



---

## ALIGNMENT OR DIVERGENCE?

---

Meeting the Outermost Regions' Specific Needs through EU Regional Development Policies

31-01-2025  
MADS BYLOV NIKOLAISEN  
AALBORG UNIVERSITY

## **Title Page**

### **Education:**

Master's in international relations

### **Semester:**

4. Semester Fall 2024

### **Supervisor:**

Anita Nissen

### **Student:**

Mads Bylov Nikolajsen

### **Student number:**

20194198

### **Title of project:**

Alignment or Divergence?

*Meeting the Outermost Regions' Specific Needs through EU Regional Development Policies*

### **Date of submission:**

31.01.2025

### **Number of words (Excl. Abstract, table of contents, bibliography, and annex)**

17.497

### **Number of normal pages (Excl. Abstract, table of contents, bibliography, and annex)**

53

### **Number of characters (Excl. Abstract, table of contents, bibliography, and annex)**

127.160

## **Abstract**

The European Union has been trying to integrate and develop its Outermost Regions through regional development policies for a long time. These regions, that are defined under Article 349 of the Treaty on the Functioning of the European Union (TFEU), face unique socio-economic, environmental, and infrastructural challenges due to their geographic isolation and historical dependencies. This thesis investigates whether EU regional development policies align with or diverge from the specific needs of the ORs, by applying a neoliberal analytical framework to assess the European Parliament's resolutions, European Commission Communications, and the implementation of European Regional Development Fund (ERDF) and European Social Fund Plus (ESF+) programs.

The study finds that while EU policies emphasise economic liberalisation, structural reforms, and competitiveness, their application in the ORs often necessitates exemptions and targeted financial interventions to address local disparities. The research highlights some of the tensions between the EU's overarching strategic interests - such as market integration and trade expansion - and the ORs' urgent need for economic diversification, infrastructure investments, and social sustainability. By critically analysing EU policies, this thesis contributes to the discourse on regional cohesion, questioning whether the EU's development strategies genuinely foster a long-term resilience in the ORs or perpetuate structural dependencies. The findings suggest that a more tailored, inclusive, and region-specific policy approach is required to bridge the gap between EU economic objectives and the socio-economic and environmental issues of the Outermost Regions.

## **Bibliography**

<b>Chapter 1: Introduction.....</b>	<b>2</b>
1.1 Historical Relationship Between the EU and ORs.....	3
1.2 Socio-Economic, Environmental and Infrastructural Challenges .....	4
1.3 Research Gap and Contribution.....	5
1.4 Problem formulation .....	5
1.5 Delimitation .....	6
1.5.1 Theoretical Framework and Scope .....	7
1.5.2 Limitations and Boundaries .....	7
1.6 Conceptualisation.....	9
1.6.1 Defining the European Union as an Actor .....	9
1.6.2 Defining the Outermost Regions as Actors .....	9
<b>Chapter 2: Theoretical framework.....</b>	<b>11</b>
2.1 Liberalism .....	11
2.1.1 Introduction to Neoliberalism .....	12
2.1.2 Neoliberalism in International Institutions .....	13
2.1.3 Liberal Differences .....	14
2.2 Operationalisation.....	14
2.2.1 Main Indicators.....	15
2.2.3 Limitations of the Theory .....	15
<b>Chapter 3: Methodological framework.....</b>	<b>16</b>
3.1 Philosophy of Science.....	16
3.1.1 Application to the Study.....	17
3.1.2 Epistemological Implications.....	18
3.1.3 Linking Critical Realism to Neoliberal Policy Mechanisms .....	18
3.1.4 Implications for the Study .....	19
3.2 Methods.....	19
3.2.1 Qualitative Methods .....	20
3.2.2 Research Approach .....	20
3.2.3 Document Analysis .....	21
3.2.4 Data Selection.....	21
3.3 Design .....	23
3.3.1 Research Design .....	24
3.4 Quality Criteria .....	25
3.4.1 Validity .....	26
3.4.2 Reliability .....	27
<b>Chapter 4: Analysis.....</b>	<b>28</b>
4.1 Strategy of analysis .....	28
4.1.1 Approach to Analysis .....	29
4.1.2 Guiding Framework .....	29
4.1.3 Purpose of the Analysis .....	30
4.2 Makro-Level Analysis - European Parliament Resolutions.....	30

4.2.1 Market Liberalization Measures.....	30
4.2.2 Structural Reforms.....	33
4.2.3 Economic Indicators.....	37
4.2.4 Trade and Investment Flows .....	40
4.2.5 Social and Environmental Impacts .....	42
4.2.6 Sub Conclusion .....	45
<b>4.3 Makro-Level Analysis - European Commission Communication.....</b>	<b>47</b>
4.3.1 Market Liberalization Measures.....	47
4.3.2 Structural Reforms.....	48
4.3.3 Economic Indicators.....	48
4.3.4 Trade and Investment Flows .....	49
4.3.5 Social and Environmental Impacts .....	49
4.3.6 Sub Conclusion .....	50
<b>4.4 Meso-Level Analysis ERDF-ESF+ 2021-2027 programmes .....</b>	<b>50</b>
4.4.1 Market Liberalization Measures.....	50
4.4.2 Structural Reforms.....	51
4.4.3 Economic Indicators.....	51
4.4.4 Trade and Investment Flows .....	52
4.4.5 Social and Environmental Impacts .....	52
4.5.6 Sub Conclusion .....	52
<b>Chapter 5: Discussion.....</b>	<b>53</b>
5.1 Validity of the study.....	53
5.2 Alternative theoretical explanations .....	53
5.2.1 Postcolonial Theory .....	54
5.2.2 Regionalism and Multi-Level Governance.....	54
5.2.3 Dependency Theory .....	54
5.2.4 Combining Frameworks for a Holistic Perspective.....	55
5.3 Critiques of the broader neoliberal framework.....	55
<b>Chapter 6: Conclusion.....</b>	<b>57</b>
<b>Bibliography.....</b>	<b>59</b>
<b>Attachments.....</b>	<b>64</b>

## **Chapter 1: Introduction**

The colonial legacy of European countries continues to shape global relationships in the 21st century, particularly in the context of the European Union (EU) and its Outermost Regions (ORs). These regions, marked by distinct socio-economic challenges and geopolitical significance, offer a unique case for examining the EU's interests and priorities regarding regional development.

The EU's Outermost Regions, as defined in Article 349 of the Treaty on the Functioning of the European Union (TFEU), include nine regions spanning three member states: French Guiana, Guadeloupe, Martinique, Mayotte, Réunion, and Saint-Martin (France); the Azores and Madeira (Portugal); and the Canary Islands (Spain) (European Commission, n.d.-B). Combined, these regions are home to approximately five million people who, despite being located in the furthest corners of the world, still are considered EU citizens. Regardless of their geographic isolation and socio-economic vulnerabilities, the ORs are fully integrated into the EU's legal and institutional framework, and therefore also important regions for the EU to consider, in regional development plans (Ibid).

The European Union's relationship with these regions reflects a dual identity: Firstly a EU that acts as a governing body striving to promote cohesion and sustainability within its territories, but also as a geopolitical player utilising the outermost regions as strategic assets. This thesis examines whether the EU's development efforts genuinely address the distinct challenges faced by the ORs or if they are primarily driven by the EU's broader strategic objectives. Furthermore, the thesis seeks to create a foundation for further research regarding the European Union's relationship with these unique regions.

When focusing on the ORs, it is important to note, that these regions are distinct from the Overseas Countries and Territories (OCTs), which include 13 additional areas with strong ties to the EU but enjoy a greater level of autonomy, particularly regarding economic and administrative affairs. These regions include Greenland (Denmark), Aruba, Bonaire, Curaçao, and others under the jurisdictions of the Netherlands and France (European Commission, n.d.-A). Unlike the ORs, the OCTs are not fully subject to EU law, highlighting how the ORs are a unique integrated part of the European Union's framework, and therefore deserves further research.

## **1.1 Historical Relationship Between the EU and ORs**

The relationship between the European Union and its Outermost Regions is shaped by colonial legacies of EU member states, socio-economic disparities, and legal integration of regions located far from the heart of the Union they are inherently a part of. Scholars like Jean-François (2023) emphasize the enduring influence of colonial histories on the socio-economic challenges faced by ORs, such as economic dependency, underdeveloped infrastructure, and limited industrial diversification.

Despite being fully integrated into the EU framework, through provisions like Article 349 of the Treaty on the Functioning of the European Union (TFEU), these regions remain marginalized in many ways. The geographical isolations of these regions, located thousands of kilometres away from mainland Europe, restricts their integration into the European Single market, and despite efforts to improve transportation, the physical distance keeps them disconnected from engaging equally on the EU's central market.

To address regional disparities within regions of the EU, key funding mechanisms such as the European Regional Development Fund (ERDF) and the European Social Fund (ESF+) have been established. The ERDF, created in 1975, aims to reduce regional inequalities by addressing development gaps and promoting balanced growth, particularly in economically disadvantaged regions, making the ERDF highly relevant in a OR context (Schwartz, 2023). The ERDF is dependent on the recipient country's participation, as the fund operates with a co-finance principle, between the EU and the national governments involved. The EU provides a percentage of funding for eligible projects, and the recipient country or region contributes the rest.

Similarly, the ESF+, originating from the Treaty of Rome in 1957, focuses on enhancing employment opportunities and fostering social inclusion, which also is of great relevance to the ORs, as these regions are marked by a high level of unemployment and socio-economic issues (Makay, 2024).

The historical context of the ORs provides a critical lens for understanding the EU's regional development strategies and raises questions about whether the European policies and funding mechanisms genuinely support the ORs' long-term development or merely reinforce existing dependencies on their member states and the EU itself.

## 1.2 Socio-Economic, Environmental and Infrastructural Challenges

The Outermost Regions of the European Union face significant socio-economic challenges that further distinguish them from mainland Europe. These regions, located far from the continental borders of the EU, are characterised by geographic isolation, economic dependency, unemployment and low level of educational attainment. According to the European Commission (ECC, 2022-a), the ORs experience some of the highest levels of poverty, unemployment, and educational disparities within the whole territory of the EU. For instance, youth unemployment rates in several ORs far exceed the EU average, with rates reaching 41% in French Guiana, 46% in Réunion, and 55% in Mayotte (Hammond et al., 2018, p. 12). These structural issues are compounded by limited infrastructure, which further hampers economic development and access to opportunities (Ibid), while access to essential services such as healthcare, education, and reliable internet also remains limited.

*"The outermost regions suffer, on average, from the EU's highest levels of poverty, illiteracy, unemployment, young people not in employment, education, or training (NEETs), and the lowest levels of educational attainment." (ECC, 2022-a, p. 4).*

Economic dependency on a limited number of industries, such as agriculture and tourism, further contributes to these vulnerabilities. For example, the reliance on imports for basic commodities and energy, highlights several structural challenges that hinder sustainable development. Approximately 80% of electricity in the Outermost Region's is generated from imported fossil fuels, underscoring the gap between the EU-wide green energy goals and local realities in some of these regions (European Commission, 2022a). The ORs' geographic remoteness also presents environmental challenges, including vulnerability to climate change and natural disasters such as hurricanes, which disproportionately affect regions like Saint-Martin, Martinique and Guadeloupe, that are located amongst the Caribbean islands. (European Commission. n.d.-c)

Despite these obstacles, the EU has attempted to address some of these issues through targeted funding programs. Projects like infrastructure development in French Guiana (European Commission, n.d.-d) and Wi-Fi implementation in Guadeloupe (European Commission, n.d.-e) are examples of efforts to close the development gap. However, it can be argued that while some EU initiatives, aim to support the ORs, they often fail to address the regions' unique socio-economic challenges, instead reflecting broader EU priorities that do not fully align with OR-specific needs. For instance, policies



in agriculture have been critiqued for inadequately supporting diversification and modernising traditional sectors, leaving OR economies vulnerable to external competition (Hammoud et al., 2018, p. 13). While some research has been made on these regions, it remains little, therefore it creates a foundation to further investigate the EU policies regarding regional development, and their alignment – or divergence - with OR development needs.

### **1.3 Research Gap and Contribution**

This thesis addresses a critical gap in the literature by analysing the EU policies regarding OR development and integration. While existing research highlights the socio-economic challenges of ORs and critiques aspects of the EU policies, limited attention has been paid to understanding how these policies align with the specific needs and priorities of these regions.

To understand the EU's approach to regional development, Neoliberalism helps provide a critical theoretical lens. Its emphasis on market efficiency, competitiveness, and minimal state intervention is evident in EU-wide policies, and therefore it is equally evident to analyse the policies targeted these regions through such a theoretical lens. The ERDF and ESF+ programs, key instruments for EU supported regional development, operate under neoliberal principles by prioritising investments in infrastructure, innovation, and private sector engagement (Brenner, Peck and Theodore, 2010).

However, as Schwab (2024) argues, these mechanisms often fall short of addressing the unique socio-economic and environmental realities of peripheral regions, such as the ORs. Instead, they replicate broader strategies designed for mainland Europe, potentially exacerbating structural inequalities. For example, initiatives focusing on market liberalization may fail to consider the geographic isolation and limited economic diversification of the ORs, as seen in critiques of energy policies in regions like Guadeloupe (Jean-François, 2023). This will be further discussed in Chapter 5: Discussion.

### **1.4 Problem formulation**

This thesis delves into the intricate relationship between the centralised power of the European Union and the remote territories of the Outermost Regions. Despite their geographical separation, the ORs remain tightly bound to the EU decision-making processes, raising questions about whether this relationship is truly equitable. Through the lens of neoliberalism, this study analyses European

Parliament Resolutions, European Commission Communications, and the ERDF and ESF+ programmes, to understand the ideological and practical underpinnings of the EU's strategies regarding the ORs.

The Outermost Regions of the European Union are unique territories that face significant challenges. This thesis therefore seeks to explore how these challenges align with EU's approach to regional development plans for these specific regions. Specifically, the research addresses the following central question:

*How does EU regional development policies, align with or diverge from the specific needs and priorities of the Outermost Regions?*

By addressing this question, the thesis seeks to critically evaluate the effectiveness of EU policies in fostering regional development and mitigating structural inequalities in the ORs. Through the lens of neoliberalism, it seeks to understand the theoretical fundament for these policies and explore whether these policies align with the distinct realities of the ORs.

It evaluates whether the EU's approach supports equitable and sustainable development or perpetuates existing disparities within the Union.

## **1.5 Delimitation**

The scope of this thesis is delimited to analysing how EU regional development policies, align with or diverge from the specific needs and priorities of the ORs. The focus is on overarching EU policy frameworks and strategies, including European Parliament Resolutions and European Commission Communications, which establish the foundation for regional development initiatives, some of which are co-funded through the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+).

