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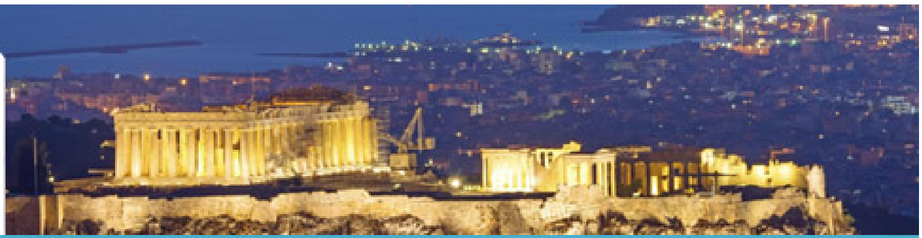

Les défis de développement pour les villes et les régions dans une Europe en mutation

The new forms of economic governance in the European Union and in the Eurozone, the Cohesion Policy (2014-2020) and their impact on the dimensions of economic and social cohesion: the cases of the first Cohesion countries, Greece, Spain, Portugal and Ireland.

Mr Anastassios CHARDAS
Panteion University Adjunct Assistant Professor
3 Naxou Street 15562 Athens Economic and Regional Development Greece
achardas@gmail.com

Mr Nikolopoulos PANAGIOTIS
Panteion University PhD Candidate and Associate Researcher
3, Aigiidon 11853 Athens Regional Development Institute Greece
p.g.nikolopoulos@gmail.com

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T2 - Economic and Social disparities in European Cities and Regions

Résumé / Summary

This paper aims to analyse the new forms of economic governance arrangements that have been institutionalised in the European Union (EU) and particularly in the Eurozone since 2010, to identify the role played by the Cohesion Policy of the programming period 2014-2020 in this context and to document the impacts of these new forms of economic governance in the dimensions of economic and social cohesion in the four original ‘Cohesion’ countries, Greece, Spain, Portugal and Ireland. It offers an original conceptual contribution as it links the theories of economic governance and political economy for the EU and the Eurozone, with the analytical contributions coming from the field of economic and social geography that measure regional economic and social inequalities.Also, it offers an original empirical contribution as it is the first study that provides empirical analysis concerning regional and socioeconomic disparities in the original Cohesion countries, which have been somewhat neglected by the economic and social geography literature after the enlargements of 2004 and 2007.Methodologically, the first part of the article will be carried out through qualitative techniques, in particular content analysis of the texts (policy documents, regulations, etc.) adopted by the EU in order to frame the new directions of economic governance that it has adopted since 2010. This part of the article will indicate that the new EU economic governance has moved the Eurozone to unprecedented levels of political integration and coordination especially as regards monetary and fiscal policies. However, these changes have not been in the directions envisaged by those analysts advocating for

more political integration in the EU prior to the economic crisis of 2008 (Rosamond, 2000).
In particular, it will be shown that the EU has developed significant capacities in the field of liquidity operation through the establishment of the European Financial Stability Facility (EFSF) that became the European Stability Mechanism (ESM) after 2012. Also, the tightening of the rules entailed in the Stability and Growth Pact (SGP) through the introduction of the Sixpack and the Twopack, the introduction of the Euro Plus Pact (EPP) and the Fiscal Compact, indicate further moves towards political integration, this time in relation with fiscal policy. If one analyses these developments based on the analytical scheme of more versus less political integration that has been widely deployed by the academic literature to investigate European integration, the conclusion would have been that the EU moves ever closer to political integration in the realm of economic governance.Such a development would have had significant repercussions for the dimensions of economic and social cohesion. More political integration would have meant closer cooperation in combating economic and social imbalances between EU countries and regions, which in any case have been exacerbated as a result of the crisis (Petrakos and Psycharis, 2016). Thus, a permanent supranational political mechanism for the redistribution of trade imbalances between the members of the Eurozone would have created the presuppositions for more effective combating of the destabilisng effects of the crisis in terms of regional economic and social disparities (Dunford and Perrons, 2012).However, a more nuanced analysis of these reforms does not validate such view; if anything, the opposite is true and the EU becomes even more fragmented in terms of regional economic and social cohesion than before these reforms took effect (Hadjimichalis and Hudson, 2014). This is the case because the reforms that relate with monetary operations impede the implementation of any countercyclical measures for countries receiving ESM assistance since the conditionality imposed in the form of the austerity measures renders the quest for economic and social cohesion impossible. Similarly, the reforms relating with fiscal policy render the introduction of any countercyclical measures even harder than before the economic crisis struck the EU. Most importantly, the only countercyclical mechanism that has existed in the EU which is the Cohesion Policy has gone under significant regulatory and policy reform (McCann, 2015) and as a result it can hardly justify its redistributive or even investment character (Avdikos and Chardas, 2016).
The second part of the paper will provide secondary data concerning economic and social disparities in the four original Cohesion countries, both between them as well as in relation with the core EU countries. Also, the analysis will investigate patterns of convergence vs. divergence both inside the original Cohesion countries as well as when compared to other EU member states. It has been widely documented by the convergence vs. divergence literature that there have been significant patterns of convergence between the EU member states, and widening of the economic and social disparities inside the member states themselves (Estrada, 2012; Petrakos and Psycharis, 2016). It is the premise of this article that this pattern cannot be justified for the countries that are researched as it will be shown that their patterns of divergence has widened when compared with the core EU countries since the outbreak of the economic crisis and particularly as a result of the new forms of EU economic governance.
Keywords:EU economic governance; economic and social cohesion; Cohesion countries; EU

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