

# The Geography of Discontent

## Different Narratives, Different Perspectives and Different Evidence

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# Geography of Discontent

- The ***Geography of Discontent*** was a term I first coined in response to questions by Groningen students studying economic geography, globalisation, economics → during the week following the UK-EU Referendum, 23 June 2016,
- I used the term in seminars and meetings at the University of Groningen, OECD Paris, the European Commission and the EU Committee of the Regions during the summer and autumn of 2016 in the immediate aftermath of the UK's EU Referendum
- Joseph Stiglitz, 2002, *Globalization and Its Discontents*, Penguin Books, London
- Paul Ginsborg, 2003, *Italy and Its Discontents 1980-2001: Family, Civil Society, State*, Penguin Books, London

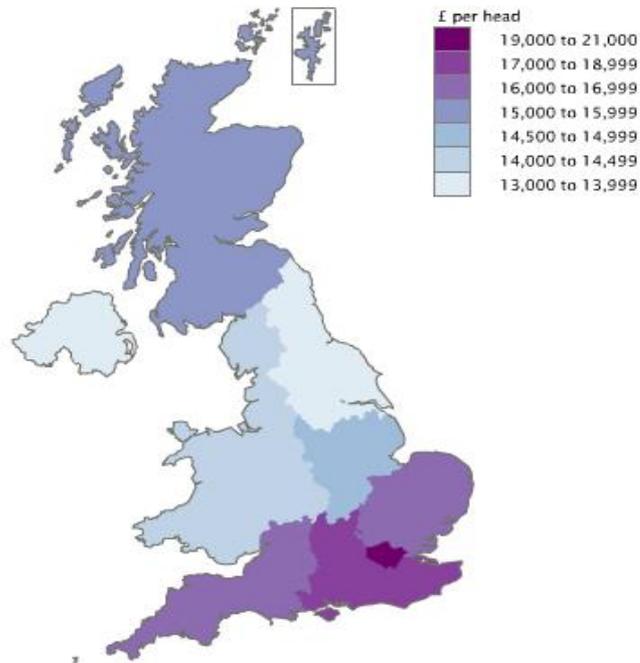
# Geography of Discontent

- I subsequently communicated the notion of a ‘geography of discontent’ in a series of emails with Richard Florida, Joaquim Oliveira-Martins at the OECD and Lewis Dijkstra at the European Commission in a series of email interchanges in March 2017 and in November 2018
- My term was first used in the academic literature on the regional causes and consequences of Brexit in:
- Bart Los, Philip McCann, John Springford and Mark Thissen, 2017, “The Mismatch between Local Voting and the Local Economic Consequences of Brexit”, *Regional Studies*, 51.5, 786-799
- Philip McCann, “The Trade, Geography and Regional Implications of Brexit”, 2018, *Papers in Regional Science*, 97.1, 3-8 → on-line December 2017

