

The dualizations of Europe

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outline

- The dualisations of Europe
- Re-enforced by the adjustment plans
- The political consequences

- Source: Palier, B., Rovny, A. E., & Rovny, J. (2018). European Disunion? Social and Economic Divergence in Europe, and their Political Consequences. In Manow, Palier, Schwander, *Welfare Democracies and Party Politics: Explaining Electoral Dynamics in Times of Changing Welfare Capitalism*, OUP, 281.

Those who suffered most from the crisis:

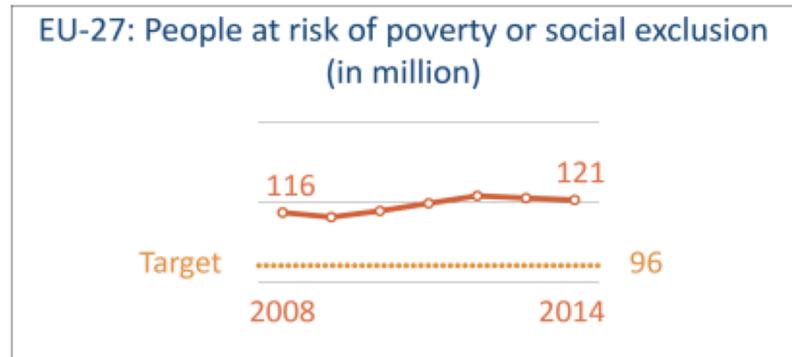
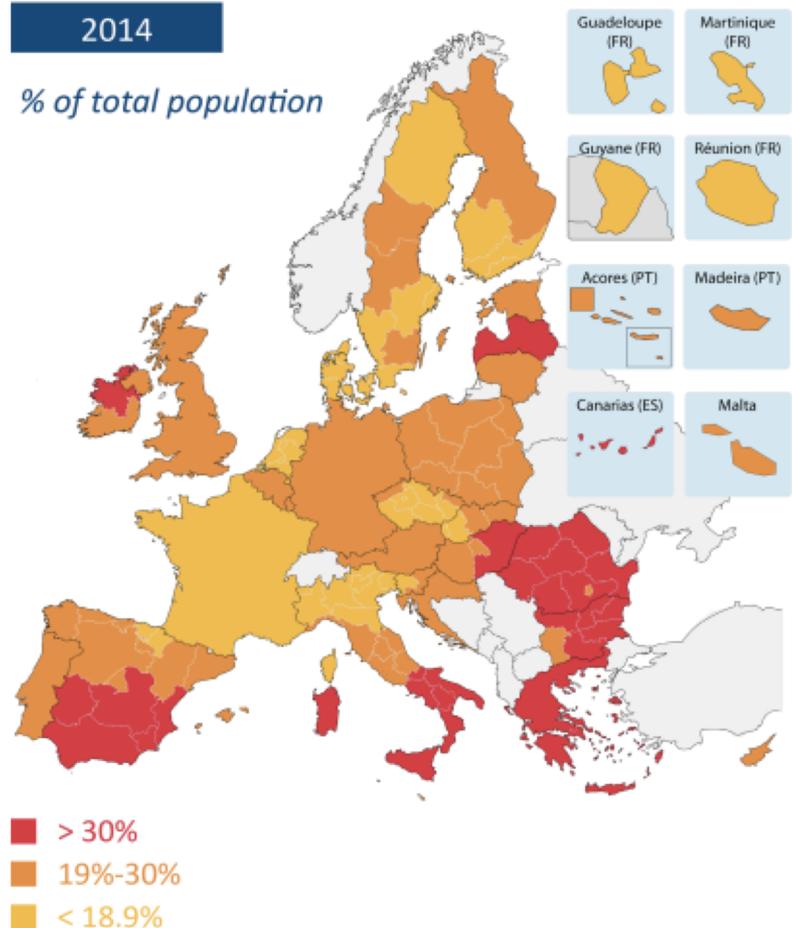
- Women, especially Low skilled single mothers
- Youngsters
- Children...

