

# List of Projects

## Branimir Jovanović

### **Empowering the Geopolitical EU in the Eastern Neighbourhood and the Western Balkans (GEO-POWER-EU) (wiiw Team Leader)**

*European Commission, Horizon Europe*

*June 2024 - May 2027*

GEO-POWER-EU's primary objective is to contribute to the empowerment of the EU to manage security threats within the deteriorating geopolitical environment that lies in its Eastern Neighbourhood and in the Western Balkans. The project's main goal is to articulate a proposal for a comprehensive EU strategy towards these regions that will employ new and reformed means and policy instruments, taking into consideration foresight concerning the strategic ambitions of other geopolitical actors. The project seeks to improve the EU neighbourhood policy and accession process. Conceptually, GEO-POWER-EU will link both the enlargement and EaP policies, two areas traditionally studied as two distinct political regions falling under different policy radars, in order to reflect the post-Russian invasion in Ukraine EU policy needs. Methodologically, the project will combine traditional quantitative and qualitative methods (desk research, semi-structured interviews, focus groups, case studies and a population survey in the WB and the Associated Trio), together with digital methods (Sentiment Analysis), among other things. The project will create a special 'Interdependence Database', which will become publicly available, as well as three Indices, measuring different aspects of interdependence. GEO-POWER-EU project brings together a consortium of thirteen European research organisations and universities and is being coordinated by the University of the Peloponnese. wiiw's main contribution is the development of an interdependence database aimed to measure the influence of EU's geopolitical competitors in the two regions concerned and the investigation of emigration and brain drain from these.

### **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).

### **Key Forecasts and Macro Scenario Analysis**

*Addiko Bank AG*

*March 2024 - March 2026*

The wiiw team carries out 'Key Forecasts and Macro Scenario Analysis', focusing on agreed macroeconomic indicators to calculate different scenarios of macroeconomic developments in the EU/Austria. These scenarios will be delivered to the contracting authority in accordance with specified terms and condition.

### **Monitoring and Supporting Western Balkan Convergence with the European Union** (*wiiw Team Leader*)

*Open Society Foundations Western Balkans (OSF)*

*November 2024 - December 2025*

This project aims to support the economic, social, and institutional convergence of the Western Balkans with the EU by developing a comprehensive convergence database and index, alongside a dashboard and annual reports to track regional progress. Additionally, it will provide scenario analyses, policy recommendations, and advocacy strategies to further enhance the region's convergence with the EU. In that way, it can be linked to the aim of the Western Balkan leaders of establishing an Observatory of Convergence, as well as the reinvigorated enlargement momentum from the EU.

### **Monthly updates of Addiko corporate loan data for 2023 and 2024**

*Addiko Bank AG*

*January 2024 - December 2025*

Monthly updates of corporate loan data for 2025 The project produces twelve monthly updates of historical data on corporate loans and their interest rates in 2025 for the three countries where Addiko Bank operates.

### **Articles for the magazine 'European Voices'**

*DER ThinkTank*

*January 2024 - December 2025*

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.

### **Capacity Building for Central, Eastern and South Eastern Europe: Development, organisation, implementation and evaluation of seminars at the Joint Vienna Institute**

*Oesterreichische Nationalbank/Austrian Ministry of Finance*

*January 2025 - December 2025*

On behalf of the Austrian authorities - the Federal Ministry of Finance and the Oesterreichische Nationalbank - wiiw develops and organizes specialized training programs within the framework of the Joint Vienna Institute (JVI). These courses are designed for public sector decision-makers and policymakers from transition economies in Central, Eastern, and Southeastern Europe, the Caucasus, and Central Asia. The 2025 program will offer courses on key economic and policy challenges, including Competitiveness, Growth, and Crisis; Public Governance and Structural Reforms; Public Policies for the Green and Digital Transition; Foreign Direct Investment Policies; and Crisis and Resilience. Additionally, a dedicated segment on Austrian political and economic issues will be integrated into the Applied Economic Policy Course.