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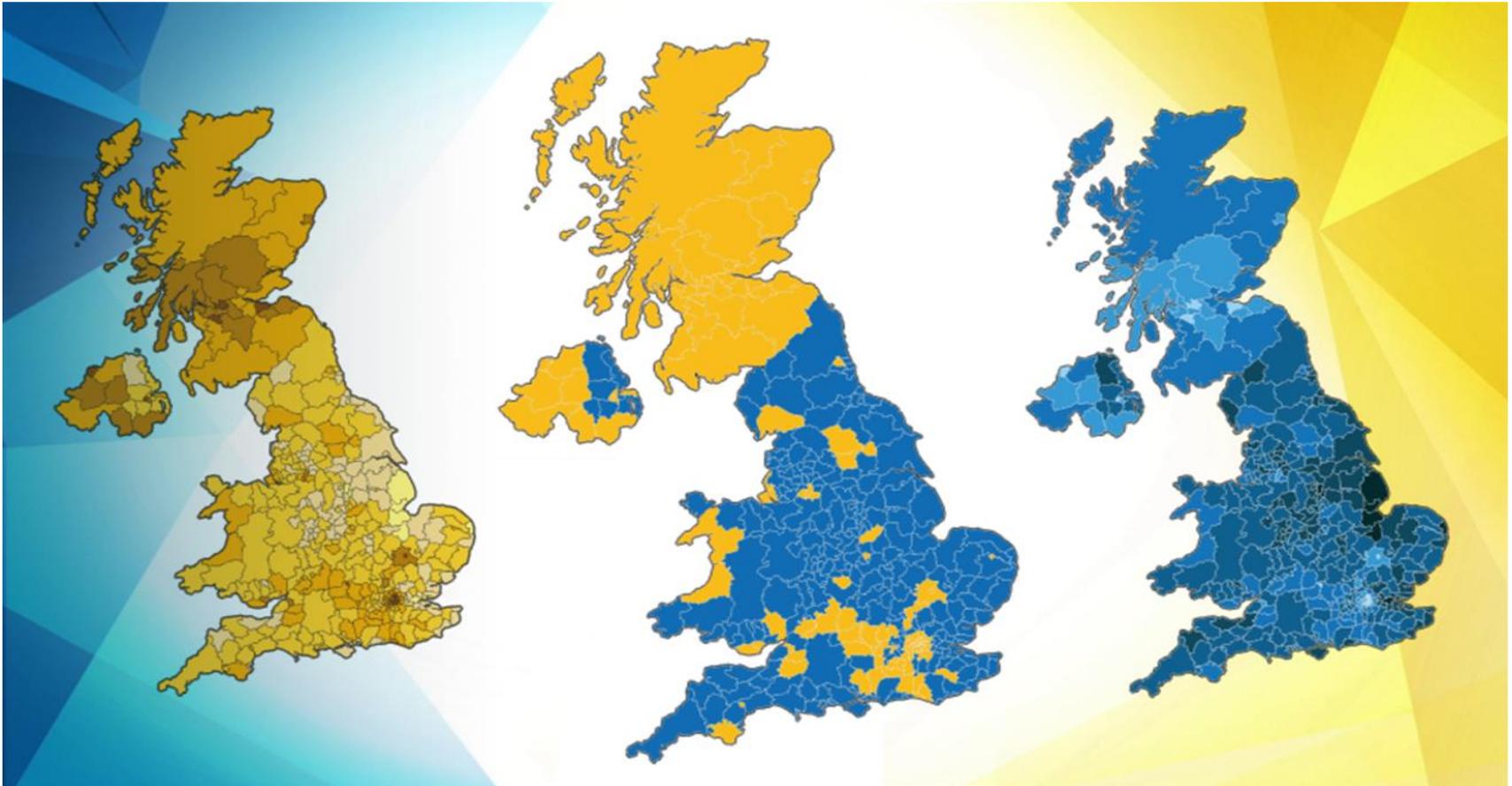
- The term has subsequently been used by the OECD, EU and Brookings in meetings and publications
- Brookings Metropolitan Program, 2018, *Countering the Geography of Discontent: Strategies for Left-Behind Places*, Washington DC
- OECD, 2018, *Productivity and Jobs in a Globalised World: How Can All Regions Benefit?*, Paris, pp.45-47
- Rodriguez-Pose, A., 2018, “The Revenge of the Places that Don’t Matter (and What to Do About It)”, *Cambridge Journal of Regions, Economy and Society*, 11, 189-209
- OECD, 2019, *OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas*, Paris, pp.43-45

