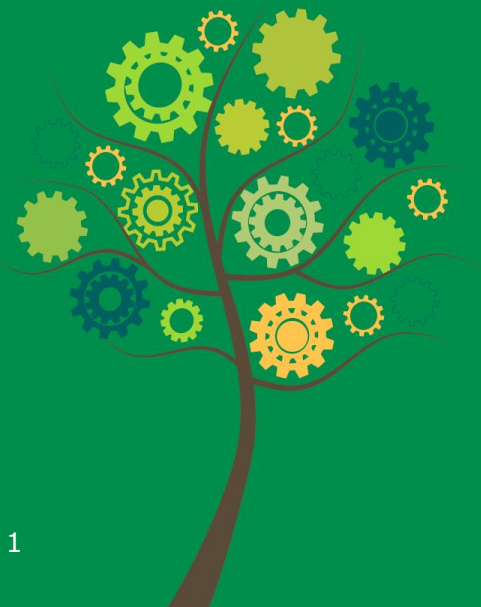


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Interregional disparities in the long run

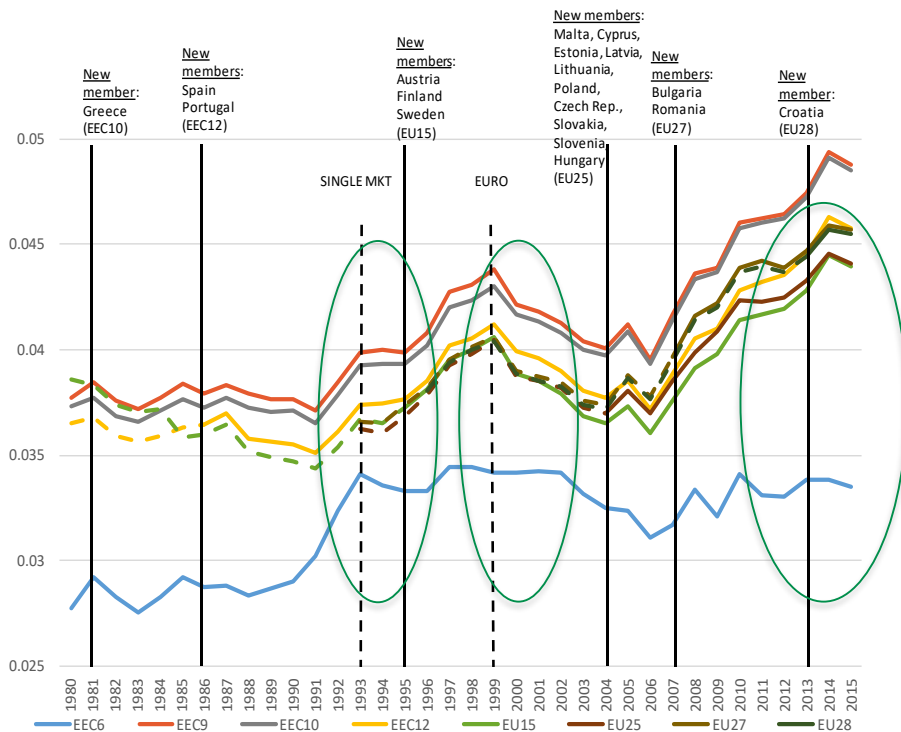
Roberto Camagni, Politecnico di Milano





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Trends in *intra*-national disparities (1980-2015)



- All **institutional innovations in EU** (Single Market, Euro, different enlargements) brought advantage to all countries and a **convergence among countries** (until the crisis)
 - On the other hand, **inter-regional disparities inside countries** grew on a long term basis, with an **acceleration** in the last ten years
 - Anticipated effects are visible
 - Convergence after Euro ...
 - ... but fast divergence after the crisis
- ➔ **Hard times for weaker regions**

Source: Camagni et al., "Fighting gravity"
Economic Geography, 2020, april



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Large European Metro Regions: Shares on national GDP 2001-2017 (current prices)

Metro Regions	% Share on national GDP 2017	% Share on national GDP 2001	Δ
Vienna	34,6a	35,8	-
Brussels	30,1	30,4	-
Berlin	5,5a	5,2	+
Munich	6,0a	5,4	+
Frankfurt	4,5a	5,0	-
Copenhagen	43,3	39,2	+
Athens	45,2a	43,2	+
Madrid	18,9a	17,8	+
Barcelona	14,1a	14,2	=
Paris Ile-d-Fr	30,9	28,4	+
Rome	9,3a	9,0	+
Milan	11,8a	10,3	+
Lisbon	35,9	36,7	-
Helsinki	39,0a	37,3	+
Stockholm	31,7a	28,5	+
London	32,6	29,6	+
Dublin	48,7a	50,2	-
Sophia	44,2	30,1	+
Prague	36,9a	33,5	+
Tallinn	63,7	57,1	+
Zagreb	41,4	37,9	+
Riga	69,2	65,9	+
Budapest	47,0	43,8	+
Bucarest	27,1a	21,0	+
Ljubljana	36,9	33,8	+
Bratislava	28,0	24,5	+

