

# **UACES 42<sup>nd</sup> Annual Conference**

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# Remapping integration: geography and development in the European context

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# Overview

1. **The space of integration:**
  - determinants of economic integration:  
theoretical background
  - networks, agglomerations, contexts
2. **A case study:** Romania in South East Europe
3. **Rethinking the space of integration**

# Theoretical background

- **Political & economic** premises of European integration
  - a deterrence effect
  - a resource allocation effect
- The gains of 1957 and 1992 have been partly exhausted
- **New resources for growth** emerge within a less fragmented area
  - Political: multi-tier governance
  - Economic: scale and externality (market integration +)

# Economies from scale and externality: implications

0 Maximized benefits within *a variable-geometry area* [a territorial effect]

# 1 *Basic benefits*: networks and agglomerations  
[a value-added effect]

# 2 *Advanced benefits*: contexts of development  
[a policy development effect]

# *Basic benefits*

- Networks & Agglomerations: the economic advantage of linkages & proximity consists in value-added creation
- Complementarity to create **a web of spatial linkages**: networks facilitate exchanges *within* and *between* agglomerations

## **Two research questions**

- **How does a web of spatial linkages evolve into an economic region?**
- How do we recognize *the economic frontiers*?

# Economic frontier

- ✓ “Any demarcation over which actual and potential mobilities of goods, services, and productive factors, as well as communications flows, are relatively low.” (Pelkmans 2006: 2)
- ✓ “For the most part of the exchanges, and in both directions, the loss from trade exceeds the gain.” (Braudel 1984 *Civilization and Capitalism*, vol. III)
- ✓ „Economic boundaries change as profit changes.” (Lösch 1954: 198)

## A famous debate: *the Mediterranean Sea*

Braudel (1949): a self-contained economy demarcated by economic frontiers

Abulafia (2011): a networked territory

- **Task:** mapping economic integration (a union over economic not political frontiers; a union of economic regions)

# *Advanced benefits: sources*

- **Wealth** (economics) and **power** (politics) have been singularized as primary human motivations for integration → other motivators
- **Socio-cultural** motivators: identity, social institutions and environment, value structures → a “distinctive web of power and influence” (Garreau 1981: 1-2)
- **Contexts of development**: a spatial-temporal matrix of development over a territory



# *Advanced benefits: categories*

- **Circular cumulative causation** (of the value-added effect)  
representative demand and familiar profit opportunities  
competitive exposure
  - **Business development**  
socio-cultural foundations of economic success/failure
  - **Policy relevance**  
tracking and weighing regional specificity systematically  
mobility offset macro shocks
- “cultural signifiers, lifestyle markers, and symbolic meaning”  
(James, Martin, Sunley 2007)

# Pitfalls

- Geographic proximity  
**Katowice-Ostrava** *but* Upper Rhine Valley
- Geographic identifiers  
**Black Sea** *but* Scandinavia
- Ethnic or tribal homogeneity /nationality  
**Belgium** *but* Switzerland
- Monetary union  
**European Union** *but* United States

# A case study: Romania

## (a) a regional perspective

| Country groups<br><i>Set of variables</i> | Group #1   | Group #2   | Group #3  |
|---|--|--|---|
| Socio-cultural Identity                   | {France, Slovakia, Czech Republic, Italy, Croatia, Malta, Slovenia, Latvia, Lithuania, Austria, Spain, Hungary}, {Poland, Portugal, Cyprus}, Morocco | {Bulgaria, Turkey, Greece}, Romania, {Albania, Egypt}, Algeria | {Estonia, Ireland, Belgium, Iceland}, {Denmark, Norway, Netherlands}, {Sweden, United Kingdom, Finland, Switzerland, Germany}, Luxembourg |

# A case study: Romania

## (a') a regional perspective

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| Quasi-permanent clusters <sup>a</sup> | Other country associations <sup>b</sup> |
|---------------------------------------|---|
| Denmark, Sweden, and Norway           | Finland                                 |
| UK and Ireland                        | Belgium                                 |
| Latvia and Lithuania                  | Estonia                                 |
| Germany and Austria                   | France, The Netherlands, Switzerland    |
| Czech Republic and Slovakia           |   |
| Italy and Spain                       | Greece                                  |
| Romania and Turkey                    | Bulgaria, Poland                        |
| Jordan and Tunisia                    |   |
| Egypt and Morocco                     |   |

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Source: author's calculations

