

When Resilience Matters: Avoiding and Escaping Regional Development Traps in the EU

The concept of the regional development trap has recently gained recognition in the literature, identifying regions that struggle to sustain economic dynamism relative to their national and European peers (Iammarino et al., 2020; Diemer et al., 2022; Rodríguez-Pose et al., 2024). A regional development trap occurs when a region experiences persistent stagnation in income, productivity, and employment, struggle to sustain economic dynamism relative to their national and European peers (Iammarino et al., 2020; Diemer et al., 2022). While prior researchers have identified the structural and institutional determinants of development traps (Iammarino et al., 2020; Diemer et al., 2022), the relationship between these traps and a region's capacity for resilience during turbulent periods remains underexplored.

Understanding the dynamics of regional development traps is crucial, as their persistence can lead to widening territorial disparities, economic discontent, and long-term stagnation (Iammarino et al., 2020; Diemer et al., 2022; Rodríguez-Pose et al., 2024). Without effective interventions, development-trapped regions risk falling further behind, exacerbating socio-economic inequalities and fueling dissatisfaction with national and EU-level policies (Rodríguez-Pose et al., 2024).

This paper addresses this gap by investigating how regional economic resilience influences the likelihood of falling into or escaping a development trap. A region's ability to withstand, adapt to, and recover from economic shocks has significant implications for its long-term development trajectory. This issue has become even more pressing as we are experiencing periods of more frequent and intense shocks—ranging from financial crises and trade disruptions to pandemics and geopolitical conflicts—placing additional strain on regional economies. In this context, resilience plays a preventive role by helping regions avoid stagnation and a corrective role by facilitating recovery for those already trapped.

Our empirical analysis of NUTS 2 regions in the EU finds that higher levels of economic resilience represent a significant positive determinant for escaping a regional development trap. These findings highlight the need for policymakers to adopt forward-looking strategies that enhance regional resilience rather than relying solely on remedial policies. Strengthening resilience can serve as a crucial mechanism to counteract the growing divide between dynamic superregions and left-behind areas in Europe, helping to prevent long-term economic stagnation and the rise of territorial inequalities.

Keywords: Regional development trap, regional economic resilience, EU

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