

# List of Projects

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### **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. Regulatory 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.

### **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 - December 2020*

At present, in the EU, populistic movements have gained momentum. The traditional immigration countries such as the UK and the USA have become more restrictive towards immigration. Political changes in Germany and more recently in Italy are also moving in this direction. Meanwhile outmigration from Africa, Middle East is ongoing and the EU is very likely to continue attracting more migrants from these regions. At the same time EU Eastern Partnership countries, especially Ukrainians are more and more choosing to migrate to the EU, especially to the Visegrad countries. While the EU approach towards immigration from Africa and ME seem to be less favourable, a different attitude - especially among the Visegrad countries - transpires for immigrants from EAP and Russia. Therefore it is essential to analyse, first, potential migration from these regions - expected migration trends - and, second, the role of EU migration policies in shaping future migration patterns from these regions.

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

*Anniversary Fund of the Oesterreichische Nationalbank*

*January 2019 - June 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 wish to explore 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.

### **Capital dynamics, global value chains and competitiveness (CaDoVaC)**

*Joint Research Centre (JRC)*

*October 2018 - April 2020*

The research project analyses the interaction between capital accumulation and FDI on the one hand, and global value chains, trade and productivity patterns – on the other. The analysis is carried out at the international level comparing the EU with the US, China and Japan, as well as at the national and industry levels focusing on the developments within the EU. The project aims to cast light on important dimensions of EU competitiveness concerning the implications of capital formation and allocation as a driver of global value chains, the role of capital composition in productivity dynamics, as well as obstacles for efficient capital allocation.

### **Innovative modeling of non-tariff measures in trade**

*Anniversary Fund of the Oesterreichische Nationalbank*

*September 2018 - February 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 is at least threefold: First, it aims at modelling non-tariff measures in a Structural Gravity framework. Second, it assesses 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. Based on these results, the third contribution lies in the estimation of effects of the envisaged EU-Japan Economic Partnership Agreement.

### **Effects, opportunity costs and spillovers of EU Cohesion Policy**

*Anniversary Fund of the Oesterreichische Nationalbank*

*September 2018 - February 2020*

This project aims 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 aims to: a) estimate the effects of CP on regional GDP, employment and productivity 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.

### **Integration of recent refugees and third country nationals into the Austrian labour market**

*Anniversary Fund of the Oesterreichische Nationalbank*

*October 2016 - June 2019*

The aim of this project is to investigate the opportunities and challenges of integrating refugees and third country nationals (TCNs) in the Austrian labour market. A particular focus of the analysis is to follow the dynamics of labour market integration, building on a variety of longitudinal databases, including our own survey covering recent refugees/asylum seekers and third country migrants in Austria. The aim is to follow the experiences of different groups of refugees and TCN migrants coming from different countries of origin with their specific personal characteristics, social contexts and participations in various policy programmes. Various statistical methods will be applied to analyse the heterogeneity of experiences and effectiveness of policy programmes. Research will also include interaction with focus groups and stakeholders, as well as macro-economic analysis of integration experiences of TCN migrants across all 28 EU countries.

### **Of Smile Curves and Global Value Chains: The Role of Functional Specialisation for Economic Growth**

*Anniversary Fund of the Oesterreichische Nationalbank*

*January 2018 - June 2019*

The central insight of the smile curve is that different functions (or ‘tasks’) that need to be performed along a firm’s value chain have different potentials for generating value added, with the production stage often being the least

promising one. Project-level data on greenfield crossborder investments with information on both the industry and the function they serve are used to identify countries' functional specialisation. A metric labelled 'relative functional specialisation in global value chains' and a related measure, the 'relative production specialisation index', are developed. The descriptive part of the project will use these indicators to create 'portraits' of functional specialisation of EU Member States, NAFTA and the South East Asian region. In a second step, the implication of the smile curve, i.e. that countries specialised in the pre-production and post-production tasks of the value chain should capture higher value added, is tested econometrically. To this end the relative function specialisation measure and the relative production specialisation index are embedded into an empirical endogenous growth model.