And more in the periphery of Europe than in its Core

People at risk of poverty or social exclusion

2014

% of total population



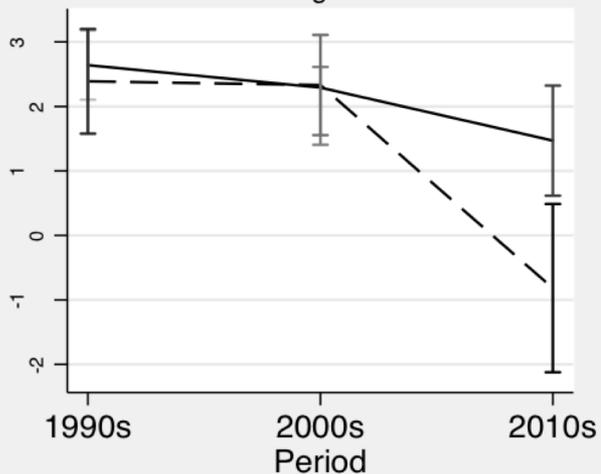
We test the robustness of the data by doing some DID analyses

- Before and after the crisis
- Before = 2002-2009, after = after 2010
- With France in center or in periphery (it is in the midway in reality)
- **Center:**
- AT, BE, CZ, DK, FI, FR, DE, EE, LU, NL, PL, SI, SE, UK
- **Periphery:**
- GR, HU, IR, IT, PT, SK, SP, BG, HR, CY, LV, LT, MT, RO

Center and Periphery of the EU

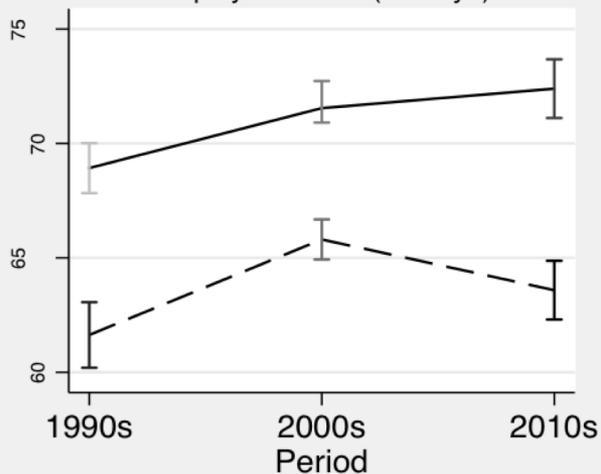


GDP growth



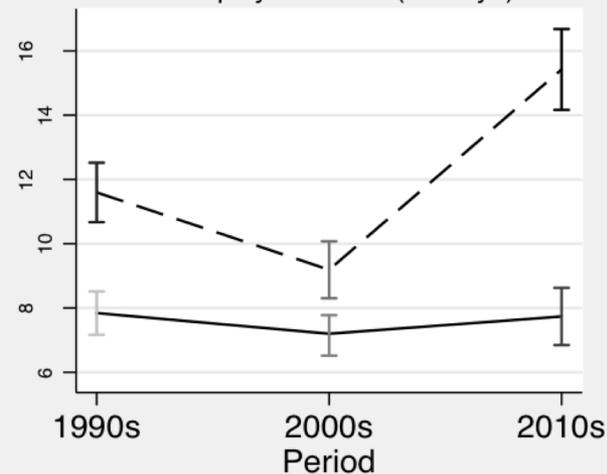
Center Periphery

Employment rate (20-64yo)



