

Final Report on the Project

Global Finance and Emerging Regional Modes of Development: Transforming Spaces and Scales

funded by the Austrian National Bank's Jubiläumsfonds (No. 13621)

Elisabeth Springler, Christian Cech, Karen Imhof, Michael Jeckle, Johannes Jäger, Bernhard Leubolt

1. Introduction

Numerous important findings and answers to research questions were provided and published during the course of the project (see list of publications). The developments following the financial crisis of 2008 have shown that a systematic analysis of the transformation of spaces and scales of regional modes of development is very important for economic governance and regulation. In the time since the crisis the structure of global finance has undergone significant transformations which have affected financing of development and growth. The adapted theoretical framework which was developed in the project proved to be highly valuable in dealing with the research questions. Through comparative analysis of the two case studies, Europe and Latin America, important insights were gained regarding the challenges of emerging regional modes of development within the context of transforming spaces and scales. The new insights were achieved at both a theoretical and a practical level.

2. Research questions

The research project started with a systematic development and operationalisation of the theoretical approaches. The case studies were based on a methodology that combined quantitative and qualitative analysis. The aim of these case studies was to gain insights into the relationship between financial transformations and emerging regional modes of development. Our findings contribute to a deeper understanding of current development processes, in particular in their spatial dimension. The research process was guided by the following research questions:

1. Which new typologies of modes of development can be distinguished?
2. Which types of modes of development are emerging on which scale and why?

- To what extent does the transformation of global finance and regional financial integration explain the ongoing changes?
 - Which processes lead to the implementation of successful regimes of development?
 - What is the role of the regional scale and regional integration processes and how does their nature change?
 - What difference do economic structures and different multi-level governance patterns make?
3. What does this imply for economic strategies and global financial structures?
- Within which context which modes of development are successful?
 - What does this imply for (global) financial governance against the background of the decline of US hegemony and the emergence of a multi-centric world?

3. Answers to the research questions/ key-findings

The answers to the key-research questions can be briefly summarised as follows:

The theoretical approach of the project was based on a systematic integration of selected aspects of geographical theories, institutional theories, and the regulation approach. This provided a solid basis for a more thorough understanding of the new dynamics related to emerging regional modes of development and the related transformation of spaces and scales. The core of the theoretical basis was published in Becker/Jäger (2010a) and Becker et al. (2010c). Additional aspects were further developed in several conference papers (Becker/Jäger 2010b; 2011a; 2011b, Becker et al. 2010a; 2010b). Regarding the typologies of the modes of development different general regimes were identified. The new typologies include, among others, the distinction between different types of productive and financialised modes of development (Becker et al. 2010a, Becker/Jäger 2010b, 2011e). The typologies regarding the modes of development were extended during the course of the project. This allowed the detailed analysis of which modes of development were emerging on which scale and why (Becker/Jäger 2011c; 2011d; 2011e; Görgl et al. 2011a; Becker/Jäger 2012a; Jäger/Leubolt 2012). The empirical findings were documented for each of the two case studies conducted: Europe (Becker/Jäger 2012b, Becker/Jäger 2013) and Latin America (Jäger/Leubolt 2011, Jäger/Leubolt 2013). We concluded that the transformation of global finance and the emergence of different regional approaches to financial integration significantly explain the ongoing changes of regional growth trajectories (Becker/Jäger 2011b, Görgl et al. 2011b) as well as transformations at the global scale (Jäger/Küblböck 2011a, 2011b). Hence, a key finding of the

project is that successful modes of development require a transformation of the spaces and scales of accumulation and regulation in accordance with the specific types of modes of development. In particular, the national and the regional scale and regional integration processes and their transformation turned out to be crucial for the successful emergence of new growth regimes. Moreover, we demonstrated how important coherent multi-level governance structures are for different and specifically linked regional modes of development (Jäger 2012a, Jäger 2012b) and how and why policy fields beyond traditional growth policies are crucial for specific modes of economic development (Jäger 2011). Overall, we concluded that within the context of the development of a multi-centric world, structures of global financial which allow addressing the specific needs of emerging regional modes of development are of crucial importance (Jäger/Küblböck 2011b, Jäger 2012b, Becker/Jäger 2012b; 2012c; 2012d; Becker/Jäger 2013; Görgl et al. 2012; Jäger/Leubolt 2013).

