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FROM TRANSFORMATION TO IDIOSYNCRATIC MODERNISATION SHIFTING ANALYTICAL PERSPECTIVES ON THE RE-SHAPING OF CENTRAL EAST AND EAST EUROPE

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Abstract: After two decades of studies on the transformation of Central and East European regions and societies, most scientific communities seem to have normalised their theoretical concepts and empirical approaches. Leaving former exceptionalist views on systemic transition, convergence and hybridisation, and heading for “business as usual” as found in any society integrated into the world market or exposed to globalisation, they presently give the impression that transformation studies are coming to an end. This paper undertakes a review of the past phases of transformation studies in order to identify research gaps and necessities of further research on social and regional development as influenced by inherited or hybridised structural and cultural elements. It makes a point in favour of abandoning the convergence debate for more context-sensitive analyses of social change and societal restructuring, in particular with regard to structural fragmentation and cultural hybridisation.

Key Words: *transformation, modernisation, regional and urban development, pathways of development, post-socialism, post-transformation.*

Introduction

The 20th anniversary of the fall of the socialist systems in East, Central East and Southeast Europe marks an important branching out of a research field which has accompanied public discourse for a long time. During the past years, the general view on the phenomenon of transformation (or transition, as the terminology of Anglo-American social science has it)¹⁾ has developed in a twofold way: One group of discussants envisage the transformation of centrally planned systems towards market economies to have come to an end several years ago. Therefore, they feel that research on transformation be outdated. Hence, it would be unnecessary to continue it in the long run. Another group point to the fact that, up to date, the ‘old systems of the East’ have kept leaving their imprint on newly globalising societies and new ‘varieties of capitalism’ (Hall/Soskice, 2001). As a result, many new structures would keep being influenced by the heritage of socialism, yet in a more indirect and sophisticated way (cf. Kornai 2006). At least, they would be composed of heterogeneous elements which cannot be fully explained by the older idea of a complete replacement of systemic elements. According to this group, it is justified to persistently raise questions about path dependencies, in particular

1) Whereas the international debate on post-socialism employed the term „transition“, European scholars tended to make use of the notion of “transformation” in order to indicate a substantial restructuring of society and the economy. While “transition” suggests a gradual change from an initial structure (i.e. the final condition the socialist systems were in) to the target structure of a full-fledged market economy of the U.S. American type, the basic idea being rooted in modernisation theory, the term “transformation” does not finalise possible developments. Accordingly, the “end of the journey” does not become anticipated, thereby reducing normative implications of analytical perspectives.

about the passing-on of ideas, the significance of perpetuated institutions and patterns of behaviour, and the emergence of hybrid formations of social practice – oscillating between 'Western' modernisation, everyday resistance against the impositions of globalisation, and nostalgic re-inventions of tradition.

However, the debate is not only characterised by this basic philosophical controversy. There is even more tension due to very different interpretive frameworks, empirical foci and basic ways of conceptualising change. The individual concepts focus on such diverse issues as structural and socio-economic elements of change, socio-political elements which refer to state-society relationships, institutional and governance-related elements, and cultural items in different fields of social life. As these frameworks tended to develop mutually exclusive views on transformation, a number of research gaps have emerged which are still waiting for being bridged. In spite of the fact that many focused approaches lack a comprehensive understanding of transformation, the gaps they created virtually circulate around the fundamental controversial question of structural convergence vs. structural and cultural hybridisation.

This paper undertakes a short critical appraisal of the basic ideas, the changing orientations and the yields of transformation studies. Due to the limitations of this text format, it cannot be exhaustive or go into too many details. At least, it will line out the major periods of research which display distinct arrays of basic assumptions, theory building and problems under scrutiny (chapter 2). It will then give an overview over the most important achievements (chapter 3), followed by an account of the remaining gaps of empirical research and theory-building (chapter 4). The final chapter will sketch a number of important strands of future research and give hints at problems of social and economic differentiation which will require continued reference to the socialist and post-socialist past. It ends up in a postulate for becoming aware of the ever more sophisticated logics of post-transformational development which can only be understood if persisting traits of former historical stages of transformation are reconsidered.

Stages of research on societal transformation, 1990 - 2010

During the 1990s, academic debates on post-socialist restructuring made use of any notion which promised to give apt descriptions of the enormous project of giving up centrally planned economies and introducing capitalist market economies. Very broad and general terms, such as transition, restructuring, transformation etc. were taken from other fields of knowledge in order to fit into the new frameworks of analysis centred on post-socialism. Contrary to the often inflationary usage of vague notions at the beginning of the 1990s, increasing attempts at producing more specific and precise definitions could be noticed after this initial period.

Within preceding debates of the social and economic sciences, 'transformation' originally denominated the structural change of a society, an economic system, a region, etc. For example, economic transformation had been used as a term which described structural changes within a system of production, e.g. from industrialisation via industrialism to post-industrialist modes of production (cf. Rosenberg/Birdzell 1987). Post-socialism increasingly cast a spell on terms such as transition or transformation. By 1995, their usage had almost become restricted to the issue of post-socialist transformation. From then on, 'transformation' was taken in order to describe the change of basic systemic elements of the economy and the society (Merkel 1994, Kollmorgen 1994), often connected with structural disruption, the co-existence of heterogeneous structural elements, the introduction of new formal institutions, the persistence of older informal institutions, the polarised reallocation of wealth, accelerating social mobility and social disparities, growing risks of life conduct, harsh confrontations of

political ideologies (from reformist neo-liberal to restorative post-communist wings), the devaluation of individual and collective life experience, the change of social milieus, and increasingly controversial interpretations of everyday life (Delhey 2001).

Meanwhile, transformation, understood as a real world phenomenon affecting the whole of a society, has left behind the initial phases of radical rebuilding. Often, it remains visible or accessible only within specific domains of social, economic and political life. In East Europe, the mainstream of societal development seems to have entered a stage of conformity to world-wide tendencies of post-industrial diversification. Globalisation, economic and cultural flows, national or local intervention by global players, and even the recent global financial crisis seem to have similar effects on the East and West – up to the point where the general impression suggests a nivelling of structural difference. This tendency has been backed up by East Europe's advanced stage of integration into the global economy and the community of nations. The last rounds of European enlargement, i.e. the accession of Poland, the Czech Republic, Romania, Bulgaria, Estonia, Latvia, Lithuania, Slovakia, Slovenia and Hungary, have done one more thing in order to reinforce this impression.

Nevertheless, it cannot be overlooked that there is a tremendous diversity of persisting and aggravating problems of development as soon as individual countries and regions are compared. Even in case similar indicators and manifestations of social and economic problems are to be found, the individual causes and their connectivity are difficult to compare. Inconsistent tendencies of regional and urban development seem to govern the scene: demographic change and shrinking cities or regions (East Germany) stand in contrast to the new growth of metropolitan regions and the spatial concentration of economic power in few privileged regions (Poland, Czech Republic: see Dostal 2008, Jalowiecki 2008). The continued economic crisis, chronic undercapitalisation of middle sized to large firms and high levels of unemployment (East Germany) stand out against low levels of formal unemployment, boosting informal sectors and undercapitalisation of small-scale industries and services (Poland). These problems have their roots in differing points of departure to societal transformation, specific path dependencies and different forms of connectivity to globalisation (i.e. at national, regional and local levels; see Stark 1996; Sykora 2008). The particular interconnections between the global and the local have been arranged in manifold ways, often depending from the nature of local post-socialist and post-transformational response to supra-local or global challenge. They have produced hybrid structural configurations between national capitalism, state control according to neo-liberal ideologies and the intrusion of globalised capitalism. This has not only brought up different political interpretations of capitalism and relevant institution building according to the 'varieties of capitalism' thesis (Cernat 2006)². It has also invoked problems of multi-level governance and increasing chaos of political, economic and social intervention at different scales (Buksinski 2005, Lane 2005). This hybridisation has to be kept in mind when it comes to analysing problems which, at the surface level, seem to be shaped in a similar way – be it the ever-growing vulnerability of regions when exposed to global economic crises, the proceeding peripheralisation of de-industrialised regions, the hardening of negative images of regions and cities, or growing prejudice against economically 'unsuccessful' regional populations. All these phenomena have a more direct link to the outcomes of systemic change than current public debates within individual countries or at an international level (e.g. the European Union) might reveal.

2) The thesis of varieties of capitalism as developed by Hall/Soskice (2001) claims for the conceptual differentiation of models of capitalist production according to the prevailing mechanisms of economic coordination, e.g. market, hierarchy, cooperation or deliberation. Accordingly, various modes of capitalism between liberal market economy and coordinated market economy can be discerned.

These considerations might be a surprise to those who envisage transformation as a finished historical episode. Nevertheless, this surprise does not come about by chance. It was prepared by the leading political rhetoric inherent to neo-liberal post-socialist rule (Smith/Pickles 1998: 2), as well as by basic questions put by transformation studies during the 1990s. Both were carried by the expectation that there would be a quick adjustment of the East and West, once a fitting institutional framework within the new market economies and their societies had been created (cf. Peter 1994).

However, it is obvious that the real world developments did not come up to this expectation. Economic performance, as well as regional, political and social structures, remained remarkably different (see Bertelsmann Stiftung 2005), not only in international comparison but also at the national level. This holds true even for best case scenarios. For example, the German case shows that massive financial West-East transfer and internal structural assimilation could not reduce the economic imbalance between the eastern and western parts of the country. Moreover, regional comparison has shown that the implementation of neoliberal political objectives and strategies of development was effected in a multi-faceted, complex manner. While the institutional structure was shaped according to Western formal models, these models became locally reinterpreted and embedded into diverging social practice (Smith/Pickles 1998: 12).

Taking into account the diversity and multiplicity of change, it is natural that no dominant paradigm of 'transitology' could be established (Gans-Morse, 2004). In looking back, several stages of transformation research can be identified which produced different kinds of knowledge about the nature and the conditions of societal change in Central East, Southeast and East Europe. In short, these stages are:

Stage 1 - Modernisation theory (1990-1995). During this initial stage, the first impulse by political scientists, social scientists, economists and geographers was to relate back to available theories of social modernisation, such as Parsons' (1967) or Lipset's (1959) concepts (cf. the critical appraisal by Müller, 1995). In practice, new modernisation theory was shaped in analogy to the body of political modernisation theories which had been discussed some decades ago with respect to industrialised capitalist societies (e.g. in South Europe) as well as to developing countries (e.g. in Latin America). Here, the breakdown of an older regime had been linked in theory to a compelling transition to democracy and liberalised market economy (Schmitter/Karl 1991), followed by democratic consolidation. Facing the need to theorise societal change after socialism, the basic assumption was that there would be a convergence of structures between East and West (Zapf, 1994; Outhwaite/Ray, 2005: 177 ff.). In particular, Eastern societies would take over the model of full-fledged, globally embedded capitalism, thus catching up on a development experienced by the countries of the Triad (Europe, U.S.A., Japan) before³⁾. Accordingly, mainly impediments to, and aberrations from, the characteristics of the models of reference were thematised and investigated. 'Defective' economies, originating from persisting elements of state-led organisation and practice, incomplete

3) In Germany, the state-led, top-down transfer of institutions produced a strong urge on scholars to focus on East Germany's preconceived adaptation to a fixed set of development targets (Pollack 1996: 416), thereby shading off the interplay of general aspects of social change (e.g. those which can be attributed to globalisation, new consumerism, individualism etc.). It also caused a normative bias on economic growth and the stabilisation of regional population numbers in East Germany. Accordingly, a major analytical focus was on coping strategies by individuals and groups when confronted with defective structures created by transformation (e.g. deindustrialised cities and regions). In a similar way, population loss and "shrinking" cities were investigated against the backdrop of pending disasters connected with post-socialist modernisation (cf. Oswalt 2005).

deregulation and liberalisation, or caused by corruption and criminality, were a favoured topic of the day. Also, different pathways of development (e.g. the 'big bang' shock therapy vs. 'slow and steady' gradualism) were attributed to varying models of political rule and governance (from below and from above), including their inherent failures (Abel/Bonin 1991, Beyme 1994).

Stage 2 - Plurality of theories (1995-2000). Increasing criticism of modernisation theory as being too deterministic and normative (Müller 1996) triggered a fanning out of theoretical perspectives relevant to transformation research. They covered the following conceptual fields:

- institutional theory, with a special focus on post-socialist pathways of development, the path-dependency of institutions and policy-making, and the distinct logics (German *Eigenlogik*) of the trajectories of various societies and regions under conditions of systemic change (Grabher 1994b, Stark 1996, Hausner et al. 1995, Rudolph 1995, Stölting 1997, Tatur 2004);
- evolutionary economics and network theory, explaining for the implementation of new branches, emerging enterprise structures, inter-firm relationships and the specific adaptations by old and new networks to changing conditions of post-socialist reconfiguration (Grabher/Stark 1997a);
- political economy, regulation theory and new systems theory which maintained the persistence and subordination of 'inherited' structural fragments under a new logic of capitalist hegemony, emerging economic disparities and socio-spatial inequalities (Smith/Pickles 1998, Smith/Swain 1998, Krätke 1997);
- theories of contingency which envisaged the new mixtures of 'imported' and 'autochthonous' structural elements, institutions, logics of agency etc. as being part of a hardly predictable, incremental process of differentiation (Müller 1996); in their view, transformation was susceptible to chance, chaos and error.

Stage 3 - Recent conceptual diffusion (since 2000). This phase is characterised by the decreasing analytical relevance of the issue of transformation. Instead, big secular trends such as globalisation, Europeanisation, demographic change, migration and the global-local hybridisation of everyday culture became dominant in regional and urban studies on the former socialist world (as few examples out of many: Hamilton et al. 2005, Mansoor/Quillin 2006, Steinführer/Haase 2007). Occasionally, these studies were augmented by cursory conceptualisations of the relevance of social, local, regional and national peculiarities referring back to the former systemic overthrow. In this optic, transformation was reduced to a marginal framing condition of social change. Casual discourses about 'post-transformation' indicate an increasing discomfort with strands of thought which emphasize the role of structural persistence and continuity – this kind of thought has often been felt to be overly historicising (Lutz 2003: 291 f.). Further irritation was produced by those scientific communities (e.g. in Germany) which established transformation as a niche concept which was not sufficiently tied to mainstream debates of globalisation and post-modern social change (cf. synopses of the status quo by Beyme, 1999 and Merkel, 1999). As a result, to many beholders the concept seemed to become increasingly outdated the longer the single event of the fall of the iron curtain dated back.

In spite of the relative devaluation of transformation as a secular process of major interest, the contested notion of convergence continues to inform a number of recent studies on political change and regionalisation in Central and Eastern Europe. Here the conviction lingers on that transition would imply an inevitable move from state socialism to a new condition of modernity which is more or less based on Western notions, for example in the debate on Europeanisation. Based on the idea that Europeanisation could be conceptualised as a

variation of the Hägerstrandian model of diffusion, implying the convergence of norms, agendas and policy instruments, the discussion suggests a process of adaptation and absorption of Western values (see Schimmelfennig and Sedelmeier 2004). However, in contrast to stage 1, crude determinist thinking along the 'Western modernisation' line has been increasingly challenged during the past decade by the obvious peculiarities of local social practice. For example, EU policies and their imperatives are often susceptible to strategic reinterpretation and agenda-setting for local political purposes (for the Czech Republic and Slovakia, see Brusis 2005). The growing response by locally informed and contextually sensitive scholars not only indicates a ripened, more sophisticated understanding of transformation. It also makes a point in favour of the idea of idiosyncratic modernisation: It takes external political intervention (here: by the EU) for nothing more than a trigger for rather autonomous and logically independent local or national policy-making.

Achievements made by transformation studies

When accounting for the main achievements of transformation studies, a special focus has to be laid on the relationship between theory building and empirical work. During every stage, description played a major role, not only in geography and economics but also in social analysis and history. Making diachronic accounts of the structural change of the societies, cities and regions of East and Central East Europe, and making comparisons between different states of affairs concerning specific aspects of transformation – these were the key endeavours of research which contributed much to the knowledge of the varieties of sectoral developments as well as to the modelling of various pathways of development. In contrast, theory building was treated in rather diverse ways.

During stage 1, theoretical debates were conducted in a fairly general, often even abstract way. Modernisation theory obviously did not relate too much to empirical evidence. As opposed to the theoretical superstructure, empirical descriptions were often set apart in a loose manner, combined with ad hoc interpretations of structures and developments. However, during stage 2, the broadening scope of analysis and a growing variety of theoretical approaches allowed for more convincing connections between theory and empiricism. The unfolding number of foci of analytical interest can be read from the following list of major objects of study:

- privatisation, institution building and their effects on political and economic restructuring (Csaba 1994, Seibel 1997);
- new entrepreneurship, small and medium-sized enterprises and economic network-building (Grabher/Stark 1997b);
- regional economic change and new regional disparities, effected by transformation-specific deindustrialisation, privatisation and the selective impact of globalisation (e.g. foreign direct investment, joint ventures and economic cluster building in the big agglomerations and the Western border regions of the former socialist countries) (Barta 1994, Buckwater 1995, Bürkner 1996, Grabher 1994a, Górzalak 1996, Górzalak 2000, Heller/Ianoş 2004);
- change of urban structures, in particular in connection with emerging capitalist real estate markets and housing markets, the changing importance of large ex-socialist housing estates and private suburban building activities (Fassmann 1994, Lowe/Tsenkova 2003, Stanilov 2007);
- changing political border regimes and their effect on border regions and border towns (Aschauer 1995, Bürkner 1994, Krätke 1996, Krätke et al. 1997, Eskelinen et al. 1998, Matthiesen/Bürkner 2001), in particular in connection with various modes of international cooperation and new types of regionalism under the aegis of the European Union (e.g., Euroregions which emerged at different points of time along the outer borders of the EU)

- (Scott/Collins 1997, Perkmann 2005, Scott, 2006);
- demographic change and regional resp. urban shrinking (mainly population loss and its effects) in East Germany and some other peripheral regions (Witte/Wagner 1995, Philipov/Dorbritz 2003, Franz 2004, Oswalt 2005);
 - migration at different scales (regional, international, transnational) affecting the regions of East and West Europe alike (Baldwin/Venables 1994, Frejka 1996, Fassmann 1997, Heller 1998, Dietz 2002);
 - living conditions of ethnic minorities, ethnic mobilisation and the changing political role of ethnicity (Barany 1998, Stein 2000, Vermeersch 2003, Heller 2004);
 - increasing social mobility and social inequality (Ott/Wagner 1997, Duke/Grime 1997, Roberts 2003), gender conflict (Goldfarb 1997), new lifestyles (Ray 1997), new consumerism and their socio-spatial effects (spatial segregation, change of social milieus and urban neighbourhoods, gentrification, etc.) (Szelényi 2001, Ladányi 2002, Sýkora 2005 and 2009, Smigiel 2009).

Studies of varying degrees of empirical saturation contributed to a variety of disciplinary insights into sectoral developments, as well as into major trends of urban and regional development, involving a multitude of individual disciplines. Valuable as they were, they seldom were embedded in a larger analytical context which would have allowed for taking up initial research targets and questions, such as those which were established during stage 1. For instance, integrative approaches and multi-level analysis which could deliver answers to the basic question about the nature of societal transformation as a whole, count among the rare and happy coincidences inside a scattered research scene. In a similar way, truly interdisciplinary approaches to basic issues of systemic change and social life remained rather uncommon.

Analytical gaps

In every phase, considerable analytical gaps originated as soon as the perspective of convergence became emphasized. A central aspect of the convergence thesis was the idea that it would be necessary to adjust 'dysfunctional' systemic elements to a pre-established model of the market economy and compatible democratic rule. Against the backdrop of such models, the status of achievement at a given point of time had to be defined in terms of suboptimal, mismatched or even defective structures (cf. Hopfmann 1993). The overall rhetoric of model-driven change allowed for implicit rankings of individual societies, regions and cities on their way to establishing 'proper' market structures and compliant modes of regulation. Tacit as this idea often remained, it turned out to be all the more effective in preventing non-finalised conceptualisations of societal change. Especially the 1990s witnessed severe difficulties to get rid of normative preconceptions and narrow anticipations of the future which had infiltrated many analytical concepts. Structural disruption due to the impact of 'free' market rules and liberalisation, fragmented restructuring, diversified institution building, cultural antagonism and, at the same time, cultural hybridisation were hard to address, at least from any other vantage point than the one of the convergence thesis.

It was left up to the beginning millennium to bring about a shift in optic: A growing awareness of the peculiarities of 'Eastern' development gave way to a broader acceptance of the insider's view on post-socialism. In his analysis of cultural landscapes of post-socialist cities, for example, Czepczyński postulated that it should mainly be a task for 'insiders' to gradually explore the interpenetrations of old communist forms and new free-market meanings, global influences and local icons (Czepczyński 2008). This task could only be realised during the last years. The scientific community increasingly became aware of considerable tensions between

insider and outsider perspectives, and of the 'Western modernisation' pressure exerted both in political practice and academic theory building. Conceptual emancipation from this pressure has become tangible.

On the whole, it proved to be extremely difficult to find out about the peculiar logics which emerged somewhere between 'Eastern' and 'Western' interpretations of reality, between old certainties and new imponderabilities, between the adverse mentalities of social collectivism and economic individualism, between individual coping with global patterns of consumption while keeping up traditional elements of social practice, etc. And it was even more difficult to understand that these logics had a rhythm of occurrence, a half-life, and a context-dependent social significance of their own. Major problems of conceptualising transformation in terms of open-ended, non-finalised developments could be seen vis-à-vis the following analytical topics (a) – (c):

(a) *Permanent economic crisis.* The severe economic crisis following the demise of the socialist systems was envisaged as an inadvertent structural deficiency, rather than a logical outcome of the particular integration of East European regions into the world market. Therefore, the long-term nature of deindustrialisation, lacking substitution of the former industrial structure by new services and knowledge-based economies, and continuously high levels of unemployment were highly underrated. In many regions, economic restructuring resembled well-known patterns of peripheral industrialisation known from neo-fordist restructuring in West Europe. Prolonged workbenches and quasi vertically integrated networks of small and medium enterprises (SME) seemed to have been relocated to low-cost regions in East Europe overnight (Grabher 1992, Krätke et al. 1997: 40 f.). During the 1990s, most headquarters of transnational corporations and important decision-takers remained in the old West European or transatlantic centres, leaving the new 'Eastern divisions' without power and influence. In spite of consecutive relocations of economic capacities to East Europe, the initial economic marginalisation was a throwback from which most Eastern regions did only gradually recover. Moreover, national economic policy largely contributed to creating unfavourable conditions for regional economies to compete at a global level. For instance, in the 1990s, East Germany was exposed to a policy of radical deindustrialisation which was meant to create a tabula rasa for global players. It also should produce a strong urge for renewing the economy. However, renewal took a rather long time after the total collapse of the old production structure, and it was successful only in a small number of urban regions where global stakeholders placed investments in favour of high-tech production clusters and globally interlinked services (e.g. in the agglomeration of Leipzig – Chemnitz – Dresden; Krätke/Scheuplein, 2001; Nuhn, 2001). East Germany's economy remained in a structural configuration which was decisively conceived and prepared by politics, in this particular case by policies of sporadic peripheral reindustrialisation, the experimental initialising of new industrial production clusters and the selective establishment of knowledge intensive services (Krätke et al. 1997, Heidenreich 2005). Since a large part of this development was based on jobless growth, labour markets remained in crisis, giving rise to several waves of out-migration of workforce and related brain drain (Bürkner/Matthiesen 2007). This configuration cannot be called defective or malfunctioning – rather, it is part of the regular policy-sustained restructuring which global capitalism provides for undercapitalised peripheries and semi-peripheries of the world system.

(b) *Urban and regional governance, new political participation and the civil society.* Research on emergent forms of urban and regional governance often focused on ideas which were taken from West European or transatlantic governance studies. There was a general expectation that governance would come out according to Western modes of state formation, public-private partnership, grassroots-like negotiating and self-organising – once a suitable institutional

framework had been introduced and democratic procedures had been put into practice. However, it is still unclear which kind of citizenship has emerged in East Europe and how its emergence can be explained (cf. Lewis 1997); at least it seems to differ considerably from the West European type of a civil society (Sagan 2009). Searching for well-known governance structures in a comparative perspective (Croissant et al. 2000) often prevented scholars from developing a closer look at political decision-making, especially at elitism and clientelism. Consequently, the role of the civil society for transformation was grossly mistaken. While the overthrow of the socialist systems was seen as an important achievement of an invigorated civil society after a long period of authoritarianism (Mansfeldová/Sabó 2000), its future significance as a driving political force was estimated according to this strong initial appearance. However, there is evidence that even in the early stages of transformation the population masses in the streets could be part of a media spectacle orchestrated by old elites in the process of migrating to leading positions in the new system (Gabanyi 1998). Whether politically autonomous or not, in later stages of transformation the civil society obviously lost its initial importance. In practice, in many regions there has been a virtual absence of larger civil society initiative as a basic social phenomenon. Instead, it has to be acknowledged that in most East European countries a different concept of the civil society was deliberately invented by the political class. Often, it takes the appearance of new patron-client forms of relationships (Korkut 2005). For example, many local initiatives, action groups, committees etc. were created by political parties in order to serve their specific interests while keeping up the public image of 'spontaneous' congregations of independent citizens (Dimitrova et al. 2007). Apart from taking immediate benefits from instrumentalising the population in this way, it proved to be advantageous for the political system to point out that there was an evolving civil society because the external image of the country would improve and the compatibility with EU accession requirements would be facilitated.

(c) Persistent cultural boundaries and seclusions as elements of everyday life. Socio-cultural niches within new post-socialist structures were often misunderstood as temporal phenomena which would gradually disappear during the process of making the market the guiding principle of social formation. For instance, old-style residential milieus which were preserved inside large socialist housing estates were often taken as a problem of time-lags occurring during modernisation. Alternative interpretations did not come up easily, such as the idea that there might be socio-spatial units (e.g., marginalised urban neighbourhoods and milieus, or peripheral regions) which remained untouched by overt external impulse to modernise, while their members tacitly adopted new ideas of social well-being, consumerism, political participation, etc. In many cases, visible indicators of modernisation and everyday mental orientations or informal institutions did not match (Tatur 2004). Taking these mismatches as signs of a time lag regularly resulted in crude misinterpretations of cultural hybridisation. For instance, Germany's urbanist debates of the early 1990s nurtured the myth of the unbroken popularity of large housing estates inherited from the socialist regime (Hannemann 2005: 146, Rietdorf 1997), sometimes mistaking economically caused spatial immobility of residents for lacking mental adaptation to available options provided by the new markets. In a reverse way, large numbers of residents leaving deteriorating apartment blocks after the model of 'single family homes in a suburban milieu' had been popularised became reinterpreted as the realisation of suspended aspirations for mobility (Franz 2000, Brabec/Sýkora 2009), often dating back to socialist times and old dreams of a better life. Only after one decade of similarly focused social analysis, a new awareness for cultural diversity and everyday cultural hybridisation emerged (e.g. in connection with groundbreaking milieu studies, see Matthiesen 2002), revealing that lifestyles, housing demands, milieu formation and other aspects of everyday life simply did not conform to one guiding logic (i.e. the logic of catch-up modernisation).

Gaps to be filled by future studies on transformation and post-transformation

Public interest in problems of transformation significantly ceased at the beginning of the millennium. As a result, research on transformation lost its impact on public discourse. In addition, it became more difficult to fill the pending gaps of research. On the one hand, in many studies on social, economic and political problems of East and Central East European regions, the issue of transformation itself lost its weight as a point of theoretical interest. On the other hand, the dwindling public interest had a negative effect on available research funds. Thus, funding and research activities have continuously been on withdrawal. Nevertheless, regional disparities, social fragmentation, polarisation and problems of urban governance have increased in scope and visibility during the past years (Brusis 2001: 224 f.), demanding for intensified research and political action. Since regional trajectories and the outcomes of various sectoral pathways of transformation were often obscured or blurred during the seminal stages of transformation, there were fewer opportunities to convey detailed and differentiated empirical investigations than at present. Now, since many problems have been revealed in sufficient clarity and complexity, there are many good starting points for differentiated, multi-level studies which could fill relevant analytical gaps more easily than it was possible in the past.