### **DG ECFIN Fellowship-Initiative 2018-2019 - The productivity challenge: jobs and incomes in the dawning era of intelligent robots**

*European Commission, DG Economic and Financial Affairs*

*October 2018 - June 2019*

Two important but conflicting longer-term trends can currently be observed: On the one hand - at least in some publications - the emergence of new technologies is expected to have a strong negative impact on employment in individual countries. On the other hand, there is a demographic development in the European countries (especially in Eastern Europe), which in the medium to long term indicates a decline in the total population and an even stronger decline in the working age population and thus a sharp decline in the labour supply. Against this background, the potential employment effects of new technologies are examined, particularly with regard to their labour-saving effects, and confronted with current demographic trends. As a further step, it is analysed to what extent the new technologies have the potential to increase labour productivity so that the potential labour shortage can be compensated.

### **Study on logistics and wholesale trade in EU27**

*European Commission, DG Enterprise and Industry*

*September 2018 - March 2019*

Logistics providers and wholesaler perform indispensable functions in the economy by linking manufacturers with each other and with retailers. Without the services they provide, supply chains would break down and products would not reach their intended markets. The aim of this study is thus to provide robust and reliable in-depth analyses of logistics and wholesale trade in EU27 (without the United Kingdom), including their structural and performance attributes. wiiw is responsible for identifying and analysing global value chains as well as European, North American and Asian value chains. Based on the World Input Output Database (WIOD) the analysis will focus on the characteristics of the most important sectors upstream and downstream from logistics and wholesale trade.

### **Background paper contribution for the Industrial Development Report 2020 'The Future of Industrialization'**

*UNIDO*

*November 2018 - March 2019*

There is a general expectation that the global economy is currently facing a new wave of technological change - Industry 4.0 - that is based on digitalisation and information and communication technologies (ICT) such as artificial intelligence, additive manufacturing and blockchain. As a background paper to UNIDO Industrial Development Report 2020, this project initially analyses the impact of total factor productivity (TFP) growth (i.e. a measure on technological progress) on employment, labour share, and value added growth of industries in emerging and transition countries. The analysis will take in to account the direct industry-own effects in addition to indirect impact across both national and international backward and forward linkages. Furthermore, wiiw analyses the corresponding impacts on employment, the labour share, and value added that arise from introduction of industrial robots, a prominent phenomenon in Industry 4.0.

### **Research Centre International Economics (Forschungsschwerpunkt Internationale Wirtschaft, FIW)**

*Federal Ministry of Science, Research and Economy*

*October 2006 - December 2018*

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/>

### **Externalities of Cohesion Policy**

*European Parliament*

*January 2018 - October 2018*

The study investigates the effects of Cohesion Policy (CP) which occur in a country other than the one in which CP resources were actually spent. The study estimates that macroeconomic spillovers significantly contribute to the impact of CP. Spillovers directed to EU countries represent around 9% of the total annual CP expenditure. Other spillovers to non-EU countries are around 8% of the CP expenditure. Macro and micro spillovers together arrive at 21% of the annual CP expenditure, 67% of which is distributed among EU countries. Around 20% of the CP expenditure can trigger sectoral spillover effects in the environment, transport and higher education sectors. The analysis demonstrates that externalities reinforce EU growth and competitiveness without CP deserting its convergence objective.

### **Support for the preparation of the analytical part of the position paper of Commission services on the use of the ERDF in Austria in the programming period 2021-2027**

*European Commission, DG Regional Policy*

*August 2018 - September 2018*

The aim of the project is to enable the European Commission to formulate a negotiation position for the discussion with Austria regarding its priorities for support by the European Regional Development Fund (ERDF) in the 2021-2027 programming period. The work is split into two tasks, whereby the first, analytical task will follow the structure of the EU Commission's position paper and consist of the following sections:

- **Main challenges:** This section provides an overview of Austria's main socio-economic challenges.
- **Policy objectives:** This section analyses the situation and key challenges for the policy objectives a) 'a smarter Europe', b) 'a greener, low-carbon Europe' and c) 'a Europe closer to citizens'. The results of this section shall be indicative of key areas for future ERDF support.
- **Success factor for effective delivery: Enabling conditions:** This section will analyse the Enabling conditions as formulated in Annex IV of the draft 'Common provisions' regulation and identify those conditions that may be problematic for Austria to fulfil.

Task 2 includes a discussion of the Task 1 results with Commission services.

