

GRANT AGREEMENT  
NUMBER — 692191 — SmartEIZ

## Horizon 2020 Twinning project ‘SmartEIZ’

### Report on Training Workshop:

### GVC in the context of RIS3 and Global Industry 4.0

16th - 17th April 2018  
The Institute of Economics, Zagreb

#### Objectives

The ninth SmartEIZ Training Workshop named “*Global Value Chain in the context of Research Innovation Strategy and Global Industry 4.0*” was divided into two parts.

The first was dedicated to theoretical and policy context of Global Value Chain. The second day explained the policy context of implementation of GVC. Since Croatia is a country with the least presence of GVC compared to other Central East European countries, the second day the TW explored potential of participation of Croatia’s firms within GVC in the future.

The second day included the following topics: GVC in Croatia, Catching up Along the Global Value Chain, Sectoral/Local Value Chain, as well as Digital Transformation.

#### Activities

The ninth SmartEIZ Training Workshop on “*Global Value Chain in the context of Research Innovation Strategy and Global Industry 4.0*” was held from 16<sup>th</sup> to 17<sup>th</sup> April, 2018 at the Institute of Economics, Zagreb.

The workshop lasted 2 days and saw the participation of 9 researchers. Moreover, Mr. Igor Matanović from the Croatian Chamber of Economy had one presentation. During the two days, EIZ researchers had the opportunity to listen and interact with international

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experts discussing the topic of Global Value Chain from different perspectives with a particular focus on the GVC in Croatia.

Furthermore, they also had the chance to present their own work.

On April 16<sup>th</sup>, six presentations were given. After a brief introduction to the workshop program by Zoran Aralica from the Institute of Economics, Zagreb and Roberto Mavilia, from ICRIOS - Bocconi University, the first speaker, Fabio Landini from the University of Parma and ICRIOS-Bocconi University discussed the theory of catch-up cycles with a history-friendly model perspective.

Second speaker, Valentina Meliciani, professor at LUISS University in Rome presented the role of Global Value Chain as a megatrend in business transformation.

She also discussed Knowledge based capital and value creation in global supply chains in order to investigate the impact of investment in intangible capital on GVC participation in manufacturing and services and on gains from participation at the country level. Also, professor Meliciani discussed the Inter-industry linkages and global value chains in business services.

The workshop was further continued by Katarina Kovač, who presented the Croatian participation in global value chains with a focus on GVC participation index, decomposition of value added in exports, GVC participation by sector and GVC participation by industry.

The last presentation was given by Igor Matanović (HGK) who discussed the strategic project for Support of cluster competitiveness initiative regarding STPA Sustainable food production and processing.

On 17<sup>th</sup> April, Roberto Mavilia opened the workshop with a talk on the Catching Up Along the Global Value Chain.

Then, Nebojša Stojčić, from the University of Dubrovnik, presented Regional FDI Spillovers and total factor productivity of firms in new EU member states, followed by Irena Đokić, from the Institute of Economics, Zagreb, who presented a research project on the Spatial-economic aspects of revitalization and reindustrialisation of the City of Vukovar.

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After the first round of presentations, the round table “Local value chain meets Global Value Chain” with Irena Đokić, Andrea August (the representative of the Agency for Competitiveness and Investments), Nebojša Stojčić and Roberto Mavilia provided an opportunity to discuss the benefits of including locally produced products and services in global value chains.

The main theme of the round table focused on how local value chains, i.e. firms that are included in them, can get involved in global value chains. Previously mentioned study on revitalisation and reindustrialization in Vukovar, presented by Irena Đokić served as an introductory topic of discussion. The key message of the round table participants is that there has to be a vision that will include the issues of local and global value chains and that it should be primarily initiated by the local community, where such local chains are placed. The next important message refers to an existence of the idea about the fields (economic activities) of such integrations – is it about the new economic activities or industries that dominated in the past? One of the conclusions is that new industries and new areas of creation of competitive advantages have to be taken into consideration, and that is now possible to create/generate a competitive advantage on industries that died 20 and more years ago. The programmes should be directed towards various measures of fiscal support, towards technology development as well as programme promoting and stimulating entrepreneurship in such areas.

Beside the programmes and other strategic framework necessary to achieve any success in participation in global value chains, another important recommendation for involvement of local value chains stakeholders in global value chains is lobbying, focused on activities and programmes that can contribute to better participation in global value chains, as well as networking with persons that can contribute to development of these areas. The most desirable persons are those who used to live in these areas.

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Tajana Barbić closed the morning session. The presentation was focused on a project Study on Digital Transformation of SEE selected countries - Potential for Digital Transformation in the Western Balkans.

In the afternoon, Nebojša Stojčić presented the Microeconomic effects of digital transformation in Western Balkans countries.

Then, Zoran Aralica presented his study on mapping Global Value Chain in Croatia. Finally, Ernest Vlačić discussed the topic of Industry 4.0 and digital transformation as a chance to re-launch EU economy.

In summary, the TW has been very useful and intense. It allowed participants to get to know the state of the art in relation to skills and technical change and their policy issues. Furthermore, EIZ researchers had the chance to present their own research in front of experts in the field and received useful comments and suggestions on how to bring forward their research in order to write papers that could be published in international journals. Finally, TW was not only an opportunity to establish academic relationships, but also to interact with practitioners and to exchange views on the best practices associated to skill requirements and skill formation in advanced economy, which is extremely important from a policy perspective.

**Roberto Mavilia,**

**Irena Đokić**

**Zoran Aralica**