Important persisting problems which still have a strong connection to the headline of 'transformation and outcomes of transformation' are:

- the growing impact of structural fragmentation on urban and regional development ("from transformation to fragmentation", see Smith 1999: 15 ff.); while rising economic disparities have been described in terms of a mosaic-like restructuring of space according to the production models introduced (Krätke et al. 1997: 407), in-depth investigations into the changing social and political significance of socio-spatial fragmentation are still missing (for cursory insights cf. Stenning 2005, Nagy 2005);
- the characteristics and variations of regional trajectories of development and related forms of governance; while there has been growing awareness of the peculiarities of individual trajectories, and of the impact of past trajectories on future path dependencies, the variations and the nature of dependencies stemming from initial periods of transformation have only marginally been investigated;
- the significance of informal or shadow economies for the stabilisation of formal economic sectors and for social status building; apart from some early speculations about the origins of new entrepreneurialism in informal fields of the economy and some empirical evidence about expanding small trade during the 1990s (Murrell 1993, Gabor 1997), detailed information about the emergence, the re-structuring and the social embeddedness of informal economies in East Europe is still missing;
- the significance of new elites for regional and urban governance; the body of literature on this issue is rather heterogeneous and miscellaneous (cf. Merkel 1999: 111 ff.; Bürkner 2003); while a number of studies were made on East Germany and on elite reproduction in the 1990s (Szelényi/Szelényi 1995, Higley/Lengyel 2000, Eyal et al. 1998), there is less empirical evidence with respect to recent developments in Central East and Southeast Europe;
- the significance of civil society for urban and regional development, especially in connection with problems of local participation; here, the question of lobbying and building political pressure capacities will be of major interest (Fischer/Pleines 2010); a recent study on the increasingly important role of civil society actors indicates one out of several possible future directions research might take (Scott/Liikanen 2010) – here, the establishing of informal networks in the process of Europeanisation and cross-border cooperation between EU member states and neighbouring countries has triggered

- processes of de-centralised political socialisation and pressure-making;
- the clash of old and new institutions at different levels of social action; here, the contradiction between formal institutions (such as legal frameworks and regulations, rules concerning formal political and administrative routines etc.) and informal institutions (i.e. everyday rules of action which become established by negotiation, social interaction and convention) still is relevant to social practice (cf. Tatur 2004); in particular, understanding the way formal institutions become interpreted, molded and re-shaped by informal practice will be a major way of coming to grips with present and future problems of urban and regional development;
- emerging social inequalities, following increasingly diverse regional patterns of economic growth and decline, exposedness of societies and regions to globalisation, cultural assimilation to the global, and other factors (Heyns 2005);
- the change of social milieus and other forms of community building under the impact of the restructuring of urban space and the ongoing decline of peripheral regions (see Wolfe 2000, Smith 2003); here, the upcoming focus on gender issues in East Europe will have to be developed with particular care (Fodor/Balogh 2010);
- origins and effects of hybrid everyday culture which might take different shapes along the extremes of melange and fragmentation: either by assimilating local, global, past and present influence as part of a universal global melange (Pieterse 2003), or by accumulating co-evolving yet separated or contradictory cultural elements, often represented by fragmented identities (Roman 2003).

Since many or most of these problems have their roots in post-socialism or even back in socialist times, it is clear that the present period cannot be exclusively addressed in terms of context-free, successful 'adaptations to the market' (cf. the staunch denial of path dependency by Wiesenthal et al. 2001: 16). Although the most spectacular changes have passed, the traces back to transformation and the peculiarities of hybrid social practice are strong influences of present economic restructuring and social differentiation (Kollmorgen 2005: 20 ff.). In this sense, the term 'post-transformation' should be established in order to describe a mode of modernisation which still is logically and structurally bound or indebted to post-socialism and the former pathways of transformation. Yet at the same time, post-transformation has to be treated as an open concept which accounts for the integration of heterogeneous elements of ongoing transformation of the whole society. At present, competing concepts are trying to theorise modernisation as a confluence of multiple transformations (including post-socialist transformation) which are present in all fields of societal development (see the concepts of 'post-post-transition', Buyandelgeryin 2008, or of 'hypertransformation', Binas 2008). However, an overly open concept might fall back into the trap of remaining unspecific and undertheorised as to the issue of post-socialism (Thomas 2008). Post-transformational studies will have to face the task of detecting the relevant traces back to post-socialism and incorporate them into interpretations and explanations of globalising regional societies. Only by means of working out the idiosyncratic nature of East Europe's modernisation, relevant and sustainable clues to future problem-solving will be found.

Conclusions and Prospects

Early political hopes for a quick adjustment of the societies and regions in the East and West did not come true. While the big regulations concerning legal frameworks, political constitutions, economic structures and formal institutions have come to conform to the major EU regulations and global market structures, the informal institutions, and also many formal arrangements below the level of the nation state, still make a tremendous difference. New path dependencies have initiated varieties of urban and regional development which entail their

specific contingent logic. These varieties still await profound analytical reconstruction, especially in a comparative perspective. Nevertheless, public opinion as well as academic interest has turned to other issues of the day, leaving the question prone to disregard as to how the structural and cultural legacies of post-socialism and transformation should be treated.

For the academic research scene, this observation should be a reminder of the fact that a lot of important questions have only slightly been touched so far, if not ignored completely. As it now seems, the turning away of the scientific community from earlier modernisation theory has not been compensated by a coherent theory which is able to produce a sophisticated and sustainable view on transformation and post-transformation. Although postmodernism has restructured this field of research, rendering the early hope for “grand theories” an inadequate aspiration, there is no reason why the quest for coherent and comparative explanation and interpretation should be neglected. Giving up a critical, systematic and focused view on the outcomes of transformation would be too early for one thing, and, for another thing, even counterproductive in the long run (see Stenning/Hörschelmann 2008). There is enough reason to assume that obvious problems of urban and regional development, in particular the dynamics of social, economic and political conflict, and resulting fragmented development, will keep being influenced by the directions set in earlier stages of transformation. The longevity of trajectories once chosen, the structural asymmetries included, the contradiction between the institutions involved, persisting social practice, hybridised everyday culture, and many other aspects of development at different scales – all these phenomena cannot be explained in a convincing manner without explicitly referring to the category of transformation.

Detailed empirical reconstructions of social, economic and political developments in East Europe which reconsider the impact of transformation are still in demand. A reconstructive perspective which employs the insider’s view instead of Western preconceptions of societal change would be an adequate answer to the challenge of path dependency and the emergence of new varieties of capitalism and democracy. Although a shift in orientation is gradually being felt, the “Western” bias is still there, often hidden under the label of European normalisation. Former exceptionalist views related to the issue of convergence have been replaced by political calls for Europeanisation and the compliance of new or future members of the European Union to general EU standards (cf. Pridham 2007). Following this call, academic endeavours such as the search for frictionless Europeanisation and structural normalisation according to the alleged requirements of globalisation or Europeanisation are increasingly competing with analytical positions aiming at carefully reconstructing the controversies, structural fragmentations, social disparities and peculiar mixtures of heterogeneous structural and cultural elements. In order to achieve a more unbiased account of social change as occurring within a specific historical context of global, national and local interchange, the ‘insider’ view of scholars who are members of the societies and the lifeworlds involved is very much in need (cf. the work of Czepczyński 2008).

Investigating social practice in a way which makes hidden ‘legacies’ and adaptations to changing social and structural environments transparent while developing an eye for the “multiple ways of being” (Buyandelgeriyn 2008) might be a promising method of dealing with the realities of post-socialist societies. Such a direction of social analysis then might rightly carry the label ‘post-transformational studies’.

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BUSINESS CYCLE SYNCHRONISATION IN THE GREEK REGIONS

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Abstract: This paper examines the degree of synchronicity in business cycles in Greek regions associated with specific spatial and economic characteristics that explain, to a large extent, synchronisation dynamics. We conducted an analysis of almost 30 years' (1980-2008) worth of data at the NUTSIII level (prefectures). We conclude that prefectures are more synchronised with the NUTSII regions than the national level, accentuating a regional (NUTSII) border effect. Moreover, the intensification of the integration process and the free operation of markets seem to diachronically affect the structural characteristics of the Greek regions and the geography of cyclical synchronisation. Our study revealed a two-stage integration in which in the first stage they are detected urbanisation economies, while in the second one localisation economies. The metropolitan region, apart from its prominent position in economic growth, shows a confined level of business synchronisation with the other regions, stressing Greece's pattern of economic and structural dualism.

Key Words: *synchronization cycles, Greek regions, integration, econometric analysis*

Introduction

The gradual deepening of integration has intensified the interaction and the interdependency between different areas and economies. At the same time the integration process has put border areas in a state of flux and has led to the aggravation of disparities between the less and the more developed regions. Regions with an inferior technologically productive system and a lower competitive position, such as Greece, have to tackle the pressure of global competition and exposure to international market forces.

In this context, Greece is characterised by an unequal spatial distribution of income, and an intensification of the regional disparities over time. Regional inequalities are based on the dominance of a metropolitan urban system, where the metropolitan region grows more rapidly than the national average. As a result, it has reaped pertinent advantages in terms of external economies, productive restructuring and extensive infrastructure improvement (Petraikos 2009).

The study on the influence of integration on economic growth is traditionally related to classical business cycles defined by absolute expansions and contractions of economic activity (Burns and Mitchell 1946). However, this relationship does not provide information on the tendency of economic fluctuations to become synchronised. Business cycle synchronisation is the co-movement of business cycles expressed in terms of deviations around an estimated trend (Lucas 1977). The degree of synchronisation of business cycle fluctuations among regions is conditioned upon some common structural characteristics, making the shocks and -cum- the fluctuations more symmetric. Consequently, the growth rate movements of some regions might be more or less synchronised, which is revealed by studying their synchronisation cycles.

This new aspect on the influence of integration on business cycle synchronisation has lately

been the focus of considerable research. The vital role of production systems in the economy and the unprecedented changes they experience during integration require study of the evolution, transformation and determinants of synchronisation cycles. The systemically intensified influence of integration affects the backwardness, low levels of competitiveness and the inertia in structural changes that characterise the Greek regions, indicating the importance of studying the patterns and the potential determinants of synchronisation cycles in Greece. The literature on Greek business synchronisation cycles is limited and is focused mostly in the association of cycles with the European Union (EU). This paper fills this gap in detecting the business synchronisation cycles of the Greek regions by assessing and evaluating their spatial evolution over time and by appraising the amplitude of the association of business synchronisation cycles in the metropolitan area and the national average with the other regions.

This paper has two goals: to study the extent to which business cycles of the Greek regions are correlated and to investigate econometrically the determinants of the co-movement of output. The analysis outcomes are based on three salient points. First, the prefectures (NUTSIII regions) are more synchronised with the NUTSII regions than the national level, highlighting a regional (NUTSII) border. Second, there is a two-stage integration of Greek regions influencing on a differentiated way the synchronisation cycles, first by reinforcing urbanization economies and secondly by reinforcing localization economies. Third, the metropolitan region, apart from its prominent position of economic growth, displays a confined level of business synchronisation with the other regions, stressing the pattern of economic and structural dualism in Greece.

The paper is structured as follows. Section 1 summarises the literature. Section 2 details the methodology. Section 3 elaborates the synchronisation of regional cycles, and section 4 describes the geography of synchronisation. Section 5 detects the determinants of the co-fluctuations using an econometric approach. Finally, section 6 states the concluding remarks.

Literature review

The issue of synchronisation is of interest since many contemplated actions encourage questions about their cycles. In this section, we present some interesting contributions in the literature and emphasise their most crucial issues.

Most literature on business cycle synchronisation focuses on both the national and regional level. The investigation of the increasing or decreasing synchronicity of business cycles has been broadly studied with different data sets, spatial levels, time intervals or investigative methods. Various studies have concluded that European business cycles have become more synchronised (Artis and Zhang 1997, Barrios et al. 2003) amongst the more developed EMU members (Beine et al 2003); there is more synchronisation amongst EMU members compared to the European periphery (Beine et al. 2003); synchronisation has lately increased in some 'peripheral' countries (Marelli 2006); there are remarkable similarities between the business cycle patterns of countries, despite significant differences in the patterns of fiscal and monetary policies and terms of trade (Christodoulakis et al. 1995) and the cross-correlation of regions across national borders has increased over time (during the period 1979-1992 associated with the ERM implementation), while, simultaneously, cross-regional correlation within countries has decreased (Fatas 1997).

On the contrary, other studies allege for a less apparent evidence in the correlation of the cyclical movements (Harding and Pagan 2001) considering that the correlation of synchronised

cycles remains low or even decreases in the case of the Greek regions (Montoya and de Haan 2007). In general, there are two streams of thought. The first supports the idea that economic integration leads to more symmetric fluctuations which, in turn, lead to more synchronised business cycles. The second agrees with Krugman (1991) and the notion that increasing integration will lead to regional concentration of industrial activities which, in turn, will lead to sector - or even region- specific shocks, increasing the likelihood of asymmetric shocks and diverging business cycles (Camacho et al. 2006). However, the bulk of the literature suggests increasing synchronicity (Marelli 2006).

The business cycle association among countries with inferior development characteristics and particularly with Greece and the EU has also been a subject of study. The results highlight the lack of cyclical convergence of Greece with the euro area (Gouveia and Correia 2008); a less synchronised cycle with the EU cycle after the introduction of the euro (Gogas and Kothroulas 2009); little sign of convergence (Crowley and Lee 2005); a low correlation of the business cycle with the Euro area business cycle and greater volatility (Papageorgiou et al. 2010); decreasing volatility over time and a weaker correlation and transmission in synchronisation of cycles with the Euro zone (Leon 2006); or a greater synchronisation with Algeria, Egypt and Tunisia than with other European countries (Gallegati et al. 2004).

Studies have examined not only to what extent business cycles have become similar but also the *driving forces* of the co-movement of output. The determinants that affect the synchronization cycles are various. First, the relative size (in terms of population) significantly affects economic co-fluctuations (Barrios and de Lucio 2003). Differences in industrial structure patterns and specialisation among regions are also important factors in business cycle synchronisation, as industry-specific shocks will generate a higher degree of business cycle synchronisation among regions with similar production structures rather than among regions with asymmetric structures (Imbs 2001). This is why industry-specific shocks usually play a more important role at the regional than the cross-national level (Belke and Heine 2006). Moreover, the integration process is believed to have a stronger effect on the synchronisation cycles in regions rather in countries due to intensified trade relations and specialisation levels (Tondl and Traistaru 2006). Some studies suggest the correlation of regional business cycles with the national cycle remains high over time in spite of European economic integration, inferring the existence of a border effect (Montoya and de Haan 2007), while others show that this effect has notably decreased (Barrios and de Lucio 2003). Concisely, the business cycle correlation should be studied with a multivariate approach, as it depends on a variety of factors, including structural and policy-related variables (Haan et al. 2008).

Methodology

Synchronicity is the co-movement of growth rates over time. Growth rates are measured as the rate of change in the real (inflation-adjusted) gross domestic product (GDP) per capita of a region. In our analysis for the estimation of business cycles in Greece, we use annual observations of the GDP in constant prices at the NUTS III Greek region level (prefectures), covering 29 years from 1980-2008. For the identification of the business cycle, we use the 'deviation cycle' proposed by Lucas (1977), which is defined as a cyclical fluctuation in the cyclical component of a variable around its trend. The 'deviation cycle' is identified by isolating the cyclical component from the trend component, and for this purpose, it is necessary to apply a specific de-trending technique, which transforms the non-stationary variable of regional output into a stationary one. There are a variety of filtering techniques to extract the cyclical components of the macroeconomic series. Most studies apply non-parametric filters divided into high-pass or low-pass filters, which remove high frequencies.

We use the Hodrick-Prescott filter (1997), which estimates the trend component by minimising deviations from trend, subject to a predetermined smoothness of the resulting trend. It is a high-pass filter, it removes fluctuations with a frequency of more than eight years and puts those fluctuations in the trend (Haan et al. 2008). The advantages of this standard practice are first, that it is easy to implement and second, the resulting cyclical residuals are similar to those of the band-pass filter (Belke and Heine 2006, Haan et al. 2008). We decompose the economic series of interest (the real GDP of Greek prefectures in log terms) into the sum of a slowly evolving secular trend, and a transitory deviation from it, which is classified as the following cycle:

Observed series (X_t) = Permanent trend (T_t) + Cycle (Z_t)

The HP filter has been widely used in business cycle literature. The filter extracts the trend T_t from a given data X_t by minimising the following function:

$$\sum_{t=1}^N (X_t - T_t)^2 + \lambda((T_t - T_{t-1})^2 - (T_{t-1} - T_{t-2}))^2,$$

where X_t is the actual series, T_t is the trend series and λ is the smoothing parameter, which penalises the acceleration in the trend component relative to the business cycle component

($x_t - \hat{T}_t$). In other words, the λ parameter controls the smoothness of the adjusted trend series T_t , i.e., as $\lambda \rightarrow 0$, the trend approximate the actual series X_t , while as $\lambda \rightarrow \infty$, the trend becomes linear and thus deterministic. According to Marcet and Ravn (2003), the parameter λ , which is determined endogenously in annual data, should be between 6 and 7, while according to Ravn and Uhlig (1997), it should be equal to 6.25.

The next methodology we employ calculates the cross-correlation coefficient to estimate the degree of linear co-movement of regions in different time series. For this purpose, we use the Pearson correlation coefficient for the cyclical part of the GDP. If the business cycle correlation coefficient has values around 1, it denotes full business cycle convergence, while if it has values around -1, it suggests full business cycle divergence. Therefore, regions with low correlation coefficient are less synchronised and possess different economic structures (Kenen 1969). Nevertheless, low values of business cycle correlation should be interpreted carefully, as low synchronisation might instead just be an expression of agglomeration tendencies on a regional level and take place according to an optimising calculus (Belke and Heine 2006).

The synchronisation of regional (prefectural) cycles

For our analysis, we compute the correlation coefficients between the prefectural cycle (51 regions at NUTS III level) with first the national cycle and then with the cycle of the broader NUTSII regions (NUTSIII regions represent sub-regional units). The first method emphasises the co-fluctuating cycles among the prefectures and the national average, whereas the second method emphasises the interregional correlation coefficients to capture the regional specific border effect.

There are two approaches to analysing the correlation coefficient over time. The first splits the sample into various periods and examines the integration effect on each of them, and the

second uses the rolling window technique to observe the evolution of the correlation coefficient (Massmann and Mitchell 2004). Instead of splitting the sample in arbitrary periods, we opt for using a rolling window of 8 years (Montoya and De Haan 2007). The results for the average correlation coefficient of all prefectures with both the national and the regional reference cycle are displayed in Figure 1. As shown, the average correlation of the prefectural cycle with the national cycle experienced a steep decline from 1990-2008. In contrast, the average correlation of the prefectural cycle with the regional cycle, despite the diminishing degree of synchronicity, remains higher than the correlation with the national cycle. Moreover, it recuperated slightly from 2001-2008.

On the basis of our findings, it becomes evident that there is a differentiated tendency regarding the degree of business cycle synchronisation. The discrepancy between the synchronisation of the prefectural cycle and the national and the regional cycle suggests that the integration process is more intensive at regional NUTS II level, as the cycle of the prefectures in Greece do not seem to co-fluctuate with the national cycle. The exception to that is the Attica region, where the business cycle proved to be synchronised with the national cycle, an outcome that could be attributed to the gradual concentration of an enormous part of the total economic activities in the region.

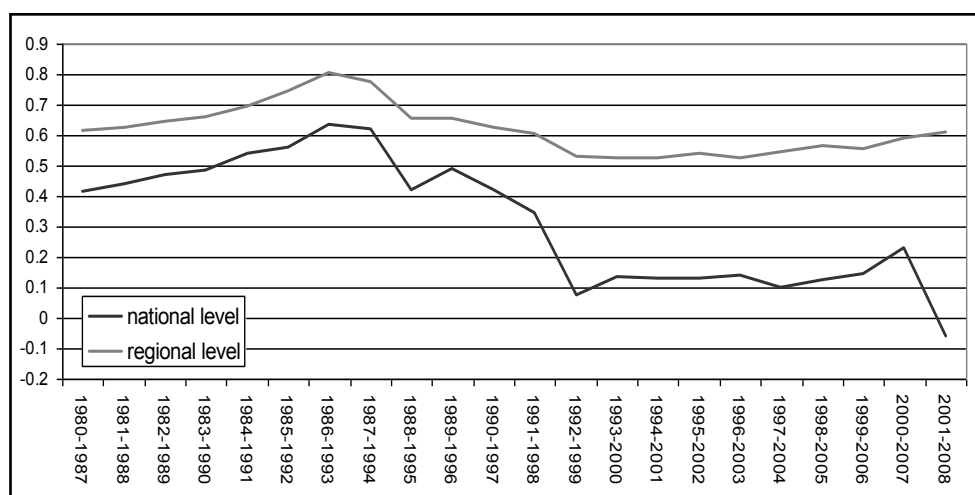


Fig. 1 - Prefectural (NUTSIII) cycle correlation with regional (NUTSII) and national business cycles. 8-year rolling window

The geography of synchronisation

It is interesting to investigate the correlation of the business cycles among the prefectures of different regions as well as the correlation among the prefectures of the same administrative region to pinpoint the degree of intraregional and interregional synchronisation at the NUTS III level. For this reason we applied a multidimensional scaling technique (MDS) to the cyclical components of the 51 prefectures (regions at NUTS III level). This technique converts a set of dissimilarity measures in several dimensions into two dimensions by minimising the squared sum of the difference between the real and the estimated distance. The purpose of the MDS is to provide a visual representation of the pattern of proximities among a set of objects

represented by the business cycles of the prefectures.

From a more technical point of view, the MDS identifies a set of vectors in p-dimensional space, such that the matrix of Euclidean distances, which correspond as closely as possible to some function of the input matrix according to a STRESS (standardised residual sum of squares) function. The smaller the STRESS value, the better the representation. In our case, we use a two-dimensional configuration since the STRESS value is 0.005, which denotes that the distances in the map represent, without distortions, the input data, so there is no need for higher dimensional configuration.

Figure 2 illustrates the prefectures that are closely located and shows that their business cycles are highly synchronised. We collect evidence by scrutinising whether these prefectures belong to the same region or to different regions. Apart from the regional (NUTSII) border effect, there are similarities, in terms of business cycle synchronisation, among prefectures of different NUTS-II regions, suggesting common characteristics with respect to both spatial and production structure. The identification of these common characteristics leads inductively to the next step, which is an econometric approach to synchronisation cycles.

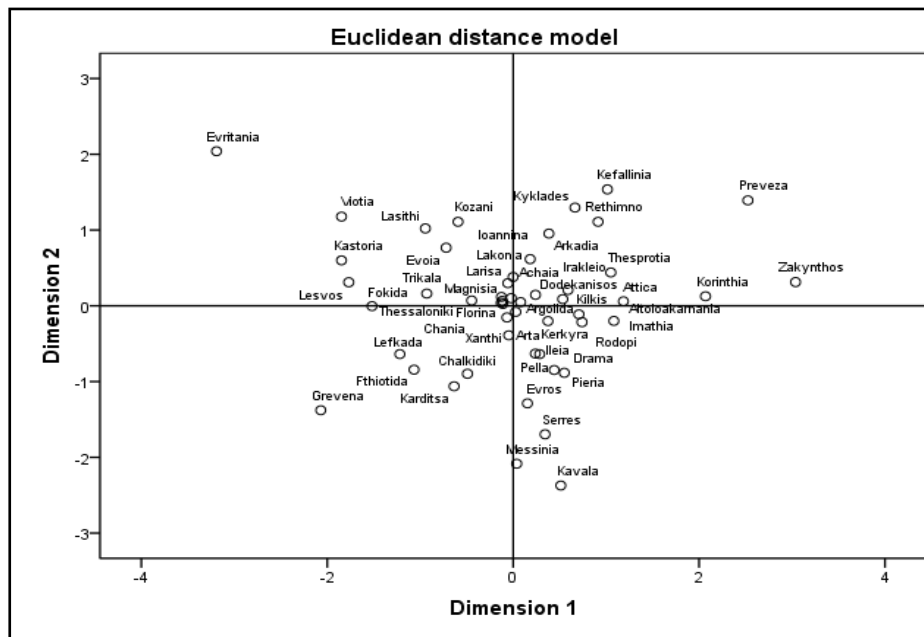


Fig. 2 - Multidimensional scaling NUTSIII region (1980-2008)

Econometric analysis

In this section our objective is to provide intuition on which and to what degree variables explain the different co-fluctuations cycles in the Greek regions. Specifically, our econometric analysis is based on three important points: First, we use an interdisciplinary approach and compile a multivariate model, which investigates a series of industrial and regional-specific factors affecting the synchronicity of business cycles between two prefectures (NUTS III regions). Second, our research examines the cross-correlation of all possible region-pairs with

each other. Third, the study span from 1980 to 2008 is divided into two separate time intervals, 1980-1992 and 1993-2008, to appraise the differential consequences of integration dynamics. The first sub-period is marked by Greece's accession to the EU (1981), and the second is marked by the completion of the Single European Market (SEM), which steered the local economies to unprecedented economic and structural changes. This division into the two sub-periods considers the Maastricht treaty and the creation of the EU (the European Community successor) as watersheds since studies of business cycle synchronisation identify a "Maastricht effect" associated with the further deepening of European integration (Altavilla 2004). Therefore, this paper attempts to *disentangle* the effects of the two-stage integration of Greece on its regional co-fluctuations cycles.

In order to be identified the driving forces of the co-movement of output, we compile and estimate a gravity econometric model with the following form:
$$Y_{ijt} = \alpha_0 + \sum_{r=1}^n (\alpha_r X_{rit}) + \varepsilon_{ijt}$$
,

where Y_{ijt} is the dependent variable, α_0 is the constant term; $\sum_{r=1}^n X_{rit}$ is a set of determinants,

$\sum_{r=1}^n \alpha_r$ is a set of the estimators of determinants; $\varepsilon_{ijt} \sim N(0, \sigma^2)$ is the disturbance term (with 0 mean and constant variance); i and j denote the region-pairs; r denotes the independent variables that are 1-n ($1^1, \dots, n^1$); and t is the time period under consideration. The model studies the 51 Greek NUTSIII regions that correspond to the administrative units of prefectures and separately estimates two sub-periods (1980-1992 and 1993-2008) to perceive and assess peculiar integration effects in the regions during the two periods of EU and SEM accession. All data are from the Hellenic Statistical Authority.

Analytically, the econometric model to determine business synchronisation cycles is as follows:

$$\rho(\tilde{y}_i, \tilde{y}_j)_t = a_0 + b_1 \text{SIM}_{ijt} + b_2 \text{SIM}_{ijt} \text{TERT}_{ijt} + b_3 \text{SPEC}_{ijt} + b_4 \text{SPEC}_{ijt} \text{CAP}_{ijt} + b_5 \text{LINK}_{ijt} + b_6 \text{LINK}_{ijt} \text{LLINK}_{ijt} + b_7 \text{AGGL}_{ijt} + b_8 \text{AGGL}_{ijt}^2 + b_9 \text{NAGGL}_{ijt} + b_{10} \text{NAGGL}_{ijt}^2 + b_{11} \text{INTRAREG}_{ijt} + \varepsilon_{ijt}$$

The dependent variable $\rho(\tilde{y}_i, \tilde{y}_j)$ denotes the business cycle correlation between regions i and j over time period t . Business cycle synchronisation is defined bilaterally as the contemporaneous correlation of cyclical components of the real GDP of two regions. Following Frankel and Rose (1998), the business cycle synchronisation is measured bilaterally by computing the simple contemporaneous correlation between cyclical components of annual real GDP for region i and j over the time span t . Our econometric model's results are obtained by running two different regressions applied in two distinct non-overlapping time periods (1980-1992 and 1993-2008 correspondingly).

The independent variables were analysed as follows: First, *the index of similarity in production* (ISIM) was introduced in the econometric model following Kenen's (1969) conventional hypothesis that the dissimilarity of sectoral specialisation patterns has long been recognised as a potential source of asymmetric shocks or, inversely, that greater similarity in production will increase business cycle synchronisation. The variable is defined as the index of dissimilarity (proposed by Petrakos and Jackson 2001):

$$\text{ISIM}_{ijt} = -\sum_s ((i_{st} - j_{st})^2),$$

where i and j are the regions under comparison in the period t for the industrial sectors s . In Greece, a de-industrialisation process began in the 1980s, became more pronounced in the

second half of the 1990s and even more dramatically in the dawn of the new millennium (Petraikos et al. 2007). This sweeping restructuring of the productive base resulted in an increase in the share of services. As a consequence of these systemic changes, the index of similarity is expected to be positively related to the synchronisation cycles. The main argument is that the gradual decrease of primary and secondary sectors in favour of the increasing share of the tertiary sector fosters the similarity of the productive base among regions and thus making the shocks and business cycles fluctuations more symmetric.

However, the spatial-economic system of Greece needs to be taken into account. This system is dominated by two metropolitan regions, Athens and Thessaloniki. In several cases, the metropolises have resumed the dynamic that existed previously (in the 1980s) due to industrial activities, which are the result of the increasing significance of the tertiary sector. This, nevertheless, raises the question of what kind of structural changes are going to be experienced by the remaining small and medium-sized cities, which, due to their confined market size and economic potentials, specialise either in primary or secondary activities. For this reason, the similarity index in the econometric model is related to the share level¹ of the tertiary, or secondary, sector (TERT or SEC) to estimate the impact of specialisation similarity on the co-fluctuation of business cycles. The hypothesis tested is that the level and type of specialisation matter for synchronisation cycles.

Specialisation may affect the business cycle differently depending on the sectoral breakdown (Barrios et al. 2001) that, in fact, captures the idiosyncrasies of the production systems under transformation. This suggests that the influence of productive similarity on the co-fluctuations cycles should be appraised not only at the broader sectors of the total economic activity but also at a more disaggregated level. Following several studies that attest that industry-specific shocks are more important determinants of synchronisation cycles at regional rather than at national level (Clark and Shin 2000), we decided to include in our econometric model a *similarity in manufacturing specialisation* (SPEC) variable, which is indicated as the minus sign of the specialisation distance between two regions i and j :

$$SPEC_{ijt} = -|SPEC_{it} - SPEC_{jt}|,$$

where a region's specialisation index ($SPEC_{it}$) is measured using the relative Theil index² (Theil 1967), and estimated for the two-digit manufacturing sectors. High values for the manufacturing specialisation in a region-pair suggest similarities in their manufacturing structure. This similarity transmits the sector-specific shocks into the real economy of the region-pairs, thus, activating symmetric business cycle co-fluctuations.