### **Austria's Economic Competitiveness in a Neighbourhood Context**

*Anniversary Fund of the Oesterreichische Nationalbank*

*August 2016 - July 2018*

Since the Eastern enlargement of the EU in 2004, Austria has lost global export market shares. At the same time exports to Central, East and Southeast Europe have gained a significant portion of Austria's total exports. Moreover, in recent years Austrian GDP growth has slowed down and unemployment increased. In this context our main research question is whether the opening to the East had a structural lock-in effect for Austria's economy. In a novel approach on the territorial lock-in effect we will apply a multi-perspective view from a microeconomic (firm-level), mesoeconomic (industry-level) and macroeconomic (country-level) perspective. As regards data, we will have exclusive access to an update of the world input-output database including data for the Western Balkans. The new data will add substantially to the project, the current discussion on Austria's competitiveness and the development of policy recommendations

### **Implications of Financial Cycles for Europe's Economic Growth and Its Sustainability**

*Anniversary Fund of the Oesterreichische Nationalbank*

*August 2016 - July 2018*

In this research project we will examine the potentially changing nature of global economic development by focusing on the implications of cyclical movements in financial markets for economic growth and its sustainability. Based on historical data characterising financial market segments of advanced and developing economies we will identify financial cycles and will explore three channels through which they affect economic growth: 1) cross-country macroeconomic spillovers arising from financial shocks and their synchronisation; 2) interaction between financial cycles and macroeconomic imbalances; 3) the dynamics of output gaps and potential output levels taking financial cycles into account. As an overarching theme, we will explicitly track implications for economic growth in Europe, the relative merits of bank-based and market-based financial systems, and the role of global economic interconnectedness - issues of significant policy relevance both currently and in the years to come.

### **Eurasian Economic Integration: Impact Evaluation and Review of Prospects**

*Anniversary Fund of the Oesterreichische Nationalbank*

*January 2017 - June 2018*

In the proposed research project we will examine the economic impact of Eurasian integration by focusing on trade creation and trade diversion effects at aggregate and industry levels vis-à-vis the members of the Eurasian Economic Union and non-bloc trading partners using the gravity model of trade and the synthetic counterfactual methods. In the light of the empirical results the project will also revisit the trade potential, challenges and possible routes of economic integration on the wider 'pan-European-Eurasian economic space' in the contexts of the EU and the EU Neighbourhood policy, the Eurasian Economic Union, and the New Silk Road initiatives.

### **Migration and Globalisation - Impacts and Interaction**

*Anniversary Fund of the Oesterreichische Nationalbank*

*March 2016 - March 2018*

This project contributes to the current debate on the effects of immigration by considering how migration impacts upon and interacts with other forces of globalisation. The project will largely focus on the EU-27 countries, examining the impact of intra-EU and extra-EU migration flows on trade, FDI and off-shoring. The project will focus on four major issues, namely: (i) the impact of immigration on (North-South) FDI flows; (ii) the relationship between migration and services trade flows; (iii) the interactions between migration, trade and FDI flows; (iv) migration and offshoring and their impact upon labour markets and inequality in EU economies.

### **Economic policy implications of the Belt and Road Initiative for CESEE and Austria**

*Embassy of the Peoples Republic of China*

*October 2017 - March 2018*

The Belt and Road Initiative (BRI), a vision to revive the ancient 'Silk Road', was first presented by the Chinese President Xi Jinping in 2013. This initiative will affect more than forty countries throughout Eurasia and Africa. For Austria, it is particularly interesting, due to the country's strong economic relations with Eastern Europe and the Western Balkans. China has identified this region as the gateway to Western European markets, and emphasised its strategic importance with the initiation of a diplomatic initiative titled '16+1'. Furthermore, this region has a particularly high need for infrastructure investment, which form the core of the BRI. An analysis of developments in trade and investment, accompanied by the evaluation of the need for infrastructure investment in sixteen countries in Central, East, and Southeast Europe (CESEE), should allow for the identification of potential fields of cooperation between China and Austria in the context of the 'new Silk Road'.