### **The Economic Impact and Potential of Formal and Informal Roma Workers in Eastern Europe**

*Roma Foundation for Europe*

*March 2025 - November 2025*

This project aims to conduct a comprehensive survey among Roma populations in selected Western Balkan and Central and Eastern European countries to analyze their socioeconomic and labor market conditions. The survey will provide insights into Roma employment structures, income levels, and challenges, estimating their contributions to national economies using a combination of survey data, census information, and macroeconomic indicators. By assessing both the current economic impact of Roma workers and the potential gains from improved inclusion and formalization, the study will quantify the untapped economic potential of Roma communities. The findings will inform policy recommendations to enhance Roma workforce participation, reduce employment barriers, and maximize their economic contributions. The project consists of structured work packages, covering survey design, data processing, quantitative analysis, report drafting, and dissemination, in close collaboration with the Roma Foundation for Europe.

## **Human Mobility in the Western Balkans: Pathways for Inclusive Growth and Human Development** (wiiw Team Leader)

United Nations Development Programme (UNDP)

February 2025 - August 2025

This project will provide analytical and advisory support on the impact of human mobility on economic development, competitiveness, and growth potential in the Western Balkans. It will offer a robust evidence base to inform policies in key areas: analysing human mobility trends and their economic effects; addressing emigration while supporting circular and return migration; managing immigration; and tackling skills shortages and mismatches. The project will also support the implementation of the EU's New Growth Plan and the Green and Digital Agendas, while offering programming recommendations for UNDP. Combining a rigorous analytical approach with practical policy and programmatic solutions, the initiative aims to harness human mobility to advance skills, labour markets, and human capital development, ultimately fostering inclusive and sustainable growth across the region.

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

Anniversary Fund of the Oesterreichische Nationalbank

October 2022 - June 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).

## **What are the economic and institutional must haves for candidate countries to make an accelerated enlargement possible?**

European Commission, DG Economic and Financial Affairs

October 2024 - June 2025

This project, commissioned by the EU Commission's DG EcFin, attempts to identify "the minimal economic preconditions for the accession of candidates to the European Union, presuming a scenario under which there would be strong political pressure to admit new Member States much quicker than the current enlargement approach and procedures can deliver." (quoted from the tender document). The research set out to identify such minimum conditions by focusing on the following selection criteria: (i) relevance to provide macroeconomic stability for longer-term growth (and convergence), (ii) potential spillover effects on existing member states, and (iii) implications for proper use of EU funding and mutually beneficial participation in EU programs. Given these criteria we focus in our analysis on (a) external accounts (b) the fiscal situation (c) labour markets and social indicators and (d) institutional factors.

## **Projections Loans and Interest Rates Update 2025-2030** (wiiw Team Leader)

Addiko Bank AG

April 2025 - May 2025

The project focuses on generating forecasts for consumer and corporate loans, as well as their interest rates, across the countries where Addiko Bank operates. The forecasts will cover the period from 2025 to 2030 on a quarterly basis. wiiw has extensive experience in forecasting for CESEE countries, using a methodology that ensures strong internal consistency. For the Addiko countries, wiiw applies its core macro-financial projections alongside external forecasts (e.g. European Commission, Consensus Forecasts). Forecasts are based on updated in-house econometric models that capture historical relationships and reflect current macro-financial trends.

## **Geo-economic Interconnectivity Index (GEOII)**

Bertelsmann Stiftung

July 2024 - April 2025

The Geo-economic Interconnectivity Index (GEOII) is part of the Bertelsmann Stiftung's project "Sovereign Europe: Strategic Management of Global Interdependence" and builds upon the research conducted in collaboration with the Vienna Institute for International Economic Studies (wiiw) and European Center for International Political Economy (ECIPE), to measure economic interconnectivity of the EU and other powers with the EU neighbouring countries. The focus of the "Sovereign Europe" project and its continuation with the index is to explore how the EU can consolidate and expand its influence in its neighbourhood amid increasing geopolitical rivalry and blocs formation. The aim is to align relations with the EU's political interests and values, thereby strengthening its role as a global player. This index aims to capture the dynamics of geoeconomic influence and shifts in the balance of power within the region. Its core objective is to track changes in economic ties in various sectors over time and their implications for the EU's relative influence. To this end, the index will measure and evaluate the economic interconnectivity of the EU with its neighbouring countries, focusing on the bilateral flow of goods, services, and finances, as well as policies that hinder or promote this exchange. The index will compare the EU's interconnectivity with that of the US, China, and Russia in the same region, providing an evidence-based picture of the intensity and development of interconnectedness while disclosing annual differences (deltas) in the data .