In the same vein with the variable of similarity, we associate, *pari passu*, the manufacturing specialisation with the share of the dominant manufacturing sector. To better deduce and illustrate the results, the manufacturing sector was grouped into three sectors: the consumer, intermediate and capital sectors (see Petraikos and Tsiapa 2000). The manufacturing specialisation variable is associated with the manufacturing sector share³, namely, the consumer sector (CON), which signifies the labour-intensive production base or the capital sector (CAP), the capital-intensive production base. The positive association of the common specialisation pattern with the business cycle correlation (Belke and Heine 2006) leads to the expectation of a positive relation with the manufacturing specialisation variable conditioned upon the share of the aforementioned sectors.

A *similarity in input-output linkages* (LINK) variable is also included in the econometric model. This variable measures the degree to which manufacturing uses imported inputs and indicates the development of synergies among the economic units as a result of their forward

and backward' linkages. It is indicated as the minus sign of the distance of the input-output linkages between two regions in the manufacturing sector:

$$\text{LINK}_{ijt} = -\left| \text{LINK}_{it} - \text{LINK}_{jt} \right|,$$

where $\text{LINK}_{it} = \frac{Q_{it}}{VA_{it}}$, where i denotes the region, Q the output and VA the value added (Forslid et

al. 2002). High values for this variable suggest the existence of vertical, or input-output, linkages between manufacturing industries, where industries are provided with raw materials or semi-finished products for their final goods. However, similarity in the input-output linkages suggests that this might occur at a high or low level of values. For this reason, it is related to the average variable in the input-output linkages between two regions (LLINK). The input-output linkages within this line of thought, are expected to correlate positively with the synchronisation cycles.

Agglomeration economies refer to various forms of clustering of economic activities. In our case, clustering of economic activities can be found at the specific level of aggregation associated with the considerable variation in economic size of the geographical units (regions/cities) and, hence, with an uneven distribution of economic activities (density) across space. Agglomeration economies are represented in the econometric model by two variables of economic density (which is more accurate than size, Ciccone and Hall 1996). The first variable is *dissimilarity in agglomeration economies* (AGGLD), which is the distance in agglomeration between two regions:

$$\text{AGGLD}_{ijt} = \left| \text{AGGL}_{it} - \text{AGGL}_{jt} \right|,$$

where AGGL is estimated using the ratio of the output to the area size: $\text{AGGL}_i = \frac{Q_i}{A_i}$ and

where i denotes the region, Q the output and A the area.

The second variable for agglomeration economies is *dissimilarity in neighbouring agglomeration economies* (NAGGLD), which is estimated by the distance in spatial agglomeration of neighbouring regions that are adjacent to the regions-pairs_{ij}:

$$\text{NAGGLD}_{ijt} = \left| \text{NAGGL}_{it} - \text{NAGGL}_{jt} \right|,$$

where NAGGL is estimated using the ratio of the sum of the output of all neighbouring regions to their total area size: $\text{NAGGL}_i = \frac{\sum_r Q}{\sum_r A}$, where Q is the total output and A the total area size of

the neighbouring regions r of the regions-pairs_{ij} respectively. The AGGL and NAGGL variables refer to the intraregional and interregional externalities respectively. According to Ciccone and Hall (1996), the density of economic activity is a source of enhanced productivity gains due to the effect of spatial externalities leading to increasing returns within regions. Furthermore, any *increase* of economic density creates a multiplier effect in productivity by influencing or steering eventually economic growth cycles. For this reason, we investigate the non-linear relationship of the agglomeration economies (Segal 1976) with the synchronisation cycles by including both the agglomeration and neighbouring agglomeration economies in monad and quadratic power in the econometric model. We assume there could be a critical threshold where differences in intraregional and interregional agglomeration economies affect the business synchronisation cycles between the regions through the differentiated functional impact of these mechanics.

Finally, we include the REG variable as a dummy that defines whether NUTSIII regions are members of the same broader NUTSII region. The positive contribution of this variable suggests the existence of a regional border effect.

We evaluate the econometric model determinants using a cross-section regression, one for each period, and the WLS (weighted least squares) method in order heteroscedasticity to be corrected. The results of the econometric model are displayed in Table 1. More analytically, for the first sub-period, the correlation of the *index of similarity in production* (ISIM) with the synchronisation cycles is positive and statistically significant by the condition of a high share in the dominant sector, which, in this case, is the tertiary sector (the secondary displays low statistical significance, equation 2 of Table 1):

$$\frac{\partial Y_{it}}{\partial \text{ISIM}_{ijt}} = b_3 + b_4 \text{TER}_{ijt} > 0 \Rightarrow \text{TER}_{ijt} > -\frac{b_3}{b_4} \text{ or } \text{TER} > 0.54.$$

The *similarity in manufacturing specialisation* is shown to depend on the factor-intensity, which, in this case, is the capital sector (the consumer displays low statistical significance). Thus, the variable contributes positively and statistically significantly to the dependent variable by the condition of a high capital share:

$$\frac{\partial Y_{it}}{\partial \text{SPEC}_{ijt}} = b_3 + b_4 \text{CAP}_{ijt} > 0 \Rightarrow \text{CAP}_{ijt} > -\frac{b_3}{b_4}, \text{ or } \text{CAP} > 9.59.$$

Both types of productive similarities in the tertiary and capital (from the manufacturing) sectors illustrate the supremacy of regions with a diversified productive base and an advanced technologically productive system. The effect of the *similarity in input-output linkages* in the synchronisation cycles is positive and statistically significant (for every level of values), suggesting the considerable role of vertical integration in the business co-fluctuations of regions:

$$\frac{\partial Y_{it}}{\partial \text{LINK}_{ijt}} = b_3 + b_4 \text{LLINK}_{ijt} > 0 \Rightarrow \text{LLINK}_{ijt} > -\frac{b_3}{b_4} \text{ or } \text{LLINK} > -0.25.$$

Regarding the *dissimilarity in agglomeration economies*, an inverted U-shaped curve shows that, over a certain level, its effect on the synchronisation cycles is negative:

$$\frac{\partial Y_{ijt}}{\partial \text{AGGLD}_{ijt}} = b_3 + 2 \cdot b_4 \text{AGGLD}_{ijt} > 0 \Rightarrow \text{AGGLD}_{ijt} > -\frac{b_3}{2 \cdot b_4} \text{ or } \text{AGGLD} > 719.18.$$

That means that beyond a threshold, the intraregional agglomeration dissimilarities negatively affect business cycle synchronisation among prefectures (NUTS III regions), as the dissimilarities in question reflect the differentiation in the structural characteristics among regions. The *dissimilarity in neighbouring agglomeration economies* displays statistically insignificant relation to the correlation coefficients of the business cycles. Finally, the *regional dummy* variable is positively related to and statistically significant for cycle synchronisation. Obviously, the cycle convergence increases in prefectures in the same NUTS II region.

The econometric results for the second sub-period (1993-2008) accentuate the following peculiarities in the business synchronisation cycle determinants in Greek regions: First, the correlation of the *index of similarity in production* (ISIM) with the synchronisation cycles is positive by the condition of a high share in the secondary sector:

$$\frac{\partial Y_{it}}{\partial \text{ISIM}_{ijt}} = b_3 + b_4 \text{SEC}_{ijt} > 0 \Rightarrow \text{SEC}_{ijt} > -\frac{b_3}{b_4} \text{ or } \text{SEC} > 0.28.$$

Second, the effect of the *similarity in manufacturing specialisation* seems to be dependent on the consumer sector share:

$$\frac{\partial Y_{it}}{\partial \text{SPEC}_{ijt}} = b_3 + b_4 \text{CON}_{ijt} > 0 \Rightarrow \text{CON}_{ijt} > -\frac{b_3}{b_4} \text{ or } \text{CON} > 68.49.$$

Thus, it confirms the hypothesis that specialisation matters to the business co-fluctuations of

regions and specifies the form of specialisation in regions with a labour-intensive productive structure. Third, the relation of the *dissimilarity in neighbouring agglomeration economies* is presumably negative and statistically significant for the synchronisation cycles, whereas the effect of the *dissimilarity in agglomeration economies* to the dependent variable seems to have faded. The results also support an inverted U-curve relation between the *dissimilarity in neighbouring agglomeration economies* with the dependant variable, where, over a critical value, this effect becomes negative:

$$\frac{\partial Y_{ijt}}{\partial NAGGLD_{ijt}} = b_3 + 2 \cdot b_4 NAGGLD_{ijt} > 0 \Rightarrow NAGGLD_{ijt} > -\frac{b_3}{2 \cdot b_4} \text{ or } NAGGLD > 2318.18.$$

It is apparent that, in the second sub-period, where the integration process has proceeded gradually, the synchronisation cycles of the pair-regions are influenced by the dissimilarity agglomeration effects generated by neighbouring regions. That means that the differences in the neighbouring agglomeration impact on the prefectures matters for their differential business cycle fluctuations. Fourth, the relation of the *similarity in input-output linkages* to the synchronisation cycles proved to be positive and statistically significant under the condition of a high level of linkages:

$$\frac{\partial Y_{ijt}}{\partial LLINK_{ijt}} = b_3 + b_4 LLINK_{ijt} > 0 \Rightarrow LLINK_{ijt} > -\frac{b_3}{b_4} \text{ or } LLINK > 0.18.$$

Finally, the coefficient estimator of the *regional dummy* variable maintains the positive value, as well as its statistically significant sign at the second sub-period implying the existence of regional border effect.

Conclusions

This paper attempts to identify the pattern of business synchronisation cycles in Greek regions and the attractors of regional co-fluctuations due to the integration process. The econometric analysis split the time period into two distinct intervals, which accentuated a series of important idiosyncrasies between these two sub-periods associated with the dynamics of integration and the regions' structural characteristics.

During the first sub-period characterised by the accession of Greece in the EU, the gradual regional integration-cum-incipience of the de-industrialisation process triggered important structural and urban transformations. This paper attests that similar levels of agglomeration economies drive co-fluctuations of the economic cycles among the big urban centres. Furthermore, co-fluctuated regions are those that are specialised in the tertiary sector and/or the capital-intensive manufacturing activities indicating the existence of urbanisation economies.

On the contrary at the second sub-period coincided with the completion of the SEM and the creation of the EU, there is a second-stage integration, which affected the medium-sized regions. Obviously, the deepening of European integration adversely affected the industrial structure of Greek regions, which is reflected in the gradual dominance of labour-intensive activities. In that sense, the business cycles of the medium-sized regions seem to be synchronised by the shock of this transition into light industry, which was quasi-symmetric across regions. Moreover, the size of these regions did not allow them to develop a diversified

Table 1

Results of the econometric model of business synchronization cycles in the Greek regions, 1980-2008 (cross-section WLS model)

Independents	period: 1980-1992		period: 1993-2008	
	(1)	(2)	(3)	(4)
ISIM	-5.52	-1.52	-3.73 (***)	-3.26 (***)
ISIM TER	10.18 (*)			-11.22 (***)
ISIM SEC		-2.23 (*)	12.96 (***)	
SPEC	-0.14 (*)	-0.08 (*)	-0.22	-0.02
SPEC CAP	0.01 (***)			-0.0001
SPEC CON		-0.007 (***)	0.003 (*)	
LINK	1.37 (***)	0.41 (***)	-2.69 (**)	-2.18 (**)
LINK LLINK	0.35 (***)	0.18 (***)	0.48 (*)	0.75 (*)
AGGLD	0.002 (**)	0.002	-0.0002	-0.0002
AGGLD ²	-1.4610 ⁻⁶ (**)	-1.3210 ⁻⁶	-1.65 10 ⁻⁸	-1.45 10 ⁻⁸
NAGGLD	0.0002	0.0002	0.0001 (*)	0.0001 (*)
NAGGLD ²	-5.3710 ⁻⁸	-1.1710 ⁻⁷	-3.3010 ⁻⁸ (*)	-2.4610 ⁻⁸ (*)
INTRAREG	0.11	0.09	0.18 (***)	0.18 (***)
R ² adj	0.36	0.21	0.11	0.10
F	68.26	58.26	15.46	13.61
N	1275	1275	1275	1275

*** statistically significant at 1% level, ** statistically significant at 5% level, * statistically significant at 10% level

productive base that could lead to the development of localization economies. The extended de-industrialisation of this sub-period and the poor inherited endowments of regions did not steer them to specialise in sectors with increasing returns. Furthermore, at a higher spatial level, it has been alleged that the international globalisation of markets has led to a more pronounced labour-intensive specialisation in southeastern Europe (Midelfart et al. 2002).

Regarding the economic activities in all sectors, a similar distributional pattern seems to positively affect the synchronicity of the cycles when they are included in the analysis of the average level of either the tertiary or secondary sector shares of the region-pairs. We show that the positive impact of the secondary sector on business cycle synchronicity is associated with construction activities. The latter is either a complementary activity or a substitute for the diminishing industrial performances triggering the growth process of Greek regions mostly in the second sub-period.

The dissimilarities of intra-regional agglomeration economies among the region-pairs are not significant in the second sub-period and seem, instead, to be more important to the

interregional agglomerations of neighbouring regions. The deepening process of integration that, *inter alia*, is associated with building transport and communication infrastructures could explain this. In that sense, spatial integration fosters mainly the interdependence of adjacent regions and thus the redistribution of economic activities. Consequently, the degree of dissimilarity among the interregional agglomeration economies start affecting the business cycle synchronisation between region-pairs conditioned upon the size of the agglomeration differences between their neighbouring regions.

Finally, we make the salient point that business cycles in metropolitan regions in the second sub-period are not synchronised. This reflects the separate route of the metropolitan regions that affects their business cycle synchronisation. The low degree of synchronisation could be an expression of their differential urbanisation economies, which explains the expansion of Attica that took place at the expense of the other regions in Greece. From this point of view, these developments could be interpreted as a further gap in the distributional pattern of economic activities across space and as a perpetuation of the structural dualism of Greece.

Endnotes

1. For each pair of regions the share is emanated from the average shares of the two under study regions.
2. It is calculated by the equation:

$$SPEC_i = \sum_{j=1}^J a_j(i) \ln\left(\frac{a_j(i)}{\alpha_j}\right)$$

with $0 \leq T_i \leq \ln(1/a_j^*)$, a_j^* as the minimum value in the range of values α_j ; j denotes the studied region, J indicates the total number of branches in which region i specialises and a_j is the share of each branch in the studied area. The merits of the Theil index are described broadly in the literature as it is neither scale nor mean dependent, it is not excessively affected by extreme values, it is independent of the number of regions and it is decomposable in between-group and within-group coefficients.

3. For each pair of regions the share is emanated from the average shares of the two under study regions.

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THE JOB EXCHANGES FOR GRADUATES IN ROMANIA – THE ASSESSMENT OF THE TERRITORIAL DISPARITIES

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Abstract: The job exchanges for graduates represent the major offer-and-demand framework organised by the majority of territorial structures of the National Employment Agency, which have a pyramidal/hierarchic structure. The paper focuses on supply and demand territorial aspects on the labour market for graduates; how employer demand is conveyed to graduates and how well the skills that young people gain are utilized on the job. The present study represents a quantitative assessment of the job supply and demand for graduates and a qualitative territorial assessment of the results recorded by the job-exchange for this category of young labour force. This latter approach is based on a series of 7 indicators, in order to point out the main territorial characteristics of the job exchange for graduates. The general assessment index (calculated like the arithmetical average of the standardized values of the indicators selected) varies between 0 and 0.762, the agencies for employment being divided in four categories: 1 - "No activity and no results", 2 - "Very low activity and very few results" and "Low activity and very few result", 3 - "Low activity and few results" and 4 - "Moderate activity and good results".

Key Words: *job exchanges for graduates, supply and demand territorial aspects, Romania.*

Introduction

The analysis of the aspects linked with de job exchanges for graduates, including the territorial disparities of the job supply and demand, requires a theoretical approach of various issues, such as: the particular nature of "goods" that has the work/labour (McConnell, Brue, MacPherson 2003), the role of the political, economic, institutional and educational systems for the succes of the active labour market policy (De Günter, O'Reilly, Schöman 1996), the complex relationships (quantitative, structural, geographical position) between the job supply and demand, between the different types of organization of labour market (Holm, Lorenz, Lundvall, Valeyre 2008), the importance od employability, with many economic, social and psychological benefits attached to it (Cherry, Rodgers 2000, McConnell, Brue, MacPherson 2003), etc.

The job exchanges for graduates represent a way for the increasing the employability, a concept defined as the relative capacity of an individual to achieve meaningful employment, given the interaction between personal characteristics and the labour market, because this type of job-exchange intends to built successful model for the transition of the graduates into employment, which implies bringing together, in a coherent framework, all of the elements affecting employability: education, training, counselling, prior learning and skill assessment, labour market information, hiring and separation practice, work organization, equity, human resources planning and employer-employee relations. In the exchange process between supply

and demand, it is critical to examine these components of the labour market and the characteristics of the matching process itself because the creation of jobs in a modern society are almost independent processes (Ranney, Betancur 1992, Kalleberg, Sørensen 1979). Job exchange aims to facilitate the job/worker mismatches, through which are lead to reduced input flows in unemployment, negative job attitude, and low job satisfaction. Potential discrepancies exist in this exchange. The first is a discrepancy between the skills possessed and the skills required, the second failure is the immobility of workers among occupations and places and the third, there are problems in information flows and possibly even in comprehending that information (De Ron, Deller, Marcouiller, 2004); information on the location of jobs and the skills, required must be widely available to members of the labour force (Ranney, Betancur 1992, Schaeffer 1985, 1987). It is necessary to consider not only factors that affect the supply side of the labour market (such as access to education and training opportunities), but also the demand side (what employers have to offer) and the interplay between supply and demand that is mediated in part by the exchange of labour market information (Brisbois, Orton, Saunders 2008). The results of a job-exchange for graduates should be a measure of the effectiveness of the national, county and local agencies for employment, in fact a measures of the institutional effectiveness in labour market field. Political economy variables, such as left party power (Korpi 1983, 1991, Shalev 1983), unemployment rates, labour force participation rates and other variables may have a strong impact on the effectiveness of active labour market policy. In same time, those variables should be controlled to measure the impact of institutional context (Janoski 1990, 1994).

Recent work on systems of innovation (Amable 2003, Hall, Soskice 2001, Lorenz, Lundvall 2006, Whitley 2006, quoted by Holm, J., Lorenz, Lundvall, Valeyre 2008) has argued that there are systematic relations between the structure of labour markets and systems of social protection on the one hand, and the dynamics of knowledge accumulation and learning at the work place on the other. Active labour market policies, including expenditures on continuous vocational education and other forms of lifelong- learning, contribute to the flexibility of labour markets by supporting the continuous reconfiguration of the workforce's skills and competences (Holm, Lorenz, Lundvall, Valeyre 2008). Based on the analyses and set of variables used in the research (European Working Conditions Survey – EWCS, 2005, Eurostat's Labour Force Survey, from Romans, Hardarson 2007), four main types of work organization were identified: the discretionary learning¹⁾, lean production²⁾, Taylorist³⁾ and traditional or simple structure⁴⁾ forms of work organization (Working conditions in the European Union: Work organization, 2008). The study shows that the lean forms are most present in the new EU member nations (Latvia, Lithuania, Poland and Romania), in the UK and Portugal amongst the EU-15; Taylorist forms are relatively developed in all of the southern nations amongst the EU-15 and in a number of the new member nations including the Czech Republic, Cyprus, Hungary, Bulgaria and Romania (Fig. 1).

1) *The discretionary learning* is characterized by high levels of autonomy at work, learning and problem solving, task complexity, self-assessment of quality of work and, to a lesser extent, autonomous teamwork.

2) *Lean production* is defined by a higher level of teamwork and job rotation, self-assessment of quality of work and quality norms, and the various factors constraining work pace.

3) *Taylorist* corresponds to low autonomy at work, particularly in methods of work, few learning dynamics, little complexity and an overrepresentation of the variables measuring constraints on the pace of work, repetitiveness and monotony of tasks, and quality norms.

4) *Traditional or simple structure* all of the variables of work organization are underrepresented and methods are largely informal and non-codified (Source: *Working conditions in the European Union: Work organization*, 2008).

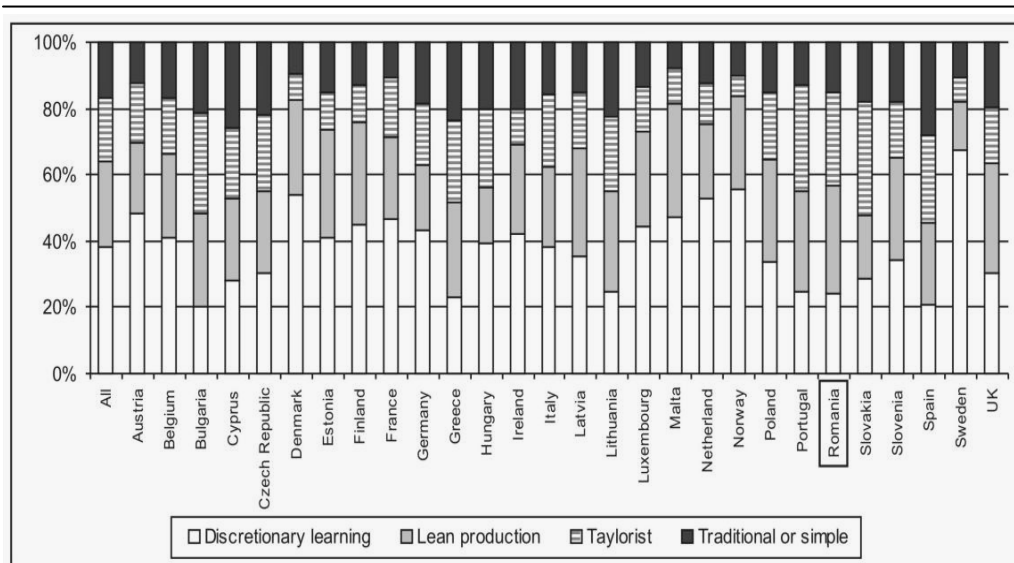


Fig. 1 - Distinctions between countries in forms of work organisation (weighted percent of employees by organisational class) – 2005

(Source: processed information from Holm, J., Lorenz, E., Lundvall, B., Valeyre, A. (2008), *Work Organisation and Systems of Labour Market Regulation in Europe*, http://vbn.aau.dk/files/16278109/HolmLorenzLundvallValeyre_EAEPE08.pdf)

The aim of the different categories of job exchanges (general job exchanges, for youth, for graduates, for Roma, for persons with disabilities etc.) is to supply vacancies work places and to assure the employment. In same time, the job exchanges represent a type of preventive measure applied on the labour market, the target being obtaining the benefits both, the employer and the job seekers. The current economic-financial crisis has sharply reduced the chances for graduates to find a job and, at the same time, unemployment among this category rose in entire country. Therefore, job-exchanges for graduates represent an important labour supply-and-demand framework. The job-exchanges for graduates are organised in September, by all 41 county agencies (+ Agency for Employment of Bucharest Municipality) and by the majority of local agencies for employment and some of the profile working points. During the 2008, 2009 and 2010, the host agencies decreased number, the job supply for graduates and the potential employers were in decline (by 47.6% during the current crisis and by 32.9%, respectively); at the same interval, the job demand increased by 8.7%, and the job demand of the graduates was higher by 8.1% in 2010, compared with 2008 (Fig. 2).

In September 2010, job exchanges for graduates were being held in 86 localities, but only a number of 80 agencies out of the 86 studied had discharged a concrete activity and registered positive results, the others did not benefit by the participation of any economic agent, although about 25-30 had been contacted. Most of these job exchanges were organised by county and local Agencies for Employment (78.9%) rather than by profile working points (Fig. 3).

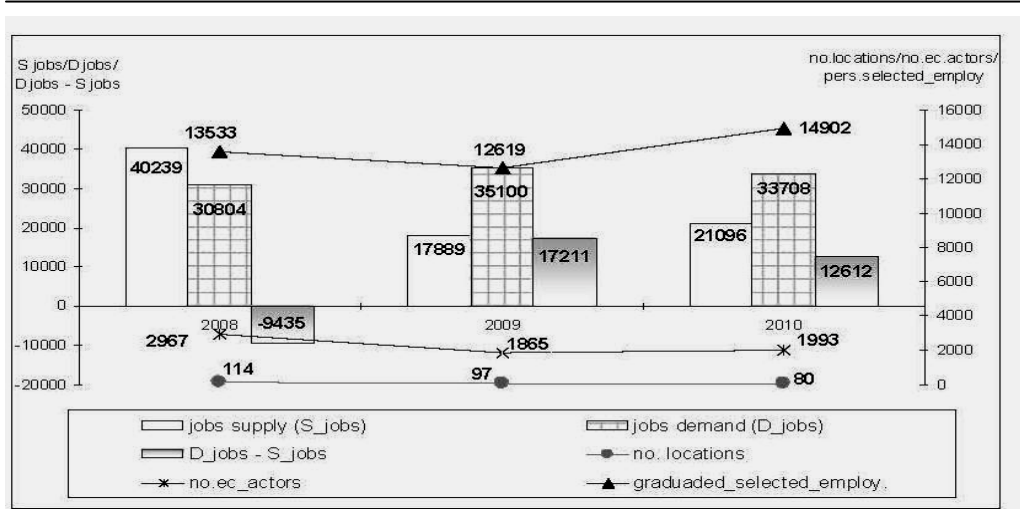


Fig. 2 – General features of the job exchanges for graduates (2008, 2009 and 2010)
 (Source: information processed from National Agency for Employment)

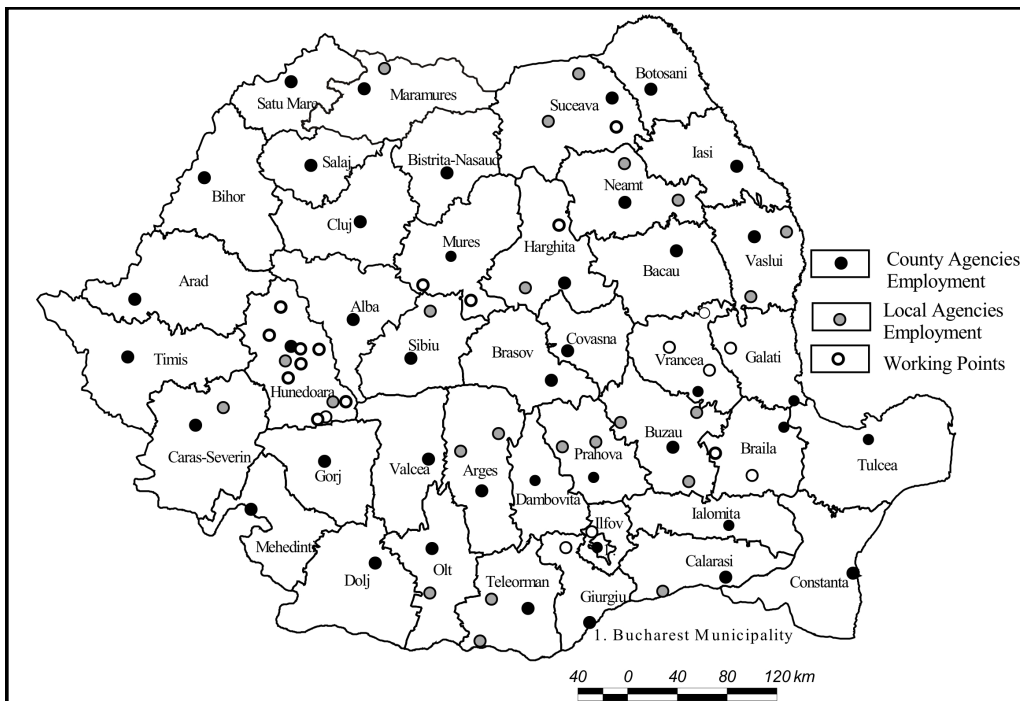


Fig. 3 – The job exchanges for graduates on the map (2010)
 (Source: mapped information from National Agency for Employment)

Materials and Methods

The data-base used is based on the reports on job-exchanges for graduates, published on-line by the National Agency for Employment, under the title *Sinteza datelor privind rezultatele obținute la Bursa locurilor de munca pentru absolvenți din data de 24.09.2010 - evaluare la o lună – Summary data on the results of the Job exchanges for graduates dated September, 24, 2010 – one month evaluation*, (www.anofm.ro). The job exchanges statistical-data are presented in terms of absolute values and the multitude of the type of information offers the possibility to realise some structural/qualitative assessments of the job supply and demand and of the results of the job-exchange for graduates at NUTS III and NUTS V levels.

The present study represents a quantitative assessment of the job supply and demand for graduates and a qualitative territorial assessment of the results recorded by the job exchanges for this category of young labour force. This latter approach is based on a series of 7 indicators, in order to point out the main territorial characteristics of the job exchange for graduates: *the percentage of economic agents participant per total contacted economic agents; the job supply; the job demand; the graduates' job demand; the job supply/job demand; the number of total employed under the job-exchange supply; the number of total graduates employed under the job-exchange supply*. The general/complex assessment of the job exchange for graduates is calculated like the arithmetical average of the standardized values of the indicators selected.