### **Competitiveness drivers and obstacles, intra-EU linkages and European value chains in GVCs**

*European Commission, DG Growth*

*January 2017 - January 2018*

The emergence of international value chains (VCs) and the implied cross-border production sharing between countries has dramatically altered the international trading system. In view of the joint cross-border production processes numerous products would deserve the designation of origin 'Made in the World', as suggested by the WTO initiative of the same name - although in general there is the perception that international value chains are predominantly regional in scope. Since the Great Recession, however, there are concerns that the trend towards geographically-dispersed production has come to a halt with, among other factors, re-shoring initiatives and protectionist tendencies. Against this background this report analyses some of the key issues related to international VCs with data from the World Input-Output Database (Release 2016) which covers the period 2010-

2014. Based to a large extent on a measure of international value chain (VC) trade termed re-exported domestic value added, which comprises exports of intermediates that cross international borders at least twice, the question whether the world has reached 'peak value chain trade' and to what extent VCs have contributed to the decline in the income elasticity of trade is addressed. The research also re-examines whether value chains are predominantly global or regional in scope both worldwide and at the EU level. Furthermore, the extent of regional VC integration across the major regional trading blocs is compared. Finally, some of the implications of value chain trade for structural change and competitiveness are investigated.

### **Technical Assistance for the Preparation of CEFTA Investment Report**

*Central European Free Trade Agreement (CEFTA)*

*October 2016 - December 2017*

The aim of this Service Contract is to provide technical assistance for the preparation of a CEFTA Investment Report. Beneficiaries are the Parties of the Central European Free Trade Agreement (CEFTA) 2006. The Report will support the CEFTA Parties in fostering FDI in order to meet common development goals and promote the region as an attractive investment site. Systematic collection and methodologically sound assessment of FDI-related data including those on foreign affiliates (FATS) is an indispensable tool in the hands of policy-makers to stimulate and, if necessary, direct the foreign direct investment process for achieving the expected positive effects. To this end, the CEFTA Working Group on Trade in Services Statistics, FATS and FDI Statistics has set the objective to improve the quality of statistics across the CEFTA region and harmonise statistics with those of the European Union. Part A will present and analyse FDI trends in CEFTA Parties. This part deals with the current trends of FDI in the Region with reference to the period 2009-2015. Part B will provide a detailed analysis of the pattern of multinational enterprises' (MNEs) involvement in the manufacturing sector and its impact on local economies.

### **Wirtschaftliche Perspektiven für Kroatien - Eine Analyse der kroatischen Wirtschaft und abgeleitete Politikempfehlungen auf nationaler und EU Ebene**

*Austrian Chamber of Labour*

*June 2017 - December 2017*

The aim of the study is to develop policy recommendations to improve the economic conditions of the Croatian economy and the future perspectives of its population. A special focus of the analysis is on possible Austrian and EU assistance for absorbing potential effects on the Croatian and Austrian labour markets stemming from the expiration of the transitional arrangements concerning the employment of Croats in Austria. These are set to expire by the end of June 2020, at the latest.

### **Diagnostic Report for Partner Country Programme (PCP) Kyrgyzstan**

*UNIDO*

*August 2017 - November 2017*

At the moment, Kyrgyzstan's manufacturing sector is dominated by gold production, creating only a limited number of jobs but putting a heavy burden on the natural environment. Meanwhile, strong and inclusive growth, which would be consistent with the country's long-term objectives (such as those envisaged in the "40 steps to the New Era" government programme) and the UN Sustainable Development Goals, would require a stronger emphasis on manufacturing industries such as food and beverages, textiles, and wearing apparel. Their labour-intensive production processes and strong linkages with other sectors, particularly agriculture, could generate badly needed formal jobs and make the country less dependent on the informal sector and the inflow of remittances from abroad. Kyrgyzstan's inexpensive, trainable labour as well as low energy costs are internationally competitive, and represent clear advantages for the growth of such industries. However, these advantages are offset by the low productivity of firms, which tend to be too small and fragmented to reach a productivity level required to compete internationally and still suffer from insufficient access to credit. Besides, the country suffers from major logistical problems for trade, which were found to be greater than in other landlocked countries at a similar development level, such as Moldova and Laos.

