Wiener Institut für Internationale Wirtschaftsvergleiche The Vienna Institute for International Economic Studies

List of Projects

Mieke Hein

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. It addresses two main aspects which characterise current global economic developments: a tendency towards competing regional integration ('regionalisation') and fiercer technological competition. In a first module it analyses intra- and interregional research collaborations of firms, the positioning of EU and East and Southeast Asian countries in terms of the functional specialisation of global value chains, and technology spillovers from multinationals from emerging East and Southeast Asian economies and multinationals from advanced economies to domestic EU firms. The second module focuses on 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 with respect to regulatory standards. The policy relevant conclusions with respect to innovation and trade derived from the results will be summarised in a Policy Note.

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

How can economic instruments of climate policy be directed through foreign direct investment? Anniversary Fund of the Oesterreichische Nationalbank October 2022 - June 2025

This project explores how policymakers can strategically harness foreign direct investment (FDI) to promote innovation and the development of green and environmental technologies in the European Union. It comprises three interconnected work packages and a policy note. The first work package examines the key factors shaping FDI location decisions across regions and industries, emphasising the roles of regulatory distance – particularly through non-tariff measures – and technological proximity between foreign investors and host regions. The second work package investigates the impact of FDI on employment and productivity, both at the firm level and the regional-sector level. It differentiates the effects on domestic firms from those on the entire sector, revealing that the benefits of FDI are most significant when domestic firms possess sufficient absorptive and innovative capacity and are linked to upstream foreign suppliers. The third work package focuses on the diffusion of knowledge and green innovation through multinational corporate networks. It finds that the global innovation profile of an MNE group – especially its parent and affiliates outside the EU – plays a decisive role in driving domestic green patenting, provided there is technological alignment. The accompanying policy note translates these findings into actionable recommendations for aligning FDI attraction with Europe's innovation and sustainability objectives.

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