

# Regional centres in Central and Eastern Europe – From state socialism to dependent market economies

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S33-S2 Geoeconomic challenges: the role of FDI revisited in the Central and Eastern European regions,  
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The research seeks to explore FDI-driven transformation and development processes in Central and Eastern European cities in the post-transition period. The geographical focus of the analysis is limited to post-socialist states, while the scale of the analysis targets the metropolitan and regional level. The study provides a brief summary of the first phase of the research constituted by literature review.

World cities constitute the nodal points of the global economy. While the position of leading cities is remarkably stable, the network of world cities is subject to continuous extension and geographical restructuring. The gradual global economic integration of post-socialist cities has been a dominant process characteristic of the past three decades. In each of the countries included in our research, the development paths of the capital city and the rest of the cities are highly divergent. This is a natural phenomenon considering that the „space of flows” of the global economy is constituted only by a limited number of prominent nodes. Polycentric development in the various countries requires long-term investments in the development of national urban networks. However, the development and size of a national economy, the specificities of the urban network and regional disparities crucially impact the efficiency of these measures. The integration of FDI-driven cities into the global economy is ensured by multinational manufacturing companies. While only a limited number of APS offices are located outside capital cities, their presence clearly indicates a certain degree of embeddedness of these cities in global networks. In addition to their nodal character, these cities also play a crucial role in the creation of networks. Besides their external, intercontinental relations, these cities also place a crucial emphasis on their internal, local networks and assets, since they regard mutually advantageous linkages with their immediate and integrated environment and agglomeration as a key factor of competitiveness.

Global economic integration is realized gradually and sporadically, with spaces unaffected by the movement of FDI. An increase of spatial inequalities is a natural byproduct of the era of integration into international networks. However, the past decade has seen a reevaluation of the role of the FDI due to the growing geo-economic dependence of the region on foreign capital and global value chains, which exposed systemic vulnerability and the inability of FDI to reduce the development gap between Western and Eastern Europe.