### **Capacity building for Central, East and Southeast Europe: Joint Vienna Institute**

*Oesterreichische Nationalbank/Austrian Ministry of Finance*

*January 2024 - December 2024*

For more than two decades, wiiw designed and organised courses within the framework of the Joint Vienna Institute (JVI). These courses were aimed at decision-makers in the public sector and policy-makers from transition countries in South-Eastern Europe and the CIS. In 2024, courses were held on the following topics: Competitiveness, Growth and Crisis; Public Governance and Structural Reforms; Public-and Private Cooperation for the Green and Digital Transition; Foreign Direct Investment Policies; Crisis and Resilience; and a segment on Austrian political and economic issues within the Applied Economic Policy Course.

### **Assessment of the implementation of CEFTA CRM measures and recommendations for actions beyond 2024**

*Central European Free Trade Agreement (CEFTA)*

*May 2024 - December 2024*

The main objective of the research was to provide an assessment of the implementation of the CEFTA lead measures of the Action Plan for the Common Regional Market (CRM) 2021-24 in light of the expected results outlined in the Action Plan. The research also aimed to provide recommendations for future activities beyond 2024, considering the same overall objective of the Common Regional Market and its role in the EU's New Growth Plan for the Western Balkans.

### **Monitoring and Assessing Labor Markets in the Western Balkans (wiiw Team Leader)**

*The World Bank*

*June 2022 - November 2024*

Western Balkan economies have persistently performed poorer than their peers from Central, Eastern and South-East Europe. One area where they have been particularly weak is the labor market. In 2021, none of them had an unemployment rate below 10%. In addition, the countries face a pronounced gender gap, high informality, low salaries, with very high rates of poverty among the employed. A massive emigration causes a continuous shrinking of the labor force. On top of these challenges, reliable, consistent, detailed and comparable labor market indicators are missing. For that reason, the World Bank initiated a joint project with the Vienna Institute for International Economic Studies (wiiw) which aimed to develop a unique and freely available labour market database. It was also the basis for a joint annual Western Balkans Labor Market Trends Reports that analysed and highlighting key labour market developments in the region. The project was entitled SEE Jobs Gateway and lasted from 2016 to 2020. The key project outcomes are still accessible via the wiiw website. The current project aims to produce annual updates of the labour market database as well as its extension into several new directions. Annual Labour Market Briefs will feature specific topics, such as employment in new foreign direct investment projects, employment by occupations, labour taxation or migration. The complementary activities aim to encourage the wider academic and political community to target their analysis and measures and to engage in an informed debate within the region, the international academic and donor communities.

### **Fiscal rules and fiscal councils in the Western Balkans (wiiw Team Leader)**

*The World Bank*

*August 2023 - October 2024*

In this project, wiiw acted as a consultant in the framework of a larger World Bank programme aimed at assisting the Western Balkan countries (WB6) in enhancing their fiscal responsibility frameworks. The institute hereby: - developed a comprehensive dataset on fiscal rules, councils and medium-term budgetary frameworks; - created a scorecard of the rules, councils and frameworks along the lines of the European Commission; - assessed the effects thereof on fiscal, economic and social outcomes; - supported the World Bank in launching and running a network on fiscal rules and fiscal councils for the WB6.

### **Preparation of Ukraine for its accession to the EU in the area of Cohesion Policy**

*Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*

*June 2024 - October 2024*

This initiative is based on a cooperation between the Vienna Institute for International Economic Studies (wiiw) and the U-LEAD with Europe programme implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). It specifically aims to contribute to the preparation of Ukraine in view of its accession to the EU in the area of Cohesion Policy (Chapter 22 of the accession negotiations) and focuses on four key dimensions of Cohesion Policy: governance framework, administrative capacity, programming, as well as monitoring, reporting and evaluation processes. This work draws from the experience of two EU Member States (i.e. France and Lithuania) and one candidate country (i.e. North Macedonia). It will result in guidelines tailored to the needs and goals of Ukraine as regards its reconstruction and future EU membership, also considering its decentralisation reform and regional development policy. U-LEAD with Europe: Local Empowerment, Accountability and Development Programme is a multi-donor action of the EU and its member states Germany, Poland, Denmark and Slovenia to support Ukraine on its path to strengthening local self-government. U-LEAD promotes transparent, accountable and responsive multi-level governance in Ukraine and empowers municipalities.