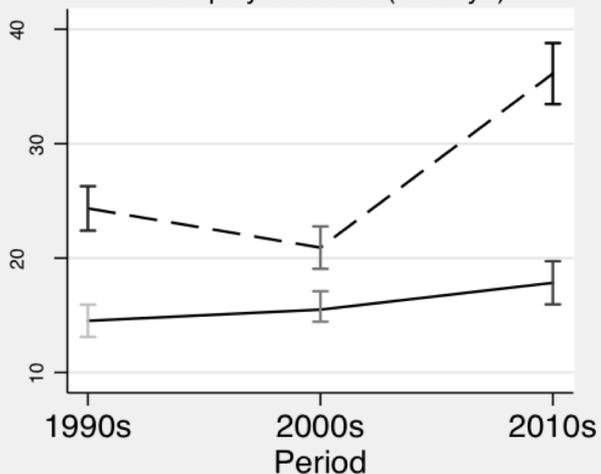
Center Periphery

Unemployment rate (15-64yo)



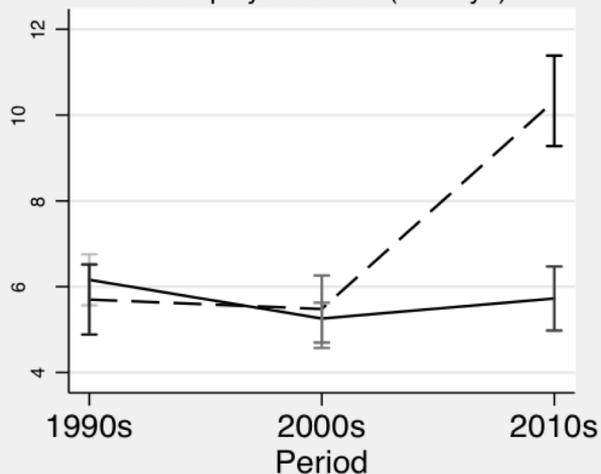
Center Periphery

Unemployment rate (15-24yo)



Center Periphery

Unemployment rate (55-64yo)