Results and Discussion

Job supply depends on the proportion of economic agents per contacted agents who actually participated in the job-exchange set up in each county. Percentages were under 57, highest

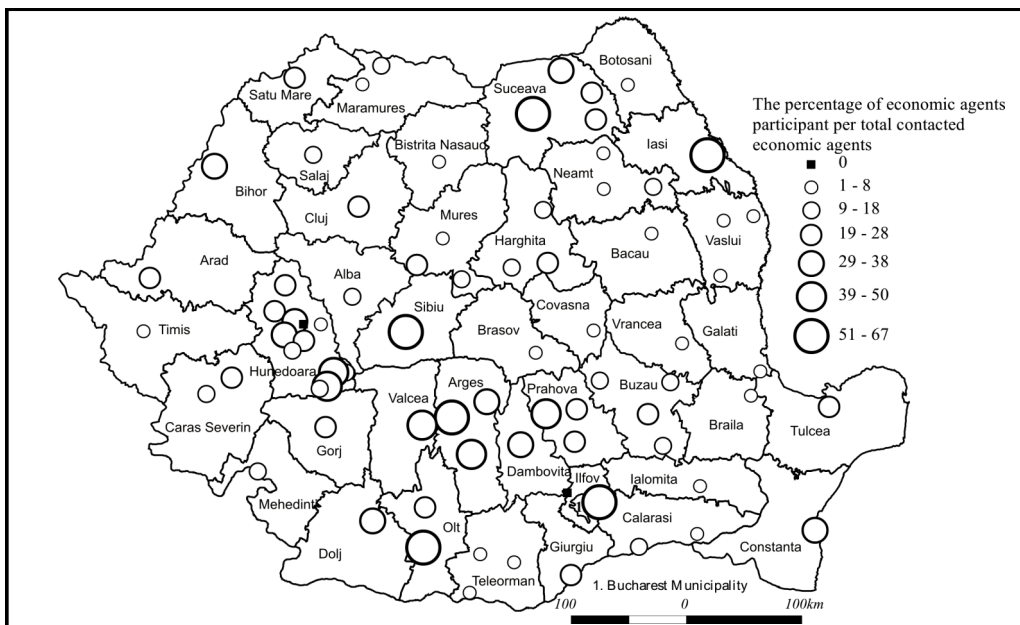


Fig. 4 - The economic agents participant
(Source: mapped information from National Agency for Employment)

participation (39%-57%) registered Iași, Vaslui, Sibiu and Argeș; medium participation registered Suceava and Bihor, a group of counties from the south-west of Romania (Gorj, Dolj, Olt), Dâmbovița and Constanța. In the other 31 counties few and very few contacts attended, so that the supply itself was reduced (under 10% and down to a minimum of 0.4% in Ilfov County) (Fig. 4).

The territorial distribution of the job supply shows that county agencies headed the table (București, Timișoara, Oradea, Iași, Cluj-Napoca, Brașov etc.), second in line coming the local agencies, some county agencies (Arad, Satu Mare, Drobeta-Turnu-Severin, Suceava, Galați etc.), local agencies and working points fell to the bottom of the hierarchy (Fig. 5).

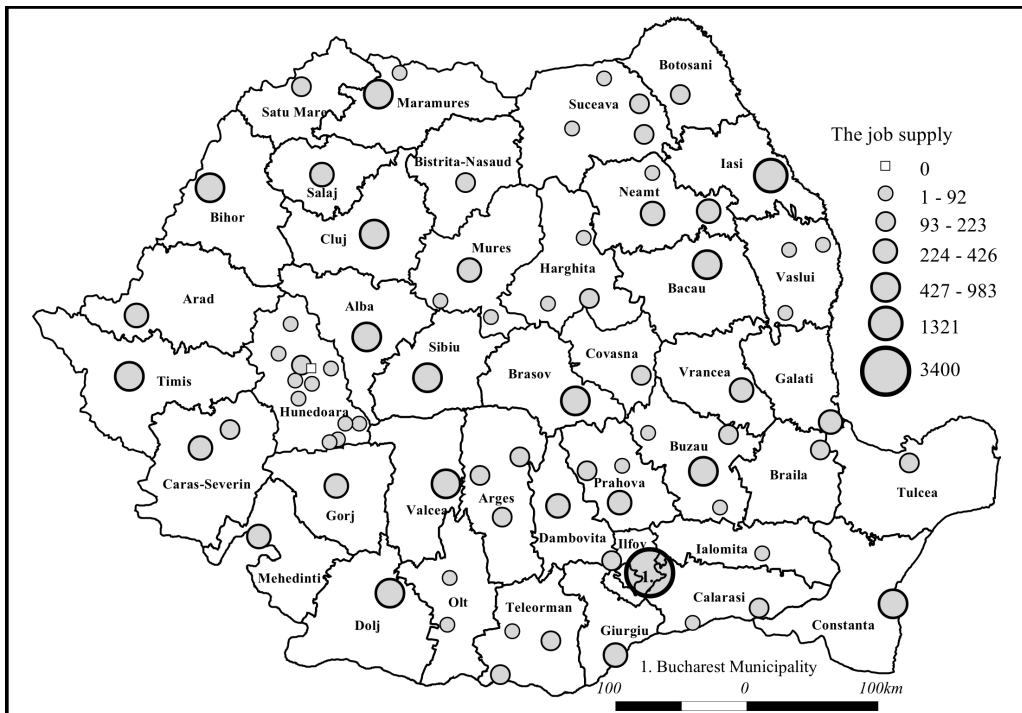


Fig. 5 - The job supply
(Source: mapped information from National Agency for Employment)

Job demand. As far as organising agencies are concerned, demand depended largely on the territorial position of the respective agency within the National Agency for Employment system. More than 1,000 applications registered each of the following county-seat agencies: Iași, Timișoara, Cluj-Napoca, Oradea, Râmnicu Vâlcea, Brașov, and the city of Bucharest; between 999 and 250 had the vast majority of the other county-seat agencies, with the exception of Deva and Călărași (only 51 and 76 applications, respectively); local agencies and working points received 4,441 applications (Fig. 6).

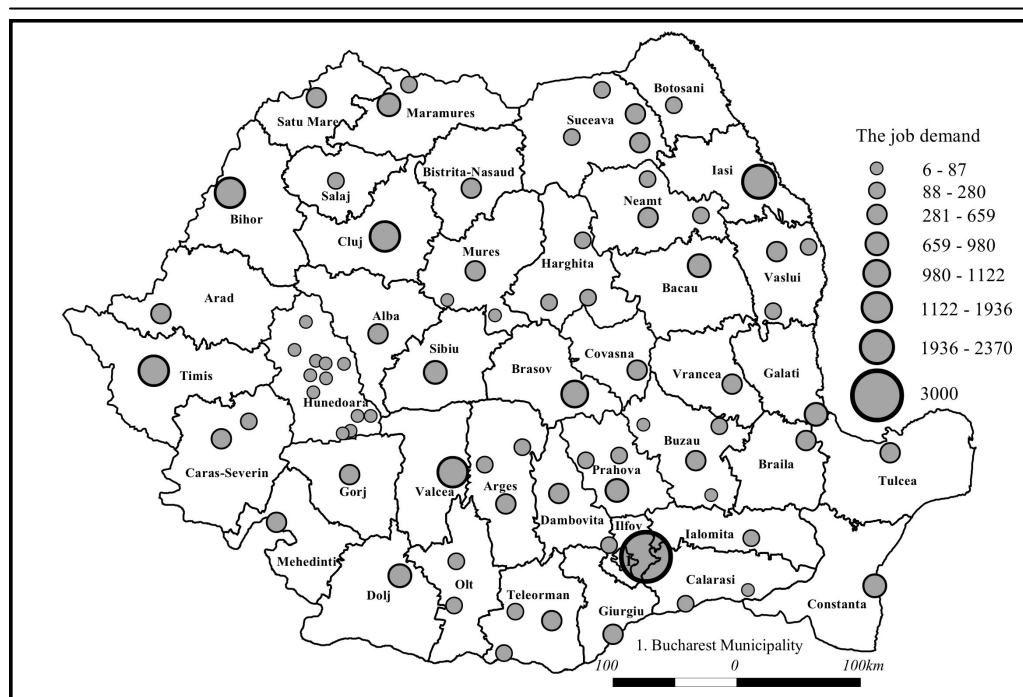


Fig. 6 - The job demand
(Source: mapped information from National Agency for Employment)

In 2010, there is by 3.9% fewer employment seekers than in the previous year, more applications having been registered in Romania's counties situated in the north-east and north (Iasi and Suceava), east (Vaslui and Bacău), west and centre (Timiș, Bihor, Cluj and Brașov), south and south-east (Bucharest, Prahova and Vâlcea, Dolj, Argeș and Teleorman).

In the major university centres, the proportion of graduates who applied for a job was of 77.2%. Numerical disparities in the territory are due on the one hand, to the negative effects of the current crisis on the regional and local economies, and on the others, to the large number of students enrolled in the higher education system in particular. The flows of graduates originate from Bucharest and the other three big university centres (Cluj-Napoca, Iasi and Timișoara), as well as from regional centres (Craiova, Constanța, Oradea, Brașov, Sibiu and Galați) set up within distinct historical regions, or in areas of regional interferences (*Research aimed at the involvement of Romanian universities in urban restructuring and regional development*, http://www.cicadit.ro/ro/projects_n2_2_1.html). In some areas at least, the latter category of graduates outnumbered market demand (Fig. 7).

The relationship between job supply and job demand. Results. In the majority of counties and more especially in Timiș, Bihor, Cluj, Iasi and Prahova, the supply was by far lower than the demand, the same situation in other counties situated in the north and east (Suceava, Vaslui and Galați), south and south-west of Romania (Teleorman, Vâlcea and Dolj). In nine agencies for employment, situated in west and south parts of the country, the job supply topped

demand, the highest two values being registered in Hunedoara (3.7) and Deva (2.6). Alba-Iulia, Călărași, Zalău and Buftea towns had a balanced relationships between job supply and job

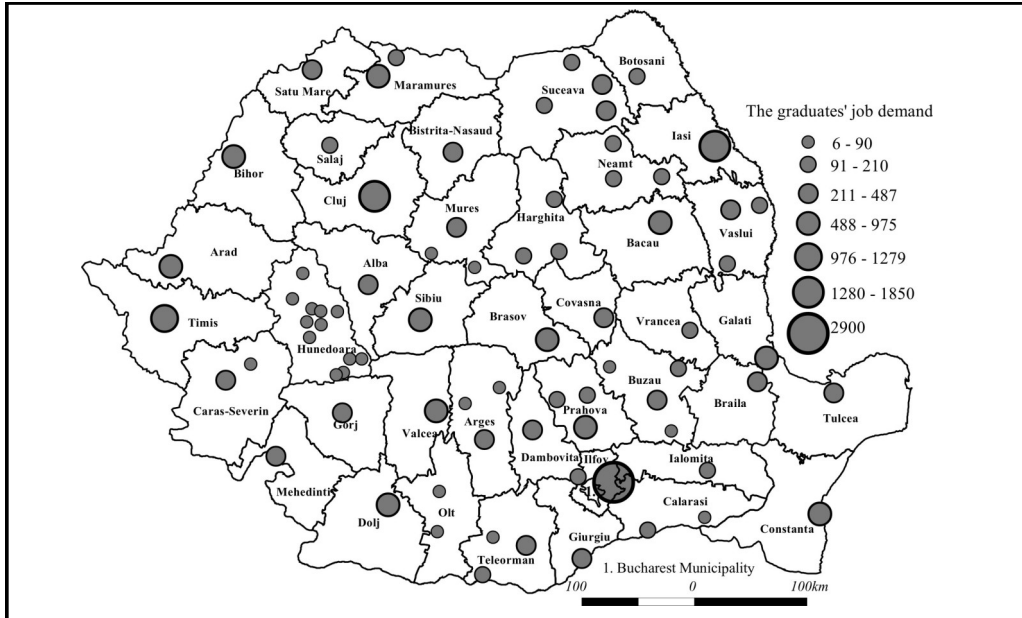


Fig. 7 – The graduates' job demand
(Source: mapped information from National Agency for Employment)

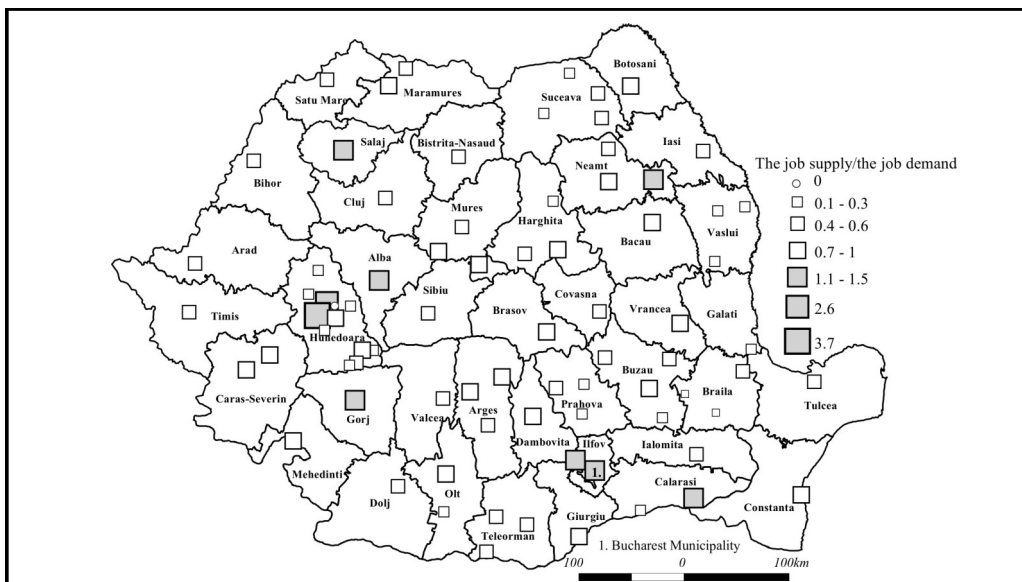


Fig. 8 - The job supply/job demand
(Source: mapped information from National Agency for Employment)

demand (1.5 - 1.2) and Bucharest, Roman and Târgu Jiu had the same value, respectively, 1.1 (Fig. 8).

Concerning the number of total employed under the job exchange supply, in 2010, the situation appeared to be far better than in 2009 (1.8% of employed persons per total participants), since 5.1% of the job-seekers could be employed through all types of job-exchange profiles (job-exchanges were instituted under Law 76, art. 59 and Law 116, art. 5, <http://www.anofm.ro/medierea-muncii-actualizat-la-28-03-2011>). However, in the case of job-exchange for graduates, the year 2010 was among the poorest compared to the other types of exchange) (Table 1).

Table 1

The results of the different types of job-exchange organised by the National Agency for Employment in 2010

Type of job-exchange	% of employed persons per total participants
General job-exchange	17 %
Job-exchanges for different jobs and economic branches	17 %
Job-exchanges for different target-groups and less-favourised persons	12.9 %
Job exchanges for graduates	12.1 %

Source: statistic information processing from *Sinteză privind stadiul realizării Programului de ocupare a forței de muncă al ANOFM, pentru anul 2010*.

The number of total employed under the job-exchange supply was 3,847 persons (only 11.4% per total job demand) and 41.3% from this total was concentrated in five important towns (Bucharest City, Timișoara, Constanța, Craiova and Iași). Two territorial agencies registered none persons employed (Buftea and Bârlad, each of them with significant job-demand: 170 applicants and, respectively, 275 applicants) and 26 county agencies, local agencies and working points had poor results: the number of employed persons was under 10 persons (Fig. 9). In those cases, the share of employed persons per total job-demand represents a low values: 3.03% (3,097 job demands and 94 persons employed). Those weak results were specific for some areas with important and long-term problems concerning employment and unemployment, for example, the mining towns and steel-towns from Hunedoara and Caraș-Severin counties. In those towns, the total job demand was 757 applicants and the percentage of employed persons was 3.30%, the most significant discrepancy being registered in Reșița town, where the job demand was 528 applicants and the number of persons employed was 5 – 0.002%).

For having a better picture of the employment of graduates, the analysis of the territorial distribution of the graduates employed per applicant graduates is very useful. So, the employment of graduates varied widely (0% - 78%) compared to the national mean (12.1%); only 27 job-exchange organising agencies held a better record (Piatra Neamț – 78%, Nehoiu – 63%, Hațeg – 53%, Târgu Jiu – 49%, Bucharest Municipality – 20%, Timișoara – 19% etc.), 49 units standing below average, among which some agencies located in major university centres, e.g. Cluj Napoca – 3%, Iași – 10%.

Despite this situation, in terms of absolute values of the graduates employed under the job exchange supply, outstanding employment results had the county agencies located in big

university centres, such as Bucharest (572 graduates), Constanța (287 graduates), Timișoara (238 graduates), Craiova (216 graduates) and Iași (184 graduates). None of the 150 job

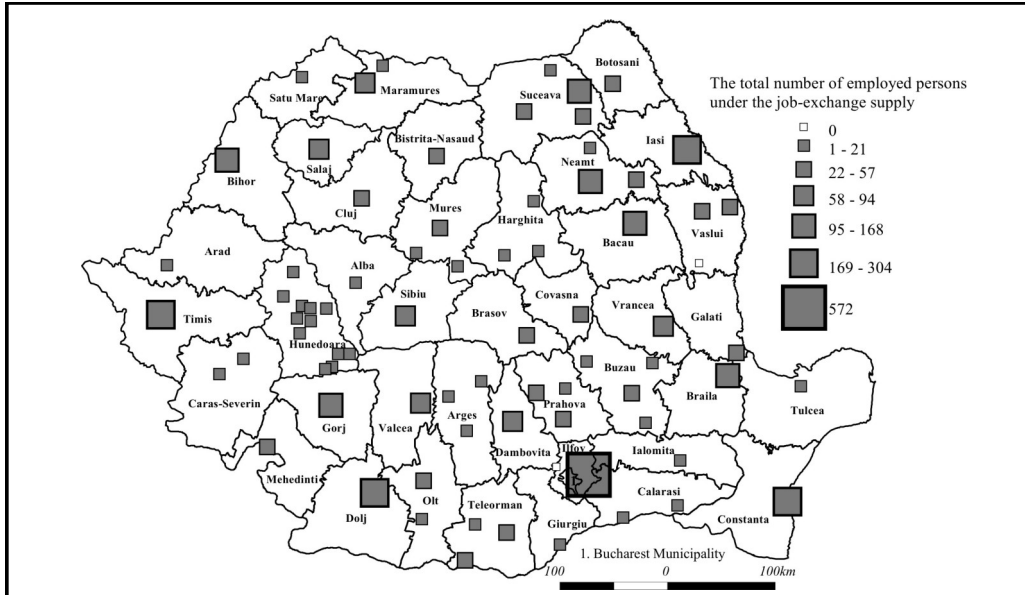


Fig. 9 - The total number of employed persons under the job exchange supply
(Source: mapped information from National Agency for Employment)

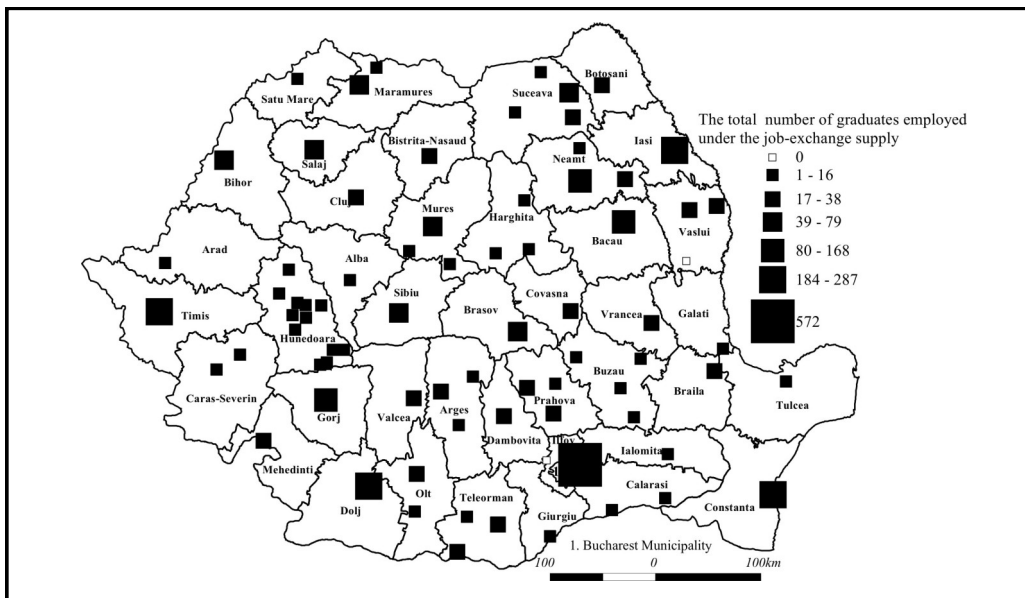


Fig. 10 - The number of total graduates employed under the job exchange supply
(Source: mapped information from National Agency for Employment)

seekers from Buftea (Ilfov County) and 100 from Bârlad (Vaslui County) got a work-place through the respective agencies (Fig. 10).

Conclusions

The general assessment of the job exchange for graduates is calculated like the arithmetical average of the standardized values of the seven indicators selected. The main ideas resulted from the qualitative territorial assessment of the results recorded by this type of job-exchange are the followings:

- two agencies (Insurăței and Făurei, Brăila County) represent the category „*No activity and no results*”, because these did not achieve tangible results, despite the potential economic agents suppliers of jobs and job demand, initially contacted and registered;

- the agencies from the categories “*Very low activity and very few results*” and “*Low activity and very few result*” represent the majority - 83.7%. The low efficiency of their activity is motivated by the very low levels of the standardized values of the following secondary indicators: the job supply (0.001, Lupeni, Hunedoara County), the graduates’ job demand (0.002, Simeria, Hunedoara County), the number of total employed under the job-exchange supply and the number of total graduates employed under the job-exchange supply (for both indicators - 0.002, Ilia, Hunedoara County). Basically, the overwhelming majority of agencies in these two categories are organised job exchanges for graduates because it was one of their duties under the law for the organisation of county and local agencies for employment, the total number of the persons employed being only 351 (of which 297 graduates), ie 9.1% of total employed persons after the performance of job exchange;

- 8 county agencies represent the category “*Low activity and few results*” because of the average and high levels of the standardized values of the secondary indicators concerning the percentage of economic agents participant per total contacted economic agents (Sibiu – 0.853, Iași – 0.790, Râmnicu Vâlcea – 0.682 și Craiova – 0.564), the job demand (Iași – 0.790, Timișoara – 0.645, Cluj-Napoca – 0.600 și Oradea – 0.540) and the graduates’ job demand (Iași – 0.683). In these eight agencies were employed 3,847 persons (34.4% of total persons employed during this type of job exchange), of which 81.9% were graduates employed;

- “*Moderate activity and good results*” is the category represented by one agency, namely Municipal Agency of Bucharest. The percentage of economic agents participant per total contacted economic agents was low but the others standardized values of the secondary indicators were the highest. In this agency, the job supply registered the maximum value but it was overwhelmed by the job demand and the percentage of those employed was only 14.8% (in absolute values, the number of the persons employed was maximum at national level – 572 persons).

At national level, job exchange results were pretty low, only 12.1% of the applicant graduates got a work-place. This is the result of the educational offer in Romania being far higher than actual market needs (Source: *Adaptarea activă a educației universitare la cerințele pieței muncii - Real adjustment of academic education to labour-market demands*, 2009). The findings of this project have shown that only one-fifth of the graduates are actually needed in the job-market and that the structure of the educational offer is not adjusted to real needs.

Higher education graduates occupied only 334 jobs as against a six-time higher employment among pre-university leavers. This situation also comes from a deficient interaction between

the labour-market and the universities supplying potential employees. The authors of the volume *Educație de calitate pentru piața muncii - Quality education for the labour-market* (published under the *Real adjustment of academic education to labour-market demands* project) affirm that: the majority of graduates are dissatisfied with the curriculum preparing them for the job-market, practical training sessions being useless, nor had they got the skills and competences required by a job. The project also highlights significant differences between various study-areas. Best employment chances have the graduates from the departments of Computer and Information Technology and from Communication Sciences (74% in the former case with only 7% being jobless in the first post-graduation year; in the latter case the proportion is 62% and 4%, respectively). Differences in findings a job have the graduates from the Faculty of Law and from Mechanical Engineering (a situation affecting 55% of them;

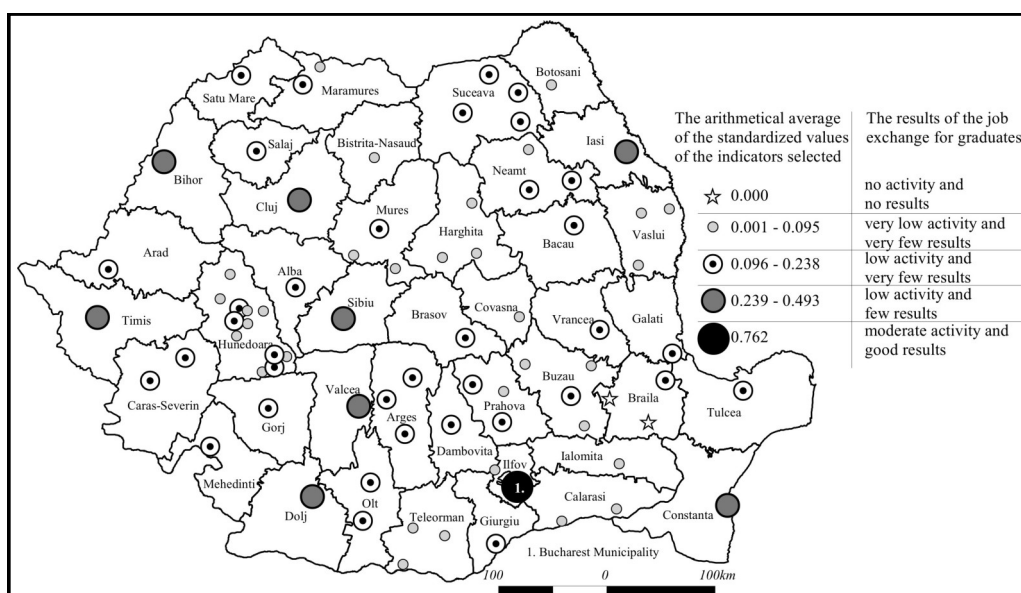


Fig. 11 - The general assessment index of the job-exchange for graduates
(Source: mapped information from National Agency for Employment)

unemployment in the first graduation year stands at 11% and 10%, respectively) (Source: *Quality education for the labour-market, 2009*).

The main problem is to imply more the universities in the process of attenuating territorial unbalances (Ianoș et al. 2010). Involvement potential of a Romanian university in solving local and regional problems, in ensuring the conditions for accelerated development at these levels is extremely varied, taking account of its direct (observed due to its research capacity for a correct individualization of the needs, and for a better solution to cover) and indirect relationships (which implies training of the specialists, local or regional community can having great benefits, using their skills). The partnerships between universities and main actors of the socio-economic, cultural, and politico-administrative life could support universities in constant adaptation of the programs of initial and life-long formation to the specific needs, on the one hand, and could convince local and regional communities to resort, in a usual way, to the expertise, consultancy, and surveys provided by the universities, on the other (Ianoș 2008).

Annex 1

Rank	Agency/working point for employment	The arithmetical average of the standardized values of the indicators selected	Rank	Agency/working point for employment	The arithmetical average of the standardized values of the indicators selected
1	BUCUREȘTI	0.762	32	PETROȘANI	0.138
2	IAȘI	0.493	33	REȘIȚA	0.132
3	TIMIȘOARA	0.355	34	VULCAN	0.131
4	CONSTANȚA	0.350	35	CÂMPULUNG	0.121
5	CRAIOVA	0.308	36	TÂRGU MUREȘ	0.118
6	SIBIU	0.291	37	SATU MARE	0.118
7	ORADEA	0.276	38	FOCȘANI	0.116
8	CLUJ-NAPOCA	0.270	39	TULCEA	0.114
9	RÂMNICU VÂLCEA	0.259	40	ROMAN	0.112
10	TÂRGU JIU	0.238	41	FĂLTICENI	0.109
11	HUNEDOARA	0.217	42	SLATINA	0.109
12	TÂRGOVIȘTE	0.204	43	DROBETA-TURNU SEVERIN	0.105
13	BACĂU	0.200	44	RĂDĂUȚI	0.104
14	BRAȘOV	0.190	45	BRĂILA	0.104
15	CÂMPULUNG MOLDOVENESC	0.185	46	CARANSEBEȘ	0.102
16	DEVA	0.182	47	MIERCUREA CIUC	0.095
17	CURTEA DE ARGEȘ	0.176	48	ALEXANDRIA	0.093
18	PLOIEȘTI	0.174	49	TÂRNĂVENI	0.090
19	BAIA MARE	0.167	50	BISTRIȚA	0.089
20	PITEȘTI	0.165	51	BOTOȘANI	0.087
21	SUCEAVA	0.159	52	SIGHIȘOARA	0.085
22	BUZĂU	0.156	53	CĂLAN	0.085
23	ZALĂU	0.156	54	CĂLĂRAȘI	0.080
24	CÂMPINA	0.153	55	COVASNA	0.077
25	PAȘCANI	0.153	56	RÂMNICU SĂRAT	0.076
26	ALBA IULIA	0.150	57	VĂLENII DE MUNTE	0.071
27	GIURGIU	0.144	58	TURNU MĂGURELE	0.071
28	ARAD	0.144	59	BUFTEA	0.070
29	PIATRA NEAMȚ	0.143	60	SIGHETU MARMAȚIEI	0.068
30	CARACAL	0.139	61	BRAD	0.065
31	GALAȚI	0.139	62	VASLUI	0.060

Rank	Agency/working point for employment	The arithmetical average of the standardized values of the indicators selected	Rank	Agency/working point for employment	The arithmetical average of the standardized values of the indicators selected
63	ILIA	0.059	72	OLTENIȚA	0.042
64	HUȘI	0.056	73	PETRILA	0.040
65	GHEORGHENI	0.055	74	ROȘIORI DE VEDE	0.037
66	ODORHEIU SECUIESC	0.055	75	POGOANELE	0.032
67	HAȚEG	0.051	76	BĂRLAD	0.031
68	TÂRGU NEAMȚ	0.050	77	ORĂȘTIE	0.020
69	NEHOIU	0.048	78	SIMERIA	0.001
70	SLOBOZIA	0.046	79	FĂUREI	0
71	LUPENI	0.044	80	ÎNSURĂȚEI	0

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NEO-ZIONIST FRONTIER LANDSCAPES IN THE OCCUPIED TERRITORIES

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Abstract: Immediately after the 1967 war and the occupation of the West Bank and Gaza the national religious youngsters (Gush Emmunim settlers) reached out to settle the new frontier of the biblical places. By thus, they have developed a Messianic myth. The interpretation of Gush-Emmunim settlers' experience of landscapes reveals a complex and contradictory structure of sense of space. Settlers' mythical sense of space may be understood in two strata - imagined and material. The imagined stratum is conceived mainly in transcendental romantic terms while the material is reified according to classic conceptions. Two main contradictions are outstanding: first, between the romantic representation of Jewish landscapes and the classic representation of Palestinian landscapes in the imagined stratum; second, between the romantic representation of the Jewish home space in the imagined stratum and the classical representation of the suburban Jewish home landscape in the material stratum. The first contradiction is inherent in frontier societies as a means to pseudo-rationalize the colonisation of the land, although in general there may be a mixture of romantic and classic attitudes towards the natives. The settlers pioneering myth is highly subsidised by the government and aggressively backed by military force. This enables them to tolerate the surrounding fear, antagonism and hatred. Thus, the landscape they build represents power and domination with no regard to local nature and to the Palestinian landscapes that are perceived by the settlers as part of it.