### **Nearshoring and decarbonisation in the Western Balkans (wiiw Team Leader)**

*DIHK - Deutscher Industrie- und Handelskammertag*

*January 2024 - September 2024*

This project followed up on wiiw's previous study "Getting stronger After COVID-19: Nearshoring Potential in the Western Balkans" and aimed at assessing whether there has indeed been some near-shoring to the Western Balkans during the past 2.5 years and in which countries and industries it has occurred. In addition, the project explored what companies from the Western Balkans think about decarbonisation, what the challenges are that they are facing with respect to it, and how nearshoring trends can be synergised with ongoing efforts in decarbonisation and green transformation. The main research questions were addressed by analysing quantitative and qualitative data on FDI in the WB6, by conducting and analysing surveys of WB6 companies and finally by conducting and analysing surveys of German companies, in order to assess their perceptions and views on the importance of decarbonisation for their investment and cooperation with other companies. We concluded that near-shoring is indeed taking place in the region, aligns well with the global trend of decarbonisation, and presents an opportunity for both local companies and the broader economies of the Western Balkans.

### **Projections loans and Interest Rates Update 2024-2026 (wiiw Team Leader)**

*Addiko Bank AG*

*April 2024 - September 2024*

The project produced forecasts of consumer and corporate loans and their interest rates for the five countries in which Addiko Bank operated. Forecasts were prepared for 2024, 2025, and 2026 on a quarterly basis. Forecasts are based on updated in-house econometric models that capture historical relationships and reflect current macro-financial trends. wiiw has extensive experience in forecasting for CESEE countries, using a methodology that ensures strong internal consistency.

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

*Anniversary Fund of the Oesterreichische Nationalbank*

*May 2021 - September 2024*

To gain a deeper understanding of the industrialisation boom, the subsequent (financial) crises, and the collapse of the command economies in Central, East, and Southeast Europe (CESEE), as well as the economic policy approaches implemented during this period, we have digitised and made publicly available wiiw's economic statistics. These cover the COMECON (Council for Mutual Economic Assistance) member and associated member

countries in CESEE from 1944 to 1993. Similarly, we have scanned wiiw's research reports from that era. Additionally, a series of working papers has been produced, providing detailed descriptions of the data, summarising relevant literature, and offering economic analyses on key topics related to the development and decline of the command economies. The project was conducted in close collaboration 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).

### **Key Forecasts and Macro Scenario Analysis**

*Addiko Bank AG*

*May 2023 - February 2024*

The wiiw carried out the 'Key Forecasts and Macro Scenario Analysis' - a set of agreed macroeconomic indicators. For five Addiko countries (plus the euro area and other key markets where appropriate), wiiw produced forecasts (up to five years) for a set of agreed macroeconomic and financial indicators. For some of these indicators, wiiw produced three scenarios in addition to the baseline: optimistic, pessimistic and negative.

### **Entwicklung, Organisation, Durchführung und Evaluierung von Seminaren am Joint Vienna Institut (JVI)**

*Oesterreichische Nationalbank/Austrian Ministry of Finance*

*January 2023 - December 2023*

Das wiiw hat im Rahmen des Joint Vienna Institute (JVI) mehrere Kurse konzipiert und durchgeführt. Diese Kurse richten sich an Entscheidungsträger des öffentlichen Sektors aus den Transformationsländern Südosteuropas und der GUS und haben zum Ziel, aktuelle wirtschaftspolitische Themen zu vermitteln.