Center Periphery

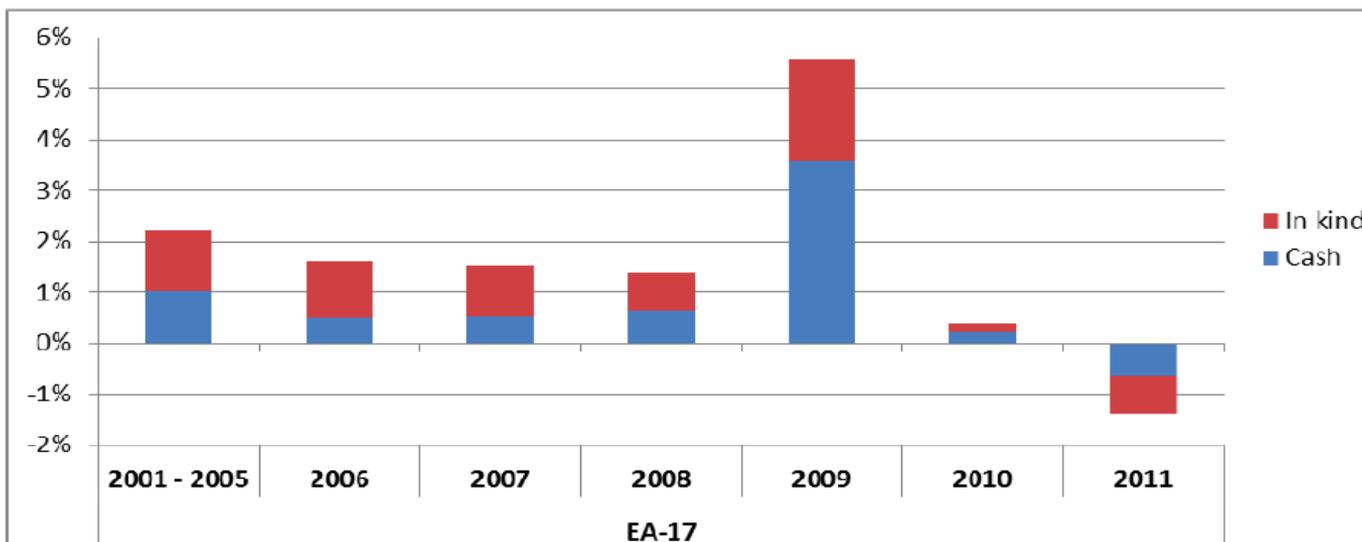
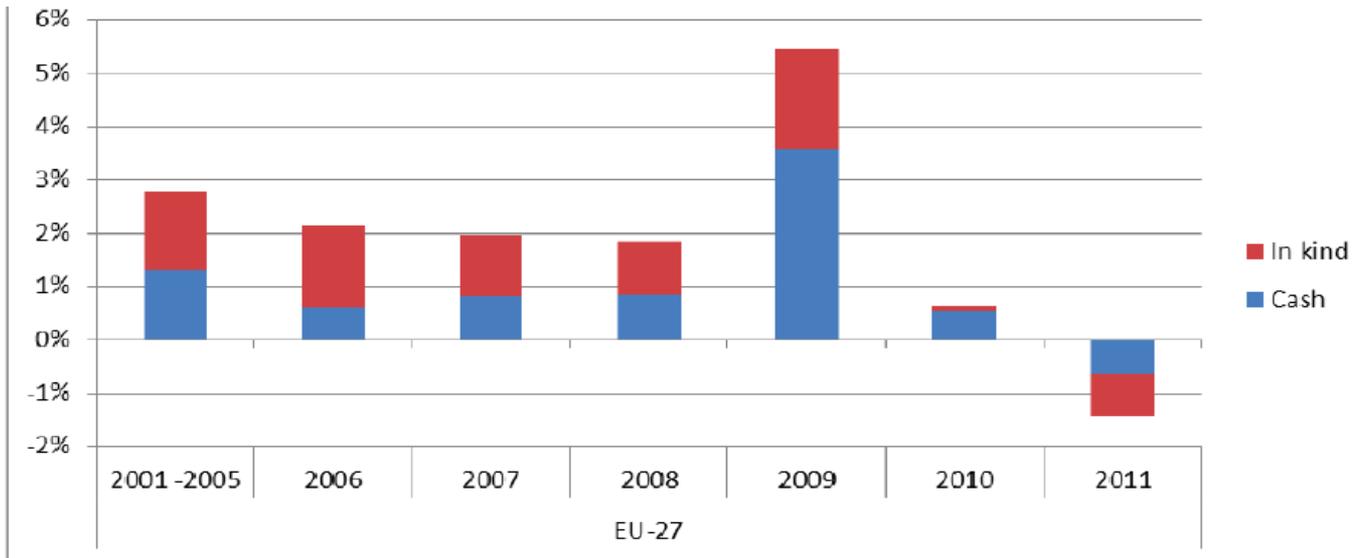
The adjustments plans