Key Words: *colonization, frontier societies, Romantic and Classis visions of human-nature synergy*

Introduction

Shortly after the victory over the Arab countries in June 1967, groups of national religious youngsters started to settle the Biblical Jewish territories, namely the newly occupied territories formerly controlled by Jordan, on the West Bank¹⁾. The messianic national religious Gush-Emmunim movement was one of the leading groups to respond to the divine call to colonise the new frontier, sometimes even contrary to government decisions (Newman 1985, Galili 1993). Although the movement was small during the seventies, it managed to force the Labour government to start the settlement process and it gained strong influence over rightist governments in later years. Kemp (1991) explains that it has attracted the imagination of many Israeli supporters because the frontier culture has remained a major ethos of Zionist ideology even after Zionism agreed to compromise over limited boundaries. Thus, colonising the occupied territories may be viewed as a new wave of frontier expansion, following several prior to independence (Kemp 1991, Aran 1986, De-Shalit 1995, Biger 1997).

In the year 2010, about three hundred thousand settlers live in the Occupied Territories in addition to about 250,000 in territories annexed by greater Jerusalem. About 40,000 of them

1) The term is used popularly to describe the area of Mandatory Palestine west of the River Jordan that was occupied by the Kingdom of Jordan in 1948.

are direct supporters of the movement, which has evolved into settlers' organisation. About fifty thousand more settlers support the national religious movement but adopt a less extremist ideology than the former Gush-Emmunim members. The rest are either secular or Ultra-Orthodox who have settled the Occupied Territories to acquire larger suburban houses cheaply. Our research focuses on the national religious settlers and the main ideological engine behind them-the members of the Gush-Emunim movement that had disseminated in the settlers' council.

The movement adopted a fundamental mythical religious worldview, which has succeeded in challenging the social democratic version of Zionism after the crisis of the 1973 Yom "Kipur war" (Newman 1985). Founded in 1974 as an anti-establishment movement, it received legitimacy after the rise of the rightist government in 1977 (Feige 1999, 2002). Jewish colonisation of the Palestinian frontier may present a live laboratory of the tension between the dream of returning to the local nature of the Holy Land in order to reborn from it as new Neo Zionist Israelis who view religious Judaism as the core of that new identity (Gurevitz 2007) and the practical building of middle class suburbs that are alien to local nature.

The purpose of the following paper is to highlight the discrepancy between their vision of constituting a neo-Zionist identity by settling close to the Holy Land natural environment and the suburban landscape that turns its back on the local nature being built by them. We argue that this discrepancy stems from tensions between the romantic and the classic views of human-nature synergy that guided the imposition of Israeli upper-middle class conventions on the local landscape. This includes the imposition of suburban landscapes that meet the dreams of the Israeli upper-Middle classes and do not fit into the Palestinian perception of local nature and t landscapes, in a way that what Baruch Kimmerling (1983) has described as "limited frontier", as savage, untamed spaces. We contend that these tensions are largely inherent in the frontier culture and may be comprehended, when comparing romantic (A world view that assign nature and life close to nature priority) with classic (A world view that assign civilization and life far from nature priority) interpretations of the human-nature synergy.

We present the argument in three sections following a conceptual introduction. The first unravels the romantic aspects of the colonisation narrative and the second its classic aspects. The third section highlights the contradictions between the two and the inconsistencies between the romantic visionary conceptions of these landscapes and their classic material appearances.

Conceptual Framework

Conflicts between settler and native societies are inherent to frontier colonisation. They are perceived as challenging both the establishment of settler societies and a moral stance towards native societies (Turner 1963, Hasson 1981). David Sibley (1995) widens the argument to any society of "others", which may evoke feelings of hostility and anxiety on the one hand and envy and desire on the other. He conceptualises the frequently mentioned argument concerning the ambivalent attitude toward others – savage and immoral on the one hand and exotic and representing natural and innocent lifestyle on the other. The author argues that segregation is intended to reduce anxiety while raising romantic attitudes toward others although, as he shows, segregation may achieve the opposite results. However, this ambivalent attitude is frequently mentioned in the context of pioneering societies. Turner's narrative best represents the problem. In his model, wild nature reshapes the pioneers into new human beings who from their own side reshape nature and vice versa. Schama (1955) has best commented on the mutual transformation of nature and cultural landscape in the consolidation of nation states.

A romantic approach to human-nature synergy treats settlers' pioneering process, as life close to nature and if possible, in the old motherland, which may revive national life and civilisation while natives are perceived to be innocent pure people well rooted in the local nature (Anderson 1991, Passi 1999). Romantic perceptions of human-nature synergy view nature as a major source of emotions, inspirations and creativity. In nature, people may find clues for rules of harmony, symmetry and proportions as well as for mystery, astonishment and splendour (Sinha 1995). Hence, nature becomes the main source of ethical and aesthetic values and life close to nature is associated with a "good life". In particular, sensual experience and belief that natural, wild human instincts, intuitions and emotions express life's natural drama characterises the romantic worldview. Anachronistic nostalgia for ancient history, when human life was close to nature, is understandable, in this context. Thus, recreating the golden age in the motherland may be perceived as a means to regenerate national identity (Anderson 1997, Ploszajska 2000), even if this is by adopting selective, distorted narratives (Naula 2000, Schnell 2001). Worldviews that guided the preservation of national parks in the U.S.A. viewed Nature as the representation of God, and fusion with God-Nature as an experience of spiritual clarification (Cronon 1995) that may symbolise the return to the "Garden of Eden" (Marchent 1995).

Gush-Emmunim represents a shift in religious Zionist theology from the panentheist doctrine that God includes and interpenetrates the universe while being more than it, to pantheism, which perceives God and Nature to be inseparable. Consequently, Gush-Emmunim now maintains that the holiness of the Holy Land is immanent in the stones and soils of the Land itself (Schwarz 1996, Ravitzki 1998). In the context of the frontier, mystification of nature may serve to glorify the pioneering action – the power of nature to mould a new human being, a wild and noble creature simply innocent and courageous, on the one hand, and the heroic victorious battle of that human being against wild nature associated with savage man on the other hand. This means that the frontier pushes the pioneers into a human – nature synergy from which nature and human beings are expected to be structured and restructured while performing a dramatic and heroic struggle to recreate harmony with nature (Schnell 1997, 1998, 2000). Natives are perceived as authentic unspoilt representatives of local nature, innocent creatures on which the pioneering society may model itself (Dijkink 1996).

A classic view of human-nature synergy treats the settlers as civilized people who impose their order and discipline on frontier landscapes bringing progress to the bewildered frontier (Sinha 1995, Marchent 1995). Culture and Nature are perceived in the case of the American frontier as opposite extremes of a hierarchy with civilised culture at the apex and savages at the base (Light 1995). Similar ideas dominated deterministic environmental theories such as nineteenth century colonial beliefs (Sibley 1995). Accordingly, human beings become the main source for ethical and aesthetic values, and life in towns with geometrically designed gardens is associated with the ideal of "a good life". Human proportions and symmetries are the key sources of aesthetic criteria, and human rationality is accepted as the main legitimisation for action.

By the same token American suburbs may be described as classical representations of human-nature synergy. Being described as disciplined forms embedded in social discourses, which are influenced by British aesthetic (Jenkin 1994, Mitchel 1994, Schein 1997) they impose on nature human order. Above all, they reflect the discourses of individualism, family lifestyle and tight communal life (Davidson 2006). It is not my intention to enter into details in describing the American suburb beyond its characterization as a classic landscape in which the discourses of single family houses with middle classes obsession to well cared gardens, rich with lawns and imported trees and in which households invest their identities as 'perfect consumers of middle

class communities.

In the context of the frontier, nature is perceived to be wild and dangerous, manageable only by very determined and technologically superior struggle. Similarly, the savage native populations are perceived to make no attempt to improve the land, and thus to have no moral right to it. Therefore, they are alien to all moral and aesthetic codes (Cronon 1999). Only by accepting the settlers' civilised culture may they gain moral legitimacy and avoid destruction (Marchent 1995, Light 1995). Demonising the wilderness of nature and of savage man as part of it, serves to legitimise and add distinction to the pioneers, who are perceived as bringing progress to both settlers and natives (Ploszajka 2000, Kimmerling 1983, Schnell 1997, 1999). Furthermore, while the pioneering process is perceived in divine concepts, savage men who are part of nature, have no part in the divine process. In many cases, this distinction is the source of racist ideas (Brody 1983, Leter 2002), articulated to its' extreme in the case of South African Apartheid worldview (Dreper 1998). Michael Fiege (1999, 2002) presents the same argument in his study of Gush-Emmunim without articulating it in terms of romantic and classic terms. He demonstrates romantic aspects in their sense of closeness to God and nature adopting a pantheistic worldview, which may lead to the rebirth of the Jews as well as nature, the use of the Bible as a historical document, interpretation of the landscape and archeological sights in the light of clues from the Bible and representation of the Palestinians as savage. Others emphasise the fundamentalist character of the movement (Sivan 1991), which claims to promote Jewish particularistic identity (Aran 1986) and to save Jews from the corruption of Western cultures (Shafat 1995). They believe that suburban settlements may erase the 1967 borders creating a new Neo-Zionist reality in which the Palestinians will loose grasp on the Land (Newman 2001). As a fundamental movement they speak in the name of a divine order that other people so far fail to grasp, therefore they believe they have a historical responsibility to take the lead (Sprinzak 1991).

In this study we intend to focus on the romantic-classic dilemma in constituting landscapes, arguing that the romantic vision of constituting a neo-Zionist identity by a new wave of nature-cultural landscape dialectic ended up by the constitution of a classic suburban landscape. Such political struggles between the two worldviews appear in one way or another in all pioneering societies including the American and the early Zionist ones (Cronon 1999, De-Shalit 1995). But it seems that the split between the romantic vision and the classic reality has never been so wide.

The present study employs an interpretative methodology that makes it possible to examine memoirs, political articles, geographical representations and art in a broader frame of reference and to identify events that typify it. This paper is sourced from memoirs and political essays and from cartographic maps, photographs and art paintings calling for double hermeneutical interpretation. The use of heterogeneous means of communicating settlers' interpretations is expected to overcome the argument that semiotic interpretations are not intrinsic to the landscape but are mediated by a community of interpreters. Therefore, we focus our investigation on testimonies to settlers' interpretations, hoping that different expressions of cartographic, artistic and verbal interpretations complement each other and expose sets of meanings adopted by wider segments of the settlers' community. In the article each source helps to verify the validity of other sources while spreading some new light on the issues discussed enriching the interpretation. Although the original study examined copious data, we have chosen to present here a limited number of sources that we believe reflect the spirit of perceptions that the settlers have institutionalised and are broadly manifested in their society.

Authors of interpretative texts derive their world of images and meanings from the socio-cultural

and political milieus in which they operate, and play an important role in constructing the social reality of these milieus (Bell Hooks 1991). The process of constructing a double hermeneutic theory entails a dialogue between possible exegetic patterns and the text, in the course of which the author's original narrative is converted into interpretative text. We believe that interpretations of the settlers' landscape perception in the romantic and the classic traditions of understanding human and nature synergy may best highlight the aforementioned contradictions in the settlers' perceptions.

Transcendental Romantic Frontier Landscapes

The following analyses idealisations - texts, paintings, maps and photographs – in a romantic-transcendental narrative of the return to the ancient Eretz-Israel landscape. Texts representing romantic perceptions of nature and surroundings appeared in newspapers, literature and Internet sites identified with Gush-Emmunim. Hanan Porat, one of Gush Emunim's original leaders, describes the return to Gush-Etzion²⁾ after the six-day war.

We debussed at the foot of the solitary tree and walked up the old winding path to Kfar-Etzion. We were a long piebald line, middle-age grey mingling with the black and gold of teenagers in their first ascent. There on the skyline crouched Harei Hebron³⁾ covered in a bluish mist ...the excitement of opening a dusty, faded album of childhood memories hidden somewhere raised goose flesh. Kerbstones on either side of the road among the sand, low trailing vines, quivering golden stalks and clods of hillside earth bore silent witness against loud-mouthed journalists: "the land is very good indeed" (Porat 1988).

In the narrative, replete with emotion but without pathos, Porat does not describe his own 'childhood memories' but the stories that he has heard. By anthropomorphising various components of the landscape, he imbues nature and the surrounding landscape with an active role in the homecoming devoid of heavy historic-national baggage. The description is free from organised, ideological idiom, although the 'middle-aged grey' and 'the childhood memories' hint at the one-time Kibbutz, the battle and the evacuation. 'The land is very good indeed' ignores barren wilderness and challenges sceptics evoking the words of Joshua and Caleb '... an exceeding good land' recalling the Biblical conquest and settlement. Natural, legitimate association with the place derives from previous acquaintance with the surroundings and the Kibbutz's recent existence rather than from ancient traditions, reference to which is, therefore, limited. 'Homecoming' is the central element in Porat's narrative, rather than the intimacy with the environment that is usually distinctive of the romantic approach. The Kibbutz renews historic links with the landscape, and from the national angle, a people returns to its homeland.

The Gush-Etzion regional council published a homecoming song,

We return to our home, to fields of blood and glory.
The mountain has become a legend and its warriors, lions.
Etzion, Etzion, our mountain of light and Sabbath,
Your memory lives in our hearts; you will never fall again.

This is a pledge too much more than a geological formation, endowing the mountain with personal status. The commitment not to abandon it again evokes the Zionist symbol of Massada, 'Massada shall not fall again'. Thus the national legend becomes a personal experience and

2) Bloc of Jewish settlements west of Hebron lost to the Jordanians during the war waged by Arab nations against the nascent Jewish State.

gives rise to the feeling that the interruption of Jewish settlement occurred in their lifetime. This granted the ethos of return an apparently rational, understandable dimension. The heroic motif here is particularly important in Zionist Romanticism (Gorney 1966, Shapira 1992).

Another article appraises the settling of Sebastia demonstrating that it fits one of Gush-Emmunim's most important myths. Here, the element of 'return' is mainly theoretical, for the surroundings are entirely unfamiliar. Beside human heroes, considerable significance attaches to natural phenomena, which acquire mystic-spiritual dimensions. Initially, nature frowns and challenges; cold, damp, wind and dirt toughen, refine and elevate the spirit, essential for achieving the great dream. As the settlers' foothold consolidates, nature's status adapts to collaborate in the settlement process,

The dust that whitens your clothes becomes a partner. Originally it was dirt, but now it is the beloved soil of Eretz-Israel that you merge with. How pleasant ... the Morning Prayer, the blue sky. You breathe the fresh morning air. What can be more suitable than being part of surrounding nature and singing with it? ('Love of Ancient Time' Nekuda 102, p. 49)

Thus, God, man and nature join to accompany the homecoming.

Further support for the transcendental messianic-redemption dimension of the narrative appeared one year after the first Intifada, under the headline 'Latest Tidings of Gush-Emmunim'. These described preparations to establish a new settlement south of Hebron, which it defined as spiritual, religious assignments to return the people to the Land, Nature and Torah and become close to Heaven and Earth (Nekuda 122). The act of settlement is self-liberating, religious rehabilitation that purifies the return to mother-earth.

In many of their Internet sites and elsewhere, Gush-Emmunim settlers express their ideology by emphasising the unbroken historical continuity between their settlements and locations of past Jewish activity. Settlements' names like Beit-El Anatot and close to half of the settlements' names are rooted in the Bible and are followed by an attempt locate the Biblical place at the same location (Schnell, 2011). Undeniably there is much covert selectivity and spatial manipulation in this. Nevertheless, introducing past splendour in the current environmental narrative enhances its Romantic nature – not invasion of alien space but return to ancestral lands, enabling one to re-enact different Biblical stories from one's veranda.

The Samaria district council declares that its settlements are near ancient First and Second Temple sites, or those from the Mishnah and Talmud periods (Slonim 1998). The historical context validates the settlement ideology and highlights the resurrection of ancient Samaria. The Gush-Emmunim settlers' romantic-transcendental environmental narrative is one of return to the landscapes of indomitable forefathers; a narrative of the symbolism and legends of national heroism spatially integrated with spiritual rehabilitation and return to Nature.

The following is a short review of paintings by Gush-Emmunim settler artists that display similarity and a common outlook. It aims at better understanding their romantic perception of the landscape. Their work supports the environmental-romantic narrative at another cultural level, representing both very profound socio-cultural perceptions and simultaneously moulding environmental outlooks in the public discourse. Initially, Shmuel Moshannik's painting, 'Judean Fields', seems to depict a peaceful, rural landscape. However, an air of mystery derives from the hazy horizon, the vanishing path at the centre and traces of ancient lifestyles - terracing, olive trees, path - but whom does all this belong to?

Baruch Nachshon's serene, imaginative, flawless landscapes reveal a similar romantic nostalgia for Biblical times and consensus with the outside world. Ancient architecture - domed roofs and minarets, and figures wearing skullcaps and ritual fringes, and sounding the shofar⁴) communicate the artist's perceptions of our forefathers' landscape. A strong messianic - light envelops everything, reminiscent of Diaspora painting styles, light, without shadow, divinely absolute (Hirschfeld 1989). The artist claims that he paints a future messianic experience rather than past or present. Nonetheless, his aesthetic-idealistic world romanticises the local landscape and integrates with it.

A similar atmosphere pervades Nachman Rechel's work that says he paints ethno-messianic events that appear to occur in Eretz-Israel. 'The Jordan', seemingly a conventional landscape, is charged with ethnic meaning. He writes, 'The ancient river's flow forever alternates between shade and light, times of darkness and light for Israel.' Time is indefinite in his work; landscape and aesthetics are ancient but the messianic vision is futuristic, dissociated from current Israeli experience. Light is mystically divine. Water expresses God's holy, pure gift.

Three other paintings represent Israel's homecoming to the awaiting, unpopulated wilderness, which thus acquires a messianic radiance.

'Templewards' evokes the Temple, diffusing a golden light, as the cynosure in an idealistic, soul-inspiring landscape. The spellbound gaze of shepherd and flock towards it highlights the messianic theme. The shepherd presents the desired, authentic lifestyle.



Fig. 1 - Rechel, A messianic vision of the new exodus

In Rechel's 'Grace after Meals', the Temple Mount at the wilderness' centre emphasises the divine connection with the earth. He explains that this is how all Jews imagine Jerusalem. At the bottom of the painting 'The Seven Fruits' of Eretz-Israel⁵) appear with the prayer-book open to show the second paragraph of the eponymous prayer⁶). The 'land of goodness and delight' is

4) A ram's-horn trumpet used by Jews in religious ceremonies and as an ancient battle signal.

5) Wheat, barley, vines, fig-trees, pomegranates, olive-trees and date honey. Deut. 8.8.

6) Commencing with the words, 'We thank you Lord God for the land of delight and goodness that you have endowed us...

available for Jews who will come to trust in its holiness and enjoy its fruits.

Cartographical expressions of space may imply ethnic interpretations of surrounding landscape. The supporters of the Lev Ha-Aretz tourist authority mainly tend politically towards Gush-Emmunim. The frontispiece of their map, 'Heart of the Bible Land', presents a very symbolic picture of Eretz-Israel, with the curving Mediterranean coast in the West, and the greenery and dramatic, romantic profusion of Jordan waters in the North. The camel and historical figures surrounded by well-preserved ancient sites in the centre represent the Biblical past. The locally produced Jeep represents the present. The title specifies an environmental experience deriving directly from the romantic, Biblical world of aesthetic imagery.

The map highlights history. The Palestinian controlled 'A' areas⁷⁾ appear as obscure yellow patches, Palestinian villages and towns are absent, excepting Bethlehem and Hebron, which have Biblical, Jewish associations. Contrastingly, Gush-Emmunim settlements appear conspicuously as small, red-roofed, rural houses with garden and tree. Frontispiece and map contribute to the romantic narrative mainly in the temporal dimension. Fantasy exists outside time. It emphasises the narrative's irrational aspects, incorporating heroic past, pastoral present and future messianic absolutism to influence the apprehension of reality.

While romantic-transcendentalism appears ubiquitously in texts and paintings identifiable with Gush-Emmunim, surprisingly little in the actual scenery of their settlements is attributable to such perspectives. However, some examples do appear in the religious buildings that dominate settlements of those conforming to religious tradition⁸⁾.

Unadorned stone-covered arches surround the Othniel Torah Study House's entrance, resembling a classic archaeological but environmentally appropriate site. The presence of palms, more suitable in the coastal plain, symbolises folkloristic authenticity. The surrounding lawns indicate significant expenditure, but represent another aesthetical style.

Moshav Gadid's synagogue is pictured on the Internet. The arch-adorned windows surrounding the building and the polygonal outline with a small dome rising from the roof's centre are oriental elements. Here, too, the palm has more than ornamental meaning; its fruit, height and symmetry symbolise the positive for Jews. Although less important than the olive or vine, it is included among the aforementioned 'Seven Fruits'. Since the dawn of Zionism it has expressed Jewish roots in the East. Furthermore it became the symbol of orientalist images among Jews in Diaspora. Similar styles are evident in religious buildings in other Gush-Emmunim settlements.

Unlike other romantic approaches that display some admiration for indigenous culture, the settlers' romantic narrative reveals no empathy with Palestinian representatives of local Arab culture. The settlers are tuned towards a different temporal experience, rejecting anything that might negatively affect their fantasy, despite some aesthetic attraction towards what is considered authentic in the Arab landscape.

Possibly, planning authorities devoted insufficient attention to romantic expression in architecture; but, over time, the community's everyday life imposes its unique character on the settlement scenery. Consequently, scarcity of romantic manifestations in it is not solely attributable to preliminary lack of orientation, which raises doubts about the authenticity and

7) Areas of Palestinian self-government.

8) As opposed to the ultra-orthodox.

relevance of the romantic narrative in the settlers' routine perceptions of nature and landscape. Wherever they make contact with their surroundings, they deliberately ignore undeniable aesthetic values of beauty and everything justifying their ideology and self-sacrifice. The landscape functions as a touchstone and the romantic narrative loses part of its essential vigour in the gap between the perceived and the actual dimensions of the environment and scenery.



Fig. 2 - The Synagogue in Gadid

The Classic Narrative

The Wilderness. Gush-Emmunim's principal narrative regarding the new territories is desert reclamation, which reiterates Zionist traditions that Eretz-Israel is part of the global, white-man's frontier. There, enlightened Israeli civilisation encounters backward Arabs, whose untamed nature must be refined to bring enlightenment and progress (Hasson 1981). The wasteland is antithetical to Jewish construction, development and productivity. In the settlers' narrative today, earlier Zionist symbolism of reclamation, ploughed fields and progressive factories, yields to middle-class criteria of large detached, red-roofed houses and children's playgrounds.

In essence, the settlers' narrative is wasteland eradication. However, reality is more complex than this oversimplification and requires clarification of the term 'wasteland'. The author of 'The Core Issue of Eretz-Israel' in the 'Yesh B'Yesha' anthology writes,

Yesha is under-populated, with only 30% of the region exploited for building, development or agriculture and the remainder completely wilderness. Anyone travelling along its main or back roads passes bare, rocky, unpopulated hills, finding four Arab and two Jewish villages rather than a possible fifty between Ramallah and Latrun... Eight Arab villages and a growing number of Jewish settlements and townships, including the town of Ariel, are located along the main road crossing Samaria...thus the developing region includes economically backward, under-populated areas... the so-called Arab towns in Yesha are merely small urban communities... Nablus, the largest, is no bigger than one Jerusalem neighbourhood...without traffic lights,

multi-storied buildings or pay parking... The second largest Israeli industrial park is in the council's district, with 100 factories... in most settlements there are industrial zones with small factories and workshops (Yesh Beyesha 20.3.1987).

With characteristic colonial arrogance the article states that improvement of the local underdevelopment demands modern, progressive resettlement, and implies that what does not represent progress is wasteland and must yield to settlers representing modern forces. Identifying natives' wilderness with cultural inferiority is typical of the classic frontiersmen's approach that considers the natives wild and uncivilised.

A Gush-Emmunim settler provides another dimension of the wilderness. She reports her father's reactions after studying the landscape,

...mountains, low Arab houses, olives, sheep, well...everything is from Genesis... Have you settled here to start from the beginning?" he asked and, taking a hoe, prepared plots by the prefab for vegetables and flowers...

The landscape's meaning and legitimacy of the settlement process appears through her father's eyes. The surroundings reveal primordialism that requires enlightening transformation into plots for vegetables and flowers. She remembered her uncle expressing his hope that a large, dynamic town would evolve. He used to mention in his stories to her the fear and emptiness when riding in convoy with fruit from Galilee via Nablus to Jerusalem in 1931, without one Jewish house for shelter. Emptiness and wilderness have ethnic and religious connotations. Emptiness indicates absence of Jews and Jewish settlement but not of other lifestyles; for the portrayed landscape is not specifically empty countryside. It is packed with evidence of active human presence – water-well, house, olives...During the earlier journey to Jerusalem the travellers' dominant feeling was fear and emptiness; now the settlement process fills the emptiness with the known thus overcoming fear.

The wilderness, meaning Jewish absence, is unacceptable and Jews must settle it. Arabs are uncivilised, part of the surrounding desolation; Jews represent civilisation and are entitled to dominate the wilderness, in its name. An article, 'Thirty minutes from Qiryat Arba'⁹⁾, explains why the settlers chose the remote location,

The founders visited Harei Hebron, discovered the Jewish settlements' sparse distribution and decided to settle there (A leaflet distributed on 1983).

The only reason for the settlement's location is to eliminate Jewish absence. The Har Hebron regional council Internet site reports,

Alongside the autonomous rural Arab areas are many uninhabited areas awaiting Jewish settlement development.

Recognising the others' presence does not diminish ideological fervour in identifying empty space for settlement, despite changing political realities.

Bird's-eye views of settlements like Migdalim, Othniel and Nahliel reveal alien settlement fortifications in wild, hostile surroundings (Fig. 3). More critical examination reveals that although sited on rocky, uncultivated hills, they are encompassed by cultivated space that has retained its traditional character for hundreds of years; olive terraces fill every scrap of

9) Gush-Emmunim settlement on north-east outskirts of Hebron.

cultivable land that slopes uphill in the valleys. A peripheral road isolates the settlement from these landscapes that harmoniously integrate with nature. Its approach road cuts abruptly across cultivated terraces and pastureland, linking the settlement with a central road system designed to bypass the Arab villages. At night, powerful, yellowish, automatic floodlights illuminate the Jewish settlement boundary and its roads. The spotlighted hilltops emphasise the gloom of the Palestinian villages, reinforcing the idea of a wilderness awaiting Jewish development.



Fig. 3 - A bird eye view of a settlement

Another concept requiring clarification is 'making the wilderness bloom'. In Yesha this means making the countryside green. An article, 'Thus a State gets built', describes Beit Yatir settlement,

At an altitude of 900m, Beit Yatir overlooks the desert fringe surrounding it. Did I say desert? What about that greenery: woods, orchards, and vineyards? Indeed, the desert is almost eliminated (Ben Pazi 1988).

And another testimony from Beit El supplements the argument:

One sees much greenery in Beit El, lawns, trees and bushes, profusions of flowering roses... eight years ago I worked a full day, before the previous Shmita¹⁰⁾, to make the Beit El desert bloom (A leaflet distributed in Beit El 1993).

