

Exploring the deep roots of interregional inequality: Spatial income distribution in the European regions

Topic: Income Distribution in Input-Output: Applications of Miyazawa's Model

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In recent years, there has been a growing awareness of the negative consequences of interregional inequalities, especially about left-behind places worldwide (Rodriguez-Pose, 2018). In particular, this affects some European countries such as the UK, France, Belgium and Denmark, which are more geographically unbalanced today than some decades ago, experiencing an accumulation of income dominated by metropolitan and central areas. These extreme interregional inequalities appear as a result of complex interrelationships between the effects of economic geography and modern production processes in a globalised context. In this paper, the EUREGIO database (Thissen et al., 2018) is used to compare the income distribution structure in 2000 and 2010. By means of an extended multiregional Input-Output model, we explore the structural roots of these inequalities in the European regions, offering results for interregional inequality within and between countries, and their impacts across the multiregional system. These models highlight the systemic contribution and structure of income interdependence, revealing important asymmetries that would remain hidden otherwise.