Regional dynamics and structural changes in Central and Eastern European countries: trends and prospects

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Theoretical underpinnings of regional patterns and growth dynamics

• Longue-duree process and path dependency (Braudel 1982, Arthur 1994)

• Metropolises as growth poles (Castells 1998, Jałowiecki 1999, Smętkowski 2001, Benedek, Cristea 2014)

• Williamson hypothesis and its contemporary reformulation (Williamson 1965, Capello 2008)

• Spread effects and innovation diffusion and its spatial forms (Hirshman 1958, Hägerstrand 1967)

• Interplay between economic growth and population change (Batista e Silva et al. 2016)
Long-duree and path dependency

GDP per capita [EUR]

2000

2010

2015
Metropolisation and petrification of regional structures

GDP per capita [country average = 100]
Diffusion and club convergence?

All regions

Coefficient of GDP per capita variation

NUTS3 regions in CEECs

Without capital cities
Willamson hypothesis

1995-2016

Regional differences

New innovation trigger

GDP per capita

E

E'

E"

R. Capello 2017
Models of growth in different types of regions

Core regions - metropolitan regions/areas (>110% national average)
Transition regions - old industry or mixed structure (80-110% national average with some exceptions)
Peripheral regions - agricultural regions (<80% of national average)

1. Metropolisation process in core regions consist of: advanced business services and high-tech industries development

2. Restructuring of transition regions consists of: reindustrialisation and externalisation of simple services

3. Catching-up process of peripheral regions consists of: labour productivity growth in agriculture and industrialisation/urban development

Source: Smętkowski 2014
Diffusion of growth in different sectors

1) Coefficient of variation (GDP per capita)


2. The industry diffusion has very similar pattern to GDP per capita and represents mixed form (but rather more filtering-down than proximity).

3. The agriculture sector represents proximity type of diffusion, meaning increasing specialisation of some macroregions in agricultural production.

Source: Smętkowski 2015
Population growth of MAs

Change of population in metropolitan areas 2000-2016 (%)
Performance of prime metropolises in comparison to country average

2000-2016

CEECs

GDP per capita change (country average=100) in pp

Change of share in country population in pp
Conclusions

- Path dependency matters, but convergence process at macroregional level have started.
- Stabilisation of regional differences within countries; petrification of regional structures.
- Development of metropolises as the main factor of polarisation during the first stage of socio-economic transformation.
- Different patterns of diffusion depending on analysed sectors: business services, industry, agriculture.
- Significant role of population dynamics in regional convergence process.
Prospects

- We may assume that these tendencies will continue to manifest themselves in the future, as **even the recent crisis has not disrupted existing territorial patterns**

- **Metropolises are likely to maintain their dominance** in knowledge services and modern industries as well as attractiveness for FDIs.

- The **non-metropolitan regions will undergo further differentiation**:
  - those that are able to take advantage of: favourable location conditions (major international transport corridors), tourist potential, successful trans-border cooperation, successful industrial development will be able to accelerate their growth.
  - the remaining peripheries will have great difficulties in assuming faster growth and positive restructuring, and their problems will be aggravated by migrations outflows
Thank you for your attention!

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