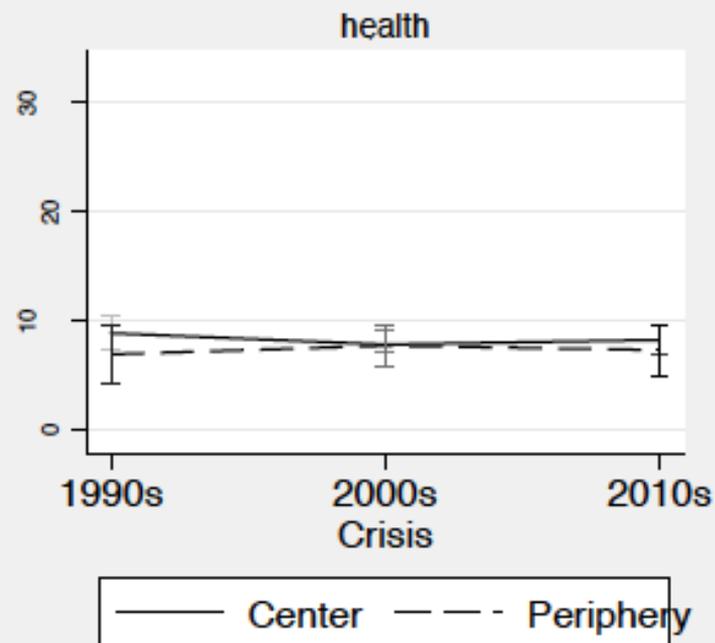
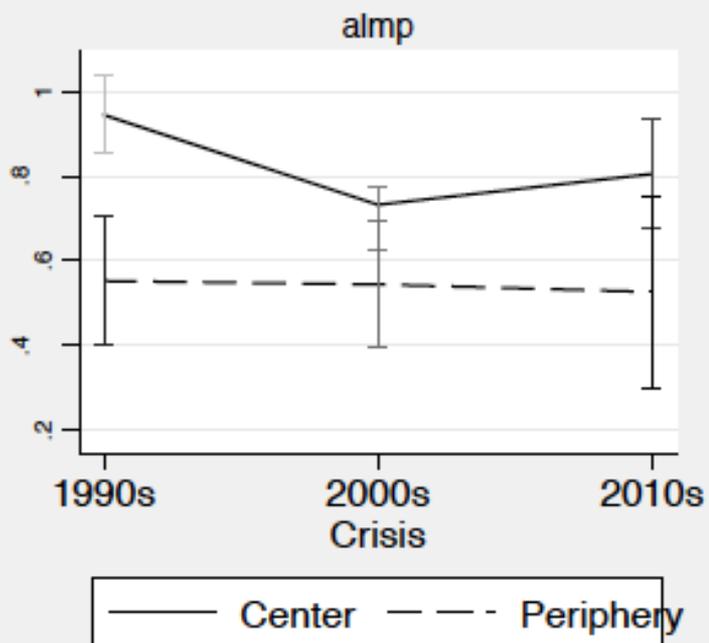
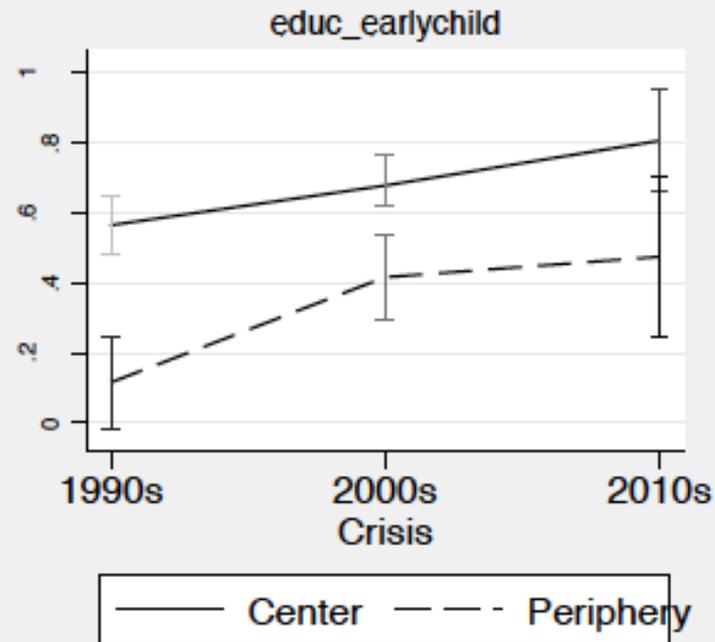
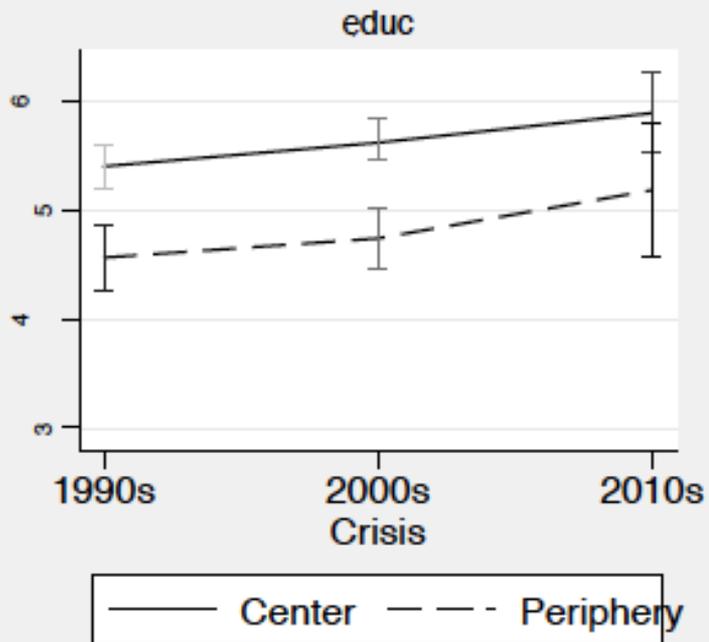
- Start in 2010/2011
- Everywhere, but stronger in the periphery, and have more pro-cyclical effect there (demand-led model of growth)

