



***DYNREG***



CITIZENS AND GOVERNANCE IN A  
KNOWLEDGE-BASED SOCIETY

**Dynamic Regions in a Knowledge-Driven Global Economy:  
Lessons and Implications for the European Union - DYNREG**

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**Consequences of dynamic growth and shifting  
comparative advantages on trade, income and  
convergence patterns**

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# Research Objectives

- Investigate to what extent **comparative advantages in emerging regions** have changed over time, and the main determinants of these changes (*deliverable 3.1*);
- Predict the **impact of changing comparative advantages on the competitiveness of EU countries** and their international positions as trading partners and sources/recipients of FDI (*deliverable 3.2*);
- Address **socio-economic aspects of economic and technological tendencies in a globalised world**, where knowledge and technology can flow across nation borders and generate positive externalities in both developed and developing regions, thus enhancing growth trajectories (*deliverable 3.3*).

# Research Papers

Research papers	Contributors	Partner	Deliverable
Causal link between exporting and innovation activity. Evidence from Slovenian firms	J. Damijan, C. Kostevc	IER	3.1
Changes in comparative advantages	M. Nicolini	UB	3.1
Import penetration, intermediate inputs and productivity: evidence from Italian firms	C. Altomonte A. Barattieri, A. Rungi	UB	3.2
Changing patterns of international integration: Germany and Italy in the countries of EU enlargement	C. Altomonte, A. Rungi	UB	3.2
Is FDI into China crowding out the FDI inflows into the European Union?	L. Resmini, I. Siedschlag	UB ESRI	3.2
Some further results on the impact of migrants on trade	E. Morgenroth, M. O' Brien	ESRI	3.2
Stephen Hymer's contribution to international business scholarship: an assessment and extension	J. Dunning, C. Pitelis	CIBAM	3.2
A Behavioral Resource-Based View of the Firm: The Synergy of Cyert and March (1963) and Penrose (1959)	C. Pitelis	CIBAM	3.2
Critical success factors for a knowledge-based economy: an empirical study into background factors of economic dynamism	P. Van Hemert, P. Nijkamp	VUA	3.3
Determinants of ICT adoption: evidence from firm-level data	S. Haller, I. Siedschlag	ESRI	3.3
Understanding scientific mobility: characteristics, location decisions, and knowledge circulation. A case study of internationally mobile Austrian scientists and researchers	B. Kurka, M. Trippel, G. Maier	WUW	3.3
Inventors and the Geographical Breadth of Knowledge spillovers	M. Mariani, P. Giuri	UB	3.3
Convergence patterns in the world economy: exploring the non-linearity hypothesis	G. Petrakos, P. Artelaris, P. Arvanitidis	UTH	3.3
How does the evolution towards sustainable growth and more social equity take place in regions?	T. Vermeylen	ULB	3.3
Inequality in income and education and regional economic growth in Western Europe	A. Rodriguez-Pose, V. Tselios	LSE	3.3
Mapping regional personal income distribution in Western Europe: Income per capita and inequality	A. Rodriguez-Pose, V. Tselios	LSE	3.3

# Changing Comparative Advantages

## Main Research Results

- Comparative advantages have changed over time in both developed and emerging regions
- Main determinants of these changes:
  - Emerging economies: factor endowments
  - Advanced economies: quality of institutions
- Exporting firms are the most innovative ones

## Key Policy Messages for the EU

- Improving the quality of institutions in the EU will strengthen comparative advantage in complex goods
- International trade is positively associated with innovation

# Globalisation and International Competitiveness

## Main Research Results

- **Trade integration** patterns through product integrated networks with emerging economies allow EU firms to maintain their export shares and competitiveness;
- On average, **FDI flows** into China have fostered FDI flows into other countries
- **Immigration** and trade flows are complementary

## Key Policy Messages for the EU

Openness to trade, investment and labour is likely to remain beneficial to the EU and emerging economies

# Dynamic Economic Growth and Inequality

## Main Research Results

- Growth patterns at world level and inequality

Two groups of countries:

- a convergence club (low, medium-high level of development)
- a divergence club (from medium-high to high level of development)

Crucial factors in order to generate less inequality:

- in emerging regions: strengthen social capital, democratization, openness and collaboration;
- within the EU: educational attainment, income per capita

## Key Policy Messages for the EU

- Co-operation policies are needed to increase the quality of institutions in developing regions
- Policy is needed to increase educational attainment in the EU
- Policy is needed for to enhance knowledge flows