

**European Firms in a Global Economy:  
Internal Policies for External Competitiveness  
EFIGE  
EU 7th FP project**

The chances of European countries to grow, prosper and provide well being to their citizens rest on the ability of their firms to become successful traders and producers in foreign markets within and outside the EU. This project examines the pattern of internationalisation of European firms. With a clear focus on defining adequate and effective policy measures, it looks at the broad factors constraining or enhancing companies' foreign operations, like growth in size and productivity; type of ownership and corporate governance; access to financial markets; innovation; the macroeconomic environment. It will do so by combining theoretical and empirical research at the frontier of the academic and policy debate with the gathering of new data through a cross country survey. The main questions addressed by the project are: What are the features of European firms that successfully compete in international markets? To what extent do they contribute to productivity and employment? Does access to foreign market enhance firm performance through a learning process? Why are some countries more successful in international trade and FDI? What are the policies that can improve a nation's foreign trade performance? Does integration within the Single Market foster productivity improvements? Has the euro led to a wider participation of firms in cross-border business? What policies can promote the participation of other European firms that are currently excluded from international markets? What are the gains and the adjustments involved in reducing barriers to trade and foreign direct investment (FDI)? What policies can best maximise gains and smooth adjustments?

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