Content:

- increase in tax, wage moderation or cuts, cuts in public jobs, cuts in public (social) expenditure,
- + structural (welfare state) reforms: labour market flexibilisation, pension age, activation and unemployment insurances, re-organization of health care systems

Cut in social expenditures





Differentiated cuts

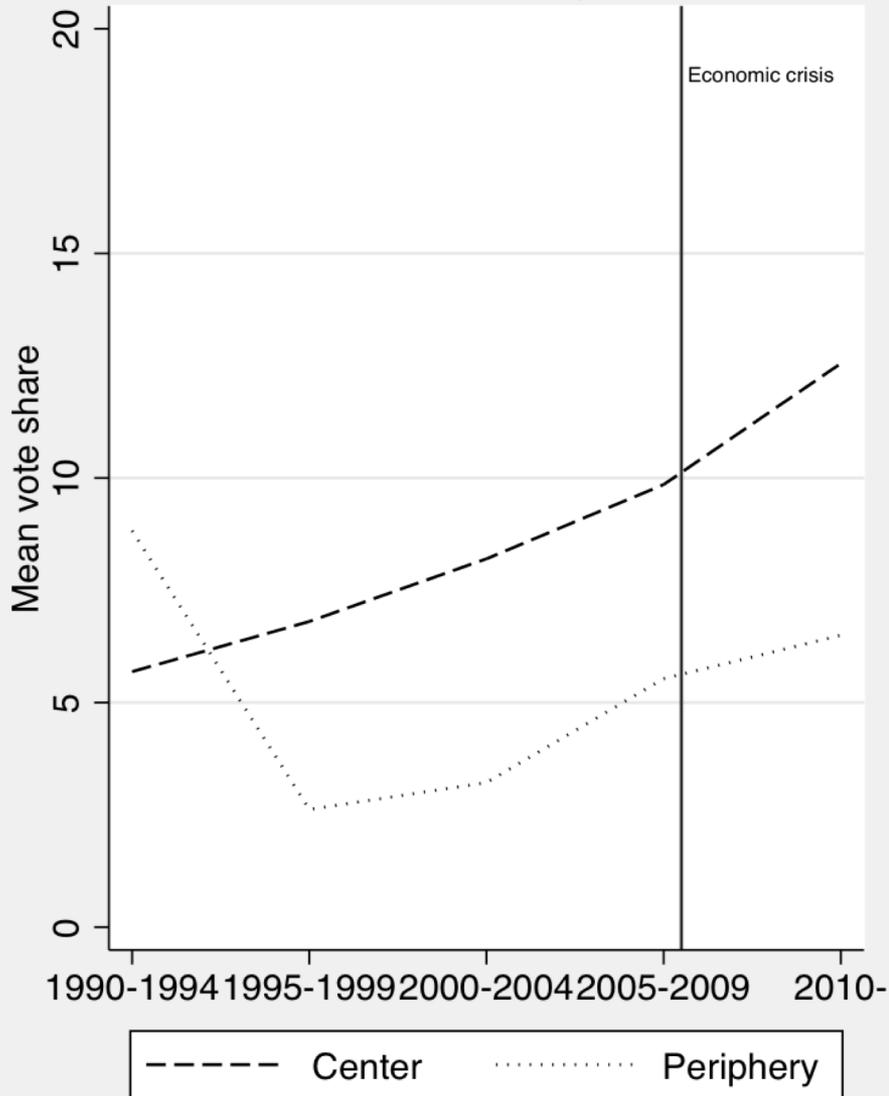
- 24/28 countries all countries were under procedure for excessive deficits in 2011, only two today (including France)
- Were stronger for Southern countries than Northern/Center (higher public deficits), and particularly harsh for those under MOU (Troika)
- Had different impact:
- Cuts fit with export-led strategy, cuts are killing growth mechanisms in domestic demand-led growth regimes
- Austerity/Budgetary Treaty (Lisbon Treaty) aims at harmonising the European growth model, a strong economic integration around the export-led strategy

