Contents

1 The Regional Dimension of Globalization: Past Trends and Future Scenarios .............................................................. 1
  1.1 The Need for a Regional Dimension .................................. 1
  1.2 The Conceptual Approach Behind the Study ......................... 4
  1.3 Methodological Requirements: Identification of Open Regions ..... 8
  1.4 The Need for a Scenario Exercise .................................. 10
  1.5 Structure of the Book ............................................... 12

Part I National and Regional Globalization Processes

2 The EU in the Global Economy ........................................... 17
  2.1 The EU Between Globalization and Integration Processes ........ 17
  2.2 International Trade Patterns ......................................... 19
    2.2.1 The International Framework .................................. 19
    2.2.2 The EU in Global Trade Markets: Intra- Vs. Extra-EU Trade ......................................................... 22
    2.2.3 International Trade in Services ................................ 27
  2.3 Spatial Patterns of FDI ............................................... 29
    2.3.1 FDI at World Level .............................................. 29
    2.3.2 Foreign Firms in the EU27: Geographical Patterns ......... 31
    2.3.3 Foreign Firms in the EU27: Sectoral Patterns ............... 32
  2.4 Conclusions .......................................................... 33
  Annex 2.1 FDIRegio Dataset: Its Structure and Its Consistency with Official Data ............................................. 35

3 Globalization and the Reshaping of Regional Economies: Favored Territories ......................................................... 39
  3.1 Globalization and New Opportunities for Regional Economies .... 39
  3.2 Globalization of Tasks ............................................. 41
  3.3 Off-Shoring and Outsourcing of Service Functions .............. 45
Part II Globalization and Regional Economic Growth Patterns

4 Global Regions in Europe .............................................. 53
4.1 Measuring Globalization at Regional Level .................. 53
4.2 Measuring Globalization: Two Logical Dimensions .......... 54
4.3 Gateways for Globalization ........................................ 55
4.4 Openness to Globalization ......................................... 57
4.4.1 The Elements of a Globalization Indicator ............... 57
4.4.2 A Synthetic Globalization Indicator ......................... 59
4.5 Sectoral Specialization and Globalization ..................... 60
4.5.1 The Reasons to Define Open Growing Sectors ............ 60
4.5.2 The Identification of Open Growing Sectors ............... 65
4.6 Global Regions in Europe: Empirical Results ............... 69
4.7 A Structural Profile of European Global Regions .......... 72
4.8 Conclusions: Toward an Interpretation of the Performance
of Global Regions ...................................................... 83
Annex 4.1 The IGEAT Matrix of Sectoral/Regional Employment
and GVA Data .......................................................... 84
Annex 4.2 Data Sources ................................................... 84

5 Spatial Patterns of Globalization Trends ................................ 87
5.1 Describing Spatial Globalization Patterns: A Challenging Task .. 87
5.2 Spatial FDI Patterns .................................................. 89
5.2.1 The Origin of FDI ............................................. 89
5.2.2 Did Globalization Drive FDI Patterns of Location? ....... 97
5.2.3 FDI Patterns by Typology of Economic Activity:
Industry Versus Services .............................................. 99
5.3 New Forms of Globalization Trends .............................. 107
5.3.1 Relocation of Functions and Tasks ......................... 107
5.3.2 Deindustrialization and the Rising of the Service
Economy ................................................................. 110
5.3.3 Decentralization of Intertwined Functions ............... 116
5.4 Globalization Challenges for Local Economies ............... 122
5.4.1 Some Methodological Aspects ............................... 122
5.4.2 Relocation of Functions/Tasks and Productivity Growth ... 123
5.4.3 Deindustrialization, the Rise of the Service Economy
and Productivity Growth ............................................. 130
5.4.4 Decentralization of Intertwined Functions and Manufacturing Productivity Growth ..................... 135
5.5 Conclusions .......................................................... 137
Annex 5.1 FDI Location Patterns: A Principal Component Analysis .............................................. 138
Annex 5.2 Typology of Professions .......................................................... 138
Annex 5.3 Functional Specialization and Regional Type: A Correspondence Analysis .................. 139
Annex 5.4 Growth of Intertwined Functions by Regional Type: A Principal Component Analysis .............. 140

