

List of Projects

Birgit Buschbom

Labour Market Inequalities in Times of Structural Change

Anniversary Fund of the Oesterreichische Nationalbank

April 2024 - September 2026

The project addresses a number of crucial challenges faced by European labour markets at this testing time, when there is a major structural shift in job characteristics, task composition, the required skill sets of workers and, consequently, labour-market equality and efficiency. Different socio-demographic groups are adjusting to the imminent shift at varying speeds, depending on their skills and competencies, the specific job tasks they fulfil, their preferences for certain job characteristics, and the diverse obstacles, extent of discrimination and inequalities they face on the labour market. This project aims to analyse how the structural shift in the task composition of jobs, the job skill demands and the skill profiles of workers, as well as the labour-market challenges presented by the war, impact on inequalities across socio-demographic groups (men/women, immigrants/natives, younger/older workers) in a number of core labour-market outcomes.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18934).

Green technologies: How are they created and regulated? What impact do they have?

Anniversary Fund of the Oesterreichische Nationalbank

January 2024 - June 2026

Climate change is a major concern in academia and policy arena. Whereas governments adopt various market regulations to reduce the GHGs and increase consumer awareness, businesses define new objectives aiming at reduction of pollution. Doing so, they innovate in green technologies to gain market shares by introducing new climate neutral products also impacting on their productivity, efficiency, and energy efficiency. The proposed research will comprehensively study determinants of such eco-innovations in Austria and the EU, and what impact they have on firm performance. The proposed research will first study how eco-innovations are undertaken at the firm-level by focusing on the role of firm-level characteristics such as productivity and quality of highly educated and skilled labour as well as financing and credits. Moreover, it will study how such eco-innovations and green technologies allow firms to become more energy efficient and more productive. Second, it will study how firms adjust their production with green regulations to supply and export products with better quality. Third, it will analyse how such novel green technologies are spurred in European regions by focusing on the role of Framework Programmes (FP) and public policies directed at the EU level. The role of joint research collaboration among inventors in different regions of the European Union, financing, funding, credits, and environmental regulations in the EU and abroad will be the key factors under these investigations.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18939).

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.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18833).

Genetic innovation, intermediate goods and energy prices in an agent-based model

Anniversary Fund of the Oesterreichische Nationalbank

March 2023 - August 2025

Agent-based models have been receiving ever more attention in recent years. Especially since the crisis of 2008, there have been calls for new research tools. Agent-based models are an interesting option: they allow study of the behaviour of heterogeneous agents and the effects of such heterogeneity on the total economy. We propose introducing three novel extensions to a state-of-the-art agent-based model: First, we allow for rich interactions between industries by incorporating intermediate goods into the production process. Secondly, the model is extended to enable a new way to model technological change ("genetic optimisation"). Thirdly, we propose to account for the biophysical dimension by including energy usage as a factor of production.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18830).

How can economic instruments of climate policy be directed through foreign direct investment?

Anniversary Fund of the Oesterreichische Nationalbank

October 2022 - March 2025

The mechanism through which the policy maker can foster novel green and environmental technologies via FDI is the main focus of the project. It comprehensively studies this by analysing in three work packages how FDI is determined in the EU and how it can help to diffuse technology. The first work package analyses which factors at the three levels of region, industry and firm determine FDI in firms located in the EU. The second work package analyses how FDI affects productivity growth and employment growth at both the firm level and the regional sector level. In the third work package the diffusion of knowledge, technology and know-how of FDI is analysed, which could lead to green and environmental innovation and finally patenting of these technologies. In both the second and the third work package the indirect impact of FDI on domestically owned firms is analysed separately from the impact of FDI on the whole regional sector, including foreign-owned firms.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18800).

Research Centre International Economics (Forschungsschwerpunkt Internationale Wirtschaft, FIW)

Austrian Federal Ministry of Education, Science and Research

October 2013 - February 2025

wiiw is part of a consortium which is setting up a "Centre of Excellence on International Trade". It provides the appropriate infrastructure and assistance for a research community in international trade. Thus it can achieve a sustainable coordination among different research projects, research institutes and other activities in the broad field of economics of international trade (FIW German abbreviation). This project will also create a network of experts and assure the integration of international projects. The Centre of Excellence fulfils the following tasks: (1) to develop a research programme which assists external political decisions and activities concerning the European Union and other multinational organisations in a sustainable fashion, (2) to provides access to relevant databases in an easy and transparent way, and (3) to encourage and enhance the development of know-how with regard to foreign economic affairs in Austria. This Centre of Excellence will be an important source of information for the research community in Austria, the Austrian government with regard to foreign affairs as well as the social partnership. It collects and increases the knowledge of the given research institutes and provides it to the public in a user-friendly manner.