### **Über die Wirkungen von Freihandel - Eine Bestandsaufnahme der ökonomischen Literatur**

*Federation of Austrian Industries*

*June 2017 - November 2017*

The discussions about globalisation, and free trade in particular, have gained momentum in recent years. For a comprehensive and rational debate about the mechanisms and effects of free trade, an analysis based on theoretical arguments and empirical facts is needed. The related topics encompass the effects of trade on real income,

inequality, employment, macroeconomic outcomes and the way free trade is governed. This contribution summarises the most important theoretical arguments concerning these topics and confronts them with recent empirical research results.

### **Durchführung einer Analyse zu volkswirtschaftlichen Aspekten von Infrastrukturinvestitionen**

*Ministry for Transport, Innovation and Technology (BMVIT)*

*February 2017 - September 2017*

The aim of the project is on the one hand to calculate a possible lack of investment for Austria and other EU member states in the area of strategic important infrastructure like for example street, rail or broadband internet connection. And on the other hand to develop a concrete suggestion for a "golden rule" for infrastructure investment on EU level. The project is based on actual research, is broadening it and puts a focus on the macroeconomic approach of infrastructure investments, whereas structural, cyclical and regional aspects of the topic will be treated.

### **Analysis of the Macedonian economy**

*Economic Chamber of Macedonia*

*December 2016 - June 2017*

The task of the study is 1) to make an analyse of the private sector of the Macedonian economy, 2) to examine the tradable sector, its competitive ability and comparative economics, 3) to analyse the interaction of the goods and job market (including the impact of emigration) and finally 4) to ray the financial status of the private sector and its relation to financial and capital market. Based on this policy recommendations for an explicit or implicit economic and industry policy should be developed.

### **Support of European Structural and Investment Funds (ESI Funds) to the implementation of the Country Specific Recommendations and to structural reforms in Member States**

*European Commission, DG Employment, Social Affairs and Inclusion*

*December 2015 - February 2017*

The study aims to produce evidence which can be used to support the implementation of the current programmes as well as the preparation of post-2020 ESIF programming. The study will focus on the relationships between structural reforms, linked to Country Specific Recommendations (CSRs) proposed as part of the European Semester, and the strategic design and implementation of the ESI Funds. The role of the ESI Funds in promoting and supporting the reforms will be examined in depth, with particular attention on the impact of two of the novelties introduced in 2014-2020: the ex-ante conditionalities and thematic objective 11 on Enhancing Institutional Capacity of Public Authorities and Efficient Public Administration.

### **Background paper contributions for the Industrial Development Report 2018, 'The Demand for Manufacturing. Inclusive and Sustainable Industrial Consumption, in a Globalized Economy'**

*UNIDO*

*October 2016 - February 2017*

The UNIDO Industrial Development Report (IDR) series is a unique UN publication monitoring and analysing industrial developments in industrialised and industrialising economies across the world. It covers 85 countries in Europe, North America, Asia and the Pacific and serves as an established source of reference for policymakers, as well as public and private stakeholders. wiiw will support UNIDO in producing the next IDR and draft two background papers for chapter 4 of the report. The first background paper will analyse unit prices in manufacturing exports from advanced and developing countries, and explore whether there are significant difference in unit values of similar goods exported from developing and advance economies to the same markets. The second background paper will discuss whether some segments of manufacturing production are becoming 'commodified' and what are the implications for developing countries and trade.

### **Production linkages, value added trade and employment in the wider Europe**

*Anniversary Fund of the Oesterreichische Nationalbank*

*January 2015 - December 2016*

The establishment of supply and production links has been a major driving force of the integration of the new EU Member States. Countries strongly integrated in production networks benefited in terms of productivity, value added and export growth. An important question on the further widening of Europe therefore is the integration of

today's accession countries and possibly the EU neighbourhood countries in that respect. For a detailed study of actual patterns of production integration, a European multi-country input-output table is constructed allowing for an analysis of patterns of integration and value added trade in the wider European context. The potential impacts are further investigated by using a gravity modelling approach accounting for the importance of trade in intermediates and value added trade. Finally, various scenarios will be calculated providing evidence of potential impacts of further integration or disintegration on income and employment.