4. Conclusions

The comparative nature of methodology applied in the project turned out to be highly valuable. The research questions were answered successfully and important insights were achieved. These were published in numerous articles, several of which appeared in internationally prestigious journals. Most findings have already been published; two publications are still forthcoming in 2013. In addition, crucial findings have been presented and discussed at several important international scientific conferences. Our findings suggest that the on-going changes of global finance provide an opportunity for new modes of development. Transforming spaces and scales is crucial for the emergence of dynamic regional modes of development. Although we analysed changing spaces and scales, a more systematic analysis of place, i.e. the natural conditions of production and their transformation, which would have gone beyond the aims and scope of the present project, seems promising. It is a part of our findings that deeper analysis of these conditions is fundamental for a deeper understanding of different regional modes of development. This has yet not been adequately considered by academics. There are two central reasons for this. Firstly, existing theoretical approaches, although providing important insights, tend to lack a systematic integration of the material dimension of production and its spatial implications. Secondly, emerging new regional modes of development as described above are a very recent phenomenon and have therefore not yet gained sufficient attention in empirical research. Hence, further research is required to obtain insights in the direction indicated above. Consequently it is desirable to extend the analysis substantially beyond common theoretical approaches and analyse the materiality of multi-scalar processes of accumulation. Therefore we intend to propose a follow-up project focussing on these recently arising issues.

5. List of publications and conference papers

5.1 Publications in journals and chapters in books

1. Becker, Joachim/Jäger, Johannes (2010a): Development Trajectories in the Crisis in Europe. In: *Debatte: Journal of Contemporary Central and Eastern Europe*, 18 (1), 5-27.
2. Becker, Joachim/Jäger, Johannes/Leubolt, Bernhard/Weissenbacher, Rudy (2010c): Peripheral Financialization and Vulnerability to Crisis: A Regulationist Perspective. In: *Competition & Change*, 14 (3-4), 225-247.
3. Becker, Joachim/Jäger, Johannes (2011c): European Integration in Crisis: policy conclusions based on regulation theory. 5. *Forschungsforum der Österreichischen Fachhochschulen*, Vienna: FH Campus Wien, 306-309.
4. Jäger, Johannes/Küblböck, Karin (2011a, eds.): *Journal für Entwicklungspolitik*. Special Issue: *Entwicklungsfinanzierung im Umbruch – Entwicklungsstaaten im Aufbruch?*, 27 (2).
5. Görgl, Daniel/Imhof, Karen/Jäger, Johannes/Leubolt, Bernhard (2011b): Transformation monetärer Restriktion: Nationale Strategien und regionale Kooperation in Lateinamerika. In: *Journal für Entwicklungspolitik* 27 (2), 67-91.
6. Jäger, Johannes (2011). Wohlfahrtspolitik und Ökonomie in Lateinamerika. In: Anne von Au/Lea Dünow/Ramona Müller/Sophie Müller/Maria Schäfer (eds.): *Soziale Sicherheit in Lateinamerika. Neue Wege durch linke Regierungen?* Berlin: Wissenschaftlicher Verlag, 165-185.
7. Jäger, Johannes/Leubolt, Bernhard (2011): Reprimarisierung als neue Entwicklungsstrategie in Lateinamerika? In: *Kurswechsel* 3, 59-68.
8. Jäger, Johannes/Küblböck, Karin (2011b): *Entwicklungsfinanzierung im Umbruch – Entwicklungsstaaten im Aufbruch?* In: *Journal für Entwicklungspolitik* 27 (2), 4-27.
9. Becker, Joachim/Jäger, Johannes (2012b): Integration in Crisis: A Regulationist Perspective on the Interaction of European Varieties of Capitalism. In: *Competition & Change* 16 (3), 169-187.
10. Jäger, Johannes (2012a). Regionale und nationale Entwicklungsmodelle in Lateinamerika und ihre Beziehung zur Weltwirtschaft. In: Bernhard Leubolt/Ivan Lesay (eds.): *Lateinamerika nach der Krise. Entwicklungsmodelle und Verteilungsfragen*. Berlin: Lit-Verlag, 19-34.