### **How to dovetail Ukraine's reconstruction with EU integration and accession**

*Bertelsmann Stiftung*

*January 2023 - December 2023*

The reconstruction of Ukraine and its accession to the EU constitute one of the biggest challenges for the international community, the EU and the country itself for many decades. Ukraine received candidate status from the EU in 2022 and could open negotiations even this year. Meeting the Copenhagen Criteria for EU accession, however, will be a monumental task. A joint assessment released in March 2023 by the Government of Ukraine, the World Bank Group, the European Commission, and the United Nations, estimated that the cost of reconstruction and recovery in Ukraine had grown to US \$411 billion (€383 billion). The costs were expected to be spread out over 10 years, and to use a mixture of private and public money. This research team argued that these two historic processes—reconstruction and EU integration—and how to further develop Ukraine as a functioning market economy capable of meeting the demands of EU internal market competition must be thought together to achieve the best possible outcomes - for the EU and Ukraine alike. Shedding light on what exactly the main challenges are, how Ukraine compares with previous joiners, and what can be learned from the successful EU accession of EU-CEE countries, was the ultimate ambition of this report. Within a series of research reports and policy briefs a group of economists from wiiw, the Bertelsmann Foundation, the Kiev-based Growford Institute and the Institute for Economic Research and Policy Consulting analysed in detail five key and complementary areas of economic reconstruction: trade and FDI, regional policy, infrastructure, demographics, finance. They also investigated how these reconstruction areas could be structured as part of the EU accession process, and provided policy proposals for Ukraine and the EU.

### **Jobs, mental health and social policy in times of COVID-19**

*FWF - Austrian Science Fund*

*November 2021 - October 2023*

In this project, a research team at wiiw is investigating important structural and distributional social impacts of the COVID-19 pandemic. In addition to the impact of the crisis on different economic sectors and on their organisation, the topics of employment and re-employment as well as the perspectives of different social groups are taken into account. For this purpose, a model is developed that captures the main features of the social and structural impacts in the medium and long term ('agent-based stock-flow consistent model'). Besides factors of labour market economics, it also includes changes in technology, productivity and work organisation as well as economic policy decisions. Four empirical studies shed light on important components of the theoretical model. These include structural developments of economic activities, different employment models, homeworking and effects on mental health, analysis of government measures.

## **Framework contract for studies in the field of Social Policy, Education, Employment, Research, Culture and Digital Single Market (Lot 1 - Social and Employment Policy)**

*Committee of the Regions*

*July 2022 - June 2023*

The purpose of this framework contract is to enhance the European Committee of the Regions' capacity to provide input into the policy-making process by a) increasing its rapid response capability, b) allowing a broader consultation of local and regional players, c) offering the possibility of drawing up specific opinions on topics of current interest, d) making databases and knowledge built up by research centres and universities accessible for the evaluation of policies, e) improve its capacity to prepare outlook opinions in the context of the Cooperation Protocol with the European Commission, f) use Territorial Impact Assessments as valuable tools for complementing Commission ex ante impact assessments and g) strengthen the capacity and increase the activity in foresight analysis of regional and local developments. The framework contract focuses on social and employment policies that will be addressed from the perspective of local and regional authorities. wiiw is leading a consortium with Spatial Foresight and t33.

## **EU interconnectivity with its neighbouring regions**

*Bertelsmann Stiftung*

*November 2021 - February 2023*

Russia's invasion of Ukraine has marked the start of a new geo-economic era for the EU. Against this background, this study aims to gain a better understanding of the geo-economic challenges that the EU faces in its neighbourhood. It set out to measure the interconnectivity between the EU and its neighbouring countries and to compare these interconnections with those of the EU's peers and rivals: the US, China and Russia. The authors seek to identify and measure the extent of these interconnections in five key areas (trade, finance, technology and know-how, infrastructure and labour mobility), to draw out the key geo-economic implications for the EU, and to propose a set of policy recommendations for the EU's future engagement with its neighbourhood. The study was undertaken jointly by wiiw and Bertelsmann Stiftung.