### **Tradability of Output and the Current Account in Europe**

*Anniversary Fund of the Oesterreichische Nationalbank*

*July 2015 - December 2016*

One aspect in the debate about current account imbalances in Europe is the consequence of 'de-industrialisation' observable in several European countries. This project highlights the role of tradability of output as a key determinant of the current account balance. The relationship between a country's specialisation in the production of tradables will be investigated empirically for 46 European countries over the period 1995-2014. To this end a tradability index is developed which can be understood as a country's expected degree of openness given its economic structure. The tradability hypothesis to be tested in this project suggests that countries specialising in the production of relatively more tradable output have a tendency to run current account surpluses. It is shown that this relationship is also predicted by intertemporal models of the current account. The tradability hypothesis is tested using both panel regressions and cross-country regression techniques.

### **Study on investment needs and obstacles along industrial value chains**

*European Commission, DG Enterprise and Industry*

*April 2016 - December 2016*

The aim of this study was to identify special investment needs, funding gaps and obstacles for investments along industrial value chains as well as to propose actions for overcoming obstacles especially for the coordination of investments within this value chains. First of all industrial value chains with high potential for growth within the European Union were identified. Afterwards five case studies have been conducted that illustrated funding gaps and needs as well as obstacles in these selected value chains. These five case studies examined: (1) the sector of engine construction - additive manufacturing, (2) rubber and plastic products - production of rubber, (3) food sector - retraceability of food, (4) automobile industry - batteries for electric vehicles as well as (5) metal production and processing - recycling. At the end for each of these value chains an investment package was developed.

### **Labour market development of Austria and East Europe in Comparison**

*Federal Ministry of Labour, Social Affairs and Consumer Protection*

*November 2016 - December 2016*

The aim of the project is to find an answer to the question why Austria has fallen back within the European unemployment ranking lately and how the comparable development was in the MOEL. Thereby macroeconomic (change of the situation of the labour market because of different growth rates in the countries and the role of the wage policy in the MOEL, approach of the wage level as implication of the catching-up process) and demographic aspects (demographic aspects and changes of the participation on the labour market and the role of emigration respectively immigration for the development of the labour force at the age from 14-64) are considered in a more precise way as well as institutional factors (proficiency level of the unemployment insurance respectively the social welfare and its impact on the unemployment rate, activity in the informal sector, role of the mostly liberal labour markets in the MOEL and role of other institutional factors).

### **Asian Experiences with Global and Regional Value Chain Integration and Structural Change**

*UNIDO*

*July 2016 - November 2016*

This study was part of a larger research project on global and regional value chains in South and South East Asia undertaken by UNIDO and a Chinese partner (UIBE). Its main objective was to investigate the relationship between the intensification of global and regional value chains and structural indicators as well as export-related performance measures in South-East Asia and South Asia. The research was based on OECD's Inter-Country Input-Output Tables covering more than 60 countries over the period 1995-2011.

### **Establishment of consolidated financial data 1989-2013**



*European Commission, DG Regional Policy  
December 2015 - September 2016*

Good data improve policy-making and serve the general public to understand why Cohesion Policy is needed and how it improves people's lives. This project is about creating such data. Specifically, the project will create a data-set covering the years 1989-2013 including decisions and payments at the NUTS2 level from the European Structural and Investment Funds: a) European Regional Development Fund (ERDF), b) European Social Fund (ESF), c) Cohesion Fund (CF), d) European Agricultural Fund for Rural Development (EAFRD) and e) European Maritime & Fisheries Fund (EMFF). For this the study will harmonise and expand existing data-sets on the periods 1989-1993, 1994-1999, 2000-2006 and 2007-2013. Those data-set differ widely in their coverage of the Funds, their definition of NUTS regions and many other aspects, making the creation of a harmonised data set an extremely challenging task.

### **Framework contract on services related to the coordination and provision of horizontal support to the EURES network.**

*European Commission, DG Employment, Social Affairs and Inclusion  
September 2014 - August 2016*

The European Job Network EURES (European Employment Services) will be reformed in the coming years in order to bring it up to speed with the challenges posed by the current and future labour market situation. EURES will become a demand-driven and result-oriented recruitment tool satisfying economic needs and contributing to fulfil the employment objective of the Europe 2020 strategy. The overall aim of the network support activities is to provide assistance to EURES members and partners in initiating, developing and implementing intra-EU labour mobility actions and plans, to improve cooperation and mutual learning in connection with the objectives of the EURES reform and to reinforce the role of EURES as part of such mobility actions and strategies.

