

BEGUTACHTETE ARTIKEL**The Speeds of Europe – An Analysis
of Regional Disparities Across the EU****Ruth Fulterer, Ioana Lungu****1. Introduction**

In recent years, the euphoria over the „Project EU“ has been dampened. The financial recession, followed by economic stagnation, has overwhelmed European national economies: turning from a private debt crisis into a public debt crisis, it has created unemployment, cutbacks in social spending and discontent with European institutions, especially in peripheral and rural areas. Perceived increases in inequality, as well as uncertainty, have reshaped the narrative of European integration. In order to save the European Union from dissolution in an era where nationalistic interests seem again to prevail, the idea of a multi-speed Europe has recently been re-emphasized. However, that concept conveys different ideas and interests, depending on who brings it to the table.

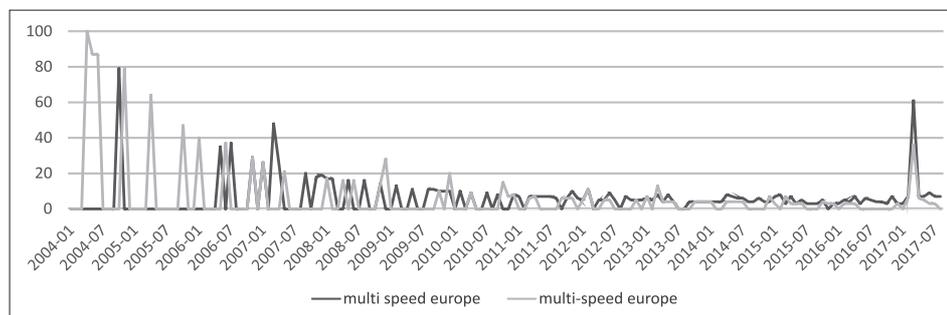
The first section of our paper is dedicated to a short overview of European regional development policies, after which we then turn to a quantitative analysis of regional disparities across Europe and show their evolution over time in terms of regional GVA, labour productivity and employment. We analyse the dispersion of income over time using the Theil index of concentration for different periods of time and regions. We then decompose the index in different ways – looking at differences within and differences between countries as well as regions. Finally, we assess what these disparities are related to and show the extent to which differences in employment and productivity rates contribute to disparities and the different speeds of different regions. Analysis is conducted on a NUTS II level for the time-span 1991-2014, using data from Cambridge Econometrics. Special attention is paid to the different phases of European integration, regional development policies and to the different paths of development of the weakest regions of different countries. Thus, we shed light on the actual multiple speeds of Europe and draw conclusions about what

policymakers should bear in mind when using this concept to underpin their political strategies.

2. „Multi-speed“ Europe

In recent years, the European Union has faced the most severe crisis since its existence. The private debt crisis followed by a public debt crisis has created economic stagnation and high rates of unemployment in many parts of Europe. Serious doubts have been raised about the design and viability of the single currency, and simply keeping the European Union integrated and stable has been a challenge for politicians. In addition to an increasing sense of economic insecurity, recent developments in migration trends have led to a rise in popularity of far-right parties that promote nationalist and protectionist views and Euroscepticism, both in countries that have been part of the EU-project from the beginning and in new Member States. In Britain, this led to the decision to leave the EU.

Figure 1: Frequency of the search terms „multi-speed europe“ and „multi-speed europe“ on Google since 2004



Google Trends data, own representation.

This was the situation when Commission president Jean Claude Juncker put the idea of a Europe of different speeds back on the table in his „White Paper on the Future of Europe – Reflections and scenarios for the EU-27 by 2025“, published in March 2017. The resurgence in interest is reflected in the Google searches of the term (see figure 1). Juncker does not use the term directly but proposes a closer union of „those who want to do more“ as one of five possible scenarios for the future of the European Union (European Commission, 2017).

While such increased cooperation of a smaller number of countries could facilitate policy progress on issues that are blocked by a veto of one or a few countries, the general idea of multi-speed is not supported by all Mem-