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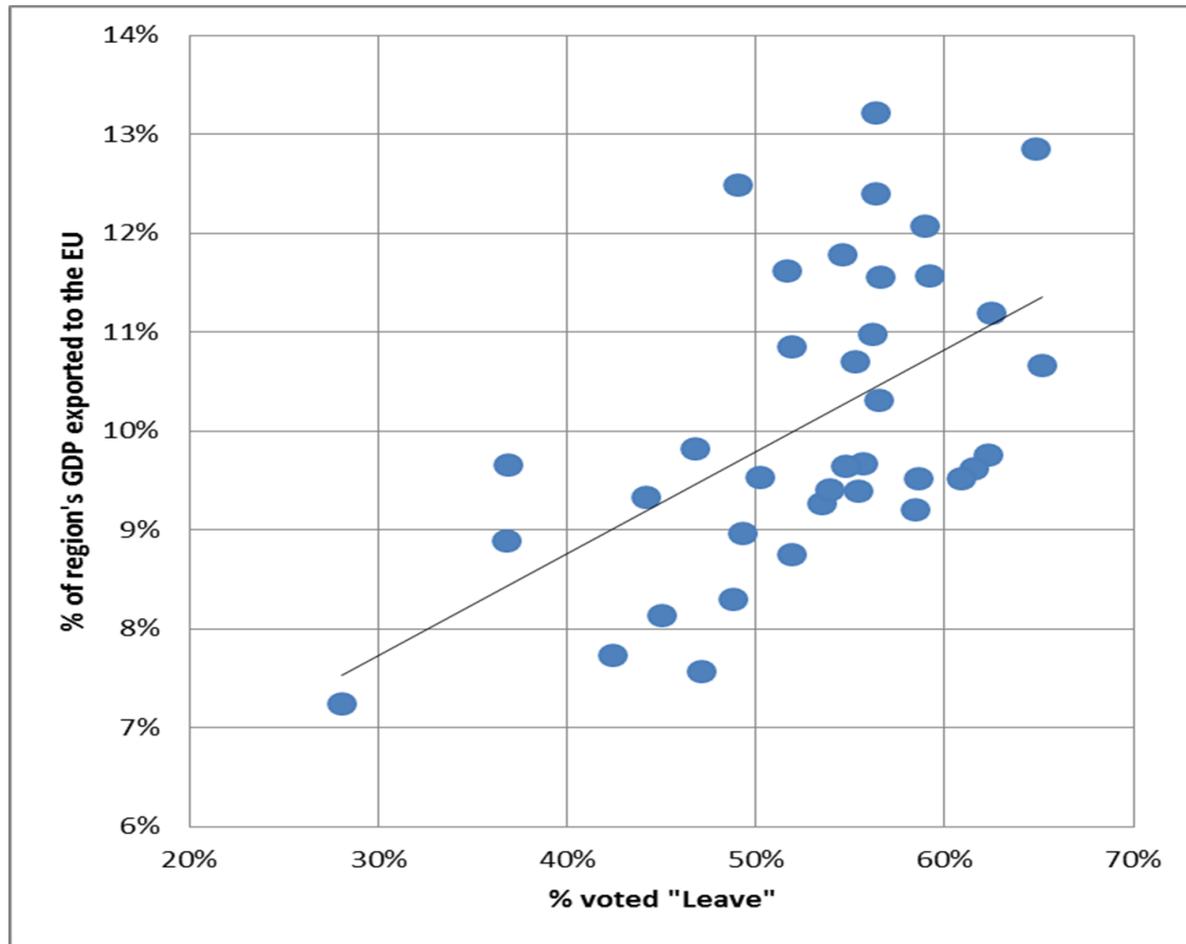
- Philip McCann, 2016, *The UK Regional-National Economic Problem: Geography, Globalisation and Governance*, Routledge, London, 570pp