### **The evolving composition of intra-EU trade over time**

*European Commission, DG Growth  
January 2016 - July 2016*

Global trade in goods and services was severely hit by the economic crisis in 2008, which initiated a pronounced but short-lived trade collapse. Until 2011 trade flows recovered relatively quickly, but since then global trade in goods has been rather anaemic. This development is partly the result of the low dynamics of EU-related trade which accounts for a large share of global trade flows. Regarding intra-EU trade a strong increase in overall bilateral trade intensities is observed. The process of EU integration before the crisis and differentiated growth patterns of goods and services exports implied that exporting activities became slightly less concentrated across EU Member States. However, specialisation dynamics implied an increasing geographic clustering and specialisation of goods and services exports across Europe. These changes in the geographical patterns of intra-EU trade activities were mostly driven by changes in the patterns of trade in the medium-quality segment which can be interpreted as a 'climbing up' phenomenon of less advanced countries. Results from a gravity framework suggest a structural break of these trends after the crisis. Another aspect of the increasing trade intensity is the role and magnitudes of intra-firm trade and potential determinants thereof. However, research on this is hampered by a severe lack of data and only a few insights can be gained, mostly for extra-EU trade. Results based on foreign affiliates' trade statistics (FATS) data indicate that intra-firm trade flows were responsible for more than half of total trade between the EU and the US in 2012. Results also suggest that intra-firm trade has been more resilient to the trade crisis despite the more difficult global environment for foreign direct investment and export activities. Based on a gravity approach, overall EU intra-firm trade is estimated to be lower, though these results need to be interpreted with caution. In a case study based on Irish firm-level data it is shown that intra-firm trade accounts for 30% of exports and 25% of imports.

### **The European construction value chain: performance, challenges, role in the GVC**

*European Commission, DG Growth  
January 2016 - June 2016*

The study made a clear picture of the construction value chain on the European level, its structure and connections and its development and efficiency. In the course of strengthening the internal construction market the integration within the European construction value chain was valued, especially in the sense of cross-border dimensions of market integration. In the context of the promotion of the position of the European construction industry, the European position and role at the global level was examined. Another point was to examine future settings that influenced activities within the construction industry - within Europe as well as on a global level, and to evaluate appropriate challenges for the construction value chain in Europe. Finally the prior political impacts, that emerge from the development and integration of European and global construction value chains, were filtered.

## **EU wholesale trade: analysis of the sector and value chains**

*European Commission, DG Growth*

*January 2016 - June 2016*

The study examined the European wholesale sector from several perspectives. First of all an overview of size and the economic significance of the wholesale was gained. As a second step the wholesale was seen as an economic function that connects different sectors and countries to global value chains. And as a third level it was gone deeper into the wholesale sector with a case study about the subsector 'Wholesale of mining, construction and construction engineering' which was examined more precisely.

## **Neighbourhood cooperation for a sustainable trade and investment policy**

*Federal Ministry of Science, Research and Economy*

*October 2015 - January 2016*

This study focuses on the potential for cooperative activities of trade and foreign direct investment (FDI) policies with Austria and its neighbouring countries to further promote competitiveness of all countries and firms involved on the world markets, with a particular focus on oversea destinations. First, a detailed analysis of actual trends and patterns of trade and FDI at the global level and with a focus on the neighbouring countries is provided. Particularly, the study presents evidence on commonalities and differences of these countries in geographical patterns of trade and foreign direct investment both in Europe and more distant markets like Asia, Africa and America. Second, based on these findings a rationale for potential cooperative activities at the institutional level and the trade-off between benefits of cooperation on the one hand and the issue of competition amongst involved parties on the other hand are discussed. The study finally outlines some suggestions for concrete cooperative activities that were developed on the basis of discussions with practitioners. An appendix lists institutions involved in export promotion in the neighbouring countries and outlines existing activities in Austria that might serve as a starting point for developing cooperative activities, which in the future might be integrated into a policy framework promoting a competitive position in world markets for all partners.