This study excludes development initiatives undertaken by external stakeholders, such as non-governmental organizations (NGOs), and individual government programs, such as France's Programming for Energy Policies (PPE) for its ORs (Ministère de la Transition écologique et de la Cohésion des territoires, 2019). However, projects co-funded through the ERDF and ESF+, will be considered a part of the EU development policies, as they are policies are partially funded by the European Union and the EU member state of which the Outermost Regions are considered a part of.

Furthermore, this exploration will be grounded in international relations theory, particularly neoliberalism, which offers a suitable framework for understanding these policies and the dynamics of state and institutional interactions within the EU's regional policy.

### **1.5.1 Theoretical Framework and Scope**

While liberalism offers a broad paradigm for understanding potential shifts in the relationship between the European Union and its Outermost Regions, neoliberalism is considered more fitting as the primary theoretical framework for this thesis. Neoliberalism, as an ideology, emphasises market efficiency, economic liberalisation, and competitiveness, which, as argued for in the introduction, are core principles evident in EU policy frameworks. These principles underpin the EU's approach to governance and regional development, influencing how resources are allocated, objectives are set, and outcomes are measured (Brenner, Peck and Theodore, 2010).

This framework helps explain potential limitations in EU policies, such as their reliance on generalised strategies that may overlook the unique challenges of peripheral regions like the ORs. By analysing the texts through the theory of neoliberalism, it will also become evident whether the policies may vary from the known neoliberal approach of the European Union and foster a discussion on the limitations of the neoliberal approach (Chapter 5: Discussion).

The theoretical framework of the thesis will be further elaborated upon in Chapter 2: Theoretical Framework.

To analyse EU-OR relations through the lens of neoliberalism, this thesis adopts a single-case study design, treating the Outermost Regions as a unified entity. This approach enables an in-depth examination of the EU regional development policies as a whole, focusing on how said policies align with or diverge from the specific needs of the ORs collectively. By analysing the interplay between policy objectives, neoliberal principles, and the unique challenges faced by the ORs, this design facilitates a comprehensive understanding of the dynamics shaping EU-OR relations. This will be elaborated upon in Chapter 3: Methodological Framework.

### **1.5.2 Limitations and Boundaries**

This thesis is focused on analysing how EU regional development policies, align with or diverge from the specific needs and priorities of the ORs. The analysis is grounded in overarching EU strategies for the ORs, focusing on European Parliament Resolutions and European Commission

Communications, as well as their funding mechanisms European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+).

To maintain a manageable scope and ensure analytical focus, several limitations have been established:

**Geographical Focus:** The study is limited to the Outermost Regions of the European Union as defined in Article 349 of the Treaty on the Functioning of the European Union (TFEU). Other EU regions and territories, including Overseas Countries and Territories (OCTs), are excluded from this analysis.

**Scope of Policies:** While the analysis includes EU-level policies and strategies, it does not cover national-level development initiatives undertaken by the individual member states: France, Portugal, and Spain. It must be pointed out, that the EU funding mechanisms analysed are based on a principle of co-funding between the EU and the states in which the projects will take place, however these projects will still be seen as EU projects, due to the EU regulations required to ensure EU funding.

**Focus on EU Mechanisms:** The research examines the ERDF and ESF+ as key funding instruments for regional development. However, the study does not delve into other EU funding mechanisms or external funding sources.

**External Stakeholders:** Development initiatives or contributions by non-EU stakeholders, such as NGOs or private entities, are not part of the primary analysis. Projects funded through the ERDF and ESF+, might however include NGO partnerships but will still be considered EU policies in this thesis.

**Theoretical Emphasis:** The thesis is grounded in neoliberalism as the primary theoretical framework. While other theoretical perspectives could provide alternative insights, these are not extensively explored due to the focused nature of the study. This will be further discussed in Chapter 5: Discussion.

**Empirical Data Sources:** The study relies on primary data from EU policy documents, including European Parliament Resolutions, European Commission Communications, and ERDF and ESF+ programs. It does not incorporate primary data collection, such as interviews or fieldwork, which may limit the depth of insight into localised experiences of the ORs.

In conclusion, these limitations ensure that the study remains focused on EU-level policies and their alignment with OR needs, offering a targeted yet insightful analysis of EU-OR relations. This delimitation enhances the study's relevance and manageability while acknowledging areas where further research could expand on the findings presented here.

## **1.6 Conceptualisation**

To comprehensively grasp the concepts utilised in this thesis, it is essential to establish precise definitions and explanations. This section conceptualises the EU and the ORs as actors, which is fundamental to the analysis and research. These conceptualisations provide a clear understanding of their application within this project and lay the groundwork for evaluating the dynamics of regional development processes.

### **1.6.1 Defining the European Union as an Actor**

The European Union is a multifaceted political and economic institution composed of 27 member states, each relinquishing certain aspects of their sovereignty to pursue shared objectives. Initially emerging from the post-war economic turmoil in Europe after World War II, the EU's origins can be traced to the European Coal and Steel Community and the later establishment of the European Economic Community (EEC) through the Treaty of Rome in 1958. Over time, the EEC evolved into, what today is known as the EU. This transition happened with the Maastricht Treaty of 1993, marking a significant shift toward deeper political and economic integration, including the free movement of people, goods, services, and capital among the unions member states (Dian, 2014).

The EU is often described as *sui generis* - a unique entity - due to its complex institutional framework. Figures like former European Commission President Jacques Delors (1989) have highlighted the EU's singularity as an actor in global politics. In this thesis, the EU is treated as a singular institutional actor, which is justified by its ability to act cohesively in major global assemblies and its role in implementing region-wide policies across the EU territory.

From a theoretical perspective, neoliberalism provides valuable insights into the EU's existence and functioning. Neoliberalism posits that the EU thrives because its member states perceive institutionalised multilateral agreements as mutually beneficial, fostering economic growth, stability, and peace. Despite not being a state itself, the EU is analysed as a singular actor in this thesis to evaluate its interests and strategies in the context of regional development in the ORs.

### **1.6.2 Defining the Outermost Regions as Actors**

The Outermost Regions are conceptualised as discrete actors in this thesis, despite their constitutional integration within their respective member states (France, Portugal and Spain). This perspective is justified by the unique socio-economic and cultural profiles of these regions, which often diverge significantly from those of their mainland counterparts due to geographical remoteness,

environmental specificities, and historical legacies. For instance, linguistic and cultural distinctions, such as the use of Creole French in Guadeloupe and Martinique, further highlight the necessity of treating the ORs as semi-autonomous entities.

This thesis regards the ORs as actors to recognise their interests and dynamics in regional development processes. By doing so, the analysis acknowledges the distinct contributions, challenges, and potentials of these regions within the broader framework of EU policies and initiatives. A description of the nine ORs and their varying degrees of autonomy is provided to enhance the analytical lens:

**Guadeloupe:** As both a French region and department, Guadeloupe operates with dual governance structures but lacks significant autonomy. Its regional and departmental councils provide localised representation but remain fully integrated within the French Republic (Ministère de la Culture, n.d.-A).

**Martinique, French Guiana, and Mayotte:** These regions have an additional designation as French territorial collectivises, granting them a degree of administrative autonomy. This status enables them to exercise some independent decision-making while remaining integral parts of France (Ministère de la Culture, n.d.-B).

**Réunion:** Similar to Guadeloupe, Réunion holds dual status as a French region and department. Its governance structures facilitate localised responses to its socio-economic challenges but do not confer autonomy from France (Ministère de la Culture, n.d.-C).

**Saint-Martin:** Designated as a French Overseas Community, Saint-Martin enjoys significant administrative autonomy, particularly in fiscal and legislative matters, enabling it to act more independently within the EU framework (Ministère des Outre-Mer, n.d.-a).

**The Azores and Madeira:** These autonomous regions of Portugal possess legislative powers in areas such as education, health, and the environment. Their high degree of self-governance supports their treatment as distinct actors in regional development (Legislative Assembly of the Autonomous Region of the Azores. n.d.)

**The Canary Islands:** An autonomous community of Spain, the Canary Islands have their own parliament and government, granting them substantial control over local affairs. This autonomy allows them to address their unique challenges and contribute meaningfully to EU regional initiatives (Government of Spain, n.d.).

These conceptualizations underline the importance of tailoring EU policies to the specific needs and circumstances of the ORs. By treating the ORs as semi-autonomous actors, this thesis aims to provide a nuanced examination of their roles in regional development processes.

The thesis will look at these Outermost Regions as a singular entity regarding EU overall OR Regional Development policies, which is justified, as they all face similar socio-economic challenges, and often are studied and analysed as one entity by the European Union itself (European Parliament, n.d.).

It is therefore acknowledged that to fully understand the struggle and implementation of regional development plans in these regions, a detailed study of each individual region, will provide a more nuanced scope, however due to the nature of this study, and the lack of information and studies made, this thesis have a broader scope to create a fundament for further research, by looking at the ORs collectively.

By defining the EU and the ORs as actors, this thesis establishes a foundational framework for analysing their interactions and interests within the context of regional development. This conceptualisation enriches the analysis by acknowledging the unique attributes and dynamics of both the EU as a singular institution and the ORs as semi-autonomous entities. Consequently, it facilitates a more comprehensive understanding of the complexities inherent in regional development and the interplay of interests within the EU framework.

## **Chapter 2: Theoretical framework**

### **2.1 Liberalism**

Liberalism is a foundational theory in the field of international relations, characterised by its enduring influence on global politics and governance. Emerging prominently after the First World War during the idealist era of international relations, liberalism gained renewed traction in the post-Second World War period and again in the 1990s, shaping Western policymaking and public discourse (Doyle,

1986). Despite periods of declining popularity, liberalism remains a critical framework for understanding global cooperation, economic interdependence, and institutional governance.

At its core, liberalism is built upon four key dimensions (Keohane, 2005): *Equality and Rights*, *Legitimacy of State Authority*, *Private Property*, and *Market Economies*. This means, that firstly Liberalism upholds equality among all citizens, entitling them to fundamental rights, including education, freedom of the press, and religious self-determination. Secondly liberalism acknowledge that the legitimacy of state power is derived from the consent of the people, ensuring accountability and protection against abuses of power. The theory emphasises the right to private property and ownership of productive assets, viewing these as essential to individual and collective prosperity. Lastly liberalism advocates for market-driven economies, prioritising free-market mechanisms over bureaucratic intervention and regulation.

Liberalism also aligns with the Westphalian concept of state sovereignty, affirming each state's right to self-governance (Ikenberry, 2001). Prominent liberal thinkers like Immanuel Kant envisioned a global order where sovereign states collaborate through institutions and alliances underpinned by international law. Kant's (1795) vision of *perpetual peace* emphasised democratic governance, economic interdependence, and adherence to legal frameworks as pathways to global stability.

In essence, liberalism promotes democratic values, international cooperation, and legal norms as essential components of peace and prosperity. While the idealistic underpinnings of Liberalism offer a vision of harmonious global relations, the theory also struggle with the complexities of international politics, necessitating continuous adaptation to evolving global dynamics.

### **2.1.1 Introduction to Neoliberalism**

In the 1980s, Neoliberalism emerged as a distinct theoretical framework, building upon liberalism while addressing contemporary developments in international relations. Sharing liberalism's emphasis on cooperation among states and other actors, neoliberalism places particular importance on international institutions as facilitators of collaboration to insure mutual benefit (Keohane, 1984).

Neoliberalism's rise coincided with advancements in global institutions and growing recognition of shared interests among states. Unlike classical liberalism, which predates these developments, neoliberalism incorporates the dynamics of modern international relations, emphasising the role of institutions in promoting order and stability. This also underline, why neoliberalism is a major theory



regarding the functioning of the European Union, and why EU policies more often than not seem guided by a neoliberal perspective.

At the heart of neoliberalism is its advocacy for market-driven solutions to economic challenges: *Market Efficiency*: Neoliberalism contends that minimising state intervention enables markets to allocate resources efficiently, fostering innovation and sustainable economic growth (Harvey, 2005). *Free Trade and Investment*: The theory prioritises liberalised trade and investment as the engines of economic prosperity and global integration. Proponents of neoliberalism argue that reducing barriers to trade, will allow nations to capitalise on comparative advantages, promoting specialisation and therefor be mutual beneficial for all partners (Rodrik, 2011). *Structural Reforms*: Neoliberalism advocates for industry deregulation, privatisation of state-owned enterprises, and fiscal discipline to enhance efficiency and reduce government interference.

In the neoliberal framework, the state's role is redefined as a facilitator rather than a regulator, enabling market competition to drive progress and prosperity. By fostering interconnectedness through trade, investment, and institutional cooperation, neoliberalism envisions a globally integrated system where economic interdependence underpins stability and peace.

### **2.1.2 Neoliberalism in International Institutions**

Neoliberalism has significantly shaped the operations and policies of several international institutions, influencing their approaches to governance, development, and economic cooperation. Central to this influence is the belief in the effectiveness of market mechanisms and the importance of reducing trade and investment barriers (Stiglitz, 2002).

In institutions like the European Union and the World Trade Organization (WTO), neoliberal principles have underpinned initiatives to liberalise markets and foster cross-border commerce. For example, the EU's Single Market and the WTO's trade agreements exemplify a commitment to free trade and market access (ECC, 2022a). It can be argued that the fundamental idea of what today has become the EU, was based in neoliberal thought, as the EEC, was built on a belief of economic growth happening through the reduction of trade and investment barriers (Brenner, Peck and Theodore, 2010). Furthermore, neoliberalism has shaped development strategies within international institutions. Development assistance and aid allocation often prioritise projects aligned with market-oriented solutions, such as investments in infrastructure and education aimed at enhancing human capital. The

emphasis on private-sector involvement reflects the neoliberal belief that markets, rather than governments, drive sustainable development (Harvey, 2005). This is a well-known strategy of the European Union, regarding regional development plans such as the European Neighbourhood Policy, which promote greater access for neighbouring countries, to the EU's market and its regulatory framework (European External Action Service, n.d.).

### **2.1.3 Liberal Differences**

While liberalism and neoliberalism share foundational principles, they diverge in the key areas of *State Intervention* and *Social Justice*. Classical liberalism advocates for minimal government involvement, emphasising individual freedoms. Neoliberalism, in contrast, recognises the state's role in promoting market efficiency and facilitating economic growth (Rodrik, 2011). When it comes to Social Justice, the theory of Liberalism emphasises equality and social justice, prioritising individual rights and freedoms. Neoliberalism, however, focuses on economic objectives, often addressing social issues through market mechanisms rather than direct redistribution of wealth (Stiglitz, 2002).

Critics argue that neoliberalism's emphasis on economic efficiency can exacerbate inequality and undermine social welfare programs. While classical liberalism envisions a balance between individual liberty and collective well-being, neoliberalism prioritises market dynamics, often at the expense of social equity (Harvey, 2005). This economic focus in neoliberalism also becomes evident when using it for analysis, as the theory itself is an IR theory, it will naturally focus on the economic aspect of international relations theory.

These differences are crucial for understanding the theoretical foundation of this thesis. While liberalism provides a broader philosophical framework, neoliberalism's focus on market mechanisms and institutional governance aligns more closely with the EU's broader framework, making it the primary theory for this research.

