List of Projects

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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.

Towards a world integrated and Socio-economically balanced European economic development scenario (TWIN SEEDS)
European Commission, Horizon Europe
October 2022 - September 2025

The objective of the TWIN SEEDS project is to investigate changes in international trade and production patterns, specifically in global value chains (GVCs), both those of a longer-term nature (driven by the "twin seeds": technological developments and geo-political changes) and those that are taking place in the wake of the Covid-19 pandemic. The project will examine the impacts of these changes on employment, job quality, social and regional cohesion, on patterns of growth and competitiveness, as well as their environmental implications. The analysis will provide the basis to map out forward-looking policy scenarios (including trade and investment, industrial, regional, education/training and social policies) that allow Europe to secure decent work and working conditions, rapid progress towards resource-efficiency and decarbonisation, security of supply for strategic goods and sustainable, inclusive and competitive growth in the years to come. The research will be based on a thorough multi-level (global, national, regional, sectoral, firm level) research framework, relying on a mix of quantitative and qualitative methods, on multidisciplinary knowledge (international economists and trade policy experts, regional economists, international business and organisational experts, political scientists) and on an extensive stakeholder engagement.

The implications of a decarbonisation and competitiveness plan for EU member states
Friedrich Ebert Stiftung
November 2024 - April 2025

Competitiveness has emerged as a focal point of debate in the EU. The centrality of this debate is testified by the task assigned to Mario Draghi directly by the Commission President to produce a report on the future of European competitiveness. The key messages and some of the ideas from the Draghi Report are reflected in the Competitiveness Compass and the Clean Industrial Deal. Among the other ideas, the Draghi Report proposes a joint decarbonisation-competitiveness plan to capitalise on the decarbonisation push. Given the heterogeneous production structures and capabilities of EU Member States, this plan presents distinct challenges and opportunities for each EU country. Building on these considerations, this project reflected on the proposal of a joint decarbonisation-competitiveness plan. It discussed what this plan could mean for different EU Member States and how various countries may be affected by it.

Capacity building for Central, East and Souteast 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.

Economic Strategies for a thriving Danube Region – Policy Note *(wiiw Team Leader)*
Austrian Economic Chamber
April 2024 - November 2024

This policy note explores key issues in the Danube Region, focusing on labour market dynamics, including the development of digital skills, foreign direct investment (FDI) with a particular emphasis on FDI in the IT sector, and the robotisation and automation of the region's industries. Covering 14 countries—Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Germany, Hungary, Moldova, Montenegro, Romania, Serbia, Slovakia, Slovenia, and Ukraine—it outlines policy recommendations aimed at enhancing workforce readiness, attracting high-tech foreign investments, and ensuring the region's competitiveness in an increasingly digitalised and automated global economy.

Toward innovation-driven growth: innovation systems and policies in EU member states of Central Eastern Europe *(wiiw Team Leader)*
Friedrich Ebert Stiftung
September 2023 - March 2024

In this study, we pursued five main objectives: (1) Communicate in an understandable manner what type of innovation systems and policies promote the cultivation of domestic innovative capabilities, and enhance the technological competitiveness of economies. We made reference to best practice examples from around the world, drawing on the literature on policy initiatives implemented by successful innovators. (2) Critically assess the strengths and weaknesses of the current innovation climate of EU-CEE countries, taking into account the implications arising from the current megatrends. (3) Critically assess the strengths and weaknesses of the innovation policy landscape of EU-CEE countries, highlighting such policy initiatives which can provide a basis for mutual learning. The scope of the EU-CEE policy landscape covers national initiatives on the one hand, and framework conditions and opportunities arising from EU industrial and technology policy initiatives on the other hand. (4) Propose a set of concrete policy recommendations that would promote innovation-driven growth in EU-CEE countries. (5) Keeping in mind the shared challenges and opportunities of the EU-CEE region overall, tailor the findings to each country's specific development needs and capabilities.

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.

China´s influence over European Strategic Transport Infrastructure
European Parliament
May 2023 - December 2023

This project focused on the analysis of China´s direct investments in the European strategic transport infrastructure and aims at evaluating potential impacts on the security of EU Member States and the EU Neighbourhood, whilst also looking to draw evidence-based and actionable policy conclusions to mitigate potential risks. By providing in-depth case studies of several EU members and countries of the EU Neighbourhood, the project looked to identify the concentration of Chinese direct investments in transport infrastructure at the external borders of the EU and the impact on the EU's security as well as on its connectivity. Additionally, the project also drew on the policy responses implemented in the United States and evaluated their strengths and weaknesses for the EU context. wiiw coordinated this project in close collaboration with the Mercator Institute for China Studies (MERICS).

