The dualizations of Europe

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outline

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

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
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
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 (hugher public deficits), and particularly harsch for those under MOU (Troïka)
• 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 or 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