

## BOOK REVIEW

**Gabriela Carmen Pascariu and Maria Adelaide Pedrosa da Silva Duarte (eds.), *Core-Periphery Patterns across the European Union. Case Studies and Lessons from Eastern and Southern Europe*, Emerald Publishing, 2017, 382 pages, ISBN: 978-1-78714-496-5**

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Even though globalization is no longer the central concept that was so popular a few years ago in the literature in the field and media, its impact culminating in turmoil on the financial markets and the economic and financial crisis of the past decade still continues to be a research topic for both economic theorists and practitioners. However, the post-crisis recovery brought about other significant issues, such as the refugee crisis, waves of Euroscepticism in several EU Member States, negative implications for the integration processes of Eastern European states in terms of level of convergence and catching-up process, the Brexit that require new approaches, and ask for effective solutions. The challenges that the economies of the EU countries are now facing, especially in peripheral areas, lead to the conclusion that they must be more resilient to negative shocks; the way forward for them should be only sustainable development and economic growth reducing gaps between countries or regions and supporting convergence.

In this context, the book “Core-periphery Patterns across the European Union. Case Studies and Lessons from Eastern and Southern Europe” undertakes a complex topic relevant not only for the academic community but also for policymakers and the business environment and it should be viewed as a blueprint for the post-2020 regional development policy. It is a collection of studies, the conclusions of which may provide answers to complex theoretical and practical issues that are seen as causes of disparities among regions, and may identify effective ways for reducing and handling the challenges, and underline the role of the European and national institutions in this process.

The book brings significant added value to the literature in the field by means of presented and argued theoretical and practical issues, proper methodology used to find solutions for achieving the pursued objectives used by the authors in sustaining their views in an overlapping approach to research and application fields at European, regional and national levels.

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Published at a prestigious publishing house, the book, edited by Pascariu and Duarte, reviews the main challenges faced by the EU, both old and new, and it is presented to the public not only at a declarative level, but is also continuously doubled by statistical analysis and well-argued contextualisations of the problems. The book is divided into four parts, each made of two or three chapters, each chapter responds to a problem undertaken by the authors using an empirical positive analysis and a normative perspective, with documented and relevant recommendations, either for national governments or at regional, local and European levels, and especially for the future Cohesion Policy or the Regional Policy, which, carefully merged, lead to unity of the book announced in the Introduction.

The first part called "*Integration, Growth, Convergence. Southern versus Eastern Peripherality*" comprises two studies; the authors define the concept of peripherality, emphasize its specific features, and make comparisons between Southern and Eastern Periphery in terms of peripherality/distance and convergence potential. Chapter 1 is a statistical analysis and graphical presentation, it outlines the different dynamics of the two peripheries, an also contains comparative approaches based on the New Economic Geography theory.

In this chapter, Caraveli uses the centre-periphery analysis framework for examining different convergent models found in Southern periphery towards the Eastern one, and their determinant factors: labour productivity and foreign direct investment. The author also draws attention to the North-South and East-West demarcation lines and identifies not only the old "centre" or "centres" as the capitals of the most developed EU states (London, Paris, Milan, Munich, Hamburg), but also the new centres (still capitals), Warsaw, Prague, Bratislava, Budapest and Bucharest. Chapter 1 stressed out the different degrees of convergence between the countries which form the two peripheries. Pascariu and Tiganasu, in Chapter 2, identify more precisely the three categories of countries (called "clubs" of convergence) in terms of competitiveness and convergence: the first group – the EU15 member states; the second group – the Southern European countries (Italy, Spain, Portugal and Greece); the third group - the club of the new member states of the EU from Central and Eastern Europe. So, the authors by using the adjusted peripheral composite index (economic indicators and spatial indicators) highlight various dynamics in the development and convergence processes for the economies of Central and Eastern Europe and the distances between the centre and the periphery to provide a better understanding of the determinant factors of economic growth and convergence. Using a new integrated model for Central and Eastern European countries, the authors cover the analysis needs from a multidisciplinary perspective that includes both the economic and spatial aspects. Moreover, they find that the institutional analysis is particularly suggestive for highlighting the role of institutions (formal and/or informal) and the results of the catching-up process and the fact that the future development depends on the quality of these institutions. To conclude, "the peripherality of peripheral areas may be reduced by optimising complementarity

between market mechanism and public interventions and it should become a priority in European policies” (p. 75).