## **2.2 Operationalisation**

Operationalisation involves translating theoretical concepts into measurable variables to enable empirical analysis (Bryman, 2016, p. 167). In this thesis, operationalisation bridges the theoretical framework of neoliberalism with the analysis of the European Union's regional development policies for its Outermost Regions. The indicators identified below provide a structured framework for examining how neoliberal principles manifest in EU policies and their implications for OR development.

### 2.2.1 Main Indicators

Indicator	Description	Neoliberal Alignment	Measurements
Market Liberalization Measures	Policies that reduce barriers to trade and investment, such as tariff reductions and incentives for Foreign Direct Investment (FDI) (ECC, 2022a).	Reflects the neoliberal focus on free-market access, trade openness, and global competitiveness.	Identify references to <i>tariff reductions</i> , <i>trade agreements</i> , or <i>FDI incentives</i> in EU policy documents. Analyse discussions on <i>market openness</i> and <i>global competitiveness</i> .
Structural Reforms	Economic and institutional changes aimed at enhancing efficiency and competitiveness, such as fiscal discipline or reforms promoting OR autonomy (Schwartz, 2023).	Aligns with neoliberal governance models prioritizing fiscal discipline, reduced state intervention, and market efficiency.	Highlight terms like <i>efficiency</i> , <i>fiscal discipline</i> , and <i>autonomy-enhancing reforms</i> . Analyse references to governance reforms or institutional restructuring.
Economic Indicators	Indicators such as GDP growth rates, employment levels, and EU financial contributions through mechanisms like the ERDF and ESF+ (European Commission, 2022b).	Emphasizes economic growth, productivity, and performance metrics central to neoliberal economic policies.	Track mentions of <i>GDP growth</i> , <i>employment levels</i> , or <i>ERDF and ESF+ allocations</i> . Evaluate their stated goals versus development outcomes.
Trade and Investment Flows	Patterns of trade and investment that demonstrate the ORs' economic integration with global and EU markets (World Trade Organization, 2022).	Supports neoliberal goals of global economic integration and competitiveness through trade and investment.	Identify discussions about <i>trade agreements</i> , <i>export/import activities</i> , or <i>investment flows</i> . Assess how EU policies describe economic connectivity in the ORs.
Social and Environmental Impact	Indicators such as income inequality, poverty levels, and environmental sustainability (Jean-François, 2023).	Evaluates the broader societal and ecological effects of policies, highlighting potential trade-offs in neoliberal frameworks.	Analyse mentions of <i>poverty reduction</i> , <i>inequality</i> , <i>social inclusion</i> , and <i>sustainability</i> . Evaluate the balance between economic growth and societal/environmental outcomes.

### 2.2.3 Limitations of the Theory

While neoliberalism provides a robust framework for analysing EU policies, it introduces certain limitations:

#### Norms and Public Pressures:

Neoliberalism does not account for public pressures or cultural norms that may influence the interests of the EU and the ORs (Bryman, 2016).

The analysis is restricted to understanding these interests through a neoliberal lens, potentially overlooking alternative explanations. However, to account for this, a broader discussion on alternative theoretical explanations will follow in Chapter 5: Discussion.

#### **Non-State Actors:**

Neoliberalism traditionally emphasises states as central actors, which may limit its applicability to analysing non-state actors like the EU and ORs (Jean-François, 2023).

This limitation has been addressed by conceptualising the EU and ORs as independent actors (see Section 1.6 Conceptualisation).

#### **Contextual Diversity:**

The diverse socio-economic and cultural contexts of the ORs may challenge the universality of neoliberal assumptions (Schwab, T. 2024).

Despite these limitations, neoliberalism remains a valuable framework for understanding the EU's regional development strategies. Its focus on market mechanisms and institutional governance aligns with the dynamics of EU policymaking in the ORs. However, these limitations will be further addressed in Chapter 5: Discussion.

### **Chapter 3: Methodological framework**

#### **3.1 Philosophy of Science**

The philosophy of science underpinning this qualitative study draws inspiration from **critical realism**, a framework that bridges the divide between *positivist* and *interpretivist* approaches to understanding complex social phenomena. Originating in the 1970s as a critique of positivism and hermeneutics, critical realism offers a nuanced perspective that integrates *realist* and *constructivist* elements, making it well-suited for analysing the European Union's policies and interests regarding regional development in the Outermost Regions (Egholm, 2014, p. 123).

Critical realism postulate that reality exists on three interrelated levels, where the first two levels are considered the intransitive dimension, meaning that this is the world as it is, what is happening when not discussed or analysed. (Ibid).

*The Real* level, which comprises the underlying structures, mechanisms, and causal powers that shape observable phenomena.

*The Actual* level that refers to the events and occurrences that emerge from the interplay of these structures and mechanisms. The connection between the real level and the actual level is not causal and therefore cannot be captured through positivist laws. Instead, this connection is characterised by being multi-causal and context-dependent. As a result, while phenomena can be described and explained within this framework, the relationship does not provide the basis for predicting other phenomena.

And *the Empirical* level, also known as *the transitive* level, is where human observations, interpretations, and theories are constructed, often shaped by the subjective perceptions of the observer. It is on this level that the observer can develop theories and analyse the world around them, this also means that the analysis made by the observer are coloured by the perceptions and beliefs of the individual doing the analysis. Therefore, one can never be absolute that the findings found through an analysis are neutral and thereby absolute according to reality. (Egholm, 2014, p. 124).

This layered understanding allows critical realism to acknowledge that while the objects of study exist independently of human perception, also called *ontological realism*, the process of knowledge production is inherently subjective, which is known as *epistemological subjectivity* (Jespersen, 2018, p. 172). In this way, critical realism captures the dynamic interplay between structural forces and individual agency, recognising that structures create possibilities for action while individuals interpret, navigate, and potentially reshape these structures through their actions.

### **3.1.1 Application to the Study**

Through this lens, the thesis investigates whether EU policies align with or diverge from the specific needs and priorities of the ORs. By analysing European Parliament Resolutions and European Commission Communications, the study seeks to uncover the ideological and practical foundations of the EU's strategies and critically evaluate their effectiveness in addressing structural inequalities and fostering equitable development within these territories. By adopting this perspective, the study acknowledges the complex interplay between the centralised power of the EU and the unique challenges faced by the ORs.

### 3.1.2 Epistemological Implications

Critical realism acknowledges the inherent subjectivity of knowledge production, which is particularly relevant for a study that relies on qualitative methods. The interplay between structure and agency is central to understanding the EU's interests in OR development policies. While structural factors provide a framework for action, individuals and institutions interpret and act upon these structures in ways that can reinforce or transform them.

The methodology employed in this study is rooted in qualitative research, reflecting the nature of the problem formulation and the need to comprehend the nuanced interests behind the European Union's regional development plans in its Outermost Regions. By utilising qualitative methods, this study seeks to uncover whether these plans then align with or divert from the actual needs of the outermost regions.

### 3.1.3 Linking Critical Realism to Neoliberal Policy Mechanisms

Critical realism provides a layered ontology that is particularly well-suited for analysing the interplay between the European Union's regional development policies and the unique socio-economic conditions of the Outermost Regions. The three layers of critical realism - *the real*, *the actual*, and *the empirical* - serve as a framework to understand the structures, mechanisms, and outcomes shaping the EU's neoliberal policy agenda.

*The Real* level focuses on the structures and causal mechanisms that drive observable phenomena. In the context of EU policies for the ORs, these structures include the institutional framework of the EU, including the European Parliament, the European Commission, and regional funding mechanisms such as the ERDF and ESF+. Furthermore, the real level also focusses on Neoliberal principles embedded in EU policies, such as market liberalisation, economic competitiveness, and structural reforms. These structures create the conditions within which policies are formulated, reflecting the EU's broader ideological commitment to neoliberalism.

*The Actual level* refers to the tangible outcomes that emerge from the interaction of structures and mechanisms. In the case of the ORs, this includes the implementation of regional development plans set by the European Union, and in the case of this thesis policies funded through the ERDF and ESF+. Moreover, the actual level also addresses the challenges and unintended consequences of these policies, such as continued economic dependence on mainland Europe or insufficient inclusion of local

stakeholders. While the actual outcomes stem from the real structures, they also reveal how these mechanisms are mediated by local contexts and external factors.

At the *Empirical* level, critical realism acknowledges the role of human observation and interpretation in constructing knowledge. This layer is particularly relevant for the analysis of policy documents, regional development plans, and official European Commission strategies, which provide insight into the explicit goals and priorities of the EU.

### **3.1.4 Implications for the Study**

This layered approach enables a comprehensive analysis of EU policies for the ORs. By linking critical realism's ontology to neoliberal policy mechanisms, the study can uncover, how neoliberal principles are embedded within the EU's institutional structures and funding mechanisms. Foster a discussion for the alignment - or misalignment - between policy objectives and actual outcomes in the ORs. By integrating critical realism with neoliberalism, this study provides a nuanced framework for understanding the dynamics of regional development in the ORs.

## **3.2 Methods**

This section outlines the methodological foundation of the thesis, detailing the research approach, methods, and data selection processes used to explore EU regional development policies in the context of the Outermost Regions. The chosen methodology reflects the study's commitment to a qualitative approach, emphasising the complexity and contextual nature of EU-OR relations.

The chapter begins with an overview of the qualitative research framework and its suitability for analysing the socio-political and economic dynamics shaping EU policies. Following this, the research design is described, highlighting the deductive approach guided by neoliberal theory and the use of document analysis as the primary method for empirical investigation. This approach is supported by the systematic collection and analysis of primary data, including EU resolutions, regional development strategy, and ERDF and ESF+ programmes.

The document analysis methodology is explained in detail, and the selection and organisation of data are also discussed, ensuring transparency and rigor in the study's analytical process. By adhering to established quality criteria, including validity and reliability, this chapter sets the stage for a robust

and credible analysis of the alignment – or divergence - between EU policies and the specific needs of the ORs.

### 3.2.1 Qualitative Methods

Qualitative research forms the cornerstone of this thesis, aligning with its focus on understanding the intricacies of EU-OR relations and the interests driving regional development policies. This methodology is particularly suitable for interpreting complex socio-political and economic phenomena, enabling a nuanced understanding of the dynamics at play (Bryman, 2016, p. 375).

The flexibility of qualitative methods facilitates a detailed examination of the contextual, institutional, and ideological factors shaping EU policies. By prioritising in-depth exploration over statistical generalisation, qualitative research allows the study to uncover how regional development policies are framed, understood, and whether they align with the specific needs in the ORs. This approach is integral to interpreting the interests and power dynamics inherent in EU development strategies.

### 3.2.2 Research Approach

The research employs a **deductive approach**, grounded in the application of neoliberal theory to analyse primary data and utilise secondary data in the discussion. The deductive framework ensures a structured investigation, beginning with the identification of the problem area - EU regional development in the ORs - and culminating in a theoretically informed analysis of the collected data (Merriam-Webster, n.d.).

The study incorporates *Primary Sources*: Official EU documents, such as European Parliament Resolutions and European Commission Communications, sourced directly from EU websites and government platforms, and *Secondary Sources*: Academic literature, that provide context and complement the primary data will be used in the discussion to further enlighten the findings from the analysis. These sources are selected for their relevance to the research question and their ability to illuminate recent developments in EU-OR relations (George, A. 2021).

The exploratory nature of this study acknowledges the relatively under-researched context of EU-OR relations. By combining primary and secondary sources to reach a conclusion, the study provides a comprehensive understanding of the dynamics driving EU development initiatives.



### 3.2.3 Document Analysis

Document analysis serves as the primary method for empirical investigation in this thesis, providing a systematic approach to interpreting the neoliberal interests and strategies embedded in EU policies for the ORs, and thereby helping reach a conclusion for whether these policies align or divert from the specific needs of the Outermost Regions. As a widely utilised method in the social sciences, document analysis enables the incorporation of diverse sources, offering a holistic perspective on the research problem (Brinkmann & Tanggaard, 2020, p. 185).

This thesis follows O'Leary's (2014) eight-step framework for document analysis:

1. **Collection of Relevant Documents:** This includes European Parliament Resolutions, European Commission Communications and ERDF and ESF+ programmes.
2. **Organization of Data:** Documents are categorised accordantly to the strategy of analysis.
3. **Authenticity Verification:** Priority is given to official sources to ensure credibility.
4. **Assessment of Potential Bias:** The thesis draws upon primary data from the EU, which minimise potential bias.
5. **Thematic Analysis:** Patterns and recurring themes are identified to address the research question, following the main measurements presented in section: 2.2.1. Main Measurements
6. **Critical Reflection:** The analysis considers both explicit and implicit narratives within the documents.
7. **Synthesis:** The sourced material is produced by different EU bodies which helps provide a cohesive understanding of EU-OR relations.
8. **Reporting:** Findings are presented in a structured manner, highlighting their relevance to the problem formulation.

By adhering to this framework, the study ensures a rigorous and methodical approach to analysing documents, thereby enhancing the validity and reliability of its findings.

### 3.2.4 Data Selection

The data used for the analysis are all primary data sourced from EU engines, which aligns with the problem formulation. The Primary Sources used consists of: European Parliament Resolutions, European Commission Communications related to the ORs and ERDF and ESF+ programs for the Outermost Regions.

European Parliament Documents:

Attachment	Document	Official Title	Description
EPR, 2014	European Parliament Resolution 2014	Optimising the potential of outermost regions	European Parliament resolution of 26 February 2014 on optimising the potential of outermost regions by creating synergies between the Structural Funds and other European Union programmes
ERP, 2017	European Parliament Resolution 2017	Promoting cohesion and development in the outermost regions of the EU	European Parliament resolution of 6 July 2017 on promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 of the TFEU
EPR, 2021	European Parliament Resolution 2021	Towards a stronger partnership with the EU outermost regions	European Parliament resolution of 14 September 2021 towards a stronger partnership with the EU outermost regions
EPR, 2022	European Parliament Resolution 2022	EU Islands and cohesion policy	European Parliament resolution of 7 June 2022 on EU islands and cohesion policy: current situation and future challenges

European Commission Documents:

Attachment	Document	Official Title	Description
ECC, 2022-a	European Commission Communication, 2022	Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions	Communication from the commission to the European parliament, the council, the European economic and social committee and the committee of the regions
ECW - A	European Commission Working Document_A	Outermost regions at a glance – assets, challenges and opportunities	Commission staff working document  Supporting document
ECW - B	European Commission Working Document_B	Synopsis report on the results of the Communication on the outermost regions consultation activities	Commission staff working document  Supporting document

ERDF and ESF+ 2021-2027 programmes:

Attachment	Official Title
ERDF-ESF+ Guadeloupe	Programme Guadeloupe ERDF-ESF+ 2021-2027
ERDF-ESF+ Martinique	Programme Martinique ERDF-ESF+ 2021-2027
ERDF-ESF+ Réunion	Programme Réunion ERDF-ESF+ 2021-2027
ERDF-ESF+ Mayotte	Programme Mayotte ERDF 2021-2027
ERDF-ESF+ Azores	Azores Regional Programme 2021-2027
ERDF-ESF+ Madeira	Madeira Regional Programme 2021-2027

\*The ERDF-ESF+ programs for *French Guiana, the Canary Islands, and Saint-Martin* are not presented as their respective plans for the 2021-2027 programming period were not available at the time of analysis.