# British Geography of Discontent 23.06.2016

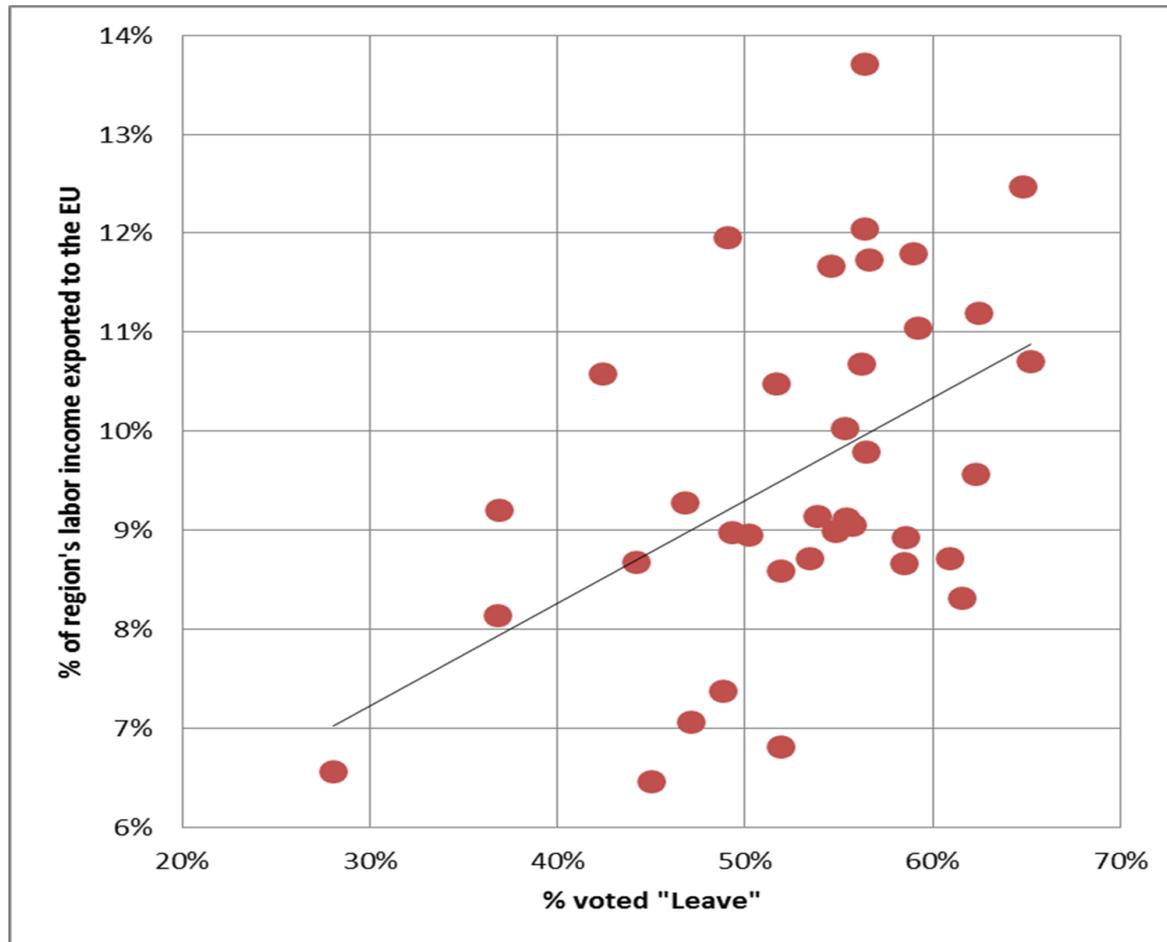


- Paul Collier → notion of a ‘mutiny’