All three studies included in the second part "Structural Transformation in the Southern and Eastern Enlargements" focus on the crucial structural changes of the catching-up and development processes. In Chapter 3, Silva examines the productive sector, mainly the industrial production, which integrates cutting-edge technology and medium to high-skilled workers. The author also carries out a comparative analyses between groups of countries of Southern or Eastern Europe and draws conclusions on the redesigning or repositioning of the sectoral composition, with an emphasis on more intensive technological and skill activities and policy recommendations that highlight the fact that the processes from this category should be taken into account in the medium and long term. Chapter 4 contains an interesting study carried out by Andrade and Duarte that clarifies whether the CEE countries have been the subject of the Dutch Disease (DD) process due to the use of external input capital flow, the structural funds attracted by the CEE countries and analyses whether these flows have influenced the real exchange rate (RER). Finally, in chapter 5, Duarte and Simoes discuss the services sector focusing on the ICT sub-sector. All three chapters of the second part conclude that structural transformations must lead to a "virtuoso sectoral composition of activities of the economies entailing dynamic paths with higher prospects for future growth "(p. 170).

The third part, "Core-Periphery Particularities in Eastern and Southern Europe: Case Studies" describes three case studies presenting the transition and the catching-up process, with examples and recommendations for the future programming period and strategies. Wener, Herrmann, and Lovett in Chapter 6 "Clusters of rural European Regions" present the results of RUFUS (Rural Future Networks) European project, RUFUS which focuses on the need to analyse rural areas in European states (NUTS 3 level). The study uses a multidisciplinary approach as nine economic, social and ecological indicators are utilized. The resulting typology is based on factor and cluster analysis, and the results, the different groups, or the relationships between them and the core pole are easy to view in the form of maps.

Chapter 7 entitled "Is Eastern Europe Following the Same Transition Model as the South? A Regional Analysis of the Main Migration Transition Drivers" presents to the reader the transitional theories. This analysis is used to place the migration process within the framework of these theories and explain how the migration and development processes interact, including the core-periphery dynamics.

Using the econometric methodology and statistical data sheet for the period 2000-2013, Incaltarau and Simionov assess the importance of transition drivers (employment opportunities, urbanization level, labour segmentation, and active share) at regional level (NUTS 2), and rank the regions in terms of attractiveness related to the migratory flows. The results and the empirical analyses lead authors to

recommend to policymakers the improvement of migration policies, with emphasis on unattractive or less attractive regions for migrants.

Chapter 8 brings to foreground the use of the city-region model level, exemplifying the model of the Polish cities. Using econometric models, Szczech-Pietkiewicz identifies that in most cases, cities and regions follow the backwash mechanism (cities follow the growth-pole mechanism) in relation to the surrounding regions. She recommends that new models of development of the cities' peripheral areas should be considered or that specific development policies of another city-pole should be taken into account (*e.g.* through a mix of labour market solutions etc.).

The fourth part "Core-Periphery Patterns and Policy Implications. Sectorial Issues" highlights issues related to decentralization and local governance; it is radiography of the 2014-2020 Cohesion Policy, and the territorial development foundation.

In chapter 9, "Fiscal Decentralization and Self-Government Practices: Southern versus Eastern Periphery of the European Union", Onofrei and Oprea conduct a qualitative comparative analysis of the level of decentralization and local self-government practices in some South and East European countries (Spain, Italy and Poland) as to identify the administrative reforms implemented by national authorities and underline the good practices in order to identify the main drivers of the decentralization reform. Based on the analysis, the authors conclude that regional governance can lead to a more accelerated local development, depending on the national framework, and suggest reforms for Eastern European Countries stating that these reforms should be designed using financial incentives.

Chapter 10 "Continuity versus Discontinuity in 2014-2020 EU Cohesion Policy" describes the innovative and continuity elements of the 2014-2020 PC, with a special focus on the new European Fund for Strategic Investments (EFSI), which works in partnership with the EIB (European Investment Bank). EFSI was created in the aftermath of the economic and financial crisis and has a role in stimulating private investment by attracting private investors to viable economic projects. Based on the analysis, Dragan concludes that the new EFSI instrument funding large-scale investments will not have the expected role in regions of less developed countries, so the catching-up process may be delayed.

Cojanu in Chapter 11 "Beyond the Core-Periphery Model: Policies for Development in a Multi-Dimensional Space" discusses theoretically the broad conceptual framework of the regional economics discipline. It also aims to review this framework, especially the centre-periphery model, through three interpretations of space (uniform-abstract, diversified-relational and uniform-stylized), each of them assuming a certain theoretical model, critically presented by the author, indicating their limits, especially in the case of growth and development conditioning in different spaces/territories. The conclusions are pertinent, and the author raises questions and leaves to the researcher the choice of defining Governance Space, eventually by overlapping the political space with economic and social issues, or by

introducing the concept of "big data" into a multi-dimensional space, which involves a mix of local and global policies.

In conclusion, the book "Core-periphery Patterns across the European Union. Case Studies and Lessons from Eastern and Southern Europe" brings significant added value to the literature in this field and should be viewed as a blueprint for post-2020 regional development policy, and the analysis of the effects of peripherality in the Southern and Eastern European countries lead to policy recommendations based on economic theory, especially by reducing disparities and gaps between regions and countries and supporting the convergence process, and should represent models for other countries and regions undergoing a process of integration.