Whereas the analysis is consisting of primary data, secondary data will be included to add to the discussion section of the thesis.

The exploratory nature of the study necessitates flexibility in data selection, prioritising relevance over rigid inclusion criteria. Each source is critically analysed to ensure its contribution to understanding the research problem and the broader implications of neoliberalism in EU policymaking.

### 3.3 Design

This section outlines the research design employed in this thesis, ensuring a systematic approach to addressing the problem formulation. The chosen design reflects the complexity of EU regional development policies and their impact on the Outermost Regions. By adopting a case study methodology, the research aims to provide a comprehensive understanding of how EU policies align with or diverge from the specific needs of the ORs. The following subsections will explain the rationale

behind the chosen research design, its structure, and its contribution to the study's broader analytical framework.

### 3.3.1 Research Design

The research design of this thesis aims to systematically address the problem formulation: *How does EU regional development policies, align with or diverge from the specific needs and priorities of the Outermost Regions?* To achieve this, the thesis adopts a **single case study design**, which is particularly well-suited for analysing complex single cases and phenomena and therefore understanding the intricate dynamics between the EU's policy framework and the ORs.

This approach allows for an in-depth examination of the ORs as a collective group and understand the broader EU policy regarding regional development in these regions. By focusing on this single case, the research can delve deeply into the contextual factors, governance structures, and policy mechanisms that shape the alignment or divergence between EU policies and regional needs. However, it is also important to highlight the specific dynamics within each of the nine Outermost Regions. This design acknowledges its limitations, particularly regarding generalisability. However, its strength lies in its capacity to provide a detailed and nuanced understanding of a single, strategically important case. The findings contribute to the ongoing discourse on regional development and policy effectiveness within the EU framework, offering both theoretical and practical implications for future studies. The validity of the findings will be further discussed in Chapter 5: Discussion.

### Rationale for Research Design

The choice of a single case study design in this thesis is rooted in the complexity and diversity of the Outermost Regions as a collective case. Although these regions are united under the framework of Article 349 TFEU, they exhibit substantial variation in geography, socio-economic conditions, and cultural contexts. This diversity necessitates a methodological approach capable of capturing both their shared challenges and unique dynamics. The single case study design offers the depth required to explore these nuances while maintaining a cohesive focus on the ORs as a collective entity within the broader framework of EU regional development policies.

This approach enables a detailed contextual analysis that examines both the overarching strategies of the EU and the specific conditions within the ORs. By focusing on the interplay between macro-level policies and regional-level programmes, the design allows for a holistic understanding of how EU initiatives address - or fail to address - the priorities and needs of the ORs. Such a framework is

particularly valuable in investigating the extent to which EU policies and programmes funded through the European Regional Development Fund (ERDF) and European Social Fund Plus (ESF+) align with the realities faced by the ORs.

Furthermore, the research design aligns closely with the neoliberal theoretical framework adopted in this thesis, which emphasizes market-driven solutions, competitiveness, and structural adjustments. The single case study approach provides a robust structure for analysing how these neoliberal principles are embedded within EU regional policies and their applications in the ORs, offering insights into both the ideological foundations and practical implementation of EU initiatives.

To support this analysis, the study draws on a diverse range of data sources. European Parliament Resolutions, European and Commission Communications are examined to understand the strategic objectives and commitments underlying the EU's regional development approach. These are complemented by an analysis of regional development plans and funding mechanisms, under the ERDF and ESF+, to evaluate the practical implementation of these strategies. Academic literature provides further contextual insights for the discussion, enriching the understanding of both theoretical and practical dimensions of EU policy-making.

The analysis follows a thematic approach, identifying patterns, recurring themes, and significant variations within the data. By synthesising insights across multiple data sources, this method ensures a comprehensive exploration of the alignment - or divergence - between EU policies and the specific needs of the ORs.

### **3.4 Quality Criteria**

The robustness of this research hinges on its adherence to quality criteria, particularly *validity* and *reliability*. These criteria ensure the credibility, consistency, and applicability of the findings. Where validity can be defined as: examining the right data, then reliability is defined as: examining the data the right way (Ingemann, et al., 2018, p. 27).

### 3.4.1 Validity

The validity of this study depends on how accurately it captures the unique relationship between the EU and the ORs, particularly through the lens of neoliberalism. Since this thesis focuses on the ORs as a single case, it emphasises both the internal consistency of the research and its broader relevance.

Internal validity is ensured through the careful selection of credible sources, including official EU policy documents such as: European Parliament Resolutions, European Commission Communications, and the ESDF and ESF+ programmes for the ORs. These sources are directly relevant for understanding the development and implementation of EU policies in the context of the ORs, minimising bias and ensuring reliability. Additionally, the analysis is rooted in the specific socio-economic and geographic characteristics of the ORs, ensuring that the complexities and constraints unique to these regions are accurately represented. Reflexivity is embedded in the research process, with continuous efforts to critically evaluate assumptions about neoliberalism as a theoretical framework and the motivations behind EU policymaking, reducing the risk of subjective interpretation.

External validity, while not a central aim of this thesis, is considered in terms of the potential applicability of the findings. The study does not seek to generalise its conclusions to other EU regions or similarly marginalised areas globally. Instead, it focuses on developing a deep understanding of the ORs as a distinct case within the EU's regional development policy. However, by applying neoliberalism as an analytical lens, the research contributes to broader theoretical discussions, offering insights into how economic and institutional priorities influence policy design within the European Union. Although specific to the ORs, the findings could provide a foundation for examining regions with comparable structural challenges (Ingemann et al., 2018, s. 336). Contrasting the ORs' unique context with other EU regions further highlights their exceptional status and the need for tailored policy approaches.

In summary, the study's validity is grounded in its ability to offer a comprehensive exploration of the EU-OR relationship while situating the analysis within broader theoretical and policy debates. By treating the ORs as a single case, the research highlights the interplay between neoliberal principles, EU policy objectives, and the distinct challenges faced by these regions. This approach ensures a robust internal foundation while contributing valuable insights for further academic studies.

### 3.4.2 Reliability

The reliability of this study is centred on ensuring consistency and transparency in both data collection and analysis. Given the study's focus on the EU's regional development policies and their impact on the ORs, efforts have been made to maintain methodological rigor and replicability throughout the research process (Ingemann et al., 2018, s. 331).

Internal reliability is achieved through a systematic approach to data collection and thematic analysis. Primary data were exclusively sourced from official EU platforms, such as European Parliament resolutions, European Commission Communications, and the ERDF and ESF+ programmes. Secondary data, including academic articles used in the discussion, were retrieved from academic search engines, to help secure the reliability of the thesis. This meticulous selection process minimises variability and ensures credibility. Furthermore, the analysis employed a "colour coding" technique guided by five main measurements derived from neoliberal theory. While these measurements provided a structured framework, the coding process was deliberately kept semi-open to accommodate alternative interpretations and explanations, ensuring that the analysis remained flexible and adaptive to the data. This balance between structure and openness enhances internal reliability by maintaining consistency while avoiding rigidity in the analytical process (Ingemann et al., 2018, s. 217)

External reliability focuses on the replicability of the research. The study's methodology is presented in a detailed and transparent manner, including a step-by-step explanation of the research design, data collection, and analytical procedures. This ensures that future researchers can replicate the study using similar methods and data sources. By drawing exclusively from publicly accessible EU documents and implementing a clear operational framework, the research is accessible and replicable without requiring specialised or restricted data. Additionally, the comprehensive documentation of the ORs' unique socio-economic and geographic contexts provides the contextual depth necessary for assessing the study's findings in relation to other research contexts. While the study does not aim to generalise its conclusions, the thorough exploration of the ORs' distinct circumstances may offer a foundation for comparative analyses in similar regions.

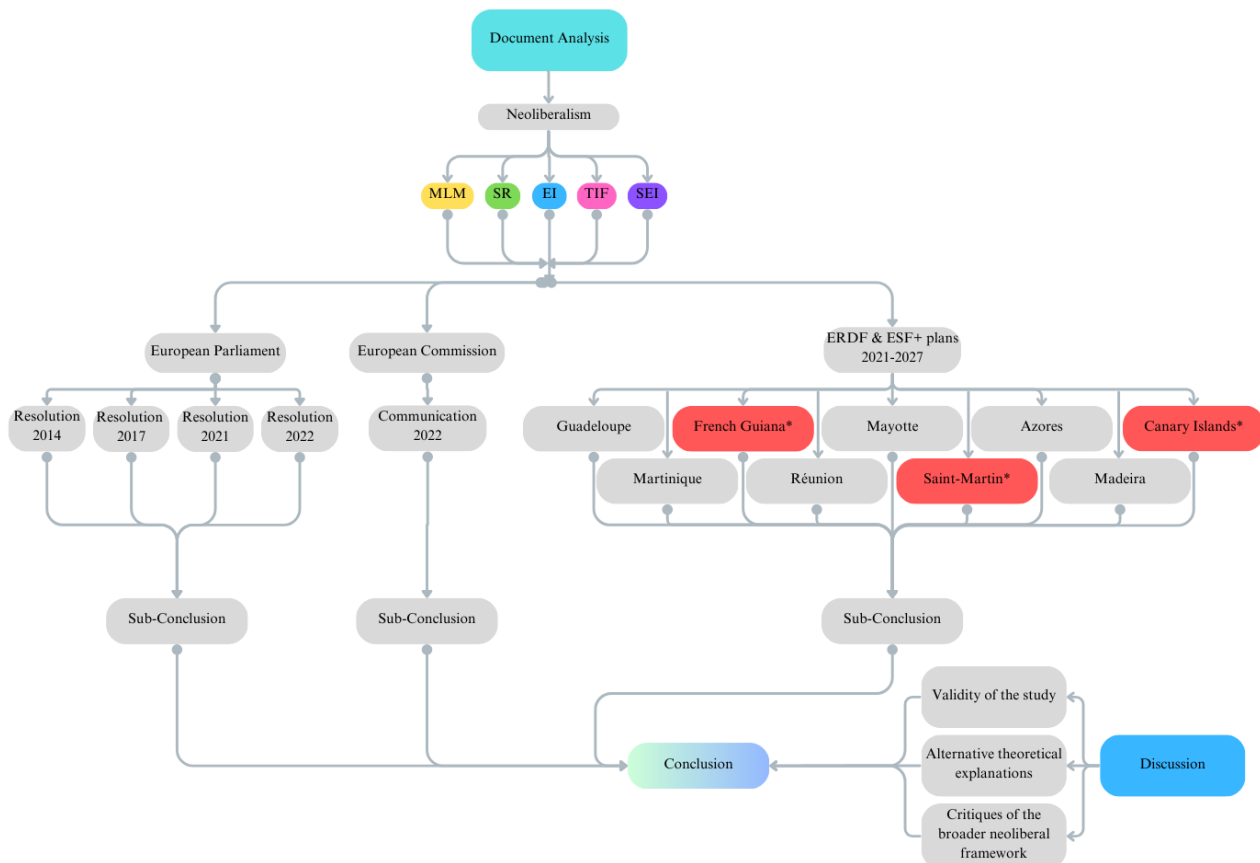
Reliability is also linked to the study's theoretical framework, particularly its use of neoliberalism as an analytical lens. The structured framework ensures that the analysis remains consistent and focused. At the same time, the semi-open coding process allows for the consideration of perspectives that

extend beyond neoliberal explanations, ensuring that the findings are not unduly constrained by theoretical assumptions. This integration of theory and methodology underscores the reliability of the study while fostering a balanced and nuanced interpretation of the data.

In summary, the reliability of this research is upheld through rigorous data sourcing, systematic analysis, and transparent methodology. By addressing both internal consistency and external replicability, the study provides a credible foundation for understanding the EU-OR relationship and contributes to broader discussions on regional development and policy analysis.

## Chapter 4: Analysis

### 4.1 Strategy of analysis



\*ERDF & ESF+ plans 2021-2027 for French Guiana, Saint-Martin and Canary-Islands are not available, and will therefore not be incorporated into the analysis



The primary objective of the analysis is to address the research question:

*How does EU regional development policies, align with or diverge from the specific needs and priorities of the Outermost Regions?*

#### **4.1.1 Approach to Analysis**

The analysis in this thesis is designed to systematically explore the European Union's regional development plans for its Outermost Regions through the lens of neoliberalism. It combines both macro-level and meso-level analyses to provide a comprehensive understanding of overarching strategies and region-specific policies. The analysis is structured as follows:

**European Parliament and European Commission Documents - Section 1 and 2: Macro-Level Analysis:** The first two parts of the analysis examines the broader strategies and policies articulated by the European Union for its Outermost Regions. This involves a review of European Parliament resolutions and Commission Strategies. These documents reveal the Union's general priorities and interests and help understand the policies to a broader extent. The emphasis is on identifying recurring themes, priorities, and interests at the macro level, as reflected in EU-wide strategies.

**ERDF and ESF+ Documents - Section 3: Meso-Level Analysis:** The third part of the analysis focuses on the available ERDF and ESF+ plans for the Outermost Regions: Guadeloupe, Martinique, Mayotte, Réunion (France); the Azores and Madeira (Portugal). The second section therefore delves into the specific development programmes funded through the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+) for the period 2021–2027.

#### **4.1.2 Guiding Framework**

The analysis is guided by the core indicators derived from neoliberalism, them being:

- Market liberalization (MLM)
- Structural reforms (SR)
- Economic indicators (EI)
- Trade and investment flows (TIF)
- Social and environmental impacts (SEI)

By systematically applying these indicators across both macro and meso-levels, the analysis ensures consistency and transparency, enabling meaningful comparisons and insights.

#### **4.1.3 Purpose of the Analysis**

This structured approach allows the thesis to:

- Examine the EU's overarching interests and priorities in regional development
- Assess how these interests translate into tangible outcomes for the ORs
- Provide a holistic understanding of the interplay between EU policies and the unique challenges faced by the ORs

Through this multi-level analysis, the thesis contributes to a deeper understanding of the EU's role in fostering regional development and highlights areas for improvement in aligning policy objectives with local realities.

### **4.2 Makro-Level Analysis - European Parliament Resolutions**

European Parliament resolutions, although non-binding, carry significant political weight as they often shape the EU's policy and agenda on various issues. These resolutions are particularly relevant to this thesis as they provide insights into the EU's positions and interests in regional development within the Outermost Regions (ORs). While they do not detail structural changes or reforms, they reflect the EU's overarching priorities and strategies. Analysing these resolutions through the lens of neoliberalism allows for a deeper understanding of the economic and institutional motivations behind the EU's policies.