Political consequences of the dualization of Europe

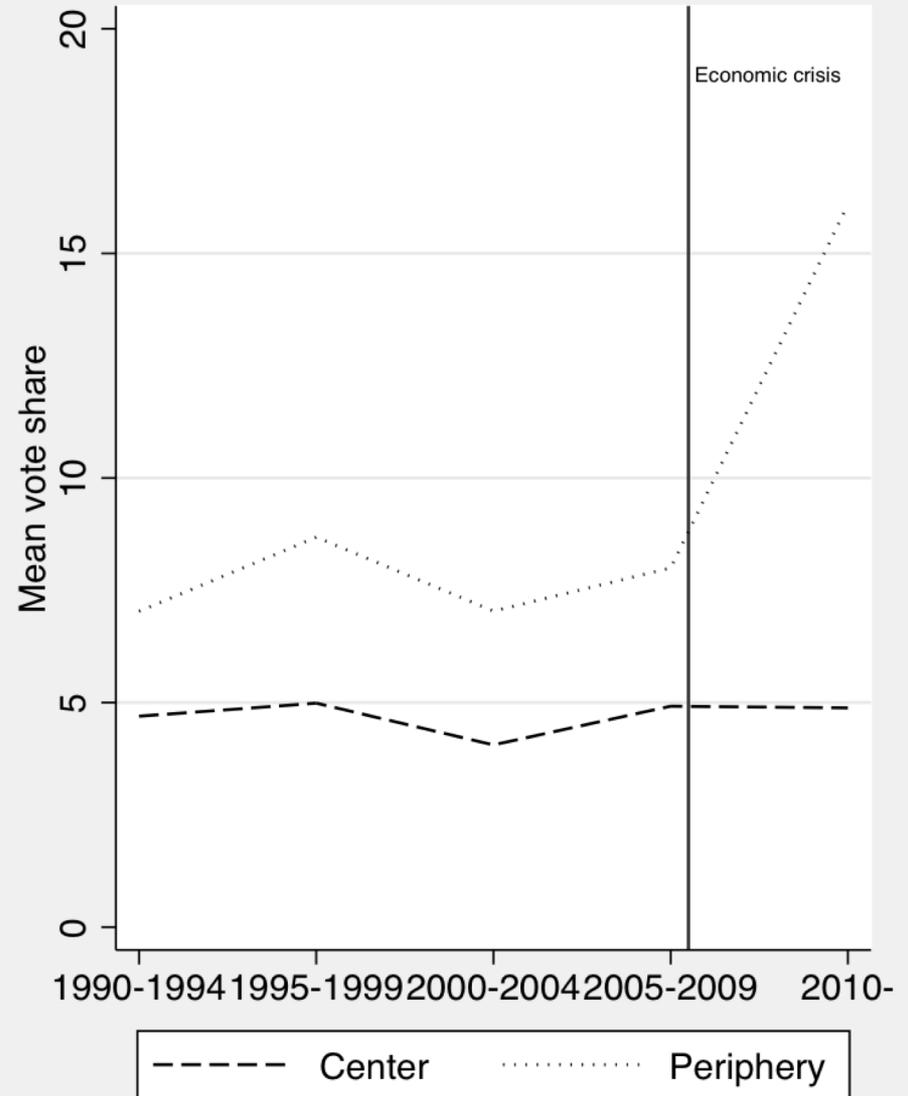
- There are reasons for being against Europe in all parts of Europe
- But not for the same reason
- A tendency to have more radical right in the North/continent
- A tendency to have more radical left in the periphery/South