<http://www.fiw.ac.at/>

Articles for the magazine 'European Voices'

DER ThinkTank

January 2024 - December 2024

The Vienna Institute for International Economic Studies authors articles on economic policy issues for the foreign

and economic policy magazine "European Voices". The articles consist of academic content, analyses and assessments by wiiw economists enriched with wiiw economic data and forecasts for the countries in the region. The magazine has a circulation of 50,000 and is distributed across borders to the most important decision-makers in the fields of politics, diplomacy and business throughout Europe.

Eastern Europe Before Transition: Digitisation of data and analysis of CESEE's command economies

Anniversary Fund of the Oesterreichische Nationalbank

May 2021 - September 2024

In order to better understand the industrialisation spurt and later the (financial) crisis and collapse of the command economies of Central, East and Southeast Europe (CESEE) as well as the applied economic policy mix before and during their transition to market economies, including the decisive role of initial conditions, we will digitise and publish online wiiw's economic statistics for Central, East and Southeast Europe for the period 1944-1992; harmonise the historical data with current statistical classifications; digitise and publish online wiiw's research reports for 1972-1992; and produce a series of working papers describing the data, summarising the literature and providing economic analysis on the key research areas related to the development and demise of the command economies. The activities in this project will be coordinated in close cooperation with our partners in the Research Centre for the History of Transformations (RECET) research network of the University of Vienna.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18666).

Spend, transfer, or repay. What to do with all the money from the EU carbon border tax?

Anniversary Fund of the Oesterreichische Nationalbank

October 2022 - September 2024

The project addresses the expenditure side of the European carbon border adjustment (CBA) mechanism. Currently, there are intensive discussions concerning the design of the CBA mechanism. The use of revenue is a sensitive issue that can have far-reaching implications on the effectiveness and legality of the CBA. While different expenditure options have been proposed, there is a lack of research contrasting the economic effects of the said revenue options. Therefore, the priority of the research project is to explore the economic implications of different spending options for the revenues generated by the CBA. It estimates the effects of a carbon border tax on trade, GDP, and welfare for alternative spending scenarios for the carbon border tax revenues. This is explored with two different carbon border adjustment designs. The research will strive to contribute to the policy debate on the design of the CBA, and on the future of the EU budget in the context of new own resources.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18815).

Labour market effects of Austrian foreign trade

Austrian Federal Ministry of Labour and Economy

November 2023 - September 2024

Around a third of Austria's GDP can be attributed to export activities in value added terms and accordingly, around a quarter of employment is directly and indirectly linked to exports. Export markets might undergo a profound change over the next years. Further the labour market will be affected by major changes in the coming years due to demographic developments. This study is therefore dedicated to the interaction between the Austrian export economy and the labour market, whereby two central topics are addressed and linked: Firstly, the expected effects of structural change in foreign trade on the demand for labour in Austria are analysed and quantified. Secondly, the development of the labour supply is discussed and compared with the analyses of the development of labour demand. The aim is to quantitatively analyse the development of employment given the demographic developments on the one hand and the expected structural developments and effects on employment stemming from Austrian foreign trade on the other.

Differences in real non-residential investment between the United States and EU countries

European Investment Bank (EIB)

May 2023 - June 2024

Gross fixed capital formation in machinery and equipment and intellectual property products as a percent of GDP in the United States have exceeded those in the European Union since 2010. This difference emerged in the wake of the global financial crisis and has persisted until now. The project documents and accounts for the differences in real non-residential investment between the United States and EU countries, especially since 2010. The analysis is

based on GFCF data taken from Eurostat and the recent EU KLEMS releases. To the extent possible, the analysis should highlight the 'investment gap' when comparing the EU and the US and assess potential reasons for these differences in investment patterns.

