



New Bruegel Policy Brief

'The New Corporation in Europe'

By: Dalia Marin

Bruegel's latest policy brief examines how Europe's corporations are changing the way they do business since the enlargement. The policy brief shows that almost 70 percent of Austria's and more than 20 percent of Germany's trade with Eastern Europe takes place within the multinational corporations. Dalia Marin also argues that firms are adapting to heightening global competition by shifting decision-making processes. Almost two thirds of Austrian firms and over three quarters of German firms have partially or wholly decentralized their structure. According to the author, this has the positive effect of keeping high-skill workers within Europe as well as firms from leaving to fast emerging economies such as China.

The needs of new corporations should therefore be taken into consideration by EU policy makers. The author gives three policy recommendations in the areas of EU neighbourhood and trade policies.

1. The EU should step up efforts to integrate the economies of neighbourhood countries into the EU
2. The EU needs to encourage mobility of high skilled workers in Europe and in particular in the new member states.
3. EU trade policy should not artificially hinder firms that need to offshore part of their production through the use of trade defence instruments (antidumping, anti subsidy action).

You can download the full policy brief [here](#)

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