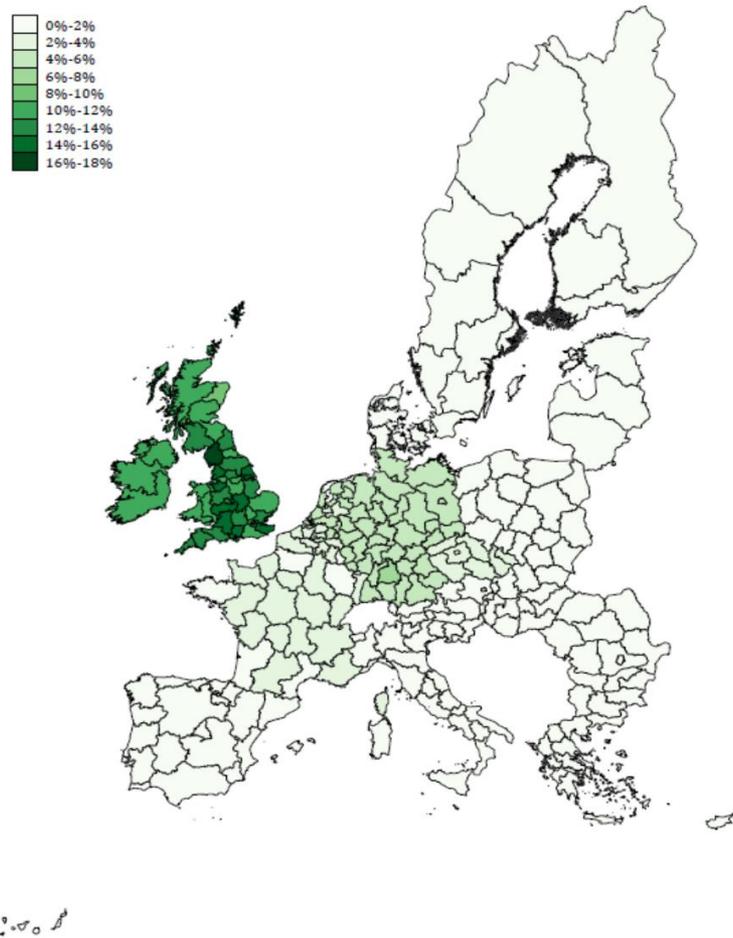
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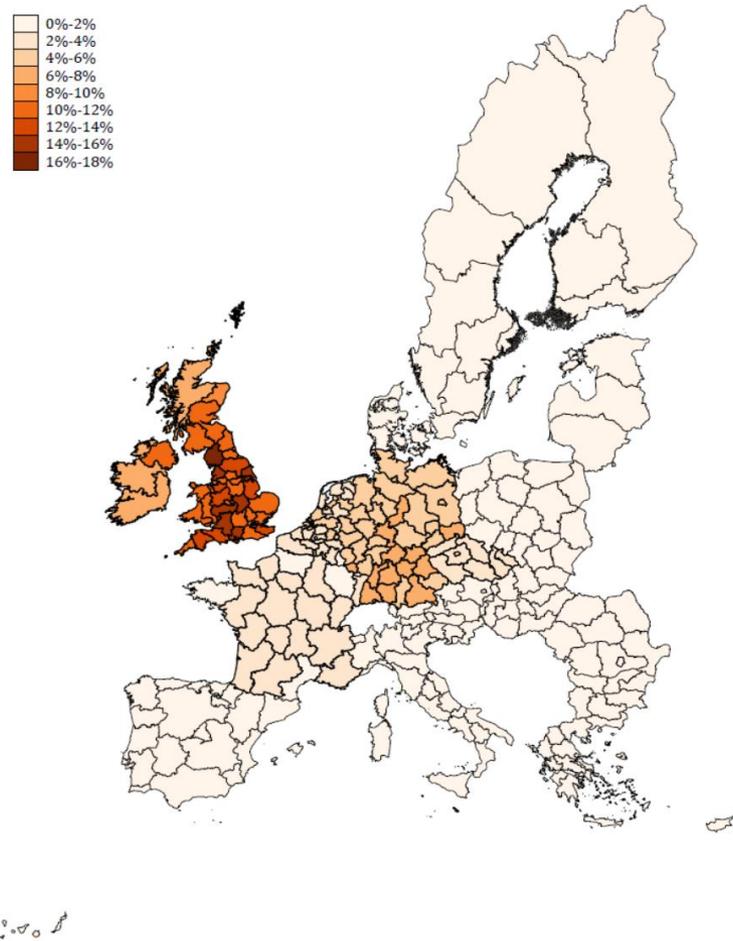
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