

Direct and indirect effects of technology transfer through foreign direct investments: The case of Slovakia

Topic: Impact Analysis: Multipliers

Author: Jozef Kubala

In this article, we evaluate the technology flows in Slovak economy, based on augmented input-output model for foreign direct investment. Several studies suggest that FDI were the main driver of technological development in Slovakia in recent years. Thus, this analysis could provide a better picture of technology flows in Slovakia than previous studies (Šikula et al, 2010) that are based on R&D expenditure vector. Technology flows based on FDI are analyzed in standard and actual structure. We identify the most important sectors of Slovak economy which purvey new technology to other sectors, as well as the sectors which benefit the most from diffusion of new technology. We also estimate the embodied and disembodied technology transfer when we purge FDI vector from foreign investments in Slovakia associated with privatization.