#### **4.2.1 Market Liberalization Measures**

Market liberalization, a core value of neoliberalism, seeks to reduce barriers to trade and investment to foster economic integration and competitiveness. The European Parliament's resolutions regarding the ORs illustrate how these principles are adapted to address the ORs' unique economic and geographical constraints. Through tailored legislative frameworks, infrastructure investments, and sectoral support, the EU acknowledges that conventional market mechanisms require significant modifications to be effective in the ORs.

#### 4.2.1.1 Tailored Legislative Frameworks and Financial Support

The EU explicitly recognizes that traditional free-market principles are insufficient in the ORs due to their geographic remoteness, small market size, and limited capacity to attract private investment. In the 2014 resolution, this limitation is clearly articulated:

*“Points out in this connection that, in terms of competition, the circumstances are not the same as in the rest of the European area, since in the ORs a free market is not possible in most sectors of activity, the bulk of which cannot attract private investment; notes that the supply of high-quality products at competitive prices in the ORs can only be ensured if the state provides appropriate financial support” (EPR, 2014, p. 285/62).*

This statement underscores the EU’s acknowledgment of structural barriers that prevent the ORs from participating in free markets. By emphasizing “appropriate financial support,” the resolution highlights the necessity of state intervention to mitigate these barriers and sustain local economies.

This contrasts with neoliberalism’s ideal of minimal state interference, demonstrating the EU’s pragmatic adaptation of its principles to account for regional disparities.

Similarly, the 2021 resolution calls for tax flexibility to balance local economic needs with broader competitiveness objectives:

*“Calls for the extension and maintenance until 2027 of several tax derogations for the ORs [...] which must reconcile the twin imperatives of protecting local production and tackling the high cost of living [...]” (EPR, 2021, p. C117/20).*

By advocating for “tax derogations” to support local production and address the ORs’ high cost of living, the EU attempts to foster market liberalization in a way that aligns with the ORs’ socio-economic realities. These measures reflect the EU’s understanding that a rigid free-market approach would exacerbate inequalities, reinforcing the need for tailored legislative and financial interventions to support economic viability.

#### **4.2.1.2 Connectivity and Infrastructure as Enablers of Market Liberalization**

Connectivity is identified as a critical necessity for market liberalization in the ORs, with infrastructure investments framed as essential for reducing transaction costs and facilitating economic participation. The 2014 resolution highlights the strategic importance of integrating the ORs into broader economic networks through targeted transport and digital infrastructure:

*“Welcomes the Commission’s intention to include the ORs in the trans-European networks, but deplores the fact that most of the ORs have been excluded from the priority corridors [...] calls on the Commission to establish a specific sectoral framework for ORs in order to make them more accessible and improve links to mainland Europe” (EPR, 2014, p. 285/63).*

This call for “specific sectoral frameworks” demonstrates the EU’s recognition that the ORs’ logistical isolation cannot be overcome without targeted infrastructure projects. By addressing geographic and digital connectivity, the EU aims to reduce market entry barriers, enabling the ORs to integrate into regional and global markets.

The 2022 resolution reinforces this focus on connectivity, emphasizing sustainable transport systems to lower costs and enhance accessibility:

*“Stresses the need to ensure the territorial continuity of all islands through sustainable maritime and air transport, reducing transport costs for passengers and goods” (EPR, 2022, p. C493/58).*

This prioritization of “*territorial continuity*” highlights the EU’s strategic focus on linking the ORs with the mainland and other markets. By reducing transport costs, the EU aligns with neoliberal priorities of enhancing efficiency and market competitiveness, while simultaneously addressing the ORs’ unique logistical constraints.

#### **4.2.1.3 Balancing Market Liberalization with Regional Constraints**

The resolutions consistently acknowledge the challenges of balancing the neoliberal emphasis on open markets with the socio-economic and geographical realities of the ORs. For example, the 2017

resolution cautions against undermining the ORs' economic progress through external pressures such as free trade agreements:

*"Stresses, in the name of consistency of policies, the fact that the efforts made in the outermost regions to modernise and to render their industries competitive should not be undermined by free trade agreements signed between the EU and third countries" (EPR, 2017, p. 334/172).*

This acknowledgment of "*consistency of policies*" reflects the EU's awareness of the fragility of the ORs' economies. While neoliberalism advocates for global economic integration, the resolution underscores the importance of safeguarding local industries from external competition. Similarly, the 2022 resolution highlights the role of sustainable tourism in boosting the ORs' market participation:

*"Calls [...] to provide specific additional financial support for sustainable tourism in islands, solving the problem of seasonal tourism and supporting innovative pilot projects" (EPR, 2022, p. C493/57).*

By supporting "*innovative pilot projects*" in tourism, the EU aims to enhance the ORs' competitiveness while addressing structural challenges such as seasonality. This approach illustrates how market liberalization can be adapted to foster localized growth and resilience, reflecting a nuanced application of neoliberal principles.

#### **4.2.1.4. Summery**

The European Parliament's resolutions approach to market liberalization in the ORs, highlights a pragmatic adaptation of neoliberal principles to address regional disparities. Tailored legislative frameworks, connectivity investments, and sector-specific interventions are employed to mitigate the ORs' structural disadvantages while fostering economic integration and competitiveness. This nuanced strategy underscores the complexity of applying neoliberal ideals in peripheral regions, where state intervention and regional inclusivity are essential for achieving equitable development.

#### **4.2.2 Structural Reforms**

Structural reforms are pivotal for enhancing the resilience, adaptability, and competitiveness of the Outermost Regions. Across the resolutions from 2014, 2017, 2021, and 2022, the European

Parliament underscores the importance of economic diversification, localized strategies, and sustainability initiatives to address the systemic challenges faced by the ORs. While the resolutions align with neoliberal ideals of empowering regions to adapt to market dynamics, they also highlight gaps between strategic vision and implementation, raising critical questions about the practical execution of these reforms.

#### **4.2.2.1 Economic Diversification and Self-Reliance**

A recurring theme across the resolutions is the need for economic diversification to reduce the ORs' reliance on a limited range of sectors. The 2014 resolution highlights this as a cornerstone of the EU's structural reform agenda:

*“Endorses the Commission approach of implementing policies seeking to make the ORs more self-reliant, economically robust and better able to create sustainable jobs by capitalising on their assets” (EPR, 2014, p. 285/60).*

This focus on self-reliance reflects core neoliberal principles of empowering regions to harness their unique resources and integrate into global market dynamics. By encouraging the ORs to leverage assets such as biodiversity and geographic location, the EU envisions a shift from dependency on external support to localized economic resilience. However, the resolution offers limited specificity on the mechanisms needed to achieve these goals, reflecting a broader tendency within neoliberalism to rely on decentralisation and regional adaptability. While this flexibility allows Member States to tailor reforms, it risks uneven outcomes due to variations in local capacity and political commitment.

The 2022 resolution reinforces this theme, emphasising the need to strengthen secondary sectors to reduce economic vulnerabilities:

*“Highlights [...] the need to diversify the economy of islands by strengthening their secondary sectors” (EPR, 2022, p. C493/52).*

By advocating for diversification beyond primary and tertiary sectors, the EU seeks to create dynamic economic structures that can better withstand market fluctuations. This aligns with the neoliberal

focus on fostering competitive and innovative economies while addressing the ORs' structural dependencies.

#### **4.2.2.2 Tailored and Localized Reform Strategies**

A critical aspect of the EU's structural reform agenda is the emphasis on localised strategies that align with the ORs' unique socio-economic conditions. The 2021 resolution explicitly calls for a strategy tailored to local realities:

*“A new strategy for and with the ORs that responds to local realities and needs [...]”*  
(EPR, 2021, p. C117/22).

This approach underscores the importance of flexibility in governance, a hallmark of neoliberalism, which prioritises decentralization and regional adaptability. By integrating localised solutions into broader EU strategies, the resolution reflects a pragmatic effort to balance top-down policymaking with bottom-up implementation. However, the success of such an approach hinge on the EU's ability to provide adequate guidance and support while allowing sufficient autonomy for local adaptation.

Similarly, the 2022 resolution advocates for a European strategy tailored specifically to island regions, emphasizing the need to account for geographic and socio-economic diversity:

*“Calls on the Commission to develop a European strategy for islands [...] that takes into account the specific features of each of the EU's sea basins”* (EPR, 2022, p. C493/60).

This call for tailored strategies highlights the EU's recognition that one-size-fits-all reforms are inadequate for addressing the diverse challenges faced by the ORs. By promoting region-specific solutions, the EU aligns with the neoliberal emphasis on governance flexibility while addressing the unique constraints of peripheral regions.

#### **4.2.2.3 Addressing Implementation Gaps**

While the resolutions articulate a clear vision for structural reforms, they also highlight significant gaps in their implementation. The 2017 resolution critiques past reforms under the Common Organization of the Markets (COMs) for failing to account for the ORs' specific needs:

*“Recalls that the successive reforms of the common organisations of the market (COMs) have not paid sufficient attention to the specific characteristics of the ORs and urges for them to be better taken into account in future” (EPR, 2017, p. 334/171).*

This critique underscores a disconnect between the EU’s strategic goals and its operational execution. By failing to fully leverage Treaty provisions and address regional disparities, past reforms have limited the ORs’ capacity to benefit from their EU membership. Addressing these implementation gaps is essential for ensuring that structural reforms translate into tangible benefits for the ORs, aligning with the neoliberal goal of fostering self-reliant and competitive regions.

#### **4.2.2.4 Sustainability as a Pillar of Structural Reforms**

The integration of sustainability into structural reforms marks a notable evolution in the EU’s approach. The 2021 resolution encourages the ORs to join the ‘Local2030’ network to align their development goals with global sustainability objectives:

*“Encourages the ORs to join the ‘Local2030’ network and develop sustainable development scorecards so that they can better share their solutions” (EPR, 2021, p. C117/23).*

This initiative reflects a broader understanding within modern neoliberalism that long-term economic growth must balance environmental and social considerations. By prioritising sustainable development, the EU seeks to enhance the ORs’ economic resilience while aligning their reform agendas with global trends.

#### **4.2.2.5 Summery**

The structural reforms outlined across the resolutions highlight the EU’s commitment to fostering economic diversification, self-reliance, and sustainability in the ORs. While aligning with neoliberal principles of adaptability and competitiveness, the emphasis on localised strategies and tailored frameworks reflects a pragmatic recognition of the ORs’ unique challenges. However, gaps in implementation and the reliance on broad language remain significant barriers to achieving the EU’s vision. Bridging these gaps will be essential for translating the EU’s strategic goals into actionable and



impactful policies, ensuring that structural reforms contribute meaningfully to the ORs' resilience and integration into the broader European economy.

#### **4.2.3 Economic Indicators**

Economic indicators such as GDP growth, employment rates, and innovation capacity are critical benchmarks for assessing the effectiveness of regional development strategies. Across the resolutions from 2014, 2017, 2021, and 2022, the European Parliament underscores the importance of enhancing these metrics in its Outermost Regions to foster competitiveness and reduce disparities. This focus aligns with neoliberal principles, emphasising investment-driven growth and the integration of marginalised regions into the broader EU economy.

##### **4.2.3.1 Research, Innovation, and Technological Development**

The 2014 resolution emphasizes the role of research, innovation, and technological development as catalysts for economic growth and competitiveness:

*“Points out that one of the aims of cohesion policy over the period 2014–2020 is to step up research, technological development and innovation efforts” (EPR, 2014, p. 185/61).*

This reflects a neoliberal emphasis on knowledge-driven growth, where investment in innovation enhances productivity, attracts private sector engagement, and creates competitive markets. However, the resolution also critiques the insufficient support allocated to the ORs under previous frameworks:

*“Criticises the fact that [...] the ORs have not received sufficient support under the 2007–2013 programme for research and development [...] calls therefore on the Commission to take steps to support research in the ORs and help achieve a critical mass” (EPR, 2014, p. 185/61).*

This acknowledgment of systemic disparities highlights a significant barrier to integrating the ORs into the EU's knowledge economy. Despite their potential, the ORs have been inadequately included in research programs, limiting their capacity to contribute to innovation-driven economic growth. By calling for increased investment and tailored research programs, the resolution aims to address these gaps, fostering resilience and reducing dependency on traditional sectors.

#### 4.2.3.2 Cohesion Policy as a Driver of Growth

Cohesion policy emerges as a key tool for addressing economic disparities and enhancing economic performance in the ORs. The 2017 resolution underscores its importance in sectors such as transport, energy, digital infrastructure, and education:

*“Highlights that cohesion policy support remains essential to reducing disparities, particularly in the areas of transport, energy, digital infrastructure, and education” (EPR, 2017, p. 335/174).*

This approach aligns with neoliberal goals of using targeted financial support to stimulate economic activity and equip regions to compete in a globalised economy. By prioritising investments in infrastructure and education, the EU seeks to build the capacity of the ORs to integrate into broader economic networks. However, the resolution also implicitly critiques the EU’s ability to ensure equitable access to these resources, noting the risk of systemic disparities leaving the ORs behind in the EU integration process.

#### 4.2.3.3 Differentiated Approaches to Economic Development

Recognising the structural constraints of the ORs, the 2021 resolution calls for a differentiated funding strategy tailored to their unique challenges:

*“Emphasises the need to read Article 349 TFEU in conjunction with Article 7 in order to allow for a differentiated approach, taking full account of their specific characteristics and structural constraints [...]” (EPR, 2021, p. C117/20).*

This tailored approach reflects a pragmatic adaptation of neoliberal principles, where economic policies are adjusted to address the diverse needs of peripheral regions. The resolution also highlights the importance of modernising key sectors, such as agriculture and fisheries, to foster resilience and stimulate economic growth:

*“Reaffirms the need to make professions connected with agriculture, livestock farming, fisheries, the sea and the environment in the ORs more attractive, particularly to young people [...]” (EPR, 2021, p. C117/23).*

By targeting sectoral innovation and ensuring financial support, the resolution aligns with neoliberal objectives of enhancing productivity and reducing disparities. The emphasis on making traditional sectors more attractive to younger generations also highlights the EU's long-term strategy for sustaining economic vitality in the ORs.

#### **4.2.3.4 Addressing Disparities and Supporting Local Economies**

The 2022 resolution focuses on the persistent economic disparities between island regions and their mainland counterparts:

*“Stresses that the GDP and level of development of European islands lag behind the average of the EU and of the countries to which they belong” (EPR, 2022, p. C493/52).*

To address these challenges, the resolution advocates for urgent measures to support local businesses and mitigate depopulation:

*“Calls for urgent measures to limit the depopulation of islands [...] and to support local businesses and protect jobs” (EPR, 2022, p. C493/54).*

These measures align with neoliberal principles by focusing on market-driven development and employment creation. By targeting economic growth and supporting local enterprises, the EU aims to integrate the ORs more effectively into regional and global markets. However, the emphasis on mitigating depopulation also reflects an acknowledgment of the social dimensions of economic policies, suggesting a more nuanced application of neoliberal principles.