Industry 4.0, migration and the labour market adjustment: an intra-European perspective

Anniversary Fund of the Oesterreichische Nationalbank

October 2021 - March 2024

The mechanism through which novel technologies including patents granted, robot adoption, and digitalization affect the labour market, skill composition and wage levels, and consequently the pull and push factors of migration, is the main focus of the study. The project will comprehensively study this phenomenon by analysing various interactions between innovation, adoption of robots, digitalization, and wages, and migration patterns in four work packages. First, the impact of novel technologies on wages by across countries and sectors will be studied. Second, the impact of novel technologies on migration flows by sectors and skills in selected EU countries will be analysed, also controlling for other factors. Third, the impact of the gap in technologies defined by the difference in robot intensity (i.e. robot stocks per employee) and the extent of digitalisation between the origin and destination countries on bilateral migration flows will be analysed. Fourth, push and pull factors affecting the intention to migrate will be studied at the individual level.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18737).

Where are the growth potentials? The sectors that can boost convergence in CESEE

Oesterreichische Nationalbank (OeNB)

June 2023 - November 2023

Central Eastern European Countries (CEE, ie EU member countries of Central Eastern Europe) are in need of assessing their economic convergence process and identify their future drivers of growth, in terms of sectors, technologies and skills. It is key for CEE economies to upgrade their productions and remain competitive despite declining cost advantages. This analysis will be the result of a cooperation between the Austrian National Bank (OeNB), the European Investment Bank (EIB) and The Vienna Institute for International Economic Studies (wiiw). wiiw will contribute to the report with an analysis on "Export structures to identify promising sectors" and will also provide inputs, expertise and comments and actively participate in the exchange and discussions during the project.

Political economy of public debt, growth and interest rates in the context of the Corona crisis

Anniversary Fund of the Oesterreichische Nationalbank

October 2021 - September 2023

The macroeconomic consequences of the Corona crisis have triggered an increase in public debt in the EU's Member States. This research project makes two contributions to a better understanding of the implications for economic policy. First, we develop the first quantitative analysis of the literature concerning the effect of public debt on economic growth. Using the statistical and econometric toolbox of meta-analysis and meta-regression analysis, we investigate whether there is evidence for a threshold effect of the public-debt-to-GDP ratio, whereby economic growth could decline significantly if such a threshold is exceeded. Second, the project develops an analysis of government debt against the background of changes in the interest rate environment. Specifically, we analyse the role of the difference between long-term interest rates on government bonds and GDP growth rates for the dynamics of government debt and fiscal policy.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18699).

Labour market trajectories of refugees and other migrants

Anniversary Fund of the Oesterreichische Nationalbank

January 2021 - June 2023

In view of the large influx of refugees into Austria between 2014 and 2016 and the substantial socio-cultural and economic integration challenges this poses, the project analyses some particular aspects of labour market integration of refugees in Austria. It uses two unique longitudinal databases which provide information on refugee integration over time, namely a newly constructed database provided by Statistics Austria ('Register-based Labour Market data') for the period 2015-2021 as well as five successive survey rounds among refugees in Austria (FIMAS) which have been conducted over the period 2016-2022. It sheds light on refugees' job stability and mobility across different labour market statuses, their home-to-host country occupational trajectories and associated status losses

and gains, the impact of public integration programmes on the likelihood of finding employment, and the role of specific stressors and resilience factors for refugees' mental health.

Technology Sovereignty and the Role of Knowledge Diffusion in Global Value Chains

Joint Research Centre (JRC)

February 2023 - June 2023

The project will study the relationship between the European Union on the one hand and the United States and China on the other hand in terms of global technology diffusion. In particular, the project will look at how R&D embodied in intermediate products diffuses in global value chains. The project will elaborate I) how the dependency of the EU27 on US and Chinese Business expenditures for R&D (BERD) developed over time II) how do sectors differ in terms of dependency on US and Chinese BERD, and in which sectors is this dependence highest and III) what is the role of the European Union as a supplier of BERD embodied in intermediate products to the world.

Demographics of the Austrian foreign trade structure

Austrian Federal Ministry of Labour and Economy

October 2022 - April 2023

The aim of the study is to prepare detailed evidence on the demographics of Austrian firms engaged in foreign trade and to prepare them for economic policy makers. For this purpose, a dataset of the Austrian Micro Data Center (AMDC) is used. The project provides novel insights concerning the characteristics of Austrian companies which are active in foreign trade by destination markets and respective company-level indicators determining the international performance. At the same time, the study exemplifies and discusses the potential for further and more in-depth analyses using the available individual data.