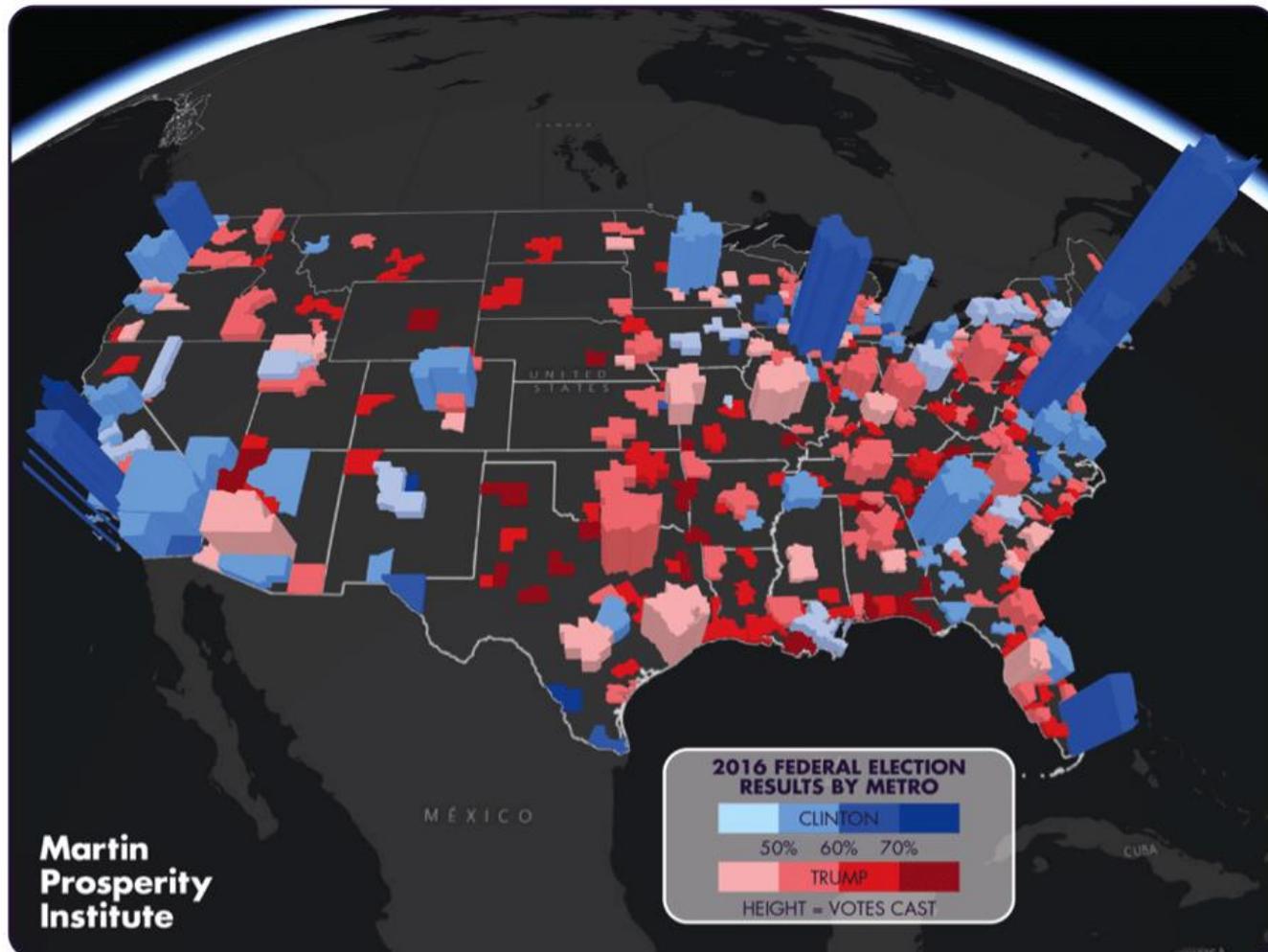
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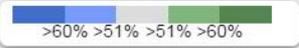
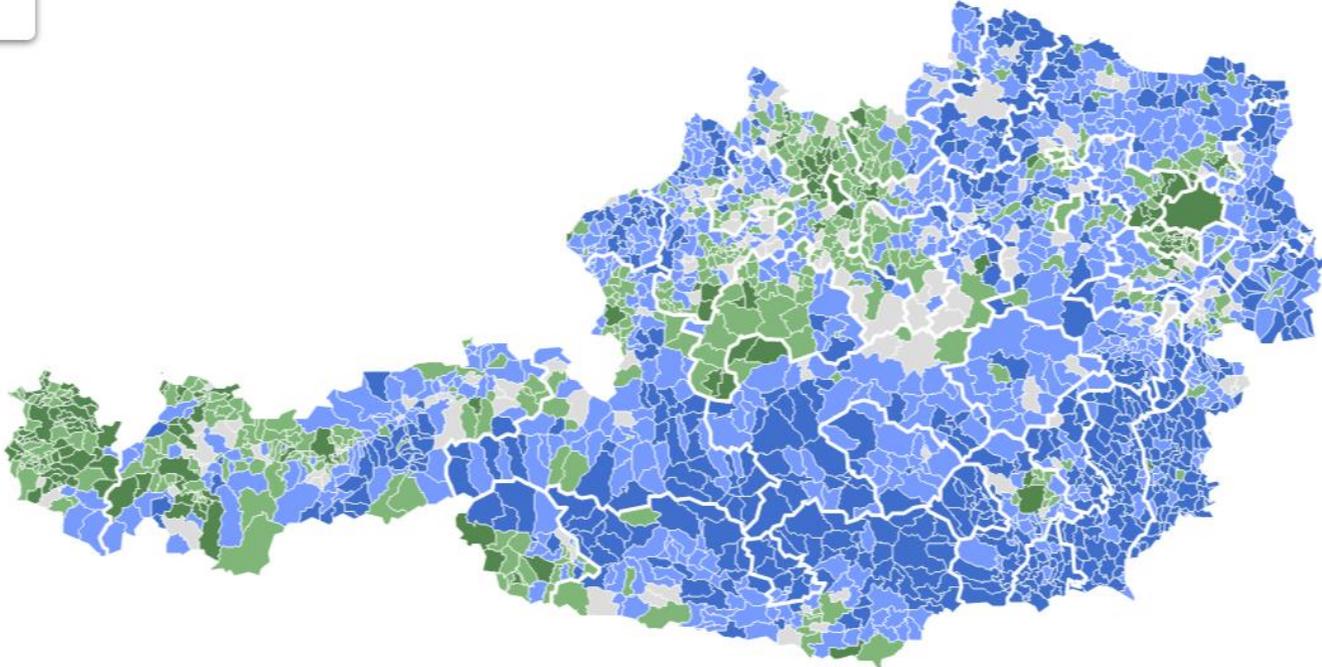