Lawns, roses and greenery exemplify not necessarily local landscape, but suburban landscape with English free style gardens. The eyes look out of a friendly, green bubble at arid desolation; thus greenery is the ultimate manifestation of desert elimination. The cool, green lawn, reminiscent of earlier domestic scenes, summarises the contradiction between the settlement and its surroundings arid like landscapes. The stretch of lawn and patch of domestic garden cannot easily overcome nature's hostility to become rooted in the scorched environment. Environmental alienation is the consequence. There is an analogy between their relative success and the inescapable challenge of holding on to this specific area.

10) The seventh year in a seven-year cycle, when land in Israel lies fallow and debts are cancelled.

The settlement's crowdedness and heavy traffic, as the antithesis to the uninhabited surroundings, is the answer to the empty, open spaces.

The following description of Beit Yatir's economic sectors demonstrates the modern productive element in the classic narrative.

This was a godforsaken, intimidating wilderness. Settlers shrunk from everything. It was a tremendous challenge, but we 'took up the gauntlet'...We could overcome the desert, if there were water. Development investments were enormous; economically, the orchards will never justify the cost of the water pipe, but that is how Israel was created...There is no comparison between the Palestinians' life today and under Jordanian rule. Nearly all their Yesha villages have electricity. They have refrigerators, television, piped water, laundry-machines...electricity means women's liberation. Most men speak Hebrew from working for us... One needs time to understand the area's uniqueness concerning field crops. Cotton is reasonably profitable, thanks to new expertise. Although chicken-coops are high-cost state-of-the-art, they are profitable. For three years, I coordinated the sheepfold intensively like an 'industrial crop' with precisely planned expensive fodder and without romance...we worked night and day and made considerable headway. (Ben Pazi 1988).

Overcoming the desolated wilderness is a tremendously challenging mission without benefit or gain, and enlightened occupation has promoted progress among the Palestinians. The account details the agricultural diversity and the partially successful struggle against the uncompromising environment. The settlers have brought progress and expect the Palestinians to be grateful.

Naomi Frankel, an author from Qiryat Arba, writes in a Har Hebron regional council publication intended to encourage young couples to live in its settlements:

Twenty years ago Har Hebron region was unsettled by Jews. The first settlement appeared in 5740 (According to the Jewish calendar, or 1980 according to the Christian calendar) ... now there are fifteen more with diverse lifestyles. All were established to populate the area and reclaim the desert through farming, industry and tourism...now Har Hebron is full of life... the introduction is over but there is much to do, the agenda includes expanding settlements, infrastructure and employment ...developing the educational and cultural system based on instilling values and strengthening settlement roots.

The reality of the landscape narrative in the above is naturally rather superficial. The gap is conspicuous between the absolute wilderness existing twenty years ago and today's blossoming prosperity thanks to fifteen little Jewish settlements; a wilderness suddenly becomes a flourishing garden.

The following manifests a different perspective:

After we passed through Arab villages blending naturally into the hilly landscape, 'Nili'¹¹⁾ seems like Lego houses stuck on the bare mountain. The houses will take root in their land, after trees and greenery surround them. (Ben Pazi 1988).

The author's atypical disapproval implies discomfort at landscape foreignness, despite ideological leanings. However, it turns out that landscape gardening will engender feelings of rootedness, thus achieving desired legitimacy. The next critical quotation should be understood as part of the same worldview:

11) Gush-Emmunim settlement

We have discarded our swaddling-clothes; there are no more embryonic pioneering settlements...it is not a trivial matter, for the appearance of the settlement and its interior aspect influence visitors - opponents and champions - no less than atmosphere and ideology ...we must improve our landscape gardening (Ben Pazi 1988).

Landscape gardening in the suburban classic English style - lawns, hedges and flowerbeds – requires artificial watering. It instils feelings of home and protection against hostile nature. The stability, legitimacy and normalcy that it radiates are important instruments in gaining public support; their absence, displaying impermanence, would encourage political opposition. The essence of the suburban classic outlook is that civilised men transform Creation and design new, natural surroundings for themselves. Like the North American suburban lifestyle obsession to lawns and English style gardening best characterizes the celebration of victory over nature and the celebration of the upper-middle class material achievements. In contrast, uncivilized human beings must adapt themselves and fit their lifestyle to natural forces that they cannot transcend.

The settlers' classic narrative outlines a dynamic approach that spatially transforms a primitive landscape into an advanced one, turning aridity into greenness and replacing backwardness with progress and prosperity. The suburban landscapes in the narrative indicate estrangement from the natural and romantic environment that was the domain of the Patriarchs' fabulous deeds. Its reasoning demands comprehensive planning and control over future developments. Specialists steer regional development plans with the avowed purpose of strengthening Jewish settlement. Projects are instituted to improve the infrastructure and reduce friction with Palestinians. These include bypasses and 'secure bridges', and professional and technological education, constructing industrial parks and developing 'telecommuting' to replace commuting, promoting advanced farming and developing picturesque sites and tourism. This will continue the illusion of spatial wastes devoid of Arabs. Palestinians, who were expected to welcome progress brought by the settlers in the 1980s, are excluded from the dream of regional prosperity in the 2000s. Their presence is perceived as obstructing development. Development and prosperity are directed exclusively to settlers and achievable only if denied to Palestinians.

Landscape conquest – Israelising the Landscape

This section deals with an exceptionally sensitive political aspect of the settlers' activities in nature, namely, their efforts to 'Israelise' it. The pioneers' attitude is that their activities are within the context of the national, religious and ethnic conflict with the Palestinians, in a zero-sum game where only one of the two sides can be present. Dismissing the 'other' and emphasising everything expressing 'Israeliness' are part of this. The following illustrates this by referring to published statements and by describing the architecture, layout and surroundings of various settlements and buildings.

The Neve Dekalim Yeshivat Hesder¹²⁾ is a prominent three-storied structure, sited at the edge of the settlement close to the Neve-Dekalim industrial park, adjacent to Khan-Yunis¹³⁾. Standing out in the sensitive border area between Khan-Yunis and Neve Dekalim, it seems to send a belligerent message of national defiance.

The Nahal-Oz¹⁴⁾ roadblock seems briefly the boundary of sanity, on the other side,

12) Combined army service and Judaic studies program of the Israeli army.

13) A Palestinian township in the Gaza strip.

14) Israeli kibbutz bordering the Gaza strip.

madness and fear. When I ask the longhaired reservists whether I am on the right road, before I say where, they reply with conviction, "No!" ... an electronic fence induces fear, and invisible signs shout, "Enemy territory." ...after one and half kilometres, a gate in the fence, a yellow roadblock, a watchtower and soldiers... "Don't stand so exposed! ... Don't forget the apparent peacefulness is deceptive." Even a flock of sheep approaching the fence increases tension... finger firm on the trigger-guard. Seven minutes drive into the Palestinian Autonomy. Jeep leading, two following, and I feel quite safe. But, oddly, somehow all the passing scenery reveals only tree-trunks broken into strange angles, twisted chunks of rusty metal that were once something else and some new automobiles, that earlier had other owners... (M. Dolev, Nekudah 183).

The drive to Netzarim reveals 'invisible signs' that increase alienation, threat and panic; fences, roadblocks, watchtowers, allegedly 'security elements', somehow arouse fear. The barrier they create changes from functionally separating territories with different political status to isolating the writer's familiar world of sanity and enlightenment from the other alien, savage one.

Two photographs, 'Palestinian landscape viewed across rocks blocking the approach road to Palestinian Tekoah.' and 'the surroundings of Pesagot', illustrate the same dissociating alienation. Concrete walls, fences, and watchtowers protect the settlers, who see the other landscape across these segregating systems.

A similar experience is described in 'Sabbath in Gush-Qatif'

We drew near the Kissufim roadblock, leaving Israel as we rapidly passed the eucalyptus grove. Approaching the roadblock became more and more like an unavoidable clash with a truck. We saw a brown structure; not grey like the sky or brown like the land, but grey as iron and brown as muddy mortar... I gazed along the roadside wanting to stare at our murderers ... instead of former trees and groves; muddy fields churned by armoured tracks extend, with Mirkavah tanks seemingly stuck fast in the mud. Concrete walls appear from nowhere, and soldiers loaded with protective wear blink through the concertina wire ... Cubes of concrete replace the uprooted eucalyptuses, dividing the road into Jewish and Arab sides. Do Israel lovers uproot trees so readily? Muddy fields, overcast skies, scattered heavy weaponry together made the place like a battlefield ... (Nekudah 239).

The roadblock is an unofficial boundary. The area beyond it is not perceived as Israel and has been denuded by the army. The hostile landscape transformation upsets the observer and raises doubts about a love of Eretz-Israel that is accompanied by landscape destruction. A Gush-Qatif settler returning from central Israel passes through menacing roadblocks and ruined wasteland before reaching Gush-Qatif. On the way to the hothouses, the settlers negotiate four different types of fence and roadblock - around Gaza-Strip, Gush-Qatif, the settlement and the hothouses. These obstacles segregate civilized settlers from bewildered Palestinians. Beside the alienation and fear resulting from the multiplicity of defensive measures dispersed in the countryside, the disparity in lifestyle appearing in the disorder, litter, neglect, wear and lawlessness - stolen vehicles - add to the menace and disquiet.

Three of Shmuel Moshannik's paintings illustrate the local landscape. His scenery is not idyllic; marked anxiety, nervous suspense, unease and emotional upheaval all emerge through the superficial pastoral simplicity. In one painting, a skull-capped Jew

contemplates the facing view, evidently of Arab space. It is an intense blue complex, with scores of windows like wide-open eyes, a hostile location projecting an aggressive, harassing aura. The artist explains that beside man's personality, which the painting expresses independent of time or space, there are also moods that time and space do create.

In the two other paintings, the artist presents ancient, timeworn, stone structures that proclaim emptiness, the setting for ancient or future events, which are not necessarily blessings – the bloody clashes of 1929 or Armageddon? The arena of events is oriental and lacks 'players'. Moshannik paints the Hebron scene without people. The buildings seem charged with evil. The town square is empty, awaiting its new inhabitants. Human activity is depicted as though it does not belong to the Hebron scenario and even damages it and would be appropriate for the artist to ignore. In a third painting, the intense colouring seems to express a messianic-apocalyptic, warlike event, a presentiment of judgement day, the end of the familiar world and beginning of something new. The menacing and alarming attraction of ancient structures may reflect frustration that the land of our forefathers is full of Arabs. This might explain the absence of people compared with the massive permanence of the buildings; at least eternity is Jewish. The alien, menacing scene that Moshannik paints is reminiscent of the previous quotations.

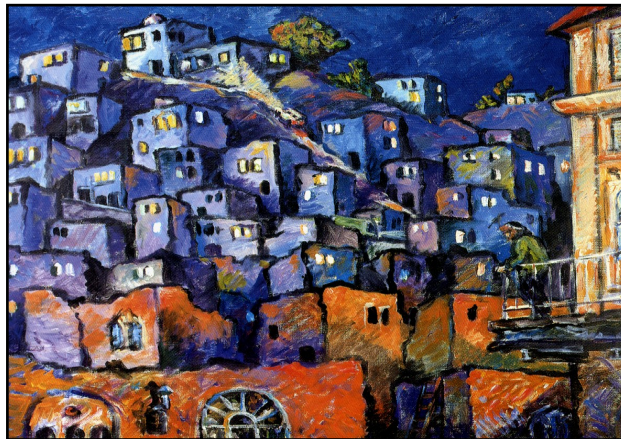


Fig. 4 - Shmuel Moshannik, The pioneer in the alien town of Hebron

Sensations of hostility and alienation transmitted from unfamiliar landscapes are eliminated by introducing into it elements of familiar traditional landscape. The Jewish settlements are conspicuous for their incompatibility with their surroundings. This contributes to the contest over the landscape's character, when confronting the traditional Palestinian landscape that one must continue to conquer.

From a bird's eye view, specifically when passing above our area at night, one sees light that was absent twenty years ago. One can hardly discern Arab villages – at most a few isolated spots of light. However, one can't miss Jewish settlements. Circles of orange light in a sea of darkness; circle after circle, we reach light again (Droma 9).

The Jewish landscape is deliberately designed to be different from the traditional local landscape - eye-catching in contrast with the easily ignored, unlighted Palestinian landscape. The intention is to overcome darkness and illuminate everything. The consequence is an orderly landscape based architecturally on the suburban model of the coastal-plain, which Architect Zvi Sheftler reviews disapprovingly, below.

The settlement planning was systematic; without exception modelled on Savion¹⁵⁾ - road networks, matching shop-fronts, standard parcelling, row upon row of small plots, on some much bigger houses than the original Savion – consequently, mini-Savion and maxi-ma'abarah¹⁶⁾ (Nekuda 1985, 13).

Thus the night landscape was composed of one continuous carpet of bright lights distributed along the top of the crests merging with the intensive lights of the coastal plains within the green line. In between some dim lights in the valleys encroached of the Jewish lighted space.

The layout of Qatif, west of Khan Yunis, demonstrates the dissociation between the two landscapes. Four hundred metres separate the settlement from the Palestinian town, but the real distance is much greater. Primarily, Qatif faces west. This is climatically logical but also underlines an attitude regarding the neighbouring Arab town. Agricultural areas with hothouses, sunscreens, large, sophisticated dairy-barns and a completely new chicken-coop without chickens physically separate the two. These areas slope gently down towards Khan-Yunis. Looking towards the settlement from Khan-Yunis, one first sees the agribusiness areas. Beyond them in the distance stands a fence with concrete panels against light weapons; farther on, can be distinguished the acute-angled, red-tiled roofs of settlement's houses. These face westwards and lack any eye contact with the neighbouring town. This seems to illustrate the planners' desired relations with the neighbours. The settlement is built with a rectangular road network linking its two long sides. The original, modest houses usually without well-cared gardens have been renovated to appear like typical of Israeli villas, with red, acute-angled roofs, projecting windows and white, aluminium shutters. The enlarged lofts under raised roofs hide sun-heated water-tanks and can be turned into spare rooms. The gardens here add to the English style, Mediterranean elements rooted in the history of early Zionist landscapes - lemon cypresses and here and there with beds of tropical plants, well stocked with coco-palms and philodendra; extensive green lawns waste water ubiquitously in private and public gardens, resulting in typical Israeli confusion. In general, despite the settlements' infancy and the immense importance their advocates ascribe to their existence, no real attempt is made to fashion an aesthetic architecture. On the contrary, the attempt is to construct an Israeli form of western suburbia.

Conclusions

The settlements' landscapes as the materialization of settlers' discourses emphasize the tensions between romanticized nationalist neo-Zionist vision and the attempt to symbolize the superiority of Jewish 'civilized' discourse over native savage reality. Like in suburban places they include a strong preference to private houses and gardens. Like other Israeli houses they are designed in terms of eclectic dreams of villas in places outside the region. Beyond the eclecticism they are influenced by Mediterranean Toscana styles including classical elements. Gardens are based on wide lawns and European trees being inspired by English free style gardens and at times decorated by sub-tropic vegetation that hints at early Zionist landscapes.

15) A socio-economically top-level dormitory community near Tel-Aviv.

16) Temporary camps established for new immigrants at Israel's inception.

These landscapes are alien to the local nature and the Palestinian landscapes while they are originated in the local Mediterranean climate. Even some kitsch decorations that hint at the acceptance of local culture that frequently decorate Israeli houses, are absent from the settlers' private houses (Amir 2007). Above all several testimonies stress the importance of English style gardens that influenced Israeli gardens in general, play an essential role in creating in the settlers' mind sense of home place escaping the sense of wilderness.



Fig.5 - A typical settlement suburban landscape

The settlements remain small knit homogeneous communities rich with religious institutions in a way that stress the middle class values of individualism and self expression in the home as ones castle as well as the communal life based on religious lifestyle. But being located as small islands of civilization in an ocean of savage nature and Palestinian natives, they need to fortify their settlements. Sense of place and home can be achieved only once the settlement's landscape is characterized by the imposition of the aforementioned civilized landscape as the advertisement to the settlement of Livne demonstrates. The loans, the red roof houses, the family and the community all are symbolized in the picture (Fig. 6).



Fig.6 - Advertising the settlement of Livne

The imposition of Israeli landscape, alien to local nature and Palestinian material culture, the strategic location of the settlements on hilltops and their fortification in respect to the open, modest Palestinian landscapes that integrate in local nature symbolizes uneven power relations that characterize colonial landscapes as William J. Mitchel puts it (2006). This landscape best represents the settlers lived worldview as it is represented in the aforementioned image of nightscapes that actually and symbolically unite lighted (and enlighten) sceneries of settlements with the lights of Israeli cities down along the coastal planes and in contrast to the darkness of the Palestinian nightscapes. A confrontational landscape in Nezarim presents additional example. The religious building in the shape of the Zionist symbol 'David Shield' reigns the surrounding covered by endless carpets of Chan Yunes' refugee camp seen on the horizons beyond the fence surrounding the settlement.

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GEOGRAPHY OF OPPORTUNITY AND RESIDENTIAL MORTGAGE FORECLOSURE: A SPATIAL ANALYSIS OF A U.S. HOUSING MARKET

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Abstract: South Florida has been among the top foreclosure markets in the United States, but little research has explored whether this market presents different dynamics compared to other metropolitan areas. This research chooses Broward County to explore whether socioeconomic characteristics and certain public policy instruments relate to subprime lending and mortgage foreclosure patterns. Results indicate areas bounded by linear highways and railroads have a concentration of low-income black population and subprime loans. The spatial distribution of subprime loans is mostly explained by a higher percentage of minority and/or Hispanic population in a neighborhood. Yet, racial minorities, instead of Hispanic origin, contributes mostly to the concentration of subprime loans. The spatial pattern of foreclosures is more complex, determined not only by subprime loans but also possibly other factors associated with the mortgage crisis. This suggests that disadvantaged neighborhoods are disproportionately lacking favorable opportunities due to institutional and sub-cultural forces shaping the geography of subprime and foreclosure.

Key Words: *mortgage foreclosure, subprime, neighborhood, geography of opportunity*

Introduction

Sharply rising mortgage foreclosure rates during the economic recession between 2007 and 2009 have drawn a significant amount of attention from scholars and policy makers. There has been an abundance of research probing factors, particularly subprime lending and neighborhood characteristics, contributing to foreclosures (e.g. Stock 2001, National Association of Realtors 2004, Goldstein 2004, Rhey and Posner 2004, Grover et al. 2008). Subprime loans are originated to cater the needs of risky borrowers with impaired credit history or scores. These loans typically have high interest rates¹⁾ and are sold in separate markets from prime mortgages. Most research finds that neighborhoods with concentrated low income minority population have been associated with a large amount of subprime loans, foreclosure filings, and foreclosed properties. Florida has been among the top foreclosure markets in recent years but little research has been conducted to explore the inter-linkage between neighborhoods, subprime and foreclosures.

Subprime lending has been blamed as one of the leading causes of the housing and foreclosure crisis during the economic recession (Coleman et al. 2008). Although housing bubbles and market speculation played some roles in stimulating foreclosures, abundant research has indicated that foreclosures are concentrated in certain neighborhoods where the

1) High-cost loans (subprime loans) were those with annual percentage rates (APR) about 3% higher than the rate on Treasury securities with comparable maturity for the first-lien mortgages, and about 5% above the Treasury rate for the second-lien mortgages.

share of high-cost subprime mortgages is high (Apgar and Duda 2004, Immergluck and Smith 2005, Goldstein et al. 2005, National Association of Realtors 2004). At the same time due to housing market segregation and “green lining” (indicated as easy credit access for disadvantaged people or in disadvantaged communities) (e.g. Wyly 2002, Newman and Wyly 2004) subprime lending heavily concentrates in low income minority neighborhoods, particularly low income black neighborhoods (Bocian et al. 2008, Nichols et al. 2005, Courchane et al. 2004, Goldstein 2004, The U.S. Department of Housing and Urban Development and the U.S. Department of Treasury 2000, Belsky and Drew 2005). These neighborhoods used to be victims of “red lining” (illegal practice of denying credit services to communities of color) and later “brown lining”- the so called LULU (locally undesirable/unwanted land uses) - and “green lining” (Wyly 2002, Newman and Wyly 2004, Fitzgerald and Leigh 2002). Thus these low income minority neighborhoods have been the target of many unfair policies and practices in credit and capital access. In addition to suffering from inadequate (or too much and too easy) credit access, these areas are often negatively influenced by land use, environmental planning, and transportation planning decisions (Schively 2007, Been 1994). Therefore, geography of opportunities and the segmentation of housing market play critical roles influencing socioeconomic wellbeing of these neighborhoods and their residents. Different from most of the previous research, this study attempts to integrate locational opportunity variables, such as land use and transportation planning, to assess how they relate to the spatial distribution of wealth, subprime and foreclosures.

Like other metropolitan areas in the United States, the tri-county South Florida region (Palm Beach County, Broward County, and Miami-Dade County) also has distinctive divisions of wealth, subprime, and foreclosure patterns (see the distribution in Broward County in Figures 2 -5). This region has followed similar patterns of urban uneven development, manifested by sprawl, concentrated poverty, and housing market segmentation (Squires and Kubrin 2005). South Florida has more than 20% Hispanic population, yet the geography of opportunities mostly reflects the segregation between whites and blacks. Due to constraints in land use, the growth in South Florida distinctively follows a north-south linear stretch for over 180 miles. Most of the major highways and public transit lines therefore follow a linear pattern, with intermittent local expressways or roads running east-west. Three major highways, I-95, Florida’s Turnpike, and U.S. Highway 1 (U.S. 1), help shape three major zones of the land use structure. East of U.S. Highway 1 is full of affluent beach or waterfront houses and high-rise condominiums. The area between U.S. 1 and Florida’s Turnpike is mostly featured by industrial uses and low-income minority neighborhoods. West of Florida’s Turnpike is mostly wealthier communities, more so in areas adjacent to the Everglades National Park. The distinctive urban landscape in South Florida and the troubling foreclosure crisis imposes significant obstacles and challenges in redevelopment and reuse of vacant properties to accommodate future growth.

This paper explores the spatial patterns of demographic characteristics, land use, subprime and foreclosure, and how geography of opportunity, subprime, and foreclosures relate to each other. The paper starts with a brief background introduction of determinants of subprime lending, and how subprime relates to foreclosures. This is followed by data and methodology, and a description of the socioeconomic characteristics of South Florida. Spatial distribution of various subprime and foreclosure factors is analyzed and the results of regression models are then discussed.

Background and Literature Review

Many factors determine the mortgage default risk of specific loans, but loan-to-value ratio

(LTV), payment-to-income ratio, householder's occupation (i.e., whether the householder has a volatile or stable income), property and neighborhood condition, regional unemployment rate, transaction costs, crisis events, and borrowers' expectations are some of the major elements considered in the literature (Quercia and Stegman 1992, HUD 1992, Vandell and Tribodeau 1985). Many of these factors are also related to the type of loans that the borrowers carry.

Previous research has found that subprime loans have contributed significantly to the rising foreclosure trend since late 1990s. The role of subprime and predatory lending on increasing mortgage foreclosures is addressed by many previous studies and in different states such as Ohio, Indiana and Arizona (Goldstein 2004, Rhey and Posner 2004, Stock 2001). Neighborhood effects on subprime lending and foreclosures have not drawn sufficient attention until recently. After controlling for borrower and loan characteristics, many scholars found that neighborhoods with a concentration of low income racial minorities tend to have higher foreclosure rates (Chan et al. 2010, Immergluck and Smith 2005, Goldstein et al., 2005, Apgar and Duda 2004, National Association of Realtors 2004, Bocian et al. 2008, Nichols et al. 2005, Courchane et al. 2004, Goldstein 2004, The U.S. Department of Housing and Urban Development and the U.S. Department of Treasury 2000, Belsky and Drew 2005). All the research on neighborhoods, subprime loans, and foreclosures indicates that place matters in the spatial patterns of subprime loans and foreclosures (Chan et al. 2010).

Geography of Opportunity and Credit Access

Place and race have helped shape the American urban landscape and residential mobility patterns (Squires and Kubrin 2005, Rosenbaum et al. 2002). The inter-relationship of place, race, and privilege is largely determined by spatial patterns of urban sprawl, concentrated poverty and housing market segregation. Physical features such as rivers, railroads, and highways in an urban setting can function as the natural barriers of residential neighborhood sorting (Noonan 2006), especially if planned in a manner to unintentionally increase separation and segregation.

As location matters in real estate, place and "geography of opportunity" influences opportunities that individuals encounter. Thus "geography of opportunity" modifies "the innate and acquired characteristics of participants ... [and their] ability to plan and sacrifice for the future" (Galster and Killen 1995, p. 9, 12). Galster and Killen (1995) further contend that individuals' options are limited by the real and perceived socioeconomic conditions of our environment, whether the perception is accurate or rational. Therefore, settlement patterns under the influence of culture, social networks, and public policies constrain individual opportunities in capital access, education, public services, or employment. Community Reinvestment Act (CRA) ensures fair credit access to all neighborhoods, yet many conventional lenders, such as commercial banks, credit unions, and savings institutions, tend to concentrate in wealthier neighborhoods. The "fringe bankers", such as cheque-cashers, payday loans, and pawn shops, are often in central-city lower income neighborhoods (Squires and Kubrin 2005, Caskey 1994, 2002, Sawyer and Temkin 2004).

Therefore the geography of opportunities has helped shape the spatial patterns of credit access. Sandor and Sosin (1975) found that neighborhood conditions were negatively related to the mortgage interest rates. But they did not further explain whether those conditions were related to mortgage discrimination or perceived higher risk in lower quality neighborhoods; or whether they were caused by the aggregation of individual borrowers with weak credit.

Historically, “red lining” prohibited credit access of residents in neighborhoods with concentrated racial minorities. The invention of exotic mortgage products (Immergluck 2008) in the 1990s to help promote homeownership rates have granted easy access of capital in formerly “red lined” areas. As an innovative financial product to extend credit to borrowers who have difficulty getting a mortgage in a prime market, subprime mortgages have played important roles in enhancing homeownership rates since the mid 1990s (Bostic and Lee 2007). However, the share of subprime mortgages in outstanding mortgage loans increased from 2.4% in 1998 to 13.4% in 2006 (Duncan 2006), which inevitably contributes to the severe mortgage foreclosure issues between 2006 and 2010.

Credit risks, along with racial backgrounds and other demographic characteristics such as age (Immergluck and Smith 2005) of the borrowers, is often associated with the likelihood of seeking (or being targeted by) high-cost subprime lending (Grover et al. 2008), including high-cost refinance and investor mortgages. About 25% of subprime refinance loans concentrate in lower income and minority neighborhoods, compared to approximately 9% in wealthier and white neighborhoods (Belstky and Drew 2005). Some of the scholars, such as Newman and Wyly (2004) argue that it is possible that subprime lenders deliberately target minority neighborhoods with older housing stock and a history of mortgage redlining and discrimination. The distrust of mainstream financial institutions from the homebuyers within these neighborhoods exacerbated the problem.

Housing segregation associated with historical redlining determines the clusters of homeowners based on socio-economic characteristics (Newman and Wyly 2004). Thus vulnerable borrowers and subprime loans tend to cluster in vulnerable neighborhoods (Rugh and Massey 2010). In addition to race and income, Calem et al. (2004) found that the share of subprime loans in a neighborhood is negatively related to neighborhood education level. Additionally, Kingsley and Pettit (2009) argue that contrary to most beliefs, the highest concentration of subprime mortgages is in minority neighborhoods with the lowest poverty rates. This might indicate that foreclosures mostly concentrate in neighborhoods with younger homeowners (or renters) who were able to afford their first home, yet later lost the home to foreclosure. Thus different socioeconomic and public policy factors contribute to the concentration of subprime lending.

Subprime Lending and Mortgage Foreclosure

Due to its high cost nature, subprime lending contributes greatly to the rising housing costs burden on lower-income households (Gramlich 2007). This has made subprime mortgages one of the leading determinants of the levels of mortgage foreclosures in a neighborhood (Immergluck and Smith 2005, Goldstein et al. 2005, Apgar and Duda 2004, National Association of Realtors 2004). Payment shocks from subprime and innovative mortgages (such as adjustable rate mortgages (ARMs), interest only loans, balloon payments, buydown loans and other products, buyers’ lack of knowledge about subprime loans, along with other factors (such as housing affordability, home maintenance costs, property taxes, property insurance, home furnishing costs and home repair costs, economic downturn, negative equity and the burst of the housing bubble), have made it difficult for vulnerable borrowers to keep up with their mortgages. Subprime borrowers are particularly the case. Among abundant literature about neighborhood patterns of subprime lending, none has incorporated land use and transportation factors in probing the geography of opportunities, and how it relates to the concentration of subprime lending and foreclosures. Socioeconomic variables examined in previous research often are not comprehensive. This research incorporates demographic,

economic, housing, and land use factors to measure the relationship between neighborhoods, subprime, and foreclosures. Furthermore, this paper will be the first attempt to examine how South Florida is different in terms of the relationship between neighborhoods, subprime, and foreclosures.

Land use planning and public policies explain the external factors regulating the evolution of neighborhoods and construe the political economy of neighborhood change (Temkin and Rohe 1996). Neighborhood characteristics, aggregated from characteristics of individual residents, manifest the dimension of ecological and sub-cultural theory of neighborhood change (Burgess 1925, Hoyt 1933, Smith 1963, Sweeney 1974, Birch 1971, Rothenberg et al. 1991). The outcomes of external and internal factors determining neighborhood characteristics and changes helped shape the geography of opportunities and the distribution of subprime lending and foreclosures. The concentration of subprime loans and foreclosures further degrade neighborhoods, yet, the degradation might create opportunities of revitalization and reinvestment when favorable conditions arise (Li and Morrow-Jones 2010).