Comparative Advantage in the Digital Era: New insights into trade in digital tasks and ICT capital

Anniversary Fund of the Oesterreichische Nationalbank

March 2021 - February 2023

Comparative advantage remains one of the basic principles of international trade theory. This also holds true in times of globalisation and digitalisation. Taking into account the existence of international value chains and productivity differences across countries, this project identified comparative advantage of EU member states in the 'digital endowments', comprising 'digital tasks' and ICT capital. A major finding of the research is that the Heckscher-Ohlin-Vanek theorem is capable of predicting endowment-based comparative advantage in 'digital tasks' and ICT capital in the overwhelming majority of case. At the same time, the distribution of comparative advantage across EU member states does not seem to follow a clear pattern, in the sense, that EU innovation leaders necessarily have advantages in digital endowments as one might expect. Another hypothesis was conformed: in a comparison between the EU and the US, the latter emerged as holding comparative advantage in digital tasks, confirming the role of the US as a digital leader. Some of these results were also confirmed by additional competitiveness measures such as revealed comparative advantages (RCAs). Furthermore, econometric analysed showed that investment in R&D, in combination with industrial policies, are capable of shaping comparative advantage were investigated.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18641).

The EU and Global Production Networks: The Length of Key Value Chains, Trends and Underlying Drivers

Joint Research Centre (JRC)

January 2021 - June 2022

The world economy as we know it today is the result of developments that started in the 1970s. Growing trade volumes, increasingly sophisticated global value chains (GVCs), and rising levels of foreign direct investment characterize the evolution of the global economy over the last 50 years. Against this background, the proposed project studied the emergence of global value chains and their determinants over time. The project had three main objectives: First, to investigate if global value chains grow or decrease over time, and which GVCs show the strongest expansion or contractions, and measure the length of these value chains; Second, to identify strategic value chains and strategic sectors and trade partners of the European Union within these global value chains; Third, to explain the observed trends in global value chains in terms of the drivers of these changes. The analysis of the project was based on input-output data and indicators from social networks analysis.

Export bonus: Significance and performance of Austrian exporters

Austrian Ministry for Digital and Economic Affairs

October 2021 - April 2022

In view of the importance of the export economy for Austria, in 2009 the Ministry of Economics commissioned that examined the characteristics (e.g. size distributions, productivity) of export enterprises. Due to the already long time horizon since the study has been undertaken - the data used in the study goes back to 2006 - the results are now outdated and it is no longer possible to use them without a certain degree of caution. However, the present study project will not only update these results, it is also intended to provide scope for expanding the factors considered (e.g. including R&D performance, ownership dimension). In addition, the methods used should also be brought up to date and additional data will be included.

The Effect of Digitisation on Work in Europe

Anniversary Fund of the Oesterreichische Nationalbank

April 2020 - March 2022

The project analyses digitisation and its impact on work from two different perspectives. On the one hand, it not only sheds light on regional digitisation patterns but also examines the effect of digitisation on employment in EU countries at the NUTS-2 level. Methodologically, it goes beyond standard approaches applied in the empirical literature and provides novel insights into regional and industry spillovers as well as non-linearities in the employment effects of digitisation. On the other hand, it explores the effects of digitisation on workers' well-being. It takes an integrated approach and simultaneously determines both positive and negative psychological effects of ICT use, as captured by work engagement and burnout, respectively. It also sheds light on the role of other (job and/or personal) characteristics in either reinforcing or mitigating the positive or negative effects of ICT use on workers' psychological well-being.

Determinants and Effects of Foreign Direct Investments in Austria: New Insights from Microdata

Austrian Ministry for Digital and Economic Affairs

October 2021 - February 2022

Foreign direct investment (FDI) will play an essential role in the recovery from the Corona crisis and the transformation towards a climate-neutral economy: Economists agree that global climate targets will not be achievable without a substantial increase in FDI flows. On the other hand, there is also growing concern about possible negative effects of FDI, especially in the case of takeovers of Austrian companies by foreign investors. Based on data at the transaction or company level, questions of the causes and effects of FDI in Austria are to be examined. To this end, the study will first estimate or describe the significance of the determinants of FDI commonly found in the literature for those in Austria. In a second part, the effects of these foreign investments for Austria as a business location will be quantitatively examined in terms of variables such as jobs, productivity, innovation, diversity or R&D activities.

Austria's Import Relations: Dependency Analysis

Austrian Ministry for Digital and Economic Affairs

December 2021 - February 2022

Austria's dependencies on imports were analysed at the detailed product level based on UN Comtrade and EU COMEXT data. The analysis of imports is carried out according to the number of partner countries, the respective shares of partner countries in the imports of individual products as well as according to turnover frequency. Products with high import dependency were identified.