# American Geography of Discontent 08.11.2016



# Austrian Geography of Discontent 24.04.2016

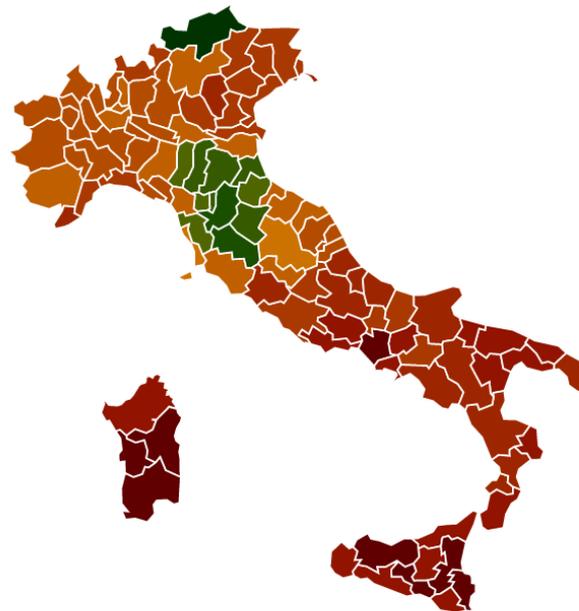
	
Van der Bellen	Hofer
51,7 % (+1,3 %)	48,3 % (-1,3 %)



# Austrian Geography of Discontent 24.04.2016

City	Van der Bellen	Hofer
Graz	64.4	35.6
Vienna	63.6	36.4
Linz	63.4	36.6
Innsbruck	62.2	37.8
Dornbirn	61.4	38.6
Salzburg	60.0	40.0
Sankt Pölten	57.0	43.0
Wels	55.0	45.0
Klagenfurt	53.5	46.5
AUSTRIA	51.7	48.3
Villach	46.6	53.4

# Italian Geography of Discontent 04.12.2016



2016 Italy's referendum by province  
4 December 2016

*Legenda risultati*



Source: <http://www.repubblica.it/>

# Italian Geography of Discontent 04.12.2016

City	Yes	No
Italians abroad	<b>64.7</b>	35.3
Florence	<b>56.3</b>	43.7
Modena	<b>55.8</b>	44.2
Bologna	<b>52.2</b>	47.8
Milan	<b>51.1</b>	48.9
Brescia	48.4	<b>51.6</b>
Rimini	47.2	<b>52.8</b>
Turin	46.4	<b>53.6</b>
Genoa	41.0	<b>59.0</b>
Venice	40.9	<b>59.1</b>
ITALY	40.9	<b>59.1</b>
Rome	40.6	<b>59.4</b>
Naples	31.7	<b>68.3</b>
Bari	31.6	<b>68.3</b>
Palermo	27.7	<b>72.3</b>
Catania	25.3	<b>74.7</b>