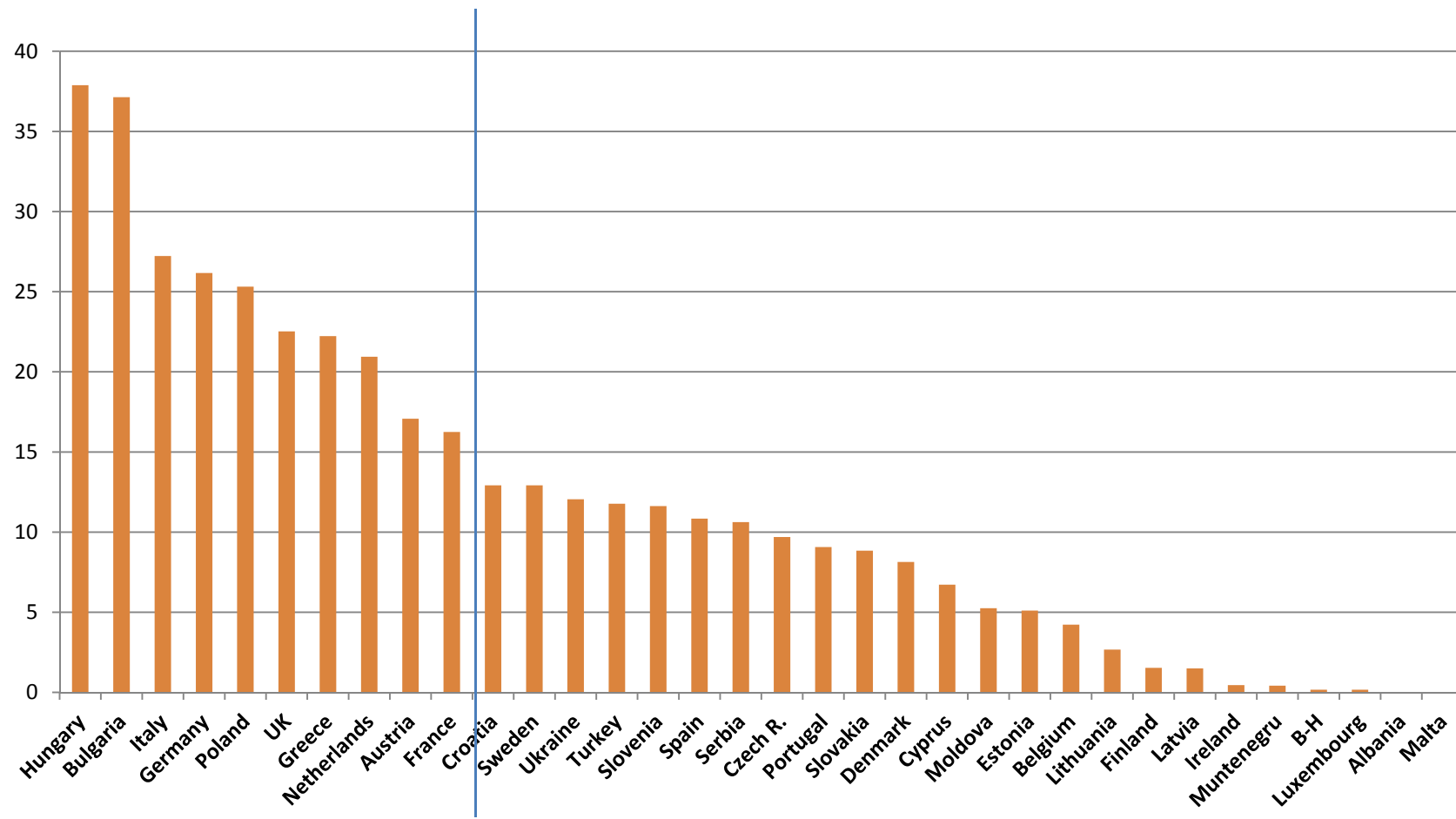
<sup>a</sup> Same cluster membership for at least five out of seven sets of variables

<sup>b</sup> Same cluster membership for at least three out of seven sets of variables

