the firm level, as well as the firms interactions with the labour market, is key to understanding the nature of these phenomena at a more aggregated (regional, sectoral or macro) level and of the resulting aggregate economic performance. The analysis used as far as possible comprehensive data-sets across all European regions and industries. wiiw co-ordinated a consortium of 17 research institutions.

<http://www.micro-dyn.eu>

Study on trade in intermediate products and EU manufacturing supply chains (Competitiveness Report 2010)

European Commission, DG Enterprise and Industry

December 2009 - January 2011

The study analysed trade in intermediate products across several dimensions. First the volume, number of varieties and the quality of intermediates imported were analysed as well as the structure of EU exports and their competitive advantage. Additionally, the study investigated how increased trade in intermediate products impacts on manufacturing supply chains in terms of geographical sourcing. Secondly, the study looked at the inter-linkage between manufacturing and services using a case study on "EU Manufacturing value chains in the light of globalisation: The case of the ICT industry". Thirdly, the impact of the crisis as well as other possible factors (such as exchange rate movements or regional integration) on the trade in intermediate products have been compared with the impact on the final goods trade. Finally, policy implications have been derived from the results obtained.