The use of Cohesion Policy funds to support refugees from Ukraine

European Parliament
December 2022 - May 2023

This research study aims to assess the use of Cohesion Policy funds and instruments to support refugees from Ukraine in the context of the Cohesion's Action for Refugees in Europe (also known as CARE). Building on an analysis of the inflow and needs of refugees arriving in the EU from Ukraine, the study reviews the EU response(s) to the migratory crisis and the actions taken by EU countries, regions and cities to assist those refugees. In that regard, individual case studies on six European NUTS-2 regions are carried out to shed light on the challenges faced and resources mobilised by regional authorities to help refugees settle and integrate into local communities and labour markets. The findings of these analytical tasks should feed into policy recommendations on the design and purpose of the EU Cohesion Policy, as its role as crisis response tool could place it at odds with its long-term goal of promoting convergence.

Industrial Policy for a New Growth Model: A toolbox for EU-CEE countries *(wiiw Team Leader)*
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.

Functional division of labour in EU value chains
Hans Böckler Stiftung
January 2022 - December 2022

The emergence of global value chains has radically changed the organisation of production in the EU economy. In particular, the increasingly fine-grained international division of labour has made it possible for countries to specialise in individual business functions of the value chain and thereby generate higher value added. This project examined the causes and effects of these "functional specialisation patterns" on the labour market, particularly on wage developments and working conditions. The project combined two existing methods for the analysis of functional specialisations in order to ensure the reliability of results. The determinants and implications of functional specialisation on the labour markets in European countries and regions have been analysed using, inter alia, cluster analyses, panel regression methods and binary choice models. Ultimately, the questions to be answered by this study were: Why do some countries become locations for corporate headquarters and research laboratories, while others end up as "extended workbenches" within the European division of labour? What are the effects of these "functional specialisations" for labour markets in Europe?

Wirtschaftliche Auswirkungen des Russisch-Ukrainischen Krieges auf Wien
City of Vienna
March 2022 - December 2022

Die Invasion Russlands in der Ukraine führt neben den geopolitischen auch zu einer Reihe von geoökonomischen Auswirkungen, deren Intensität sowohl in der kurzen als auch in der mittleren und längeren Frist sehr hoch sein wird. Die akuten Effekte betreffen die globalen und insbesondere europäischen Märkte für Energie, sowie für landwirtschaftliche Güter und Nahrungsmittel. Millionen von Flüchtenden haben sich auf den Weg gemacht. Grundzüge der Nachkriegsordnung, insbesondere in den Bereichen Sicherheitspolitik, Energiepolitik und das damit einhergehende Wachstumsmodell werden aktuell überdacht. Diese Kurzstudie gab einen ersten Überblick vor allem

über die potentiellen kurzfristigen wirtschaftlichen Effekte des Krieges auf die Stadt Wien.

Three short national case studies on inflation, price controls and incomes policies for Croatia, Hungary and Poland
AK - Wien
August 2022 - December 2022

After a series of crises – most recently an energy and food price crisis – the resilience of the economies of the European Union is at stake. The challenges to policymakers, particularly the European Central Bank, but also to national governments and to the social partners who determine collective nominal wage developments are substantial. Economic recovery is at risk, as a recession might be looming. In an environment of rising interest rates, the stability of the (European Monetary) Union (EMU) is at stake, as economic divergence increases. Also, peripheral EU Member States, which have not yet introduced the Euro, are affected and prone to extended financial and economic crisis. Three short national case studies for Croatia, Hungary and Poland were conducted. Each of these cases are interesting in their own way. Poland is the biggest EU economy in Central, East and Southeast Europe. Hungary has a tradition of applying idiosyncratic economic policy measures. Croatia joined the Euro in January 2023.

How do Economies in EU-CEE Cope with Labour Shortages? An Update
Austrian Chamber of Labour
January 2022 - November 2022

The EU member states in Central and Eastern Europe (EU-CEE) were experiencing rising labour shortages prior to the COVID-19 pandemic, mainly due to a rapid demographic decline. As a result, the bargaining power of labour increased, wages were generally rising ahead of labour productivity, and people were investing in education. Czechia, Hungary, Slovenia and Slovakia became net receivers of migrants, while in Bulgaria and Poland immigration largely compensated for the natives who went abroad. However, immigration from non-European countries as a general solution to the problem of labour shortages was highly problematic in the domestic political context. These were the main findings of the wiiw study "How do Economies in EU-CEE Cope with Labour Shortages?" published at the end of 2020. The aim of the current project is to update this study, in order to take into account the post-pandemic developments and the new population census data.

Regional Cooperation in EU-CEE and Lessons for the Western Balkans
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.

A new growth model in EU-CEE
Friedrich Ebert Stiftung
August 2020 - May 2021

The eleven EU member states from Central, East, and Southeast Europe (EU-CEE) have undergone three decades of transition to market capitalism and con¬vergence with Western Europe. There have been many successes and challenges, and the level of economic and social development varies widely across the region. The study finds that the convergence process, especially for the more advanced countries, has slowed since 2007 and that the current growth model may well be reaching its limit. The authors find that it will take decades for EU-CEE’s more developed countries to halve the remaining gap to Germany and other rich countries in Western Europe. This implies that it is high time to think about a new growth model for the region. The study outlines the main priorities for a strategic

transition to a new growth model of EU-CEE and shows substantial opportunities in a greener, digitised, automated world.