11. Jäger, Johannes (2012b). Finance and Regional Modes of Development in Europe in Crisis. 6. Forschungsforum der Österreichischen Fachhochschulen, Graz: FH Joanneum, 47-50.
12. Becker, Joachim/Jäger, Johannes (2013). Regulationstheorie und Vergleichende Kapitalismusforschung: Die Europäische Union in der Wirtschaftskrise. In: Ian Bruff/Matthias Ebenau/Christian May/Andreas Nölke (eds.): Vergleichende Kapitalismusforschung. Stand, Perspektiven, Kritik. Münster: Westfälisches Dampfboot. (in print).
13. Jäger, Johannes/Leubolt, Bernhard (2013). Rohstoffe und Entwicklungsstrategien in Lateinamerika. In: Simone Claar/Christian May/Andreas Nölke (eds.): (Wieder-)Aufstieg des Globalen Südens. Hamburg: VS Verlag. (in print).

5.2 Conference papers

14. Becker, Joachim/Jäger, Johannes (2010b): The EU and the Crisis in Central and Eastern Europe: A regulationist perspective. Paper presented at the CRESC Conference: Finance in Question / Finance in Crisis, Manchester, April 12-14.
15. Becker, Joachim/Jäger, Johannes/Leubolt, Bernhard/Weissenbacher, Rudy (2010a): Peripheral financialisation, crisis and development. Paper presented at the AKG/IPW Workshop: Regulationstheorie in der Krise? Vienna, July 8-9.
16. Becker, Joachim/Jäger, Johannes/Leubolt, Bernhard/Weissenbacher, Rudy (2010b): Financial Crisis and Modes of Development. Paper presented at the SGIR Conference, Stockholm, September 9-11.
17. Becker, Joachim/Jäger, Johannes (2011a): The Eurozone in Crisis: a regulationist perspective on a failed process of integration. Paper presented at the Critical Political Economy Research Network/ESA Conference, Frankfurt, February 18-19.
18. Becker, Joachim/Jäger, Johannes (2011b): From an Economic Crisis to a Crisis of European Integration. Paper presented at the IIPPE Conference, Istanbul, May 19-22.
19. Becker, Joachim/Jäger, Johannes (2011d): European Integration in Crisis: the Centre-Periphery Divide. Paper presented at the 17th EuroMemo Workshop on Alternative Economic Policy, Vienna, September 16-18.

20. Becker, Joachim/Jäger, Johannes (2011e): Integration in Crisis: a regulationist perspective on the interaction of European varieties of capitalism. Paper presented at the ESA Conference/CPE-RN Conference, Geneva, September 7-9.
21. Görgl, Daniel/Imhof, Karen/Jäger, Johannes/Leubolt, Bernhard (2011a): The Transformation of Monetary Restrictions: National Strategies and Regional Cooperation in Latin America. Paper presented at the 6th International Conference of Critical Geography Conference, Frankfurt, August 16-20.
22. Becker, Joachim/Jäger, Johannes (2012a): Integration in Crisis: A Regulationist Perspective on Space and Scale of European Varieties of Capitalism. Paper presented at the AkG/BISA-IPEG: Comparison, Analysis, Critique – Critical Perspectives on the Diversity of Contemporary Capitalism(s) Conference, Wiesbaden, February 10-11.
23. Becker, Joachim/Jäger, Johannes (2012c): Regulation Theory: A Critical Political Economy Approach for the Analysis of Crisis. Paper presented at the CPE-Research Network Conference, Barcelona, September 20-21.
24. Becker, Joachim/Jäger, Johannes (2012d): The crisis in Europe and uneven development. Paper presented at the COST Conference on Democracy and Financial Capital, Kassel, October 11-13.
25. Görgl, Daniel/Imhof, Karen/Jäger, Johannes/Leubolt, Bernhard (2012): Raw Materials, Monetary Regulation and Regional Strategies of Development in Latin America. Paper presented at the International Congress of Americanists, Vienna, July 15-20.
26. Jäger, Johannes/Leubolt, Bernhard (2012): Rohstoffe und Entwicklungsmodelle in Lateinamerika. Paper presented at the Tagung of DVPW-Sektion „Entwicklungstheorie und Entwicklungspolitik“: Politik und Ökonomie in globaler Perspektive: Der (Wieder-) Aufstieg des Globalen Südens Conference, Frankfurt, March 5-7.