

# List of Projects

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### **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.

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

### **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.

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

*Anniversary Fund of the Oesterreichische Nationalbank*

*March 2021 - February 2023*

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

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