

Draft and reduced version of the paper:

Regional Resilience and Discontent in the European Union

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The 2007-2008 financial and banking crisis rapidly spread in Europe, nurturing a severe economic crisis which involved mostly all countries, challenging their ability to recover and restore their growth path. Moreover, the Great Recession affected European countries unevenly, determining regional inequalities, within and between countries (Arestis et al., 2011). Among the effects, less job opportunities and lower social mobility affected, particularly, less dynamic regions and cities and worsened the social conditions of people with a lower social status (Corrado and Corrado, 2011). Indeed, many regions were left outside the agglomeration process going on in metropolitan cities. This rapid growth and GDP concentration involving only dynamic regions fuelled grievances in many local communities, left without support from the institutions (Hendrickson et al., 2018). The regional heterogeneities and the rise of spatial inequalities are among the determinants for intra- and inter-regional conflicts, which may result in a social, economic and political time of instability (Ezcurra and Rodriguez-Pose, 2014). The rising discontent across territories revealed itself in the ballot box, where people expressed their mistrust towards the institutions and the political system, perceived as unable to face their problems and needs (Rodriguez-Pose, 2018). Votes became the expressions of the socio-economic and geographical contexts and, as shown by Dijkstra et al. (2018), they are mirroring the grown feeling of resentment in some territories. The so called “revolt of the rustbelt” (Hazeldine, 2017; McQuarrie, 2017) or the “revenge of places that don’t matter” (Rodriguez-Pose, 2018) began and is now emerging in most of European regions, giving electoral consensus to anti-establishment and Eurosceptic parties. Anti-establishment, anti-system parties have been the only response to “lagging behind areas” (Rodriguez-Pose, 2018), giving their support to common people through an “anti-elite” rhetoric campaign, and offering an alternative to those traditional parties that failed in dealing with the economic and financial crisis (Acemoglu et al. 2016). In order to establish a connection between the electoral success of these parties and economic or social factors, many

studies have been carried out. Among the forces lying behind it, unemployment is recognised as one of the main drivers, as well as the presence of immigrants or ethnic minorities (Lubbers et al. 2002, Golder 2003). Economic insecurity played a strong role in spreading this feeling of resentment, as confirmed also by Inglehart and Norris (2016) who find evidences on how voting attitudes are influenced by technological change, globalisation of labour, goods and the consequent increase of inequality. However, economic instability is not the only player, there are also social and cultural factors triggering the support for anti-establishment initiatives. Inglehart and Norris (2016) define it as a cultural backlash, a reaction against progressive values such as multiculturalism, civil rights, environmental protection, gender equality. Rapid cultural changes have scared especially the older generations, causing a “counter-revolutionary retro backlash”. Same conclusions are drawn by Georgiadou et al. (2018) and by Essletzbichler et al. (2018), when studying the drivers for far right and populist radical right votes in Europe. These studies also demonstrate that taking a subnational perspective is of fundamental importance, as regions react differently to economic and social changes and they own specific regional demographic and territorial features.

We contribute to the understanding of the drivers behind the increasing support for anti-establishment parties, assessing whether different degrees of economic resilience to the economic and financial crisis played a role in shaping the voting behavior. Indeed, different and unequal effects of the crisis influenced the ability of the regions to recover from the shock, exacerbating, in some of them, their economic conditions (Inglehart and Norris, 2016). Therefore, we would like to gauge how much different degrees of resilience have influenced the rise of Eurosceptic votes in the European Union, offering an innovative approach to the literature. We define resilience as a “bounce-back” from shocks, namely, “how fast a system that has been displaced from equilibrium by a disturbance or shock returns to that equilibrium” (Martin and Sunley, 2014).

To carry out our analysis, we use a novel dataset on voting behaviour at NUTS-2 level covering the whole EU-28 over the period 2000-2018. We make use of the Chapel Hill Expert Survey in order to catch the political parties’ salience on specific related issues, such as Europe, immigration and economic policies. Specifically, we measure discontent in terms of the party’s ideological position towards European integration.