## **Industrial Policy for a New Growth Model: A toolbox for EU-CEE countries**

*Friedrich Ebert Stiftung*

*July 2022 - December 2022*

The Central Eastern European member states of the EU (EU-CEE) marked impressive advancements in their socio-economic developments over the past decades and can be even regarded as one of the most dynamic regions in Europe. The countries' EU membership as well as their deep integration into regional and global value chains (GVCs) played a crucial role in this catch-up process. However, the period following the Great Recession has seen unimpressive labour productivity growth along with a somewhat slower, in some cases even derailed, convergence process. In the light of EU-CEE's positioning as 'factory economies' and their struggle to occupy the more sophisticated stages of manufacturing value chains, the key challenge faced by the region is to occupy higher value-added activities within the value chain. This study aims to strategically evaluate the countries' policy options in achieving this goal, and to design an appropriate industrial policy toolkit for them, taking full account of the ongoing megatrends. It aims to guide policy makers in making the best possible use of the available policy space and taking full advantage of EU membership, while at the same time steering the industrial policy discussions at the EU-level to one that better fits the position and capabilities of the EU-CEE. The study defines industrial policy in the EU context and explores lessons learned from past successful industrialisers. It maps the EU-CEE's industrial development, with a particular focus on green and digital aspects, in order to identify most promising growth areas, along with key areas of vulnerability. Subsequently, it dives deep into the discussion of flagship industrial policy instruments and discusses how they could be more effectively deployed in EU-CEE.

## **Economic and Social Impacts of FDI in CSEE (wiiw Team Leader)**

*Ost-Ausschuss der Deutschen Wirtschaft e.V.*

*January 2022 - November 2022*

The study analysed the economic impact FDI had on the economies of Central, East and Southeast Europe and discusses pros and cons of FDI inflows. The analysis was conducted at the aggregate level as well as at the level of broad industry categories (according to available NACE industries) such as for instance manufacturing, finance, trade or information and communication, over the longer run.

## **Market analysis' - projections and adverse scenarios**

*Monday, 14 July 2025*

*7/9*

Addiko Bank AG

April 2020 - September 2022

Scenario analysis wiiw provided forecasts for a set of agreed macroeconomic and financial indicators in five Addiko countries of operation as well as the euro area and where relevant, other key markets. For some of these indicators, in addition to the baseline, wiiw produced an optimistic, a pessimistic and an adverse scenario. The accompanying excel file included a full list of data to be provided. Countries covered: Slovenia, Croatia, Bosnia, Serbia, Montenegro, Euro area.

### **Regional Cooperation in EU-CEE and Lessons for the Western Balkans** (wiiw Team Leader)

Bertelsmann Stiftung

June 2021 - May 2022

In our previous study “Pushing on a String? An evaluation of regional economic cooperation in the Western Balkans”, we concluded that a change in the EU’s strategy towards the Western Balkans is needed. The current strategy has failed to deliver regional economic integration and development, has resulted in very meagre progress towards full EU accession, and has generated huge disappointment and frustration in the region. With these conclusions as a starting point, in the current study we ask whether and how the successful example from the formerly communist countries that joined the EU between 2004 and 2013 (EU-CEE) can be replicated in the Western Balkans. More specifically, we investigate to what extent regional economic integration improved in EU-CEE after EU accession, identify the suspected reasons for this, and determine which lessons can be drawn from this experience for the Western Balkan economies. Our main finding is that the best way to foster regional economic integration and development in the Western Balkans would be through policies aimed at raising incomes. One way in which this can be achieved is by increasing the EU transfers for the region, for example, through full access to the EU budget, with the necessary conditionality attached.

### **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.

### **Update of loans and interest rates forecast for the years 2021-2023** (wiiw Team Leader)

Addiko Bank AG

September 2021 - December 2021

Update Forecast 2021-2023 The project aims to generate forecasts for consumer and corporate loans, along with their corresponding interest rates, across the five countries where Addiko Bank operates for the years 2021-2023

### **New Insights into the Relationship Between Taxation and Trade** (wiiw Team Leader)

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.



**Nearshoring Potential in the Western Balkans** (*wiiw Team Leader*)

*Federal Ministry for Economic Cooperation and Development, Germany*

*August 2020 - May 2021*

This study aims to analyse whether and how the Western Balkan economies could benefit from near-shoring trends after the COVID-19 pandemic. It begins by discussing recent trends in foreign investment, and then presents an econometric analysis of determinants of foreign direct investment in the Western Balkans and East Asia. This is followed by a set of surveys, interviews and case studies, of different actors involved in global supply chains and investment, including foreign companies that have invested in the Western Balkans, foreign companies that are considering investing in the Western Balkans, local companies from the Western Balkans, and investment promotion agencies from these economies. The study concludes that Western Balkan economies can indeed benefit from near-shoring trends in the post-pandemic world, but would have to go beyond low labour costs in order to achieve that. Putting a focus on skilled labour, investment in education and training, improving infrastructure and governance would be the most important things to do.

**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.