The South Florida Contexts and the Research Hypotheses

The three counties in South Florida, Miami-Dade, Broward and Palm Beach, have close relationship in housing, transportation, and employment. Located between Miami-Dade and Palm Beach, Broward County has a diverse population and sends out the largest number of commuters to the other two counties (SEFTC 2009). Among the three counties, Miami-Dade has the largest foreign-born and Hispanic population while most of the population in Palm Beach County is non-Hispanic white. The wealth and racial composition in Broward County is in between Miami-Dade and Palm Beach Counties²). However, population shifts indicate that the percentage Hispanic population in Broward and Palm Beach counties is rising over the years.

South Florida has been among the top foreclosure markets since 2006, when the housing boom reached its peak and the housing market started cooling³). In December 2008 there were nearly 369,000 foreclosure case filings in Florida. In December 2009 it was estimated that there were an inventory of approximated 456,000 pending foreclosure cases statewide. Up to the end of 2009 Florida has the third highest mortgage delinquency rate, the worst foreclosure inventory, and the largest number of foreclosure starts in the nation (Supreme Court of Florida 2009). In 2011 foreclosure filings dropped significantly (about 69% compared to February 2010⁴). However, the issue of foreclosure remains outstanding. From January to March 2011 there were 40,431 properties in Florida filed for foreclosures. In February alone, the new filings were 18,760 (RealtyTrac.com 2011).

Broward County was established in 1915 and named after former Florida Governor Napoleon

2) For example, based on the American Community Survey (2005-2009) median household income in Miami-Dade was \$42,969 (in 2009 inflation-adjusted dollars), in Broward was \$51,731, and in Palm Beach was \$53,538. Percentage black population was 19.6%, 24.4%, and 15.8% respectively. Percentage Hispanic population was 61.4%, 23.1%, and 17.1% respectively.

3) The ranking of the top foreclosure markets is mostly based on CNN and RealtyTrac rankings. Detailed foreclosure information can be also obtained from Foreclosure Response (<http://foreclosure-response.org/>), a nonprofit organization focusing on educating and information sharing about foreclosure and its impact.

4) Based on a report from CondoVultures.com, retrieved from the following website: <http://condovultures.com/News/ViewArticle/tabid/77/ArticleId/20473/South-Florida-Foreclosure-Filings-Drop-69-In-February-2011.aspx>.

Bonaparte Broward. Based on the U.S. Census data its estimated total population in 2009 was 1.7 million. It has 28 incorporated towns and cities in Broward, with Ft. Lauderdale being the largest city and the county seat. The County's economy is largely based on retailing, light industry and service. The economic and housing boom has dramatically helped appreciate housing prices in the county. During the economic recession, loss of jobs and the slump of housing prices have thrown thousands of households into mortgage foreclosure, particularly those with subprime loans. Broward County has been among the top foreclosure markets in Florida and the U.S. Areas bounded by linear highways have a large portion of blacks, subprime loans, and non-strategic foreclosures.⁵⁾

In summary, previous research has explored how race and other demographic characteristics relate to subprime and foreclosures. This research extends previous hypotheses by including the following three dimensions of hypotheses: 1) Institutional forces helped shape the distribution of wealth, race, and ethnicity; 2) Further, subprime lending and foreclosure concentrate in neighborhoods with a high percentage of low income black population; 3) Given the South Florida context, Hispanic and foreign-born population also significantly contribute to the spatial concentration of subprime and foreclosures.

Thus there are two major contributions of this research. First, it considers the sequential linkage between political and institutional influences, demographic and housing characteristics, subprime, and foreclosures (see Fig. 1). Foreclosures in turn can affect all these factors. This paper does not focus on the recursive linkage between these factors and foreclosures.

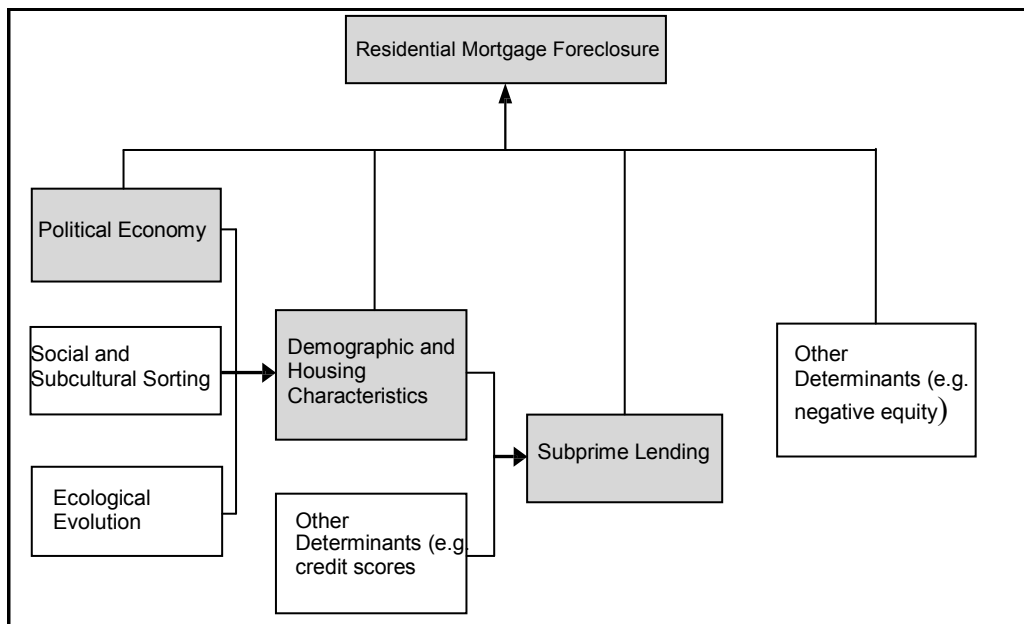


Fig.1 - Theoretical Framework

5) Strategic foreclosures indicate those voluntary foreclosures of homes because of the sharply dropping housing prices for underwater properties. It was reported by Miami Herald and other agencies that more than half of Florida's homes (about 2.1 million) were underwater in March, 2011.

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Secondly, this paper is also the first academic study to explore how these factors interact in South Florida, particularly given the unique physical and socioeconomic characteristics of the region.

Data and Methods

Variables. In answering the research questions the variables are divided into four different categories: foreclosure and subprime rates, demographic characteristics, housing structural characteristics and land use characteristics. Detailed variable description and descriptive statistics for each variable by census block groups are illustrated in Table 1.

Table 1

List of variables and descriptive statistics

Variable	Description	Mean	Std Dev	Minimum	Maximum
Foreclosure and Subprime Rates (Dependent Variables)					
FORERATE	Residential foreclosure rate (2007-early 2009)	2.68	1.79	0.00	11.6
SUBPRIME	Percentage subprime loans (2004-2006) (%)	30.06	13.22	6.33	60.9
Demographic Characteristics (Independent Variables)					
POP2008	Estimated total population in 2008	2,588	2,272	0	21,57
HH2008	Estimated total number of households in 2008	1,014	845	0	6,23
UNEMPLOY	Estimated unemployment rate in 2008 (%)	5.94	4.97	0.00	41.9
INCOME	Estimated median household income in 2008	54,122.24	24,397.97	0.00	158,653.8
PCTHISP	Estimated percentage hispanic population in 2008 (%)	20.87	13.97	0.00	77.4
PCTWHITE	Estimated percentage white population in 2008 (%)	62.88	29.44	0.00	99.2
PCTBLACK	Estimated percentage black population in 2008 (%)	26.07	28.67	0.00	98.7
MINORITY	Estimated percentage minority population in 2008 (%)	36.83	29.31	0.00	100.0
AVGAGE	Estimated average population age in 2008	39.69	9.09	0.00	80.6
COLLEDU	Estimated percentage population with college education in 2008 (%)	35.38	14.50	0.00	76.3
FOREIGN	Percentage foreign-born population in 2008 (%)	34.33	22.69	0.00	100.0
NEWIMM	Percentage new immigrants (% , entered the U.S. between 1990-2000)	9.73	8.03	0.00	100.0
COWHITE	Change in percentage white population (2000 - 2008)	-6.47	6.33	-29.85	15.9
CGBLK	Change in percentage black population (2000 - 2008)	4.12	5.93	-17.39	60.2
CGHISP	Change in percentage Hispanic population (2000 - 2008)	5.66	7.07	-100.00	33.6
CGFORE	Change in percentage foreign-born population (2000 - 2008)	10.49	12.62	-100.00	90.7
CGEDU	Change in percentage population with college education (2000 - 2008)	5.87	7.57	-21.91	26.3
CGUNEMP	Change in unemployment rate (2000 - 2008)	0.06	1.63	-3.30	41.9
CGINC	Percentage change in median household income (2000 - 2008)	0.22	0.09	-4.57	100.0
Housing Attributes (Independent Variables)					
PCTOCC	Estimated housing vacancy rate in 2008 (%)	10.03	10.83	0.00	100.0
TENURE	Estimated homeownership rate in 2008 (%)	68.00	24.45	0.00	99.2
VALUE	Estimated median housing value in 2008	307,244.83	174,159.91	0.00	1,099,999.0
PCTHMP	Percentage subprime home purchase loans (2004-2006) (%)	14.10	5.49	2.65	32.6
PCTOWN	Percentage subprime owner-purchase loans (2004-2006) (%)	11.33	4.59	1.90	24.4
PCTINV	Percentage subprime investor purchase loans (2004-2006) (%)	2.78	2.04	0.00	13.8
PCTREF	Percentage subprime refinance loans (2004-2006) (%)	15.96	9.09	1.27	42.9
PCTSING	Percentage single-family housing units in 2009 (%)	79.46	25.40	0.00	100.0
PCTMUL	Percentage multi-family housing units in 2009 (%)	9.93	16.05	0.00	100.0
PCTCONDO	Percentage condominium housing units in 2009 (%)	2.84	10.80	0.00	100.0
CHGVAL	Percentage change in assessed housing value (2004-2008) (%)	170.28	1,677.57	-100.00	44,108.4
NEWHS	Percentage housing units built between 1999-2008 (%)	8.35	12.69	0.00	85.9
YEAR	Average year of housing units built	1,971.00	76.12	0.00	2,003.0
CGTENURE	Change in homeownership rate (2000 - 2008)	0.00	3.99	-17.15	42.8
CGVANC	Change in housing vacancy rate (2000 - 2008)	0.77	6.65	-4.57	100.0
HHCOST	Housing cost burden (% , 2000)	31.84	13.39	0.00	100.0
Land Use Characteristics (Independent Variables)					
INDUSTRIAL	Number of industrial parcels in 2009	13	40	0	41
MIDDLE	Located between U.S. 1 and Florida's Turnpike (Yes, No)				

Note: 1. 326 block groups are located between U.S. 1 and Florida's Turnpike. (Variable Name: MIDDLE)
2. Residential foreclosure is measured by proportion of Certificates of Title transaction among all the residential parcels in each census block group. Thus this value is somewhat conservative.

In this research foreclosure rates are defined as the percentage CET (Certificate of Title) parcels among all residential parcels for each block group. In Florida mortgage foreclosure follows the judicial procedure as defined under Chapter 45 of the Florida Statutes Title VI. In the order or the final judgment of the property filing for foreclosure, the civic court will direct the county clerk to sell the property at public sale on a specific date. Certificate of Title (CET) will be issued by the clerk if there is no objection to the sale of the property after 10 days of the filing of the Certificate of Sale. This research focuses on residential CET deeds during 2007 to February 2009 from Broward County Property Appraisers (BCPA). Therefore in this paper we focus on foreclosed properties because these properties might have the most significant impact on neighborhood change and the provision of opportunities. The CET deed transfer data are then merged with the Nielsen Claritas Census demographic estimate data in 2008 at the block group level. There are 690 block groups in Broward County and the total number of residential CET between 2007 and 2009 was 11,416. Frequencies of CET deeds are calculated for each block group and the foreclosure rate is derived from the ratio between the number of CET deeds and the number of total residential housing units. I use the number of total residential housing units instead of the number of housing units with a mortgage as the denominator of foreclosure rates. This is mostly out of the consideration that the spillover impact of foreclosed properties is not only limited to housing units with a mortgage.

Subprime rates are the percentage of high-cost subprime mortgages for 1-4 residential units among all outstanding residential mortgages. The shares of high-cost subprime mortgage (2004 – 2006) among all residential mortgages are derived from the HMDA (Home Mortgage Disclosure Act) data from Foreclosure Response, a non-profit organization with foreclosure resources to be used by local communities in foreclosure prevention and mitigation⁶). This research uses the 2004-2006 subprime data because this is the time period which significantly contributes to the skyrocketing foreclosure issues which occurred during 2007 and 2010. This data also corresponds to the peak time of the housing bubble. High-cost subprime loans in this study are those with annual percentage rates (APR) about 3% higher than the rate on Treasury securities with comparable maturity for the first-lien mortgages, and about 5% above the Treasury rate for the second-lien mortgages. In this study high-cost first-lien mortgages are used to identify subprime mortgages. All of the different types of subprime mortgages are based on mortgages outstanding for 1-4 family units. Both of the foreclosure and subprime lending rates are dependent variables in the OLS (Ordinary Least Square) regression models. The percentage subprime mortgage is also used as an independent variable to explain determinants of foreclosures.

Demographic characteristics take into account the number of total population, number of households, and household characteristics such as median income. Other population characteristics, for example average age, educational attainment (measured by the percentage population (≥ 25 years age) with a college degree), racial composition, ethnicity composition (percentage Hispanic population), and percentage foreign-born population are also selected. Changes in these demographic characteristics from 2000 to 2008 are calculated to take into account the effect of “trigger events” on mortgage foreclosure.

Types of housing units, year housing being built, median housing value, housing occupancy and tenure status, and change in assessed housing value from 2004-2008 are used to measure housing attributes variables. The proportion of various types of housing, such as

6) The HMDA high cost loan data was retrieved from <http://foreclosure-response.org/>. More HMDA data can be found from FFIEC (Federal Financial Institutions Examination Council).

single-family, multiple-family, condominiums, and mobile homes, among the total number of residential units is calculated in each block group. The change in homeownership rates and vacancy rates from 2000 to 2008 are used as control variables.

The foreclosure, demographic and subprime data are then merged with land use data. The percentage of industrial parcels among all property parcels in the block group is then calculated. Whether the block group is located within U.S.1 and Florida's Turnpike is treated as a dummy variable. Among the 690 block groups in Broward County, about 326 (47.2%) are located between U.S. Highway 1 and Florida's Turnpike.

Analysis and Models. The first step of the analysis is to conduct basic descriptive statistic and spatial analysis. Various thematic maps are created to help explain the spatial patterns of foreclosure, subprime loans, demographic characteristics and land use patterns. There are three sets of regression models. The first one (Model 1) is to use land use characteristics to explain wealth and racial composition. The second model (Model 2) measures factors (land use, demographic characteristics, and housing attributes) contributing to percentage subprime mortgages. The third model (Model 3) measures the determinants (subprime lending, land use characteristics, and demographic and housing attributes) of foreclosure rates. Initially most of the selected variables listed in Table 1 are used in stepwise regression models 2 and 3. The stepwise regression models helped reduce some multicollinearity among independent variables. Then variables that are selected by stepwise regression models with a significance level of less than 0.05 are included in the OLS (Ordinary Least Square) models to further measure determinants of subprime and foreclosures. Rerunning models 2 and 3 with a reduced number of variables yields results as indicated in Table 2 and Table 3. Since Model 1 is a simple linear regression model the results will not be specifically reported as a table; however, it will be explained briefly in the results section.

In addition to the series of regression models, maximum R-square improvement technique is used to explore the proportion of variance of foreclosure and subprime rates explained by different independent variables.

Results and Discussion

Descriptive Statistics. In Broward County subprime loans accounted for 30.06% of all residential mortgages between 2004 and 2006. Average non-working population in 2008 in each census block group was about 19.81% and the housing vacancy rate was about 11.03%. Estimated median housing value was \$307,244 and the median household income was \$54,122. Among the total population, 20.87% were Hispanic, 62.88% were whites, and 26.07% were blacks. Averagely 79.46% of the housing stock was single-family housing units. The percentage change in assessed housing value was 170.28% from 2004 to 2008⁷⁾. About 34.33% of the total population was foreign-born population in 2008 (see Table 1).

From Figure 1, we notice that black population is highly concentrated in three sections of the county. Most of the three sections are located between U.S. Highway 1 and University Dr., particularly between I-95 and Florida's Turnpike. In central Broward, the percentage black

7) The American Community Survey (ACS) 2005-2009 demographic estimates indicate some discrepancies with the Nielsen Claritas 2008 estimates. ACS implies that in Broward County there were about 29.6% foreign-born population and 35.2% spoke a language other than English at home. 66.8% (population 16 years and over) were in labor force and the median household income (in 2009 inflation-adjusted dollars) was \$51,731. About 16.3% housing units were vacant and the median value was \$260,500. 65.7% population was white, 24.4% was black, and 23.1% was Hispanic.

shape the segregation of wealth and the housing market in the study area. Results from Model 1 indicate that whether block groups are located between U.S. 1 and Florida's Turnpike explains about 18.08% of the variance in median household income. Being in this area can reduce median household income by \$20,766.

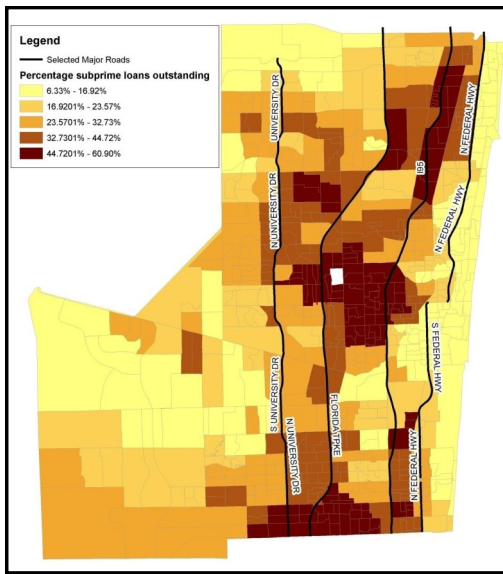


Fig. 4 - Percentage subprime loans outstanding in Broward County (2004-2006)

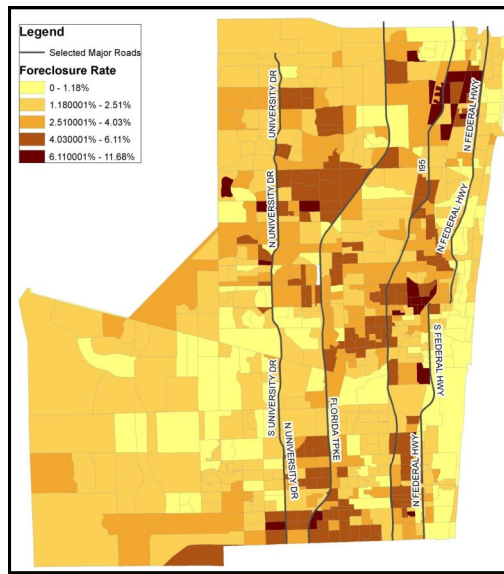


Fig. 5 - Foreclosure rates in Broward County (2007 - early 2009)

Moreover, being in this area also explains about 14.03% of the percentage black population in the county. Being in this area can potentially increase the percentage of black population by 21.50%. When only considering the effect of land use on subprime and foreclosure locational variables are significant; however, when adding the demographic variables land use characteristics become insignificant.

Neighborhood Characteristics and the Subprime Lending. As discussed in the literature review section, certain neighborhood characteristics, such as race, education and income, significantly contribute to the spatial distribution of subprime mortgages (Bocian et al. 2008, Nichols et al. 2005, Courchane et al. 2004, Goldstein 2004, The U.S. Department of Housing and Urban Development and the U.S. Department of Treasury 2000, Belsky and Drew 2005). Controlling for all other variables, such as demographic characteristics, housing structural attributes, and land use and transportation patterns, we found that only certain demographic and housing attributes variables are significant. Somewhat deviated from our original hypotheses, the percentage white population negatively contributes to the percentage subprime lending (see Table 2). This implies subprime lending most likely relates to minority population, not necessarily just black population. The percentage Hispanic population is positively associated with subprime lending rates; however, its R-square contribution is very small. The percentage foreign-born population is not significant in the model. Instead the percentage new immigrants is negatively related to the percentage subprime loans. This indicates that foreign-born population who entered before 1990 are

most likely to be homeowners and thus more relate to subprime lending. Demographically speaking, subprime loans are concentrated in neighborhoods with more minority population, a higher percentage of Hispanic population, a higher percentage of foreign-born population coming to the U.S. before 1990, less educated, and / or low- income population.

Table 2

OLS results: Variables related to percentage subprime lending

Variable	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	50.2657	5.8157	8.64	<.0001
Demographic Characteristics				
Percentage White population	-0.3201	0.0139	-23.04	<.0001
Percentage Hispanic population	0.1265	0.0205	6.16	<.0001
Percentage new immigrants	-0.0756	0.0348	-2.17	0.0303
Percentage population with college education	-0.1077	0.0304	-3.54	0.0004
Median household income (log)	-2.5814	1.0536	-2.45	0.0145
Housing Attributes				
Homeownership rate	0.0746	0.0152	4.91	<.0001
Median housing value (log)	-4.6725	0.6616	-7.06	<.0001
Percentage single-family housing units	0.0716	0.0198	3.62	0.0003
Percentage multiple-family housing units	0.0045	0.0266	0.17	0.8651
Percentage condominium housing units	0.0899	0.0284	3.17	0.0016
Percentage housing units built between 1999-2008	-0.1166	0.0185	-6.29	<.0001
Average year of housing units built	0.0396	0.0053	7.47	<.0001

Observing the effect of housing characteristics we notice that subprime loans tend to be in neighborhoods with lower housing values and older housing stock. Higher homeownership rates, and being single-family and condominiums all increase the likelihood of subprime loan concentrations. These housing characteristics correspond with the demographic characteristics in neighborhoods with concentrated subprime loans.

Maximum R-square improvement analysis indicates that the percentage white population accounts for about 66.86% of the variance in the percentage subprime lending, followed by the percentage population with a college degree (5.23%) (see Table 4). This is consistent with some of the previous results that race, ethnicity and educational attainment all contribute to the spatial patterns of subprime lending. However, in Broward County, race alone, particularly the percentage minority population, is the largest factor to indicate the concentration of subprime lending.

Determinants of Mortgage Foreclosure. To further investigate factors contributing to foreclosure patterns in Broward the percentage subprime loans, demographic characteristics, housing structural attributes, and land use variables are incorporated into Model 3 (see Table 3). The percentage of subprime loans is found to be significantly positively related to foreclosures, so are selected demographic and housing variables.

Table 3

OLS results: Variables related to percentage foreclosure rates

Variable	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	-1.0413	0.7924	-1.31	0.1893
Subprime Characteristics				
Percentage subprime loans	0.0416	0.0063	6.64	<.0001
Demographic Characteristics				
Change in percentage black population	0.0182	0.0092	1.98	0.0485
Average population age	-0.0369	0.0083	-4.43	<.0001
Percentage population with college education	-0.0344	0.0061	-5.62	<.0001
Change in percentage population with college education	0.0461	0.0092	4.99	<.0001
Percentage foreign-born population	0.0089	0.0026	3.51	0.0005
Housing Attributes				
Change in homeownership rate	-0.0280	0.0130	-2.15	0.0318
Median housing value (log)	0.2898	0.0660	4.39	<.0001
Percentage single-family housing units	0.0105	0.0033	3.18	0.0015
Percentage multi-family housing units	0.0053	0.0049	1.08	0.2819

Table 4

Maximum R-Square Improvement

Variables	Partial R-Squared
Model 1: Subprime Determinants	
Percentage White population	0.6686
Percentage population with college education	0.0523
Homeownership rate	0.0220
Percentage housing units built between 1999-2008	0.0157
Other variables	0.0500
Model R2	0.8086
Model 2: Foreclosure Determinants	
Percentage subprime loans	0.3303
Percentage foreign-born population	0.0216
Average population age	0.0146
Change in percentage population with college education	0.0149
Other variables	0.0547
Model R2	0.4361

Slightly different from the subprime determinants, changes in certain demographic characteristics, such as change in percentage black population, and change in percentage population with college education, contribute to foreclosures. Changes in percentage black population is positively related to foreclosure rates. This indicates when the percentage black population decreases foreclosure rates decrease; vice versa when the percentage increases foreclosure rates increase. On the other hand changes in the percentage population with college education negatively relate to foreclosures. This implies when the percentage population with college education decreases foreclosure rates increase; when the percentage population with college education increases foreclosure rates decrease. This is not surprising since education is often associated with disparities in credit scores and wealth.

However, these two change variables cannot capture the assumed “trigger events” of foreclosures. This might indicate that foreclosures between 2007 and 2009 most likely is due to subprime and other omitted factors, not likely by “trigger events” such as loss of jobs.

Among the housing variables decreases in homeownership rate contribute to increases in foreclosures. This implies that it is likely that foreclosures concentrate in neighborhoods with more renters. Also no matter the housing unit is single-family or multiple-family it is not immune to foreclosures. This is different from the effect of housing attributes on subprime loans. Subprime loans mostly tend to concentrate in neighborhoods with more homeowners.

Limited research on nativity status and foreclosures implies that Hispanic households more or less likely relate to a higher chance of foreclosures than comparable white households, depending on whether they had a home purchase mortgage (more likely) or a refinance mortgage (less likely) (Allen 2001). This research indicates the percentage foreign-born population positively contributes to foreclosure rates in neighborhoods, no matter when they come to the U.S. This holds true regardless ethnicity status.

Average household age is negatively related to foreclosures. Florida has been one of a few states with a high percentage older population (65 or older) and the average is more than 17% (The Federal Interagency Forum on Aging-Related Statistics 2010). Research finds that predatory lending and subprime lending tend to target racial minorities and the senior population (Consumers Union 2002), which increased their vulnerability of potential foreclosures. This does not hold true in South Florida, when controlling for other socioeconomic factors. The results indicate neighborhoods with younger population witness more foreclosures. This further indicates that most likely foreclosures are concentrated in neighborhoods with a higher percentage subprime loans, a higher percentage foreign-born population, and predominantly renter neighborhoods.

Counter-intuitively median housing values are positively related to the concentration of foreclosures. This could result from the potential multicollinearity not being fully controlled through the stepwise regression process. This can also be attributed to data limitations where the median housing value in 2008 was estimated based on the 2008 American Community Survey data. In 2008 housing values have not decreased dramatically compared to the boom years of 2005-2007. This could also indicate the effect of negative equity on foreclosures when property values started to drop significantly in 2009 and 2010. The effect of housing values on foreclosures is further tested by incorporating the percentage change in assessed housing values from 2004 to 2008. Controlling for all other factors, the percentage change in assessed housing values from 2004 to 2008 does not significantly contribute to the differences in foreclosure rates. The effect of housing values on foreclosures needs further investigation since the assessed housing value by the County might not be the best representation of the market value.

The maximum R-square analysis indicates that among all select variables the percentage subprime lending contributes about 33.03% of the variance of foreclosures. Thus without considering omitted variables subprime loans is the largest contributor to foreclosures. However, the R-Square of the model is only about 0.42, which indicates that other omitted variables account for more than 50% of the variance of foreclosures. It is not clear what other factors might be among the omitted variables. Since we use foreclosed properties (CET) to measure foreclosures the omitted variables might relate to factors such as individual housing attributes, investor behavior, foreclosure behavior of financial institutions, or the status of pre-foreclosure sales.

Conclusions

All the analysis presented in previous sections help us better understand the geography of subprime and foreclosures in South Florida. As in other metropolitan areas, the distribution of wealth and socioeconomic characteristics in this region is segmented. However, the segmentation no longer follows a dichotomous division of central city and suburbs, because of the unique geography of the region. Lower income neighborhoods are linearly bounded and located between the coast and suburbs. The areas with concentrated low-income neighborhoods also have the largest portion of industrial land uses, responding to convenient logistics adjacent to interstate highways (e.g. I-95), railways (e.g. CSX and commuter Tri-rail), and toll freeways (e.g. Florida's Turnpike). Although the focus of this research is not to make a clear argument that transportation promotes housing market segmentation in this region, it is intriguing to see the linkage between land uses, transportation planning, and the distribution of wealth. Later, this evidently links to the spatial distribution of subprime lending in this region. The analysis indicates that the original hypotheses hold true. However, among determinants of subprime loans, the percentage minority population, not just black population, mostly links to the distribution of subprime loans. Hispanic population and foreign-born population who entered the U.S. before 1990 are also significantly related to subprime loans. The dynamics of foreclosures are slightly different from those of subprime loans. Change in black population and foreign-born population in general also contribute to foreclosures. Compared to subprime loans which target owner neighborhoods, foreclosures tend to concentrate in neighborhoods with a higher percentage of renters. Ethnic status is not a significant predictor of foreclosures. Among selected variables, the percentage foreign-born population follows the percentage subprime loans in contributing to the variance of foreclosures.

