



*INCREASING RESILIENCE AND SECURITY OF SUPPLY  
OF PRODUCTION POST-COVID-19: FROM GLOBAL TO  
REGIONAL VALUE CHAINS?*

HENRIKE SCHAUM | 8 OCTOBER 2020

## RESEARCH PROJECT FUNDED BY AK WIEN

- **Increasing resilience and security of supply of production post-COVID-19: from global to regional value chains?**
- **Lead:**
  - **Werner Raza** (Austrian Foundation for Development Research, ÖFSE)
  - **Verena Madner** (Vienna University of Economics and Business, Institute for Law and Governance)
- **4 Working packages (July 2020 – January 2020)**
- **Based on preliminary results of WP1: A&W Blog by Werner Raza:**  
<https://awblog.at/zukunftsaehiges-wirtschaften-post-corona/> (German, English soon)



## OBJECTIVES

- **Systematic conceptual basis** for assessing the emerging discussion on the spatial organization of production, and the calls for a (partial) de-globalisation/regionalization of productive processes post-COVID-19, including an overview of key issues in WTO law and exemplary new generation EU FTAs.
- **Analysis of two GVCs** for essential medical products
- **Propose concrete policies** that contribute to improving the security of supply of essential products and services and promote regionalization of production chains including a legal assessment with a focus on legal issues arising under EU law.

## 4 WORKING PACKAGES (1/2)

- **Work Package 1 (WP 1) - Assessing proposals for a de-globalisation/regionalisation of economic activity:** various proposals will be scrutinized in particular with respect to the institutional and macroeconomic framework that will be needed as a framework condition for moving towards more regionalized economic activity. Moreover, an overview of key issues under WTO law and exemplary new generation EU FTAs with regard to local content will be provided.
  
- **Work Package 2 (WP 2) - Case Study:**
  - Medical Products: Examination gloves & FFP2 Masks
  - Pharmaceuticals: Penicillin, Heparin, Ibuprofen & Paracetamol

## 4 WORKING PACKAGES (2/2)

- **Work Package 3 (WP 3) – Legal analysis of up to five policy options to increase security of supply for essential products tentatively identified in WP 1 in light of key elements of multi-level legal framework** : potentials and limits within the existing legal framework with a particular focus on structural and fundamental issues under EU & national law will be assessed.
- **Work Package 4 (WP 4) - Policy proposals:** proposals will be presented that increase the capacities of governments to secure the supply of essential products, both (i) horizontally and (ii) with respect to the two products analysed under WP 2.

## PRELIMINARY THOUGHTS ECONOMIC POLICIES TO PROMOTE RESILIENCE VIA REGIONALIZATION

- **Reshoring:** subsidies, tax incentives, public equity participation, public procurement
- **Strategic stockpiling:** public stocks, legal obligations for companies/traders, procurement conditionalities
- **Innovation policies:** investment support for e.g. technological upgrading to Industry4.0/additive manufacturing
- **Trade policies:** moratorium on international trade and investment rules that restrict government responses to the crisis, in particular ISDS; renegotiation of WTO subsidies agreement, TRIMS agreement etc.; new international cooperation mechanisms

## CONTACT DETAILS

**Henrike Schaum**  
**Austrian Federal Chamber of Labour - EU and International Affairs**  
**Prinz Eugen Straße 20-22**  
**1040 Vienna, Austria**  
**T: +43 1 501 65 12774**  
**F: +43 1 501 65 142774**

**henrike.schaum@akwien.at**  
**wien.arbeiterkammer.at**





**GERECHTIGKEIT MUSS SEIN**