#### **4.2.3.5 Summery**

The resolutions collectively highlight the EU's commitment to improving economic indicators in the ORs through investments in innovation, infrastructure, and targeted financial support. While aligning with neoliberal goals of competitiveness and market-driven growth, the resolutions also address the systemic disparities that hinder the ORs' integration into the broader EU economy. By emphasising differentiated approaches and sectoral modernisation, the EU demonstrates a pragmatic effort to balance its neoliberal framework with the unique needs of the ORs. However, the success of these

initiatives will depend on the EU's ability to translate strategic objectives into actionable and equitable policies, ensuring that the ORs can achieve sustainable economic development and resilience.

#### **4.2.4 Trade and Investment Flows**

Trade liberalisation and investment promotion are central to neoliberal economic policy, emphasising open markets, reduced trade barriers, and enhanced competitiveness. Across the resolutions from 2014, 2017, 2021, and 2022, the European Parliament underscores the strategic importance of integrating the Outermost Regions into global trade networks. By leveraging their geographic positioning and improving infrastructure, the EU seeks to create economic opportunities for the ORs while fostering regional and global connectivity.

##### **4.2.4.1 Leveraging Geographic Positioning**

The 2014 resolution emphasises the ORs' proximity to African, Caribbean, and Pacific (ACP) countries, advocating for trade agreements that capitalize on these regions' strategic location:

*“Negotiate the inclusion in all trade agreements with ACP countries that lie close to ORs a specific section on the creation of an OR-ACP market, with a view to integrating ORs more closely into their geographical neighbourhood” (EPR, 2014, p. 285/65).*

This call for an OR-ACP market reflects a deliberate strategy to position the ORs as critical nodes in regional and global supply chains. By fostering economic connectivity with neighbouring regions, the EU aims to integrate the ORs into broader trade systems while enhancing their role in regional development. This approach aligns with neoliberal priorities of market expansion and competitiveness, demonstrating the potential for trade and investment flows to drive economic growth in the ORs.

The emphasis on trade integration also highlights the EU's commitment to ensuring that the ORs benefit from enhanced access to markets, reducing their reliance on traditional sectors and opening pathways for diversified economic activity.

#### **4.2.4.2 Promoting Synergies and Regional Integration**

The 2017 resolution builds on this theme, advocating for synergies between EU policies to create a supportive environment for trade and investment:

*“Reiterates the need to adopt measures facilitating the integration of the ORs into their regional environment and highlights the potential for enhancing trade and investment flows through targeted policy actions” (EPR, 2017, p. 336/176).*

This reflects a clear neoliberal agenda of promoting open markets and free flows of goods and capital. By encouraging the ORs’ integration into regional trade networks, the resolution seeks to amplify their economic opportunities while reinforcing their strategic geographic role. The focus on synergies also underscores the EU’s recognition of the interconnectedness of policy frameworks, where coordinated efforts can maximise the ORs’ economic potential.

#### **4.2.4.3 Institutional Reforms and Data Utilization**

Resolution 2021 takes a more institutional approach, calling for reforms to align the ORs with EU policies and global markets:

*“Calls on the Commission to set up a specific OR committee [...] to ensure that the priorities and realities of the ORs are integrated into European initiatives and laws” (EPR, 2021, p. C117/20).*

This institutional adjustment reflects neoliberal principles of governance efficiency and market facilitation. By streamlining processes and ensuring that the ORs’ priorities are represented in EU initiatives, the resolution aims to create a more conducive environment for investment and trade.

Additionally, the resolution highlights the importance of data-driven decision-making:

*“Stresses the importance of the website [...] that provides statistical data on the ORs [...] to enable sectoral analyses and assess the impact of implementing European policy in the ORs” (EPR, 2021, p. C117/21).*

The use of statistical data aligns with neoliberal ideals of efficiency and informed policy-making, providing tools to assess market performance and identify opportunities for investment. This approach reinforces the EU's commitment to creating an environment that supports economic openness and resource optimisation.

#### **4.2.4.4 Infrastructure as a Catalyst for Trade and Investment**

The 2022 resolution emphasizes the role of infrastructure in facilitating trade and investment flows, particularly in the context of digital connectivity:

*"Stresses the importance of maintaining the digital infrastructures that connect EU islands to the rest of the world [...] by earmarking sufficient European funding" (EPR, 2022, p. C493/58).*

By strengthening both digital and physical connectivity, the EU seeks to reduce transaction costs and enhance the competitiveness of island economies. This aligns with neoliberal priorities of improving market accessibility and ensuring the free movement of goods and services. The focus on infrastructure reflects a recognition that trade and investment cannot thrive without the foundational systems that enable economic participation.

#### **4.2.4.5 Summery**

The EU's approach to trade and investment flows, as articulated across the resolutions, highlights its commitment to integrating the ORs into global and regional markets. By leveraging the ORs' geographic positioning, promoting institutional reforms, and enhancing infrastructure, the EU seeks to create a supportive environment for trade liberalisation and investment promotion. These measures align with neoliberal principles of market expansion, efficiency, and competitiveness, while addressing the unique challenges of the ORs. However, the success of these initiatives hinges on the EU's ability to ensure equitable access to opportunities and resources, enabling the ORs to fully participate in the global economy and contribute to regional development.

#### **4.2.5 Social and Environmental Impacts**

Social inclusion and environmental sustainability are increasingly integrated into the European Union's (EU) approach to regional development in the Outermost Regions (ORs). Across the resolutions

from 2014, 2017, 2021, and 2022, the European Parliament emphasises the need to address social inequalities and leverage the ORs' unique environmental resources. These priorities align with an evolving neoliberal framework, where sustainability and inclusivity are recognised as essential components of long-term economic resilience and growth.

#### **4.2.5.1 Fostering Social Inclusion**

Social inclusion is consistently highlighted as a cornerstone of the EU's development strategy for the ORs. The 2017 resolution explicitly calls for measures to combat unemployment and social exclusion, particularly among vulnerable populations:

*“Calls for strengthened measures to address unemployment and social exclusion in the ORs, particularly through targeted initiatives for young people and disadvantaged groups” (EPR, 2017, p. 337/178).*

This reflects a commitment to ensuring that economic growth translates into tangible benefits for all segments of society. By targeting youth unemployment and marginalised communities, the EU seeks to reduce disparities and foster equitable development. This approach aligns with a broader interpretation of neoliberalism, where social investment is viewed as a mechanism for enhancing productivity and social stability.

The 2021 resolution expands on this focus, prioritising education and social innovation as tools for reducing poverty and inequality:

*“The fight against poverty, unemployment and social exclusion [...] investing in education and training and in future projects focusing on innovation, especially social innovation [...]” (EPR, 2021, p. C117/22).*

By emphasising “*social innovation*” the resolution underscores the EU's recognition of the interconnectedness between economic and social progress. These measures aim to create a more inclusive growth trajectory for the ORs, ensuring that economic gains are equitably distributed.

#### 4.2.5.2 Promoting Environmental Sustainability

Environmental sustainability is a recurring theme across the resolutions, reflecting the ORs' strategic role in advancing the EU's ecological objectives. The 2014 resolution highlights the ORs' potential in biodiversity conservation, renewable energy, and climate change adaptation:

*"Believes that the ORs' potential in the areas of biodiversity management, conservation and rehabilitation, adaptation to climate change and renewable energy development can be maximised through the establishment of synergies [...] and that this will at the same time enable the Union to achieve its own objectives" (EPR, 2014, p. 285/62).*

This dual focus on economic and environmental objectives aligns with a neoliberal framework that integrates sustainability into development strategies. By leveraging the ORs' natural resources, the EU aims to address global environmental challenges while simultaneously fostering regional resilience.

The 2022 resolution builds on this by addressing the environmental vulnerabilities of islands and emphasising biodiversity protection:

*"Calls for targeted, sustainable and efficient regional policies and actions for islands aimed at strengthening their ability to protect and restore their unique biodiversity" (EPR, 2022, p. C493/52).*

This call for *"targeted"* and *"efficient"* policies reflects a pragmatic approach to sustainability, recognising the need for tailored strategies that align with the ORs' unique ecological characteristics. The resolution's emphasis on biodiversity restoration underscores the EU's commitment to balancing environmental preservation with economic development.

#### 4.2.5.3 Integrating Social and Environmental Objectives

A notable feature of the resolutions is their integration of social and environmental considerations into broader economic strategies. The 2021 resolution demonstrates this by endorsing the *'Farm to Fork'* strategy and renewable energy initiatives:



*“Supports the Farm to Fork strategy, which further limits the use of plant protection agents [...] to support the transition” (EPR, 2021, p. C117/23).*

This integration reflects a nuanced application of neoliberal principles, where environmental sustainability is viewed not only as a moral imperative but also as an economic opportunity. By promoting sustainable agricultural practices and renewable energy development, the EU aligns the ORs’ development with its broader ecological ambitions.

Similarly, the 2022 resolution underscores the importance of improving social infrastructure, particularly in remote territories:

*“Stresses the importance of developing and improving health infrastructure [...] particularly in the most remote island territories” (EPR, 2022, p. C493/58).*

This recognition of social infrastructure’s role in regional development highlights the EU’s commitment to ensuring that economic growth is accompanied by tangible improvements in living standards. By prioritizing healthcare and education, the resolution seeks to create a foundation for inclusive and sustainable development.

#### **4.2.5.4 Summery**

The EU’s approach to social and environmental impacts, as reflected in the resolutions, demonstrates a holistic vision for regional development in the ORs. By addressing social inclusion, promoting environmental sustainability, and integrating these priorities into economic strategies, the EU aims to create resilient and equitable growth models for these regions. This approach aligns with an evolving neoliberal framework that recognizes the interdependence of economic, social, and ecological objectives. However, the success of these initiatives will depend on the EU’s ability to translate strategic goals into actionable and region-specific policies, ensuring that the ORs can fully realise their potential as contributors to both regional cohesion and global sustainability.

#### **4.2.6 Sub Conclusion**

The European Parliament resolutions examined in this section provide valuable insight into how EU regional development policies align with—or diverge from—the specific needs and priorities of the

Outermost Regions (ORs). While these resolutions are non-binding, they shape the EU's broader policy agenda and signal the Union's priorities for addressing regional disparities.

The resolutions reflect an evolving approach to regional development, one that integrates neoliberal principles of market liberalisation and economic competitiveness with more targeted interventions aimed at mitigating the ORs' structural vulnerabilities. While the EU acknowledges that traditional free-market mechanisms are insufficient in the ORs due to geographic isolation, small market size, and structural dependencies, its policy approach remains centred on fostering economic integration through trade liberalisation, structural reforms, and investment in connectivity. This demonstrates an ongoing attempt to balance market-driven solutions with tailored support mechanisms.

However, the resolutions also reveal key areas where EU policies diverge from the specific needs of the ORs. The emphasis on economic liberalisation and private-sector participation, while aligned with the broader EU development strategy, does not always account for the socio-economic constraints unique to these regions. Issues such as the continued reliance on fossil fuels, high levels of unemployment, and economic dependence on mainland Europe highlight the limitations of a primarily market-driven approach. Calls for increased financial support, targeted tax policies, and infrastructure investments suggest a recognition that the ORs require more state-led interventions to achieve meaningful economic and social cohesion.

Additionally, while the resolutions stress the importance of sustainability and social inclusion, there remain challenges in translating these priorities into concrete, regionally tailored policies. The EU's commitment to fostering green transitions and social cohesion is evident in its resolutions, yet disparities in funding allocation and implementation strategies raise concerns about whether these measures are sufficient to address the long-term structural challenges of the ORs.

Ultimately, the resolutions demonstrate a partial alignment between EU regional development policies and the specific needs of the ORs. While the EU has adapted its policy framework to account for some of the ORs' unique challenges, key divergences remain, particularly regarding the balance between market-driven development and the need for stronger, region-specific policy interventions. The findings from this section suggest that although EU policies seek to integrate the ORs into the broader

European economy, their effectiveness depends on the extent to which implementation strategies can be adapted to the distinct socio-economic, geographic, and environmental realities of these regions.

### **4.3 Makro-Level Analysis - European Commission Communication**

The European Commission's 2022 Communication (ECC, 2022-a), *Putting People First, Securing Sustainable and Inclusive Growth, Unlocking the Potential of the EU's Outermost Regions*, provides a comprehensive framework for addressing the structural, economic, and environmental challenges of the Outermost Regions. The communication reflects a pragmatic application of neoliberal principles, combining market liberalization, structural reforms, economic development, and sustainability to foster inclusive growth.

#### **4.3.1 Market Liberalization Measures**

The communication prioritises connectivity and infrastructure as critical enablers of market integration. By addressing geographic isolation and logistical challenges, the communication aligns with neoliberal principles of efficiency, competitiveness, and market access. Key initiatives include:

*“The cohesion policy funds, the Clean Energy for EU Islands initiative, and the facility ‘New Energy Solutions Optimized for Islands (NESOI)’ can support energy transition in the outermost regions” (ECC, 2022-a, p. 18).*

These programs facilitate market liberalization by reducing the transaction costs associated with energy production and distribution. Investments in renewable energy projects and logistical upgrades aim to integrate ORs into broader energy and transport networks, fostering competitiveness and economic efficiency.

Additionally, the communication promotes fiscal autonomy, particularly in sectors like agriculture and energy, through targeted tax incentives. These measures are designed to foster self-reliant markets, enabling ORs to attract private investment and enhance their global competitiveness. By reducing regulatory barriers and encouraging fiscal decentralisation, the strategy reflects a neoliberal emphasis on empowering regions to respond to global market demands.

### 4.3.2 Structural Reforms

Structural reforms are positioned as essential for economic diversification and resilience. The strategy highlights the ORs' potential as frontrunners in the green and digital transitions:

*“With their rich sources of renewable energy – solar, wind, marine, and geothermal – the outermost regions can be frontrunners in the clean energy transition helping to achieve the EU’s target of climate neutrality by 2050” (ECC, 2022-a, p. 17).*

By focusing on renewable energy, digital infrastructure, and education, the strategy aligns with neoliberal goals of modernising economic frameworks and fostering innovation. These reforms address systemic dependencies on traditional sectors, encouraging flexibility and long-term adaptability.

Moreover, the emphasis on upskilling through educational initiatives and vocational training aligns with the neoliberal priority of creating a competitive labour force. Programs like Horizon Europe further support innovation and regional self-reliance by providing resources to develop locally relevant solutions. However, the success of these reforms depends on effective implementation and the ability to address regional disparities in capacity and resources.

### 4.3.3 Economic Indicators

The strategy highlights persistent economic disparities in ORs, underscoring the need for targeted investments to stimulate growth and reduce unemployment:

*“GDP per capita in some ORs is as low as 30% of the EU average, and youth unemployment exceeds 50% in several regions” (ECC, 2022-a, p. 6).*

To address these challenges, the communication proposes co-financing rates of up to 85% for structural projects, aiming to bridge the development gap (ECC, 2022-a). By targeting renewable energy, digitalisation, and high-value job creation, the strategy seeks to align the ORs with broader EU economic objectives.

