Title of the research project: **Drivers of Regional Business Cycles Synchronization in Greece**

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Reader-friendly title: **Regional_BCS**

Research Project Synopsis

The aim of the project is to extend the within-country business cycle synchronisation research work and to identify and analyse the drivers of regional business cycles synchronisation in Greece using NUTS 2 classification. The objectives of the project to fulfil its aims are defined in the following set questions:

1.   How synchronised are the regional business cycles vis-à-vis the aggregate national reference cycle?

2.   Are any regions that drive the Greek reference cycle or the reverse? If yes, which are the key characteristics of those regions?

3.   How synchronised are the regional business cycles?

4.   Which are the key drivers of regional business cycle synchronisation?

5.   What can the lagging regions be taught by the leading regions?

6.   Could policy measures be leaned towards to bottom-up than to top-down development model?

The project will evaluate, on the grounds of its findings, the pre-crisis and current regional policies and will provide valuable information and future policy recommendations for policy designing and policy making at national and regional level. This study complements and enhances the existing line of applied research by focusing on Greek regions, and by extending the list of business cycles' synchronisation potential national and local drivers. More specifically, apart from the intra-regional trade, industry dissimilarity index, distance between capital cities and size of each region, the study will consider dissimilarities in employment, distance between regions' capital cities and the main trade infrastructure (such as airports or ports), disparities in savings rates and in public financing for infrastructure (fiscal transfers from central government to each region).

Research Project Impact

The project's overall impact targets at two wide groups: a) policy makers at country and EU level and b) local communities. Its major objective is to identify, analyse the key endogenous and exogenous drivers, such as employment, gross fixed capital formation, fiscal transfers, industry structure, and estimate their impact on regional business cycle synchronization over time. More precisely:

Impact on the local community:

Local Authorities will widen their horizons experiencing different cultures and building a better understanding of the EU development policies, thus being able to initiate more concrete plans on supporting their local economies.

Impact at national level:

At a national level this project will allow among others the identification of links between regional heterogeneity and resilience at regional level which has been one of the core issues regarding the geography of the crisis effects and vehicles out of crisis.

Impact at EU level:

At the EU level the impact of the project will take the form of networking with other regions/countries by sharing the results through conferences, publications and workshops.

The project's findings are expected to have major and wide impact: in understanding what does and does not drive the economic development and growth of the Greek regions, on the rethinking of policy making and measures to be adopted and implemented, on the improvement of the efficient allocation of resources/investments, on the improvement of competition of local and national economy with important implications for employment and income, as well as on the sustainability of regions and Nations development. In other words, the impact/contribution of the proposed research and its findings to the Greek economy at local, regional and national level is very significant.

The importance of the project

The research project is of vast importance for our research team since it will have a significant value added to future research by Doctoral candidates and other academic researchers in the field of applied social sciences with focus to economics, regional economics and development. We will develop a modeling framework which will challenge the scientific society of applied economics and applied econometrics in terms of application and possible improvements. An expected challenge is "How to recognize accurately potential variation of regional business cycle synchronization over time", which will incorporate significant evidence to recent literature. Last but not least, the set questions to be examined and the findings of the project will provide the start of the opening of a cycle in terms of more in depth research in the area of regional business cycle synchronization.