



Special Session Proposal

Long-term Development Perspectives, Barriers, and Challenges in Central and Eastern European Regions: A Survey of the Next Decades

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Abstract

This session seeks to investigate the future development potential of Central and Eastern European (CEE) regions in the following decades. Potential forms and wellsprings of further growth shall be contrasted with systemic barriers putting present development models into question, and socio-economic challenges which need to be surmounted in the coming years.

The session follows from the understanding that CEE regional development has long been predicated on decisions made and processes set in motion at the start of the post-socialist period. Policies focused on attracting Foreign Direct Investment and exogenous knowledge were coupled with a special emphasis on the tertiary sector and service economies in the cities, with comparably less attention dedicated to exploiting endogenous growth potential, reinforcing knowledge creation in domestic regional innovation systems. Likewise, in most policy areas, including economic as well as regional policy, CEE states had trusted in successful catching-up through aligning their decisions and interests with that of core EU states. The resulting policies, mostly adaptive or imitative, had contained little added value, were sometimes awkwardly suited for the realities of development, and exhibited signs of political dwarfism and unilateral dependency.

More than 30 years after transition, the CEE group of countries, which can be called “post-socialist” only with increasing effort, is facing a new set of challenges in economic convergence, European integration, and global competition. Previous driving forces of convergence and catching up, such as FDI-led development paths,

have signs of either exhaustion or in-depth transformation. While growth and change have been impressive, development gaps have remained wide and long-lasting both between and within countries. Differences of opinions and interests have surfaced between the EU core and CEE member states (although this is hardly the only dividing line within the community). Doubts have been raised about the success and suitability of dominant catching-up models: the limits of FDI-based development or regional development predicated on EU funding schemes, while development traps (e.g. the middle-income trap, or the continuing malaise of rural peripheries) and unforeseen side-effects (e.g. debates concerning the Dependent Market Economy variety of capitalism) have come to the fore. The picture is not entirely pessimistic, either: new sources of growth can be identified, previously moribund regions have experienced unexpected revival, and new policy solutions are being tried with some success. It seems logical to suggest that 30 years after systemic change, new directions of socio-economic development will slowly take shape, even if historical legacies will continue to take effect.

This special session intends to contribute to the discussion concerning the sustainability and future directions of CEE development models. What comes after post-socialism, and how might the CEE member states and their regions benefit in a changing global world and a changing (indeed, much changed) European Union? The session seeks to explore questions of...

- the defining development paths, their boundaries, and new phenomena;
- the sustainability of the driving forces of regional development in CEE;
- development models in the changing global world – limitations and new potential;
- new forms of the innovative economy, and their spread beyond metropolitan growth centres in CEE;
- potential forms and sources of endogenous development, particularly in less-endowed regions;
- innovative regional policies in CEE regions.