The production side of 'digitalisation' and its impacts

Anniversary Fund of the Oesterreichische Nationalbank

September 2019 - October 2021

The project comprised four main tasks linking the production and use side of the digital sector. In the first task the production and supply side of the ICT goods and services sectors was studied. An overview of the ICT industry across countries was provided based on various data sources at the industry and firm level. Determinants of ICT industries' performance and drivers of investment by ICT superstars across the European Union and the globe were analysed. The second task then focused on the patterns of trade of ICT goods and services linking the supply side of the digital sector to its demand. Furthermore, the impact of technical regulations and standards embedded within Technical Barriers to Trade (TBT) on patterns of trade flows of ICT goods were analysed. Task three focused on the

investment in ICT capital assets and building up of an ICT capital stock across countries and industries. Gross capital formation and capital stocks in different asset types and their contribution to employment and value added growth were studied. The fourth task was devoted to the role of patenting in productivity and market share of firms active in the global ICT sectors. Finally, in the last part of task we studied whether and how ICT driven technical change impacts on structure of labour demand by various groupings.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18128).

New Insights into the Relationship Between Taxation and Trade

Anniversary Fund of the Oesterreichische Nationalbank

May 2020 - September 2021

This project dealt with two questions from the fields of taxation and international trade. The first one revisited the relationship between labour taxation and international trade, focusing on the role of domestic labour value added. The second one referred to the relationship between corporate taxes and international trade, focusing on the role of the multinational enterprises. The project also assessed whether the decline in labour and corporate taxes from the past decades had contributed to the expansion of international trade. The research project used industry level data, for EU and OECD countries, and Two Stage Least Squares estimator, to account for potential endogeneity. The project contributed to the recent policy discussion on fiscal devaluation, and the ongoing policy debate on the global minimum corporate income tax.

Funded by the [Anniversary Fund of the Oesterreichische Nationalbank](#) (Project No. 18310).

Connectivity and interactions between global value chains and foreign direct investment networks

Anniversary Fund of the Oesterreichische Nationalbank

May 2020 - July 2021

The research project used a mix of panel data econometric modelling and innovative complex network analysis techniques to study the topological properties, dynamics and interactions between the global value chain and the global foreign direct investment networks at aggregate and sectoral levels. The project analysed the mutual impacts between FDI and GVC participation, analysed the relative importance of countries and sectors from the perspective of multilateral connectivity and relatedness between sectors in general, as well as zoomed in on the digital cluster and economic integration and connectivity dynamics involving the EU and the CESEE countries in policy-oriented case studies. Inter alia the project expanded the country and time coverage of the world input-output database.

Analysis of value chains in the Western Balkans economies - Enriching potential for regional cooperation in priority areas

Joint Research Centre (JRC)

January 2021 - May 2021

The overall objective of this project was to provide guidance, methodological support and capacity building in smart specialisation processes in the Western Balkans economies. One goal of the support to smart specialisation in the region was to identify promising industrial areas (domains) for the Western Balkan economies with higher value-added as well as to analyse and identify possibilities for wider cooperation in the South-East Europe in these identified areas. The analysis of value chains in the Western Balkans (WB) was expected to deliver an advanced contextual overview of the competitive position of the present and potential smart specialisation priority domains, and to identify opportunities for upgrading the position of the whole region and individual economies in European and global value chains; finding new market niches and areas of economic cooperation.

Migration from Africa, Middle East and EU Eastern Partnership countries towards the EU-27: Challenges and prospects ahead

Anniversary Fund of the Oesterreichische Nationalbank

January 2019 - March 2021

Over the last three decades the fall of the Berlin wall and EU enlargement towards the East have been important events which have further nurtured intra EU mobility. Nevertheless, in the coming decade the mobility to the EU will be dominated by another corridor which is directed from South - Africa, Middle East and EU neighbouring countries (AME) - to the North (the EU). The mobility from AME to the EU can be seen as both supply and demand driven. It is supply driven because of underdevelopment of AME with respect to the EU, wars, political and social instability which have afflicted AME regions, but also the impact of climate change and massive displacements of

populations especially on the African continent due to hazardous weather conditions. It is demand driven because EU countries are undergoing a strong decline in working age population and will increasingly depend on workers from abroad – including AME countries. As a consequence, there is a great need to better understand potential mobility from AME to the EU, identify its main drivers and what could be the role of migration governance in this context. This project sheds light on determinants of AME-EU mobility, likely future scenarios and on some of the policy challenges.