The descriptive and regression analysis all indicate a clear picture that subprime lending is concentrated in areas with a higher percentage minority population, lower income, lower educational attainment, older housing stock, a higher percentage of foreign-born population, and a higher percentage Hispanic population. Further analysis of incorporating subprime loans and other variables indicates that the spatial distribution of foreclosures does not follow a clear pattern. The effect of different variables on foreclosures is rather vague and the issue of omitted variables is more prominent, compared to factors explaining subprime lending. The residual analysis of the foreclosure regression (Model 3) does not show a clear pattern as well. Data limitation of using CET properties, instead of foreclosure filings, might impose precision problems in the analysis.

The concentration of poverty, subprime loans, and mortgage foreclosures in minority neighborhoods imposes significant challenges in urban planning and redevelopment. Preventing continued decay in these neighborhoods is a daunting, or less prioritized, task facing local governments. Neighborhoods with high foreclosure rates and the concentration of poverty are less likely to attract investment, which will further deteriorate the conditions in these neighborhoods. Much of the redevelopment efforts have focused on attracting wealthier residents to these areas. These tactics tend to displace original low-income residents and shifts poverty from one area to another.

Due to natural constraints of geological morphology in Florida, linear highway and rail patterns are unavoidable; however, future planning should consider the socioeconomic impact of these major projects on the concentration of poverty and how they helped shift geography of opportunities. Despite of their significant benefits in shortening travel time, alleviating urban traffic, stimulating economic goods distributing, and nurturing the emerge

of new centers, surface freeways have been criticized for its negative impact on property values and the living environment, particularly in an urban environment. They might contribute to urban decay and housing market segregation. Surface freeways divide neighborhoods, especially those impoverished ones or ones lacking political or constituent support, and force affected neighborhoods further losing their vibrancy and connectivity. Technical improvement (such as elevated or underground highways⁸) might help reduce the negative impact of freeways on neighborhoods and households. Urban green space and multipurpose pedestrian and biker trails can be developed underneath the elevated overpass highway system. Promoting public transit ridership will help promote mobility, particularly in distressed neighborhoods. Increased mobility will help mobilize jobs, thus helping economically stabilize these neighborhoods.

Redevelopment efforts need to divert to areas severely affected by subprime lending and foreclosures. The definition of Florida Statutes on “blight” and “slum” is vague⁹, which vetoes local municipalities more flexibility in choosing areas to redevelop. Oftentimes the areas that mostly need redevelopment might not be in the agenda. The scope of the Neighborhood Stabilization Program is usually limited and unlikely to address the concentration of foreclosures in a large scale (Woodstock Institute 2011).

Up to December 2011, Broward County has only acquired 57 single-family homes, completing 21 rehabilitation and resell properties to eligible households (three to low income households). The county has acquired 11 multifamily properties (79 units) and has completed rehabilitation of 20 properties and renting of 13 units. Additionally, the county has given downpayment assistance to 10 households, among which 5 were low income households (Broward County Housing Finance and Community Development Division 2011). All these might not be sufficient to provide affordable housing for low-income households and households who lost their homes to foreclosure.

Future research should focus on how the construction of these linear highway and rail systems have contributed or linked to neighborhood change. The comparison between foreclosure new filings and foreclosed properties can tell which properties are easier to avoid foreclosures. Careful analysis of affordable housing needs and spatial mismatch should be conducted to choose proper redevelopment strategies. This will also help policy makers and urban planners use land use and transportation planning tools to create more opportunities for disadvantaged communities.

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8) Future research needs to be done to examine whether these elevated or underground highways reduces social separation.

9) Florida Statutes Chapter 163 indicates that finding “blight” or “slum” must satisfy two or more of the following standards: real estate values showing no appreciable increase; faulty lot layout in relation to accessibility, adequacy, usefulness; unsafe or unsanitary conditions; deterioration of site or other improvements; inadequate or outdated building density patterns; falling commercial lease rates compared to the rest of the City/County; tax or special assessment delinquency exceeding the value of the land; residential and commercial vacancy rate higher than the City/County; incidence of crime higher than the remainder of the City or County; higher rate of calls for Fire/EMS than the remainder of the City or County; more violations of the Building Code than in the reminder of the City/County; diversity of ownership affecting the free alienability of land; governmentally owned property with adverse environmental conditions. This type of standards of finding “blight” or “slum” leaves controversial and vague delineation of areas to establish Community Redevelopment Agencies (CRAs).

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BOOK REVIEWS

City in Sight. Dutch Dealings with Urban Change

Jan Willem Duyvendak, Frank Hendriks, Mies van Niekerk (eds),

The Netherlands: Amsterdam University Press.

Nicis Institute 2009, 309 pp,

ISBN 978-908-9641-69-4 (in English)

Reviewed by IRINA SAGHIN, University of Bucharest, Romania

This interesting book puts on the table the results of a research program (Urban Innovation Research Program- STIP) realized between 2005 and 2009 and integrates the vision of various researchers and scholars from different universities in the Netherlands in order to show the real problems that Dutch people are facing in terms of urban development and change. Their problems are not the typical ones related to urban topics, but they are a consequence of the "Dutch economical openness" that has led to the transformation of the country into a "new immigration society".

The Netherlands are first of all an example in terms of urban development, sometimes considered a real "laboratory of ideas", mainly due to the fact that the country is one of the most urbanized in the world (82% of the population lives in an urban environment). Also the 31 biggest Dutch cities are gathered in a framework (Big Cities Policy) and are called G31. The cities' problems are helping the policy makers to face the new urban challenges and find some solutions.

The book "*City in Sight. Dealing with Urban Changes*" is structured in three parts preceded by an introductory chapter, each one concerning a certain aspect of the immigration issues. Starting with "Urban Transformations and Local Setting" in the first part, the authors choose to discuss the "Urban Citizenship and Civic Life" in the second part and "Urban Governance and "Professional Politics" in the

third one. Every part is divided into four articles written by researchers in the fields of sociology, urban geography, social and political sciences. The book ends with a really interesting commentary article presented as a separate part of the book and written by John Mollenkopf, expert on urban issues.

In the first part, the main idea is centered on the concept of ethnocentrism and its consequences. The question that is raised is about how are the ethnics integrated in the Dutch everyday life and how are they affecting the life of the other residents? Starting from the social mix strategy (heavily criticized by the scientists) the authors of the four articles underline the fact that people communicate and interact more while being at work than in their neighborhoods. The workplaces have become more important to them than the geographical vicinity. This means that more investments are needed in the creation of job opportunities than in the policies concerning the socio-economical mix tried by the Dutch Government. Other issues that are discussed in this part are the "state-led gentrification strategy" viewed as successful renewal one, but put into practice only by those middle-class residents that come from idealistic reasons into the "worst neighborhoods" and the transformation of these neighborhoods into "open sites of leisure and consumption".

The second part tries to see the difference between local and international citizenship, the transnationalization as an opportunity or

a threat and also gives a new definition in terms of modern citizenship. What the authors try to say is that the new citizen, no matter if he or she is Dutch or immigrant, wants to be involved in the life of the neighborhood, wants to help raising the life standard in the area as an express of his/her individual rights. Also the integration of the disabled persons in the neighborhood community is discussed in the third part, having as a conclusion the idea that these persons would maybe belong better to an institutionalized environment.

Part III focuses more on the comparisons to other European and American cities and discusses about the precarious social positions of Moroccan migrant women, the difference between the policy governance and the front-line one, the involvement of the civic organizations in the improvement of the life in the neighborhoods. The third part concludes with an article that states the idea of "good spatial planning" through horizontal co-

productions of policy-making and the reinventing of the neighborhood.

The ending commentary article of John Mollenkopf criticizes the using of the comparative case studies that might not be the proper example for the immigrant problems that the Netherlands are facing. He is firmly convinced that the Dutch case is somehow unique and also the researches that are done should be as well.

In conclusion, this book has developed a new vision on what are the role and the place of the immigrants in the Dutch society and has raised an alarm about the urban policies that are being made. The real purpose of these articles seems to be the achievement of a change in the way local and national authorities are acting and a more focused intervention in terms of immigrants integration.

Elements of territorial planning and regional development

Ioan Ianoş, Nicolae Popa, Andreea Loreta Cercleux (coord.),
Bucharest: University Publishing House, 2011, 282 pp.,
ISBN 978-606-591-285-4 (in French)

Reviewed by Mihaela Alina RISTEA, University of Bucharest, Romania

The results of the group of geographers and Romanian researchers gathered in this volume are dedicated as a tribute to Professor Jean-Baptiste Humeau from University of Angers, who has been awarded this year the high distinction of Doctor Honoris Causa by the University of Bucharest.

The work represents a broad complex of original scientific contributions of the eighteen authors listed on the first page, and thematic coordinators, on a different approach and context but included in the issue of territorial planning and regional development.

The text begins with a brief overview of the contents in the preface, is structured in three main chapters containing in turn subheadings featured in case studies and articles, developed in 282 pages. At the end each study presents conclusions of the analysis made and the specific references.

The first chapter of this work, *Territorial planning and regional development on multi-scale*, is organized into seven themes of complex induced suggestive title. The concept of „territorial planning” receives more than one definition, both over time and space. It is used as a conclusion that has been praised as „a scientific discipline of contact with a practice and applicable character [...]”. An entire range of sciences is connected and makes it possible to design some principles as fundamental elements that lead to the formation of a vision about cohesion, competitiveness and sustainable development. In the context of economic development at regional level there are explored theoretical perspectives in the form of concise regional theories. Historical perspective has led many

economists to formulate certain concepts and theories that can explain the phenomenon. Theories regarding the localisation are numerous and varied and the theories of regional economic growth and development are based on successive changes, quantitative and qualitative, that contribute to obtaining a high standard of living. The profound changes taking place globally affect the perception and approach at regional level.

Thus, in the next communication a signal is pulled to the importance of assessing the demand for regional infrastructure of environmental protection required to ensure sustainable development at this level and the correct management of waste. There are five different aspects of the services offered by the infrastructure of environmental protection that define application investment. There is an analysis of the amounts allocated to the waste management and protection of the quality of the environment on the basis of the development regions.

Entrepreneurship is expressed in different ways, in different spheres of economic and social order to be able to create multiple organisational forms. The entrepreneurship and the regional development are the focus of meetings within the European Consortium „2H2S”.

For the entrepreneurial dynamism observed in practice in the different geographical regions, there have been observed main factors, grouped into four broad categories. Entrepreneurial initiative and regional development, two interrelated processes, are the result of the long-term trend of several values, starting from the individual and

collective level to the national level. Due to the dynamics of the report of a multitude of factors, conditions, criterias and motivations, developed over time in each geographical area, it reached the setting up of regional development models sociopolitical topics, but also structural and spatial models.

At regional level growth pole theory is an important feature of for the revitalization of municipalities, sparking into the sea in two sequences. Originally a village attracts many people from the surroundings through the availability of benefits, so that in the second sequence to be a diffusion of this concentration. Thus develops a balanced urban-centric system and a new urban-rural partnership, with the guarantee of equal access to knowledge and infrastructure, sustainable development, prudent management and protection of the environment and cultural heritage. Case study refers to the region of Southwest development in Romania, presents the working methodology of quantitative analysis (data presented in graphs) and qualitative data that led to conclusions on the flow of people.

Spatial planning and the division into administrative units of a territory had direct links with regional development. Case study presents an analysis of the statute of the Romanian administration during the time from the period between the two world wars to the present situation, where the counties are the basic unit. On the other hand, makes a correlation plot of historical provinces and counties, that are known from the past, what would have been included in the cartographic representations currently presented as a way to support the analysis.

There are universities that appeared thanks to regional needs and their subsequent multiplication based on growth in demand, under the conditions of a population who wants better education and better anchored in economical, social and cultural problems. It aims to achieve a strategy of integration into the regional communities, which submitted a plan, a synthetic methodology with the

following components: analysis of current situation, construction of tree-problem, the establishment of a strategic objective (increasing the integration of universities in regional communities) and the construction of tree-objective.

The study continues with the second chapter, *Regional development: case studies*, centred on five different topics in the context of the case studies.

The first case study for the area of Banat, refers to the meaning of the polisemantic term „border”. Detailed quantitative analysis presented in the charts, tables and maps, demonstrated entrepreneurial dynamism and economic development in the border area of Banat. Compare to the border with Hungary, the one with Serbia appears as a barrier rather than an element of amplification of entrepreneurial initiatives.

The following case study relate to the potential for development of tourist Semenic mountains, which analysed the potential both in terms of what it can offer and what is required in this area, followed by structured swot analysis for existing resorts. Graphical material is rich, cartographical material could produce a resultant of the analysis.

Another study in the field of tourism is made for the area of influence of the city of Râmnicu Vâlcea, where is emphasized the role of climatic spas for a relaxing travel. The area presents the perspectives of development of tourist activities (the National Park and National Park Cozia Buila-Vânturarița, the resources of the mineral waters of tourist resorts and objectives of the religious), notable on one hand and the increasing affordability of publicly available following the modernisation of existing infrastructure. Regional disparities are an increase in the gap recorded in territorial development, and also a stage of evolution of territorial expansion, in which case progress leads to deep cracks between functional developed regions and the underdeveloped regions. It achieved a development strategy based on policentrism

with the help of five indicators for the region of nord-east in Romania. Economic development in underprivileged areas requires deepening of development strategies based on growth poles, classified according to their ability to convey the characteristics of the development of the network of villages subordinated.

In the following case study, there are presented methods of projection of internal development, within an area naturally fragile. Danube Delta in Romania, is a unique ecosystem of international importance, declared cultural patrimony which has undergone major changes over time, analysed individually and in strictly economic terms of the components. An issue arises related to overfishing, this activity being the base of the inhabitants of this area. A strength that can bring prosperity is the development of ecotourism, in accordance with appropriate policies, a well developed legislative framework and the involvement of institutions interacting administratively responsibly.

The third chapter is dedicated to the relations which exist between urban planning and development, as set out in five studies. Development of romanian urban space is a discussion topic covered nowadays not only by political class. Post-Communist system image on cities brought elements of innovation, in particular those who are considered to be poles of growth. In many cities from Romania the traditional cityscape has disappeared completely, unlike places in Western Europe, where the old (past) coexist with the new (present). The absence of proximity to the problems of urban and periurban space, in the period of Comunism, made possible implementation solutions inadaptable to local realities.

The following two studies reflect features of Bucharest and its area of influence. Development and management of the metropolitan area of Bucharest has put issues over time, the 6 rural places near the capital, in the periphery, have been declared to the rank of towns since 2000, through this new status will lead to intensification of

administrative functions related to the services or specialized training in various industrial activities. Sustainable development requires the completion of a series of objectives in several areas, on certain heavily congested segments of Bucharest by the strengthening of cooperation and shared partnership, mobilization of relations between institutes and activity sectors.

Dynamics of residential area in the conurbation of Bucharest is accentuated in the post-Communist period, since 1989, under pressure following changes to the mobility of residents and social aspirations. The builded surfaces and the property market had reserved for a substantial increase in this period until 2009 when the economic crisis had diminished the dynamics of the construction sector. The cartographical support concerning constructed area or the number of new migrants can help interpretation of regional analysis.

Study and development relations planning on rural-urban interface in the city of Timișoara and surrounding areas has demonstrated sustained real economic pressure and following an increase as a development pole, appeared the necessity of regulating the processes of development. From 2008 Timișoara is regarded as a growing urban pole and it was initiated a new strategic planning process of the city and its surroundings. Under the strong regional and rural communes between poles nearby, the effort of integration will be significant in terms of the creation of the economical interrelationships and not a simple juxtaposition.

A case study on cities of the Republic of Moldova demonstrates that the process of urbanization has experienced an increase for a variable trajectory, stagnation or call-backs. There are three main stages, each characterized by visible changes. The first covers the period before the war, when the functions were the main administrative and commercial training in urban networks. In the period after the war the administrative factor helped the detection of many villages to be

developed as urban, the economic factor (industrialization) was as an engine of urbanization. On the basis of its settlements this villages were propelled to the rank of cities. The post-Soviet stage (after 1994), had significant effects in economic and social areas, services representing currently a motor for the administrative function as they became the main factor that fuels urbanisation.

The volume concludes with an explanatory text to readers, dedicated to a personality demonstrating a rigorously scientific and creative spirit, who understood the Romanian civilization and encouraged the development of cultural exchanges between the Romanian and French, thus creating active liaison decks – Jean-Baptiste Humeau. Having regarded the tribute brought up, the last rows portrays him as a teacher with wide-open knowledge, as a researcher but also as a friend of Romanians geographers.

I conclude by recommending this book to students, young researchers and other interested parties in the fields related to encompass the interests of development and territorial planning (architecture, urban development, economic sciences as management, marketing, economic statistics, finance; political science, legal, administrative and human sciences, history, geology and information systems, not least the geography that can cooperate in the realization and maps analysis of natural and anthropogenic factors for mediating the relationship of interdependence). I consider this volume a complex of ideas debated at various case studies or articles that contain informations extracted from the needed analysis, too. The book is significant, given the importance of both parts of analysis, descriptive-analytical ways and graphics and mapping ways, presenting new debated topics and their dynamic production.

Portugal in the Era of the Knowledge Society. Demyan Belyaev, Zoran Roca. Portugal: Edições Universitárias Lusófonas, 2010, 419 pp, ISBN 978-972-88816-98-6 (in English)

Reviewed by Mădălina TEODOR, University of Bucharest, Romania

A great book, written by a group of experts from a wide range of the social sciences and humanities, it puts forward a range of perspectives on socio-economic change in contemporary Portugal and the challenges it faces, as an “ideal-typical” European peripheral country, on the road to integration into an international “knowledge - based” community. The contemporary debate on the importance of knowledge for economic development has focused on applied knowledge such as technology or human skills.

Portugal faces a number of economics, social and cultural problems typical of the periphery. Only in 1960's did Portugal begin to industrialize based on foreign investment attracted by low labour costs. The industry was mostly export-oriented, concentrated in the coastal cities and in recent decades has entered into significant decline due to the even lower labour costs available elsewhere. Portugal was also one of the last countries in Europe to attain widespread literacy and, even today it continues to return rather low figures in knowledge-related fields. Thus, Portugal may in a certain sense be seen as representative of the European periphery both in terms of socio-economic development and in the dimensions of advancement toward a “knowledge society”.

The book “*Portugal in the Era of the Knowledge Society*” is structured in four chapters, “Portugal: a knowledge-based economy?”, “Human capital for a knowledge society?”, “Social and cultural factors as assets for knowledge-based development?” and “Causes of (under) development: towards breaking up the enigma”. The chapters are divided into twelve articles, all elaborated in English by the Portuguese researchers and

professors from Lisbon, Porto and Aveiro. The author's wide documentation about the all aspects approached is reflected in the more than 500 references consulted.

In over 400 pages the number of schemas (41) and tables (19) are very limited, the maps and photographs are also missing. This characteristic reduces the attractiveness of this book but all articles are generous from the point of view of the text and of the multi-criteria approach of the concept of knowledge.

The first part of the book focuses on issues related to the Portuguese economy. *Luciano Amaral* offers an overview of Portugal evolution since the transition to democracy in 1974 and discusses possible scenarios for its future development. *Joana Chorincas* presents policies on fostering innovation clusters and analyses the factors critical to their success in Portugal. Clusters have attracted the attention of government and the business community in Portugal for a long time. *Jorge Ferreira* tracks the country's recent “crusade” to join the information society, which started with the government's “green paper” in the mid-1990's and culminated in the Magellan project, unique in its scale worldwide. According to the “e-readiness” indicator, Portugal occupies one of the last positions in Europe. Portugal's ambition is to quickly advance from an information society towards a knowledge-based society.

The second part includes theories of human capital place specific emphasis on the positive role of education, researcher mobility and attracting the highly skilled from abroad as powerful factors in the generation and application of knowledge. *Elsa Estrela* and *António Teodoro* analyze the evolution of secondary education politics in Portugal since

1970's in the different search for a balance between equity and excellence. *Tatiana Koryakina*, *Cláudia Sarrico* and *Pedro Teixeira* address the development of the Portuguese higher education system with a special attention to its role and effectiveness in producing science. *Ana Delicado* studies the international mobility of Portuguese researchers, identifying prevalent trends and analyzing policies pursued in this respect. She wanted to demonstrate that the scientific mobility of Portuguese researchers has played a significant role in transforming Portugal into a knowledge society. She concluded that the mobility seems to stimulate the propensity for international communication and collaboration. *José Marques* and *Pedro Góis* provide insights into the migration of highly skilled individuals to Portugal that has become noticeable in the last two decades. They offer a topology of these migrants based on the form of their inclusion into the Portuguese labour market and highlight the related challenges.

Part three shows us that knowing is in the first place a social and cultural process. *Zoran Roca* presents a new approach to understanding the nexus between local identity and regional development. *Filipe Murraças* discusses how culture can serve as a driver of competitiveness. *Eduardo Marques* share his vast experience in the world of non-profit grassroots associations in Portugal and links these to the cultivation of civic culture. The last article in this chapter is written by *José Oliva*: "The housing problem and the evolution homeownership culture: from "clandestine" neighborhoods to second homes". The author takes the evolution homeownership culture as a reflection of social transformations in Portugal during the last few decades. He concluded that "one of the relevant aspects of cultural knowledge in Portugal, has been the ability to downplay the legal rules as a means of offsetting the inefficiency of the state's (ir) responsibility in this sphere of life".

The fourth and last part concludes the present book and is dedicated to the wider topic of causes of (under) development and strives to take a few steps towards breaking up the enigma behind socio-economic progress. This last part consists is a single, longer chapter is written by *Demyan Belyaev*. This chapter sets out a critical discussion of what can be or should be considered development as well as a comparative analyses of the four main hypotheses about the nature of impediments to the latter economic, educational, social and cultural. Special attention is dedicated to theories of social capital and cross-cultural differences. Sine social and cultural structure are usually bound to places, this bound produces socio-cultural spatial contexts that may lead to a significant extent account for the varying outcomes of similar developmental efforts.

By concluding, I underline that this book has sought the developmental challenges the Portugal is facing at the present phase in global history. Portugal needs strong investment in education at all levels. On the higher education level, the investment per capita is still far from European average. On the current global economic situation, policy-makers recognize the importance of higher education and its contribution to the knowledge-based economy. The European integration and the globalization process have provided excellent opportunities for Portugal to catch up economically and culture may well be the way for it to go even further, so that is can complete in a global knowledge-based economy.

Taking into account the quality of work "Portugal in the Era of the Knowledge Society", I recommend it as an excellent reference book in confronting and offering solutions to the problem of integration into an international "knowledge society".

Management of functionally-reorganized spaces. Regeneration of industrial spaces in the Petrosani Depression through the development of tourist ventures, Merciu Florentina-Cristina,
Bucharest: University Publishing House, 2011, 262 pp.,
ISBN 978-606-591-180-2 (in Romanian, Conclusions in English 5 p.)

Reviewed by Andreea-Loreta CERCLEUX, University of Bucharest, Romania

The problem of management of functionally-reorganized spaces is included among the current concerns and challenges of the geographic scientific community, even more so in Romania, a country that is still fighting the effects of the processes and phenomena that going through economic transition triggered more than two decades ago.

This work, which can be deemed credit-worthy for its authenticity, and a pathfinder for further research in the field, is organized into nine chapters that tackle, as part of an extremely thorough analysis, the current situation of regeneration of industrial spaces in the Petrosani Depression in conjunction with the natural, demographic and economic factors, while seeking for an answer to the question: how should one design a strategy to develop tourism in the area?

In the first chapter, the author covers in a most accurate manner various tourism-analysis matters in defining the borders of the tourism area of the Petrosani Depression, and the arguments submitted include original contributions in interpreting the limits from both a conceptual point of view and in the field. Touristic homogeneity, traffic routes or the diversity of the tourist offer are captured and explained by the author from the perspective of their relevance in the ascension of tourism in the area.

Presenting the economic situation of the Petrosani Depression is assigned a place apart in the study, as the author places its analysis in a temporal context backed by linking it to the defining aftermath of each step in economic evolution. Emphasis is placed on

the analysis of the economic effects of the industrial reorganization process launched in 1990, which led to a sizeable drop in production, with the mining sector being the most vulnerable and as a result severely impacted by those economic mutations. The scale of the phenomenon was immediately reflected into a drop of the employed workforce, and layoffs not phased were the source for the emergence of social effects across the community.

The demographic potential of the area is discussed in the third chapter, and the author offers several very suggestive remarks on the depression's man-made transformation in time and on the work-related morbidity among mining employees. The quantitative and qualitative evaluation of the local workforce, too, emphasizes the importance the author assigns to the implementation of a land regeneration process wherein the active population is the foundation for the conduct of future economic ventures, possibly in tourism.

The main problems approached in the fourth chapter include an interpretation of the evolution of human settlements in the depression in relation with the predominant economic function in time (military, agricultural, industrial, services) and, of course, with the limitations enforced by the natural framework.

Fifth chapter is dedicated to the analysis of the natural touristic potential and it stands out because of the precision of the detailed description of the extremely varied range of the attractive natural factors, in each distinct category: geology, landforms, water systems,

climate, bio and pedology, wildlife, natural reserves. The relevant examples highlighted serve as potential tourist attractions that can generate or incense various types and forms of tourism in the area.

Man-made touristic potential is the topics of analysis of the next chapter, whose interpretation is meant to – and eventually it achieves that goal – be successfully understood from the perspective of certain attributes that the author comments on, relying on the meanings offered by the material and immaterial patrimony of the region. The significance of both the assets part of the material patrimony (archeological monuments, civilian city buildings, museums and collections, religious establishments), and the immaterial patrimony (traditional households, folk costumes or local traditions) is highlighted in the spirit of its contribution to shaping local identity (mention should be made of the attention the author also pays to an analysis of the customs and lifestyle of the momarlan civilization). An important space in chapter six is allocated to industrial facilities with tourist functions, as the mining culture assets in the area are imbued with historical, social and technical connotations, which the author considers as indispensable in their touristic capitalization. The author suggests that the many sides of mining culture ought to be transposed into technical museums, as the foundation for their establishment has already been laid by the completed projects to convert several coal mines. In addition to the production facilities, some of these assets are part of industrial archeology, capitalizing on the railway patrimony might be another form of boosting the evolution of tourism in the Petrosani Depression, as they are associated with coal-mining operations, as well as to the beginnings of the machine-manufacturing industry in Romania. Commemorative monuments also mark the importance of mining operations in the depression.

Chapter seven details the types and forms of tourism, predominantly mountain and rural tourism, which currently are the main types of tourism. Special attention is also paid to other

types of tourism, i.e. urban tourism and industrial tourism. Considered a particular form of tourism, whose comprehension has to be achieved by integrating it into the phenomenon of patrimonialization, industrial tourism is an alternative in the process of functional reorganization of the area. Ecomuseums are appreciated as a reaction in the process of seeking means to preserve and at the same time capitalize on local culture. The author analyzes ecomuseums from the point of view of their role in designing strategies for territorial development. The final purpose from the perspective of promoting the local patrimony is designed with a view to organizing a travel circuit across the area, that would bring together ecomuseums, information centers, local museums, industrial archaeology buildings and sites, alongside artificial and natural landscapes. Unfortunately, the tourist accommodation structure (analyzed in chapter eight) currently does not lend support to publicizing and materializing the new actions to valorize the inherited local cultural specificities, at least from the point of view of their distribution across the area, and occasionally in terms of the failure to comply with land management norms.

The last chapter of the work (chapter nine) suggests the starting points and the approaches of the strategy for the development of the Petrosani Depression tourist area. The author's detailed knowledge and capacity to integrate the strengths and weaknesses of the area into an unbiased analysis allowed to advance several plausible scenarios for the touristic evolution of the area. Thus, the author suggests four categories of challenges for the economic future of the depression: a transformation into a tourist destination of national importance, the development of mountain tourism, implementation of rural tourism and establishment of the Jiu Valley Geomineral Park with a view to supporting the growth of industrial tourism.

The successful application of several models of analysis (such as the morpho-structural

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model of distribution of the touristic resources or the distribution of tourist accommodation facilities in areas with distinct degrees of sensitivity) and the approach of an original analysis that conveys across, in a clear, rigorous and unbiased form, the genuine situation faced by a region in search for an economic reorganization are the basic elements that justify my considering this a very valuable work in the extant body of works.

Mrs. Cristina Merciu's book addresses a wide range of specialists (geographers, urban planners, economists, sociologists) and it deserves to be used as genuine scientific support, useful in creating spatial planning policies with a view to tourist regeneration of industrial spaces and at the same time the development of branches that are compatible and complementary to that.

Aims and scopes

Analysis of the urban and regional condition needs to be interdisciplinary. In reality, urban researchers usually tend to belong to a discipline reflecting their training whether as sociologists, geographers, planners or any number of subjects concerned with the study of space and place. Our training very often endorses an appreciation of how other disciplines explore the city. For the journal the acknowledgement of the many disciplines that concerned with understanding cities and regions will be indicated by the different disciplinary backgrounds reflected in the papers published. Articles will be published by geographers, sociologists, planners, economists, political scientists, to mention just few of the disciplines involved in urban and regional study.

The Journal of Urban and Regional Analysis plans to be a key outlet publishing topical articles dealing with cities and regions. In later issues we plan to include sections devoted to notes and comments as well as a policy section outlining and discussing state and non-state initiatives aimed at improving cities and regions, together with the problems confronted by their implementation.

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2. Submitted manuscripts must be original, unpublished contributions. They must not be submitted or accepted by any other publications. All articles submitted to the Journal will be available online, free of charge.

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