# Geography of Discontent

- Paul Collier → notion of a ‘mutiny’
- Not necessarily the poorest in poorer regions who revolt but often the middle and upper classes in the poorer regions
- Adverse impacts of modern globalisation on middle income/middle skills/middle management/middle class → loss of social status and social capital (Robert Putnam)
- *The Economist*, 21 October 2017, “Left Behind: How to Help Places Hurt by Globalisation”
- Narratives and terms can travel easily, but the analysis or understanding does not necessarily follow
- Different ideas regarding the causes or sources of discontent
- Notions of ‘Triumph of the City’ are relevant to some countries but not to all countries

# Geography of Discontent

- UK debates now dominated by cities versus towns narrative → total nonsense!!
- UK debates regarding whether or not the UK has a ‘regional problem’ or if it is just typical of other countries
- Profound lack of awareness by ‘national’ media and thought-leaders, thought-influencers/shapers
- Philip McCann, 2019, “Perceptions of Regional Inequality and the Geography of Discontent: Insights from the UK”, 2019, *Regional Studies*, [doi.org/10.1080/00343404.2019.1619928](https://doi.org/10.1080/00343404.2019.1619928)
- UK does have very high interregional inequalities!!
- Problem of ‘metropolitan elites’ is in some sense correct and in some sense the opposite of political narratives
- Different perceptions of reality but our analytical and model assumptions are not well-equipped to respond

# Geography of Discontent

- *Assumptions: Cities display a productivity premium and drive economic growth;* → Recent evidence: While this is true for many cities it is also true that many cities display no (or even a negative) productivity premium; many cities are not (productivity or population) growth drivers; in some countries productivity-scale relationships are zero or close to zero
- EU experience is very different to US - *Triumph of the City*
- In Europe urban advantages relating to employment and productivity post-crisis are oriented towards EU13 economies while EU15 often face severe urban disadvantages

# Geography of Discontent

- *Assumption: Larger cities are more productive and resilient* → EU cities display both resilience and vulnerability: they exacerbate national post-crisis trends with growing countries driven by growing cities and declining countries weighed down by declining cities
- Effects of the real estate-related debt on the real economy are more pronounced in cities; real estate shock effects are dominated by cities → induced effects in the real economy
- *Assumption: Productivity growth drives wage growth* → Recent evidence: the link is rapidly weakening due to job polarisation, especially in cities

# Geography of Discontent

- *Assumption: Regional re-allocations can drive productivity* → Recent evidence: increasing divergence in many countries; falling US interregional migration; static UK interregional migration (2 of the 3 most geographically mobile societies); increasing spatial dispersion of yields on real estate investments
- *Assumption: Innovation and entrepreneurship diffusion is critical for growth* → Recent evidence: falling US rates of entrepreneurship; innovation diffusion processes appear to be stalled or broken in many countries such as the UK or US; are the costs of innovations increasing?

# Geography of Discontent

- *Assumption: Bid-rent curves (urban productivity spikes) are downward-sloping* → Recent evidence: upward sloping bid rent curves in many European cities; flat bid-rent curves in many developing country mega-cities
- *Assumption: Transport infrastructure drives productivity growth* → Recent evidence: no specific observable link which can be generalised: only general broad statements are possible based on comparisons between regions with and without good infrastructure

# Geography of Discontent

- *Assumption: Urban economic models are all based on land price and/or population growth* → Recent evidence: between one quarter and one third of European cities are facing population decline; a majority of Japanese and Korean cities are declining
- Little or no knowledge regarding how to 'manage decline' → due to the impacts of random vacancies/insolvencies which increase the marginal and average costs of infrastructure and network-based service provision and inhibit/prohibit necessary land use consolidation and coordination activities
- *Assumption: Henry George Theorem* → Recent evidence: human capital rewards in cities are 50% economic rents rather than returns to knowledge investments (Collier and Venables 2018)

# Geography of Discontent

- Debates regarding the origins, causes and consequences of a geography of discontent
- Competing economic narratives and competing political narratives
- The issues examined in regional science are central to the problem and to its possible responses
- Many of our current frameworks are only of limited usefulness in thinking about these issues
- Need to modify and upgrade some of our analytical frameworks by explicitly incorporating different assumptions and mechanisms → including broader notions of local negative externalities