## **Innovation in the CESEE region: from pre-crisis credit boom to the effects of the financial crisis**

*Anniversary Fund of the Oesterreichische Nationalbank*

*July 2014 - December 2015*

In Europe's Emerging Market Economies a change in the underlying growth and catching-up model of the last decades is becoming apparent. The proposed study was one of very few studies on developing and emerging economies in Central, East and Southeast Europe (CESEE) focusing on innovation activity in this region. It analysed drivers and effects of innovative activities at the firm level for a comprehensive set of countries in the CESEE region. The study looks at three phases of economic and financial development, namely 'financial normalcy' (2000-04), the emergence of the credit and housing 'bubble' (2004-08) and the 'crisis' (from 2008 onwards) and at two innovation strategies (make and buy) and analyses the role of (i) credit constraints as an impediment to innovation activities and success, of (ii) foreign-controlled enterprises and their potentially superior innovation and firm performance and of (iii) the strategic choice of R&D cooperation partners for innovation success.

## **Ex post evaluation of Cohesion policy programmes 2007-2013, focusing on the ERDF and CF - Work Package 13: Geography of expenditure**

*European Commission, DG Regional Policy*

*December 2014 - August 2015*

This project collected data on the NUTS 3 regional breakdown of the European Regional Development Fund (ERDF) and Cohesion Fund (CF) programmes under the Convergence, Regional Competitiveness and Employment (RCE) and the European Territorial Cooperation (ETC) Objectives. Regarding the latter, the focus was on Cross-border Cooperation (CBC) programmes only. For this, the project identified the cumulative allocations to selected projects as well as the expenditure at NUTS 3 level, broken down by the 86 priority themes, for the period 2007-2013. The collected and estimated data was stored in an easy-to-use database, so that data are available for further use by the Commission and, once these data are published, by the general public. Furthermore, results of the data were published in the form of maps, to provide first impressions of the nature and regional distribution of ERDF and CF programmes.

## **Free Movement of workers, transitional arrangements and potential mobility from Croatia**

*European Commission, DG Employment, Social Affairs and Inclusion*

*December 2014 - May 2015*

Croatia joined the European Union on 1 July 2013. Similar to the two previous rounds of enlargement (2004 and 2007) the Accession Treaty with Croatia permits transitional arrangements regarding labour mobility. These arrangements allow other Member States to impose restricted access of Croatian nationals to their labour markets for a maximum period of seven years (2+3+2 formula). The first stage of transitional arrangements started in July 2013 and ended on 30 June 2015. As required by the ToR, the study provided information on past and, particularly, current migration/mobility patterns of Croatian nationals across EU Member States as well as on potential mobility/mobility intentions from Croatia to other EU Member States. In addition, it identified push factors of mobility and estimate econometrically the potential mobility patterns of Croatian nationals across other EU Member States. Finally, the study provided a short inventory of national data sources – both from Croatia and other Member States – that will help to monitor and assess the mobility of Croatian citizens since the country's accession to the EU in July 2013.

### **Recent patterns of labour mobility in the European Union**

*Anniversary Fund of the Oesterreichische Nationalbank*

*July 2013 - March 2015*

In the EU the level of labour mobility is comparably low, but rising due to intensified labour market flexibility and increasing migration flows. The project analysed changing patterns of labour mobility in a detailed manner in the countries, regions and economic sectors of the EU by applying a descriptive and an econometric approach. A specific focus was put on whether international migrants respond more flexibly to labour market demands. Moreover, the effects of external shocks during the financial and economic crisis on the scale and structure of labour mobility was analysed. The project drew on two micro-datasets: the EU labour force survey for performing a worker flow analysis and the MICRO-DYN database, which provides data based on EU-wide firm-level data to perform a job flow analysis. In the econometric approach we applied regional, country, sectoral and workers characteristics to detect the reasons for differences in the European wide map of labour mobility.

### **Auswertung der HFCS Daten im Europavergleich. Immobilienvermögen, Verschuldung, nettovermögenslose und eigenheimbesitzende Haushalte**

*The Chamber of Labour (AK Wien)*

*December 2013 - November 2014*

The aim of the study is to describe the situation of household asset and debt holdings and the distribution thereof in the countries of the eurozone and to provide a comparison between those. The analysis is based on data from the Household Finance and Consumption Survey (HFCS). The analysis focuses particularly on two groups of households, those without or with negative net wealth holdings and those households being proprietor of their home. Recent research on the topic has first and foremost dealt with the situation in the US. Moreover, the study discusses the relevance of real estate assets for households in a broader sense.