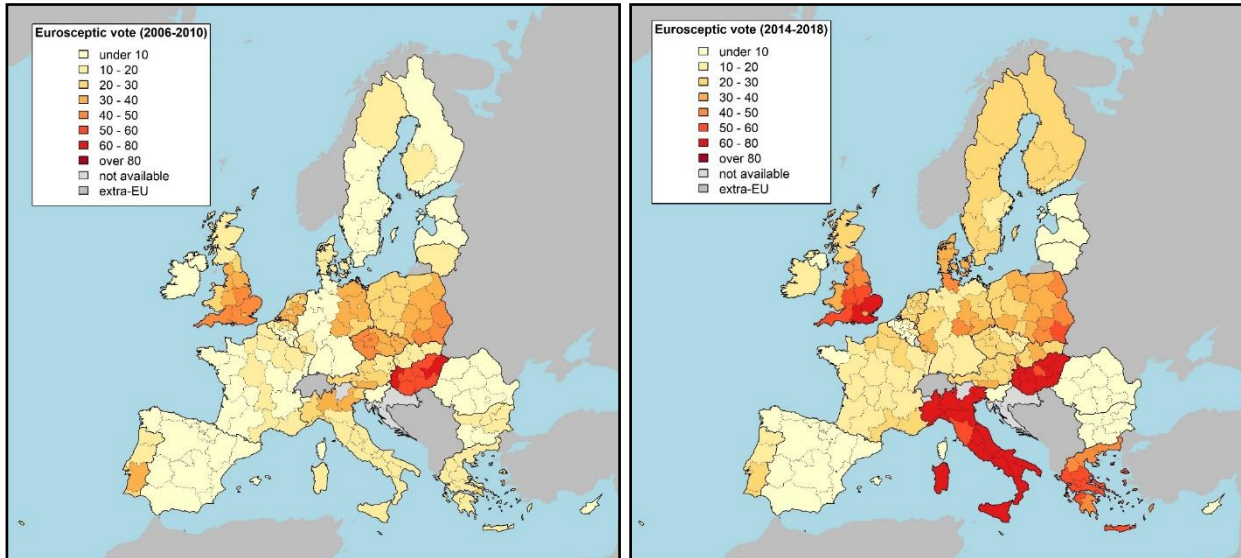
Key variables

Discontent

To define and measure discontent we sum the percentage points gained by political parties in national elections. In particular, we select parties opposed or strongly opposed to the European integration. To

have a preliminary idea of the data, the maps below (Figure 1) show the regional shares registered these parties, in two timeframes, 2006-2010 and 2014-18.

Figure 1.



It's immediate to catch a generalized growth of consensus across regions from one period to the other. However, some of them expressed a stronger feeling of mistrust towards European institutions, like in Italy, United Kingdom, Poland and Greece, where from shares of vote around or lower than 30% over the period 2006-2010, they jumped to or over 50% in the second period. Other regions belonging to France, Germany and Scandinavia started to show their discontent too, but with heterogeneous patterns within countries. Indeed, the latest national elections in EU countries witnessed the huge success of anti-elite and anti-European parties as for example the Italian League and Five Stars Movement, the Polish Prawo I Sprawiedliwość, in Germany with Linke and Alternative für Deutschland or the French National Rally. Analysing voting and economic dynamics require taking in consideration regional conditions and disparities, in order to understand voting preferences. When mainstream political parties fail to identify the geographically heterogenous voters' needs, the results are to be found both in the political polarization of votes between urban and rural areas and in questioning the political system itself (Hendrickson et al., 2018).

Resilience

Resilience will be measured as a bouncing-back from the shock. To do so, we choose a benchmark year from which we construct two different measures. The year considered as benchmark is 2007 and 2008-2017 is the timespan for the analysis:

- $x_{2007} - x_t$, defined as “absolute distance” and which will take negative values when there is stronger resilience and positive values when there is lighter resilience.
- x_t/x_{2007} , defined as “relative distance” and which will be interpreted as follows: for values greater than 1, the region is experiencing better performing, for values between 0 and 1, the region has an increasingly weaker resilience.

These measures will be calculated for three different variables: Gross Domestic Product per capita, employment and youth unemployment, whose descriptive statistics are reported in Table 1 below.

Table 1.

Descriptive Statistics								
	N	Mean	Std. dev.	Min.	25 %	Median	75 %	Max.
Employment rate	2,403	63.966	8.295	35.5	58.8	64.9	70.4	83.0
Gdp per capita	1,894	25,640.127	10,242.246	6,700.0	18,600.0	24,100.0	31,075.0	77,300.0
Youth unemployment	2,281	24.251	13.455	3.8	14.1	21.3	30.8	79.2

Building the analysis at regional level, being the decisional and most influential political level, allows us to catch the regional identity and territorial dynamics proper of European regional policies. Through the understanding of the different reactions to the crisis, we clarify the determinants of anti-establishment support, and deliver important insights to shape effective policy responses.

The model adopted and the results will be shown during the conference presentation.

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