A European Urban Agenda?

Economic growth in European city regions – a new turn for peripheral regions in CEE member states after the EU enlargements of 2004/2007?

Uwe Neumann, Rüdiger Budde and Christoph Ehlert
Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI)

Abstract

This paper examines what regional characteristics drove economic growth throughout the European Union during the past decade and at what pace convergence proceeded in different regions of the new member states in Central and Eastern Europe. For a precise view of regional economic differentials, the analysis focuses on city regions, using the Urban Audit data base provided by the European Commission as a source. So far, there is a lack of studies on Europe-wide urban economic differentials and dynamics. After the EU expansion of 2004, economic growth accelerated considerably in the least developed peripheral regions, but also in the wealthier capital cities of the new member states. The growth analysis, which controls for various city characteristics, a basic city typology and groups of countries, suggests that in Central and Eastern Europe, in the medium term economic development is likely to concentrate on capital cities, before it can disperse to peripheral regions. Robustness checks incorporating spatial weights and panel methods confirm the main findings. Regional policy may promote convergence if it supports the infrastructure for education and innovation in the most accessible cities and encourages utilisation of these facilities within wider regions.

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