Quality of goods imports: Which role for non-tariff measures?

Anniversary Fund of the Oesterreichische Nationalbank

January 2019 - December 2020

One major feature of non-tariff measures (NTMs) is their opacity and complexity of their effects. Regulative standards embedded within NTMs might cause significant trade frictions, while some could stimulate trade due to positive externalities. When NTMs become very trade restrictive and discriminatory, trade disputes may arise. Specifically, when technical NTMs are not improving the quality of the imported product but mostly act as an unnecessary obstacle to trade, the implications of those NTMs might be regarded as protectionism. The study will provide information for trade policy makers to have a better understanding of the current stocks of technical barriers to trade (TBT) and Sanitary and Phytosanitary (SPS) measures and their effects with a focus on quality. In fact, by knowing how these trade policy measures affect quality differently from price and quantity of trade, the study will provide insights on motives behind their implementation.

MAP REA trade pillar diagnostic report

Central European Free Trade Agreement (CEFTA)

October 2020 - December 2020

The main objective of the research was to support the CEFTA Secretariat to prepare a diagnostic report to analyse the progress and conduct an evaluation of results related to the Multi-annual Action Plan for a Regional Economic Area (MAP REA) in the Western Balkans. The consultancy aimed to provide a fully informed diagnostics of measures along of the trade pillar and their corresponding activities, as well as proposals for an economic development agenda beyond MAP REA. The overall objective of the Action Grant programme was to contribute to enhancing competitiveness of the CEFTA parties by supporting regional economic integration as envisaged in the MAP REA and CEFTA.

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.

Support the RCC Secretariat to prepare a diagnostic report to analyse the progress and conduct an evaluation of results related to the Multi-annual Action Plan for a Regional Economic Area (MAP REA) in the Western Balkans

Regional Cooperation Council (RCC)

March 2020 - July 2020

The purpose of the consultancy was to support RCC Secretariat in assessing the results within the Multi-annual Action Plan for a Regional Economic Area (MAP REA) components, namely Investment, Mobility and Digital Integration. The consultancy aimed to provide a fully informed diagnostics of measures along each of the respective components and their corresponding activities, as well as proposals for an economic development agenda beyond MAP REA.

Effects, opportunity costs and spillovers of EU Cohesion Policy

Anniversary Fund of the Oesterreichische Nationalbank

September 2018 - June 2020

This project aimed at contributing to the discussion on the future, post-2020 EU Cohesion Policy (CP). In the past, CP has been the main tool to promote growth and convergence across the EU, thus having positive direct effects on the net recipient countries and also indirect ones on the net payer countries. Still, there is a never-ending debate on the rationale of CP, partly in favour of it, partly doubting its usefulness. The 2021-2027 EU budget funds to be expected will likely become scarcer, not only because of the Brexit but also because of the emergence of new priorities such as migration and security. In respect of these forthcoming challenges the debate on the effects, opportunity costs and spillovers of CP becomes fundamental. A quantitative estimation permits a more balanced assessment of the costs and benefits of CP for net paying Member States (MS) and a broader view of CP support to EU growth in general. Against this background the project aimed to: a) estimate the effects of CP on regional GDP growth; b) analyse the opportunity costs of CP investments (by investment priorities and geographical distribution); c) analyse the macroeconomic spillovers of CP investments in one country on the development in other EU MS; and d) analyse these spillovers at the regional level.

Innovative modeling of non-tariff measures in trade

Anniversary Fund of the Oesterreichische Nationalbank

September 2018 - June 2020

Starting in the 1960s, non-tariff measures (NTM) have been continuously replacing tariffs as the core element of trade negotiations. The number of types of non-tariff measures and the number of countries making use of these instruments increases continuously. Therefore, many different approaches have developed recently for the evaluation of NTM and free trade agreements (FTA). Starting from models using simple dummy variables for the indication of NTM or FTA, today there is a wide range of databases available varying in content (i.e. capturing different aspects of NTM and FTA) and in applied methodologies (e.g. extracting information from legal texts, survey data, notifications to the WTO). Our contribution to the existing literature was at least threefold: First, it aimed at modelling non-tariff measures in a Structural Gravity framework. Second, it assessed the value added of different data on the structure of FTA and NTM by means of evaluating their ability to predict the trade effects of the EU-South Korea Free Trade Agreement. The third contribution laid in the estimation of effects of the EU-Japan Economic Partnership Agreement.