Key indicators such as employment rates, sectoral output, and productivity are central to assessing the strategy's impact. Investments in innovative sectors not only create immediate economic benefits

but also build the foundation for sustained long-term growth. This approach demonstrates a nuanced understanding of neoliberalism, where economic efficiency is complemented by social investment.

#### **4.3.4 Trade and Investment Flows**

The strategy positions trade and investment as critical to integrating the ORs into global value chains. One notable initiative is the POSEI program:

*“The POSEI program provides €653 million annually to support local agricultural production and reduce reliance on imports” (ECC, 2022-a, p. 15).*

By bolstering local production and enhancing self-sufficiency, the program aligns with neoliberal priorities of fostering competitive markets while addressing regional vulnerabilities. Investments in digital infrastructure and renewable energy projects further facilitate trade flows, creating a supportive environment for private investment.

The communication also highlights the ORs’ strategic location, emphasising their potential to act as hubs for regional trade and innovation. Cross-border cooperation initiatives supported by Interreg funding mechanisms align with neoliberal goals of open markets and the free movement of goods, capital, and services. These measures aim to position the ORs as active participants in regional and global trade networks (ECC, 2022-a).

#### **4.3.5 Social and Environmental Impacts**

The communication integrates social inclusion and environmental sustainability into its broader economic framework. It acknowledges significant social challenges, including poverty and inequality:

*“One-third of the population in some ORs lives below the poverty threshold, necessitating targeted social support measures” (ECC, 2022-a, p. 5).*

Targeted investments in education, healthcare, and housing aim to enhance social cohesion and labour market participation, reflecting a more inclusive approach to neoliberalism. By addressing social inequalities, the communication seeks to ensure that economic growth benefits all segments of society.

Environmental sustainability is another critical focus. The ORs' unique ecosystems are central to the EU's broader sustainability objectives: "*Calls for tailored policies to protect and restore ORs' unique biodiversity*" (ECC, 2022-a, p. 7).

These initiatives align environmental goals with economic development by promoting renewable energy adoption, climate adaptation, and biodiversity conservation. This dual focus underscores the EU's evolving interpretation of neoliberalism, where ecological and social considerations are integral to achieving economic resilience.

#### 4.3.6 Sub Conclusion

The European Commission's 2022 communication for the ORs represents a comprehensive effort to address the unique challenges of these regions. By emphasising market liberalization, structural reforms, economic development, trade facilitation, and sustainability, it can be argued that the communications intent is to integrate the ORs into regional and global markets while fostering inclusive and sustainable growth. This approach reflects the EU's recognition of the need for tailored, region-specific policies to unlock the ORs' full potential and ensure their alignment with broader EU objectives of cohesion, competitiveness, and resilience.

### 4.4 Meso-Level Analysis ERDF-ESF+ 2021-2027 programmes

#### 4.4.1 Market Liberalization Measures

Market liberalization across the regional programs is emphasised through enhanced digital connectivity, support for SMEs, and infrastructure development. The **Azores** (ERDF-ESF+) program highlights investments in renewable energy and digital transformation to foster market integration and competitiveness. Similarly, the **Madeira** (ERDF-ESF+) program prioritizes digital services for citizens and businesses, smart cities, and platforms for innovation.

**Mayotte's** (ERDF-ESF+) program uniquely addresses the development of port and airport infrastructure to enhance international connectivity, reflecting the significance of reducing trade barriers through physical accessibility. Meanwhile, **Réunion** (ERDF-ESF+) and **Martinique** (ERDF-ESF+) emphasize the modernization of the digital sector and the introduction of sustainable urban mobility systems to improve market access.

This shared focus aligns with neoliberal principles of creating open and competitive markets, yet the programs also recognize the necessity of tailored approaches to address geographic isolation and infrastructure gaps in these regions.

#### 4.4.2 Structural Reforms

Structural reforms in these programs target economic diversification and the green and digital transitions. The **Azores** (ERDF-ESF+) and **Madeira** (ERDF-ESF+) programs explicitly aim to reduce reliance on traditional sectors through investments in renewable energy, circular economy practices, and digital infrastructure.

In **Mayotte** (ERDF-ESF+), structural reforms focus on addressing basic infrastructure deficits, such as access to clean water and waste management, alongside improvements in urban mobility in the capital, Mamoudzou. **Réunion** (ERDF-ESF+) and **Guadeloupe** (ERDF-ESF+) highlight reforms to promote inclusive urban development and enhance regional resilience through sustainability initiatives and infrastructure upgrades.

These reforms align with neoliberal objectives of efficiency and adaptability but also reflect the need for tailored strategies to address the specific challenges of the ORs, such as environmental vulnerabilities and socio-economic disparities.

#### 4.4.3 Economic Indicators

Economic performance metrics such as employment rates, productivity, and regional GDP are central to these programs. The **Azores** (ERDF-ESF+) program targets youth unemployment through vocational training and lifelong learning initiatives. Similarly, **Madeira** (ERDF-ESF+) emphasizes adapting workers' skills to match market demands while supporting SMEs' competitiveness.

In **Mayotte**, co-financing rates are used to stimulate economic recovery following the health crisis, with a focus on local business stimulation. **Réunion** (ERDF-ESF+) and **Martinique** (ERDF-ESF+) expand on this by prioritizing job creation in innovative sectors like digital technology and renewable energy.

These initiatives reflect a neoliberal alignment with investment-driven growth, yet the disparities between regions highlight ongoing challenges in achieving equitable economic development across the ORs.

#### 4.4.4 Trade and Investment Flows

Trade and investment flows are bolstered by programs targeting cross-border connectivity and market integration. The **Azores** (ERDF-ESF+) and **Madeira** (ERDF-ESF+) emphasize the development of competitive SME environments and fostering internationalization.

**Mayotte's** (ERDF-ESF+) focus on port and airport improvements directly supports trade facilitation, aligning with neoliberal goals of open markets. **Réunion** (ERDF-ESF+) highlights renewable energy projects and digitalisation as key drivers for attracting private investment, while **Guadeloupe** (ERDF-ESF+) integrates urban transport links to reduce logistical barriers.

These measures collectively aim to enhance the ORs' roles in regional supply chains while addressing the structural barriers that limit their market participation.

#### 4.4.5 Social and Environmental Impacts

Social inclusion and environmental sustainability are integral to these programs. In the **Azores** (ERDF-ESF+), targeted measures address high poverty levels and promote access to quality education and healthcare. **Madeira** (ERDF-ESF+) similarly focuses on lifelong learning, youth employment, and sustainable water and waste management.

**Mayotte's** (ERDF-ESF+) investments in health and education infrastructure reflect a broader commitment to improving living standards. **Réunion** (ERDF-ESF+) and **Martinique** (ERDF-ESF+) prioritise biodiversity preservation and climate adaptation alongside urban sustainability.

These programs reflect a nuanced approach to neoliberalism, where social and environmental objectives are integrated into economic strategies, acknowledging that long-term growth requires inclusive and sustainable foundations.

#### 4.5.6 Sub Conclusion

The 2021–2027 regional programs for the ORs reflect the EU's commitment to fostering sustainable and inclusive growth. By focusing on market liberalization, structural reforms, economic development, trade facilitation, and social/environmental impacts, the programs aim to address the ORs' unique challenges while enhancing their integration into regional and global markets. However, disparities between regions highlight the need for continuous tailoring and targeted support to ensure that all ORs can fully realise their potential within the EU framework.



## **Chapter 5: Discussion**

### **5.1 Validity of the study**

The application of critical realism and neoliberalism in this study underscores the inherent subjectivity involved in qualitative research. While the critical realist perspective allows for a nuanced analysis of structural mechanisms and their observable outcomes, it also highlights the limitations of human interpretation in fully capturing the complexities of cases such as the EU-OR relations. This epistemological subjectivity necessitates reflexivity, as the theoretical lens of neoliberalism might foreground certain patterns while potentially overlooking others, such as cultural or historical influences that are less directly tied to economic frameworks.

Moreover, while the study's focus on neoliberalism provides a coherent analytical framework, it does not account for all dimensions of EU-OR relations. For instance, issues of cultural identity, historical legacies, and geopolitical considerations are beyond the primary scope of this thesis but may significantly influence the effectiveness and understanding of how EU policies in these regions should be tailored. Acknowledging these limitations is essential for situating the study within a broader academic and policy discourse.

The validity of this study is grounded in its methodical approach to analysing EU-OR relations through a critical realist and neoliberal lens. The internal validity is strengthened by the careful selection of data, thematic coding, and layered analytical framework, ensuring a comprehensive and accurate representation of the phenomena under investigation. While the external validity is more limited, the study offers valuable theoretical contributions and a methodological foundation for future research in similar contexts. By addressing both its strengths and limitations, the study provides a credible and nuanced exploration of the EU's regional development policies and their alignment - or divergence - from the specific needs of the ORs.

### **5.2 Alternative theoretical explanations**

While this study adopts neoliberalism as the primary theoretical lens to analyse the European Union's regional development policies in the Outermost Regions, alternative frameworks offer valuable perspectives that could further enrich the discussion and create a foundation for further research. This section explores other theoretical explanations that could complement or challenge the findings, highlighting the multifaceted nature of EU-OR relations.

### **5.2.1 Postcolonial Theory**

One alternative framework is postcolonial theory, which emphasises the historical and socio-political legacies of colonialism. The ORs, by their nature, carry the imprint of colonial histories, and their inclusion in the EU framework reflects a complex interplay between decolonisation, national sovereignty, and regional integration (Nkrumah, 2020). Postcolonial theory could provide insights into how these historical legacies shape both the EU's policy approaches and the ORs' socio-economic conditions. For instance, the persistence of economic dependence on mainland Europe and the unequal power dynamics between the EU institutions and ORs could be interpreted as a continuation of colonial structures within a modern governance framework (Nkrumah, 2020). Unlike neoliberalism, which focuses on market dynamics and economic efficiency, postcolonial theory would draw attention to the cultural and political dimensions of these relationships, potentially revealing how structural inequalities rooted in colonial histories continue to influence policy outcomes to this day.

### **5.2.2 Regionalism and Multi-Level Governance**

Another relevant framework is regionalism and multi-level governance, which focuses on the interplay between different levels of authority - supranational, national, and regional - in shaping policy (Hooghe & Marks, 2001). This perspective could help explain the unique institutional mechanisms governing the ORs, where EU-wide strategies must accommodate the specific needs of regions with diverse socio-economic and geographic contexts. Unlike neoliberalism, which emphasises market-driven solutions and economic competitiveness, regionalism considers the role of political negotiation, institutional capacity, and subsidiarity in policy formulation and implementation. For example, the flexibility allowed under Article 349 TFEU, enabling the adaptation of EU policies to the ORs' specific conditions, aligns more closely with the principles of multi-level governance than the strict market-oriented focus of neoliberalism. This perspective might better capture the tension between the ORs' need for tailored solutions and the EU's broader integrationist objectives.

### **5.2.3 Dependency Theory**

Dependency theory, often associated with critiques of global economic systems, provides yet another lens for understanding the structural challenges faced by the ORs (Dos Santos, 1970). This framework posits that peripheral regions are systematically disadvantaged within global (or in this case, supranational) economic systems, as their economies are oriented toward serving the needs of core regions. Applied to the ORs, dependency theory could help explain why EU policies, despite significant

financial support, may fail to reduce structural inequalities. For instance, the ORs' reliance on imports and limited capacity for economic diversification could be interpreted as evidence of their peripheral status within the EU's economic framework. Dependency theory challenges the neoliberal assumption that market liberalization and structural reforms alone can resolve regional disparities, emphasizing instead the need for transformative changes to the economic and institutional structures perpetuating these dependencies (Dos Santos, 1970).

#### **5.2.4 Combining Frameworks for a Holistic Perspective**

Each of these alternative frameworks offers unique strengths and addresses dimensions that neoliberalism may overlook. For instance, while neoliberalism effectively highlights the market-oriented motivations behind EU policies, it often neglects the socio-political and historical contexts that post-colonial theory or dependency theory might reveal. Similarly, regionalism provide a governance-centred perspective that complements neoliberalism's focus on economic mechanisms by emphasizing the political and institutional complexities of EU policymaking.

By integrating elements of these alternative theories, future research could provide a more comprehensive understanding of EU-OR relations. For example, combining neoliberalism with postcolonial theory could uncover how market-driven policies intersect with historical power imbalances, while incorporating insights from multi-level governance could better account for the institutional dynamics shaping policy implementation.

While this study focuses on neoliberalism as the guiding theoretical framework, alternative explanations provide valuable perspectives for understanding the EU-OR relationship. These frameworks highlight dimensions that extend beyond economic rationales, offering a more holistic view of the complex interplay between policy objectives, structural inequalities, and regional contexts. Considering these alternative perspectives could enhance the depth and scope of future research on the challenges and opportunities facing the Outermost Regions.

### **5.3 Critiques of the broader neoliberal framework**

The neoliberal framework underpinning much of the European Union's regional development policies, including those aimed at the Outermost Regions (ORs), has faced significant criticism for its limitations in addressing complex socio-economic and environmental challenges. While the framework emphasizss market-driven solutions, privatisation, and economic competitiveness, it has been

critiqued for prioritising short-term efficiency over long-term structural development and equity (Brenner & Theodore, 2002).

A central critique of neoliberalism is its inherent focus on economic growth through market mechanisms, often at the expense of addressing structural inequalities and socio-economic disparities. Schwab (2024) highlights how funding mechanisms like the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+) reflect these priorities. While these instruments aim to promote cohesion and reduce disparities, their market-oriented focus tends to neglect the unique socio-economic and environmental realities of the ORs. For instance, investments often target infrastructure and digital projects with a clear return on investment, leaving critical issues like transitioning to renewable energy underfunded. The reliance on fossil fuels for over 80% of electricity production in regions like Guadeloupe underscores the gap between EU sustainability goals and OR realities (ECC, 2022-a).

Moreover, the centralized decision-making process in Brussels exacerbates the disconnect between policy objectives and regional needs. Hooghe and Marks (2001) argue that multilevel governance frameworks, while theoretically inclusive, often fail to adequately address regional disparities, particularly in peripheral areas like the ORs. This critique is echoed by Jean-François (2023), who describes the imposition of policies from Brussels and Paris as ill-suited to the specific contexts of regions like Guadeloupe, resulting in what he terms "*policy catastrophes*." These top-down approaches fail to leverage local knowledge and capacities, leading to policies that are either ineffective or counterproductive in addressing regional challenges.