Radical Vote by Center-Periphery

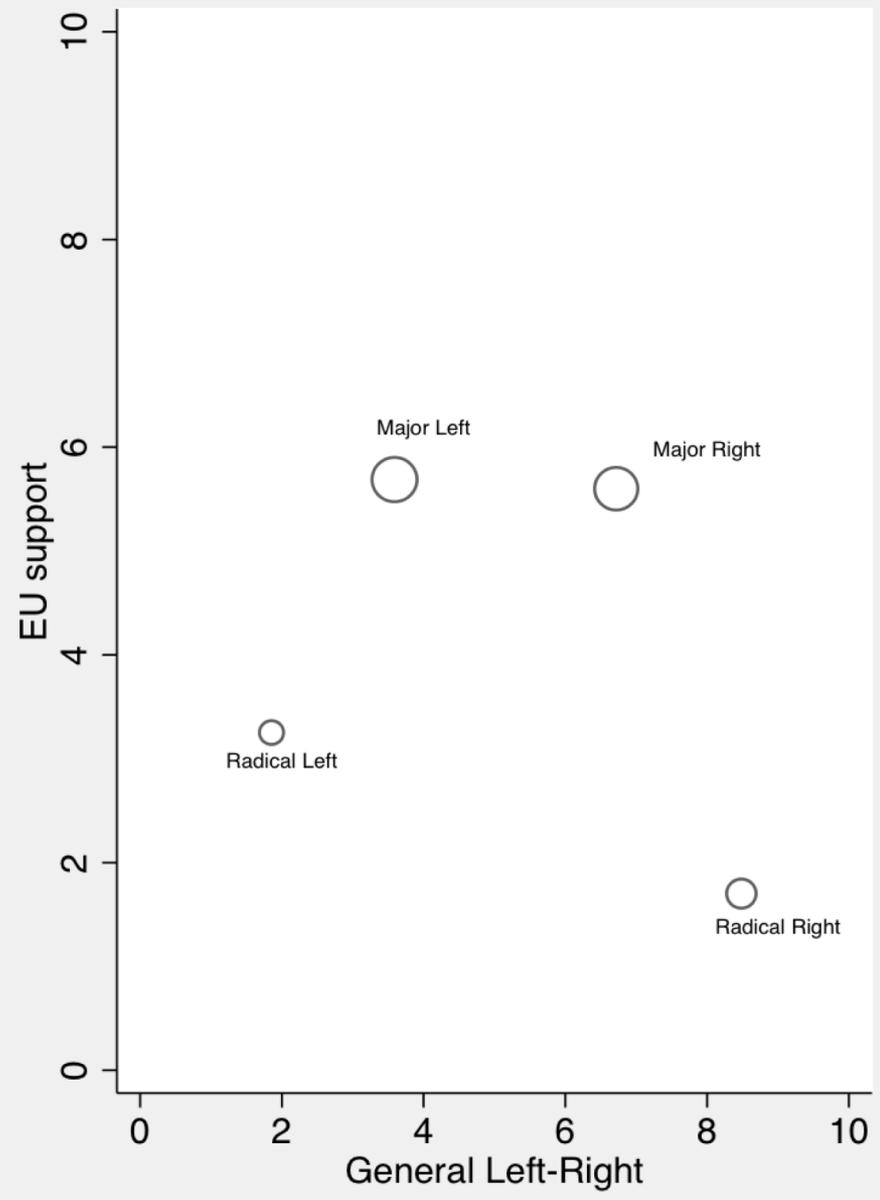
Radical Right



Radical Left



Center



Periphery