# A case study: Romania

## (b) the competitive environment

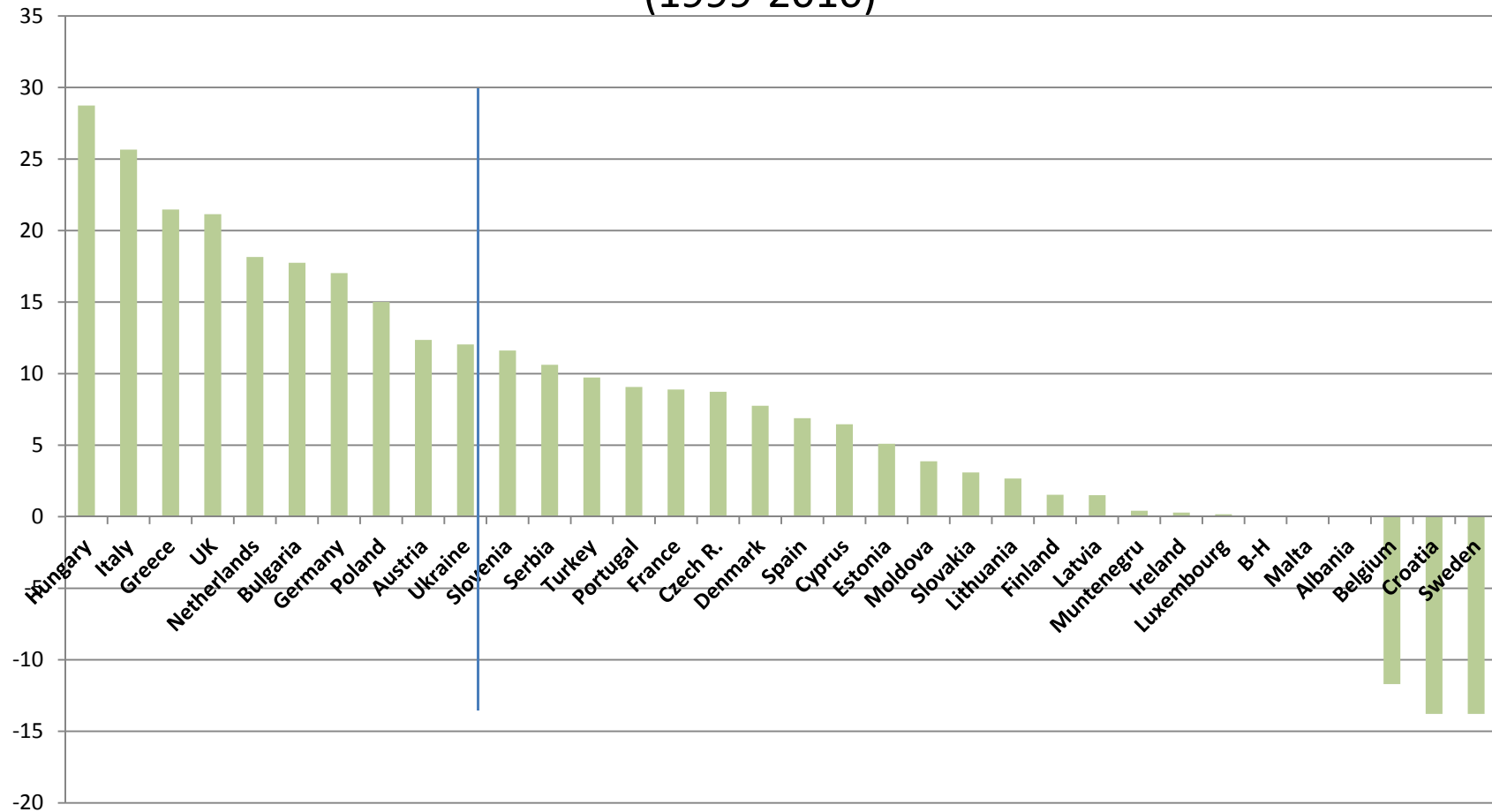
(share of Horizontal Intra-industry Trade in total bilateral trade)



# A case study: Romania

## (b') the competitive environment

(change of Horizontal Intra-industry Trade share in total bilateral trade, p.p.)  
(1999-2010)



# Discussion

- Romania is part of a *context of development* together with Bulgaria and Turkey
- Increased trade integration with:
  - Hungary, Bulgaria, Italy, Germany, Poland, UK, Netherlands, Austria
  - contributions of regional economies?
- The single market triggers a 'competitive effect' of lesser intensity than consolidated bilateral exchanges (25%-35% < 35%-50%)
- Indirect evidence of positive network economies
- Incipient stages of agglomerations economies

### 3. Rethinking the space of integration

- The result of the 1957 project: an aggregate of atomistic countries
- The 2012 moment: an aggregate of contexts of development
- Countries delaying the process of cross-border cooperation will miss 'the policy development effect' of in-depth economic integration
- Remapping integration: a European challenge