6 European Regional Performance in a Globalized World ............ 143
6.1 Regional Endogenous Growth: The Role of Territorial Capital ..................................................... 143
6.2 Regions Benefiting from Globalization .................................................................................. 146
6.2.1 Regional Performances in Europe in Recent Years .......................................................... 146
6.2.2 Identification of Benefiting Regions ............................................................................... 148
6.3 Structural Features of Benefiting Regions ........................................................................... 154
6.3.1 Structural Features of Benefiting Global Players .................................................................. 154
6.3.2 Structural Features of Benefiting Regional Players .......................................................... 158
6.4 Common Behaviours Among Regions .................................................................................. 161
6.4.1 Winning Behaviours for Global Players ........................................................................... 161
6.4.2 Winning Behaviours for Regional Players ......................................................................... 166
6.5 Success Factors for Regional Growth: An Interpretative Approach .................................................. 169
6.5.1 Methodological Aspects: Spatial Heterogeneity .................................................................. 169
6.5.2 The Choice of Success Factors and the Basic Regional Growth Model .................................................. 170
6.5.3 Success Factors for European Regions .............................................................................. 173
6.5.4 Spatial Heterogeneity of Success Factors .......................................................................... 175
6.5.5 Regional Endowment of Success Factors ......................................................................... 179
6.6 Globalization and Regional Disparities .................................................................................... 181
6.7 Conclusions ......................................................................................................................... 186
Annex 6.1 Regional Variables ............................................................................................................. 188

7 Regional Attractiveness and Its Determinants ........................ 191
7.1 Regional Attractiveness and FDI Determinants ......................... 191
7.2 Factors Affecting Regional Attractiveness ........................................... 194
7.2.1 The Traditional Factors ................................................................. 194
7.2.2 Empirical Results ............................................................................. 196
7.3 The Role of Globalization and the Country Effect ......................................................... 198
7.3.1 Spatial Heterogeneity ............................................................ 198
7.3.2 Global Vs. Non-Global Regions .................................................. 200
7.3.3 Region Vs. Country Dynamics ................................................... 200
7.3.4 Sector and Firm Heterogeneity .................................................... 203
7.4 Conclusions ................................................................................................. 207
Annex 7.1 Regional Database ............................................................................................................. 212
Part III  Globalization Scenarios for European Regions

8  Scenario Methodology: A New MASST Model  ............................................. 217
  8.1  Quantitative Foresights ............................................................. 217
  8.2  A New Version of the MASST Model ............................................. 220
  8.3  Characteristics and Structure of the New MASST Model ................. 221
  8.4  The National Component of the MASST Model ............................. 227
  8.5  The Regional Component of the MASST Model ............................. 230
       8.5.1  The Differential Component ............................................ 230
       8.5.2  The Sectoral Component .................................................. 233
  8.6  The Demographic Subcomponent ................................................. 238
  8.7  The Generative and Distributive Nature of the MASST Model:
       The Simulation Algorithm ......................................................... 241
  8.8  Conclusions ............................................................................. 243
Annex 8.1 National and Regional Database ...................................... 244

9  Globalization and European Strategies: Alternative Scenarios ......... 249
  9.1  Introduction ............................................................................. 249
  9.2  Present Challenges for the World’s Economies ............................. 251
       9.2.1  Challenges in Globalization Trends .................................... 251
       9.2.2  Challenges for European Economies .................................. 252
       9.2.3  The Economic Crisis .......................................................... 253
       9.2.4  Demographic Trends and Challenges .................................. 254
       9.2.5  European Transport Infrastructure Policy Choices ............... 255
       9.2.6  Energy Source Policy Choices ............................................ 255
  9.3  Present Trends: The Baseline Scenario ....................................... 256
  9.4  Globalization, European Strategies, and the Economic
       Crisis: Logical Combination of the Driving Forces .................... 257
  9.5  The Main Features of Two Alternative Scenarios ......................... 260
       9.5.1  A Proactive Europe in a High-Quality Competitive World
       and in a Rapid Economic Crisis Recovery Framework .............. 260
       9.5.2  A Defensive Europe in a Price-Competitive World
       and in a Slow Recovery from Economic
       Crisis Framework .................................................................. 266
  9.6  From Qualitative to Quantitative Assumptions: The Levers
       of the MASST Model ................................................................. 267
  9.7  Conclusions ............................................................................. 269
Annex 9.1 Quantitative Assumptions ................................................ 271

10  The European Territory in 2020: Winners and Losers
    in a Globalized World ................................................................. 275
   10.1  Introduction ........................................................................... 275
   10.2  An Aggregate Perspective ........................................................ 276
Globalization and Regional Growth in Europe
Past Trends and Future Scenarios
Capello, R.; Fratesi, U.; Resmini, L.
2011, XXII, 342 p., Hardcover
ISBN: 978-3-642-19250-0