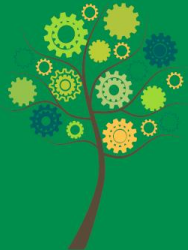
Large EMRs are the drivers:
Since 2000 but increasingly after the crisis the effects of the **new economic paradigm** (knowledge – culture - digitalisation) became explicit: **centralisation!**

In **20 over 26 cases there was an increase in the share** on national GDP of the large metro regions. Strong increases in CEECs

Exceptions: Vienna, Brussels, Frankfurt, Dublin, Lisbon (very strong previous development)

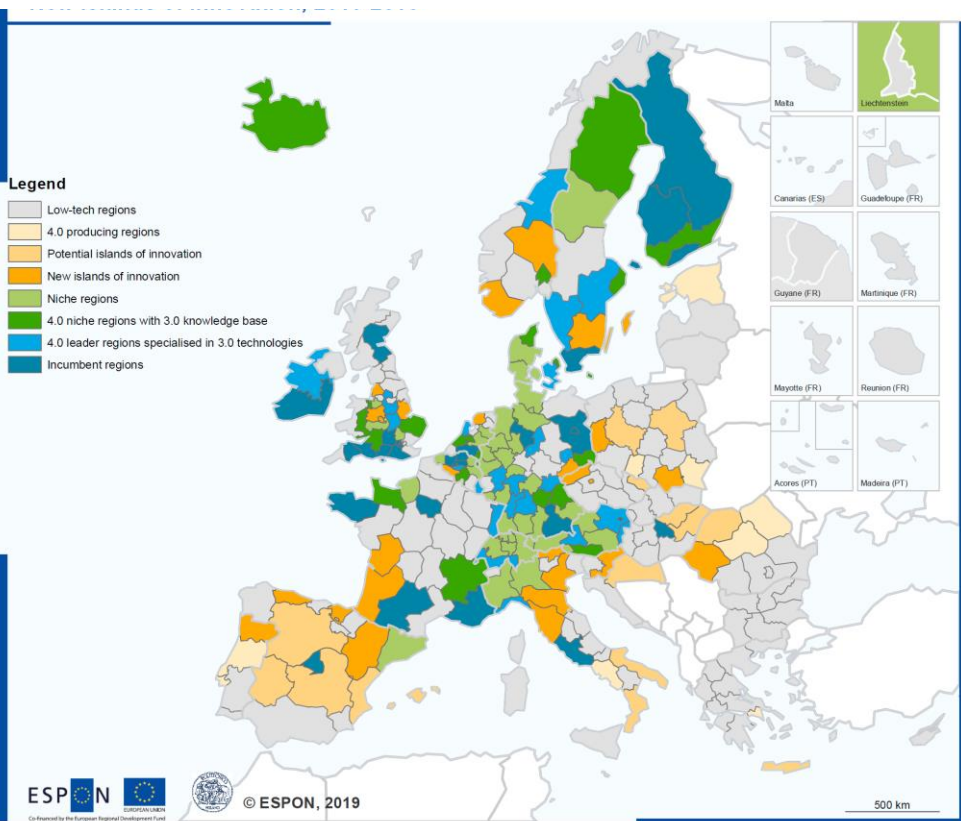
Source: Camagni, "Space, land and income distribution", *SR - Italian Journal of Regional Science*, 1, 2020

(a = 2016)



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Knowledge production in 4.0 technologies (patents): new «islands of innovation»

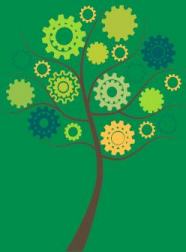


Is there any chance for (relatively) lagging regions?
YES!

The map shows, of course, important **cumulative effects** (3.0→4.0):
in blue + light blue regions
In green + light green regions

But there are also «**new islands of innovation**»: 4.0 regions without a tradition of 3.0 technologies:
orange and **light orange** regions complementing core industrial regions: encouraging!

Source: Capello, Lenzi, *Regional economics of 4.0 technological transformations*, Routledge, 2021



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Some conclusions

- Since 1983, **increasing intra-national disparities**, with a recent acceleration
- Determinants: new competitive climate, globalisation, new phase of the ICT paradigm: **cognitive – cultural – digitalisation** phase
- Driving places: **large metropolitan areas** (evidence EU and USA)
- **Any hope** for (relatively) lagging regions? **YES**, as:
 - * regions with difficulties are **not always the same** (vertical mobility: the present «geography of uncertainty», internal areas, old industrial areas)
 - * many «**island of innovation**» present in 4.0 technologies
 - * development phases are not linear but **cyclical** (concentration/diffusion)
- **Development policies** should acknowledge the recent **change in crucial 'territorial capital' factors and consequent strategies**:
 - **inclusion** into global **networks** (cooperation, synergy, complementarity)
 - **focalisation on specificities** («absolute advantage»)
 - **education and culture, quality of public administration**
 - **place-identity + cosmopolitanism and solidarity.**

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Thank you!