Additionally, the neoliberal emphasis on private-sector involvement has been criticized for deepening inequalities rather than resolving them. Brenner and Theodore (2002) argue that the prioritization of competitiveness and market liberalization often marginalizes vulnerable populations, as private investment tends to flow toward profitable sectors, leaving less economically viable but socially essential areas underfunded. This critique is particularly relevant in the ORs, where structural constraints such as geographic isolation, small market size, and limited investment opportunities pose significant barriers to achieving equitable development. While EU policies advocate for market liberalization, they often fail to address these structural constraints adequately, resulting in persistent socio-economic disparities.

The environmental implications of neoliberal policies also warrant critique. While the EU has made strides in integrating sustainability into its regional development strategies, the neoliberal framework's emphasis on economic efficiency often undermines long-term environmental goals. For

example, the focus on short-term economic gains can lead to investments that perpetuate fossil fuel dependency, as seen in the energy policies of several ORs (ECC, 2022-a). This misalignment between policy objectives and implementation underscores the limitations of applying a neoliberal lens to complex, multifaceted challenges like climate change and regional development.

Despite these critiques, it is important to acknowledge that the neoliberal framework has also facilitated significant advancements in regional development by promoting innovation, infrastructure development, and economic integration. However, its shortcomings highlight the need for a more nuanced approach that balances market-driven strategies with localised, context-specific solutions. This includes greater flexibility in policy design, enhanced participation of local stakeholders, and a stronger focus on addressing structural inequalities and environmental challenges.

In summary, the broader neoliberal framework provides a foundation for EU regional development policies but also limits their effectiveness in addressing the unique challenges of the ORs. By prioritising economic efficiency and market competitiveness, these policies risk exacerbating structural inequalities and neglecting the socio-economic and environmental realities of peripheral regions. Addressing these critiques requires a rethinking of the neoliberal approach, incorporating more adaptive, inclusive, and context-sensitive strategies that align with the diverse needs of the ORs.

## **Chapter 6: Conclusion**

This thesis has explored how EU regional development policies align with or diverge from the specific needs and priorities of the Outermost Regions. By analysing European Parliament resolutions, European Commission Communications, and ERDF-ESF+ programmes through the lens of neoliberalism, the study has highlighted both the strengths and shortcomings of the EU's approach to regional development in these geographically and socio-economically distinct territories.

The findings reveal that while the EU has made efforts to tailor policies to the ORs' unique challenges, there remain significant gaps between policy design and practical implementation. The EU acknowledges the ORs' structural disadvantages - such as geographic isolation, small market size, and economic dependency - and has introduced policy measures aimed at fostering economic competitiveness, connectivity, and sustainability. However, tensions arise between the EU's neoliberal emphasis on market liberalisation, trade integration, and private-sector involvement, and the ORs' need for stronger state-led interventions and targeted support to address persistent inequalities and environmental vulnerabilities.

A key alignment between EU policies and OR priorities lies in infrastructure investment, digitalisation, and support for economic diversification. The ERDF-ESF+ programmes and EU funding mechanisms have facilitated improvements in transport, energy, and digital infrastructure, reducing some of the barriers that limit economic participation. Additionally, EU strategies increasingly incorporate sustainability measures, recognising the ORs' potential in renewable energy, biodiversity conservation, and climate adaptation. These initiatives indicate a growing awareness of the need for region-specific approaches within the broader framework of EU cohesion policy.

However, the study also identifies key divergences. The neoliberal market-driven approach prioritises economic efficiency and competitiveness but often fails to fully account for the ORs' structural limitations. Despite policy efforts, socio-economic disparities—including high unemployment rates, reliance on fossil fuels, and limited private investment—persist across the ORs. The EU's reliance on private-sector-driven solutions, rather than stronger public-sector interventions, has led to concerns about whether these policies sufficiently address the long-term development needs of the ORs. Moreover, the centralised nature of EU decision-making creates additional challenges, as policies designed in Brussels may not always reflect the realities on the ground. Calls for more financial flexibility, tax derogations, and tailored policy exemptions highlight the need for a more adaptable governance framework.

## Bibliography

- Brenner, N., Peck, J., & Theodore, N. (2010). *Variegated neoliberalization: Geographies, modalities, pathways*. *Global Networks*, 10(2), 182–222.
- Brenner, N., & Theodore, N. (2002). Cities and the geographies of "actually existing neoliberalism." *Antipode*, 34(3), 349–379. <https://doi.org/10.1111/1467-8330.00246>
- Brinkmann, S., & Tanggaard, L. (2020). *Qualitative methods in the social sciences*. Sage Publications.
- Bryman, A. (2016). *Social research methods*. Oxford University Press.
- Delors, J. (1989). *Speech at the College of Europe in Bruges*.
- Dinan, D. (2014). *Origins and Evolution of the European Union* (2nd ed.). Oxford University Press.
- Dos Santos, T. (1970). *The Structure of Dependence*. *American Economic Review*.
- Doyle, M. W. (1986). Liberalism and world politics. *American Political Science Review*, 80(4), 1151–1169. <https://doi.org/10.2307/1960861>
- Egholm, L. (2014). *Philosophy of social science. Understanding social science: Critical realism in practice*. Routledge.
- ECC, (2022-a) European Commission. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions: Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions (COM(2022) 198 final). Strasbourg. Retrieved from <https://ec.europa.eu/>

European Commission. (2022c, June 1). A new strategy for the outermost regions. *Panorama - Stories from Regional and Urban Policy*. Retrieved from [https://ec.europa.eu/regional\\_policy/whats-new/panorama/2022/06/06-01-2022-a-new-strategy-for-the-outermost-regions\\_en](https://ec.europa.eu/regional_policy/whats-new/panorama/2022/06/06-01-2022-a-new-strategy-for-the-outermost-regions_en)

European Commission. (n.d.-a). Overseas countries and territories. Retrieved March 20, 2024, from [https://international-partnerships.ec.europa.eu/countries/overseas-countries-and-territories\\_en](https://international-partnerships.ec.europa.eu/countries/overseas-countries-and-territories_en)

European Commission. (n.d.-b). The EU and its outermost regions. Retrieved March 20, 2024, from [https://ec.europa.eu/regional\\_policy/policy/themes/outermost-regions\\_en](https://ec.europa.eu/regional_policy/policy/themes/outermost-regions_en)

European Commission. (n.d.-c). *Europe's outermost regions*. Directorate-General for Maritime Affairs and Fisheries. Retrieved 29 January, 2025, from [https://oceans-and-fisheries.ec.europa.eu/ocean/sea-basins/europes-outermost-regions\\_en](https://oceans-and-fisheries.ec.europa.eu/ocean/sea-basins/europes-outermost-regions_en)

European Commission. (n.d.-d). *Bus rapid transit system to boost public transport in French Guiana*. European Commission – Regional Policy. Retrieved January 31, 2025, from [https://ec.europa.eu/regional\\_policy/en/projects/France/bus-rapid-transit-system-to-boost-public-transport-in-french-guiana](https://ec.europa.eu/regional_policy/en/projects/France/bus-rapid-transit-system-to-boost-public-transport-in-french-guiana)

European Commission. (n.d.-e). *Deploying WiFi4EU in the outermost region of Guadeloupe*. European Commission – Digital Strategy. Retrieved January 31, 2025, from <https://digital-strategy.ec.europa.eu/en/library/deploying-wifi4eu-outermost-region-guadeloupe>

European External Action Service. (n.d.). *European Neighbourhood Policy*. EEAS. Retrieved 15 January, 2025, from [https://www.eeas.europa.eu/eeas/european-neighbourhood-policy\\_en](https://www.eeas.europa.eu/eeas/european-neighbourhood-policy_en)

European Parliament. (n.d.). *Outermost Regions (ORs)*. Retrieved 15 December, 2024, from <https://www.europarl.europa.eu/factsheets/en/sheet/100/outermost-regions-ors->

George, A. (2021). Exploratory research in policy studies. *Journal of European Policy Analysis*, 14(3), 199–215.



Government of Spain. (n.d.). *Institutions of Spain*. La Moncloa. <https://www.lamoncloa.gob.es/>, Retrieved 30 January, 2025, from: <https://www.lamoncloa.gob.es/lang/en/espana/spanishinstitutions/Paginas/index.aspx>

Hammoud, P., Masquelin, A., & Thomas, T. (2018). *The Outermost Regions: Challenges and prospects* (D. Stokkink, Ed.). POUR LA SOLIDARITÉ - PLS. <https://www.pourlasolidarite.eu/en/publication/outermost-regions-challenges-and-prospects>

Harvey, D. (2005). *A brief history of neoliberalism*. Oxford University Press.

Hooghe, L., & Marks, G. (2001). *Multilevel governance and European integration*. Oxford University Press.

Ikenberry, G. J. (2001). *After victory: Institutions, strategic restraint, and the rebuilding of order after major wars*. Princeton University Press. Retrieved 29 January, 2025 from: [https://press.princeton.edu/books/hardcover/9780691192840/after-victory?srsId=AfmBOook-04piOseWIjHdrS5Adutv4N\\_rjYyn8l7ciKCblnrhxmdcbIz](https://press.princeton.edu/books/hardcover/9780691192840/after-victory?srsId=AfmBOook-04piOseWIjHdrS5Adutv4N_rjYyn8l7ciKCblnrhxmdcbIz)

Ingemann, J. H., Kjeldsen, L., Nørup, I., & Rasmussen, S. (2018). *Kvalitative undersøgelser i praksis - viden om mennesker og samfund* (1. udg.). Samfundslitteratur.

Jean-François, M. D. (2023). *TCGNRG Comments on Guadeloupe PPE 2023-2033*. Retrieved January 29, 2025 from: <https://www.tcgng.com/2023/03/17/tcgng-comments-on-guadeloupe-ppe-2023-2033/>

Jespersen, J. (2018). Kritisk realisme - teori og praksis. In L. Fuglsang, P. B. Olsen, & K. Rasborg (Eds.), *Videnskabsteori i samfundsvidenskaberne på tværs af fagkulturer og paradigmer* (3rd ed.). Samfundslitteratur.

Kant, I. (1795). *Perpetual Peace: A Philosophical Sketch*. F. Nicolovius. Retrieved 29 January, 2025 from: <https://www.gutenberg.org/files/50922/50922-h/50922-h.htm>

Keohane, R. O. (1984). *After hegemony: Cooperation and discord in the world political economy*. Princeton University Press.

Keohane, R. O. (2005). Neoliberal institutionalism: A perspective on world politics. In *Power and governance in a partially globalized world*. Retrieved 29 January, 2025 from: [https://www.routledge.com/Power-and-Governance-in-a-Partially-Globalized-World/Keohane/p/book/9780415288194?srsId=Afm-BOoquEKD2p\\_wAX7B9dsW04Y7Re\\_Vb7\\_41Ob\\_R3B-ac173HPxW3wZW](https://www.routledge.com/Power-and-Governance-in-a-Partially-Globalized-World/Keohane/p/book/9780415288194?srsId=Afm-BOoquEKD2p_wAX7B9dsW04Y7Re_Vb7_41Ob_R3B-ac173HPxW3wZW)

Legislative Assembly of the Autonomous Region of the Azores. (n.d.). *Political and Administrative Statute of the Autonomous Region of the Azores*. [https://www.alra.pt/documentos/estatuto\\_ing.pdf](https://www.alra.pt/documentos/estatuto_ing.pdf)

Makay, M. (2024, April). European Social Fund Plus. *European Parliament*. Retrieved from <https://www.europarl.europa.eu/factsheets/en/sheet/53/european-social-fund-plus>

Merriam-Webster. (n.d.). Inductive vs. deductive vs. abductive reasoning. Merriam-Webster.com. Retrieved November 21, 2024, from <https://www.merriam-webster.com/words-at-play/deduction-vs-induction-vs-abduction>

Ministère de la Culture. (n.d.-a). Guadeloupe in brief. [www.culture.gouv.fr](http://www.culture.gouv.fr). Retrieved April 16, 2024, from <https://www.culture.gouv.fr/regions/dac-guadeloupe/la-direction-des-affaires-culturelles-dac-de-guadeloupe/La-Guadeloupe-en-bref>

Ministère de la Culture. (n.d.-b). Martinique in a nutshell. [www.culture.gouv.fr](http://www.culture.gouv.fr). Retrieved April 16, 2024, from <https://www.culture.gouv.fr/en/Regions/DAC-Martinique/Cultural-Affairs-Directorate-DAC/Martinique-in-a-nutshell>

Ministère de la Culture. (n.d. - c). Réunion. . [www.culture.gouv.fr](http://www.culture.gouv.fr). Retrieved April 16, 2024, from <https://www.culture.gouv.fr/Regions/La-Reunion>

Ministère des Outre-Mer (n.d.-a), Saint-Martin. Retrieved January 31, 2025, from : <https://www.outre-mer.gouv.fr/territoires/saint-martin>

Ministère de la Transition écologique et de la Cohésion des territoires. (2019). *French strategy for energy and climate*. Retrieved from [https://www.consultations-publiques.developpement-durable.gouv.fr/IMG/pdf/ppe\\_-english\\_full\\_document\\_for\\_public\\_consultation.pdf](https://www.consultations-publiques.developpement-durable.gouv.fr/IMG/pdf/ppe_-english_full_document_for_public_consultation.pdf)

Nkrumah, G. (2020). *Postcolonial Theory in International Relations*. Routledge.

O’Leary, Z. (2014). *The essential guide to doing your research project* (2nd ed.). Thousand Oaks, CA: SAGE Publications, Inc.

Rodrik, D. (2011). *The globalization paradox: Democracy and the future of the world economy*. W. W. Norton & Company.

Schwab, T. (2024). *Quo Vadis, Cohesion Policy? European Regional Development at a Cross-roads*. Bertelsmann Stiftung Policy Paper

Stiglitz, J. E. (2002). *Globalization and its discontents*. W. W. Norton & Company.

World Trade Organization. (2022). *Trade and investment patterns in peripheral regions*. Retrieved from <https://www.wto.org>

**Attachments:**

EPR, 2014, European Parliament Resolution 2014, Optimising the potential of outermost regions, Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014IP0133>

EPR, 2017, European Parliament Resolution 2017, Promoting cohesion and development in the outermost regions of the EU, Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52017IP0316>

EPR, 2021, European Parliament Resolution 2021, Towards a stronger partnership with the EU outermost regions, Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021IP0368>

EPR, 2022, European Parliament Resolution 2022, EU Islands and cohesion policy, Retrieved from: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOC\\_2022\\_493\\_R\\_0005](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:JOC_2022_493_R_0005)

ECC, 2022-a, Commission Communication, 2022, Putting people first, securing sustainable and inclusive growth, unlocking the potential of the EU's outermost regions, Retrieved from: [https://ec.europa.eu/regional\\_policy/information-sources/publications/communications/2022/putting-people-first-securing-sustainable-and-inclusive-growth-unlocking-the-potential-of-the-eu-s-outermost-regions\\_en](https://ec.europa.eu/regional_policy/information-sources/publications/communications/2022/putting-people-first-securing-sustainable-and-inclusive-growth-unlocking-the-potential-of-the-eu-s-outermost-regions_en)

ECW – A, Outermost regions at a glance – assets, challenges and opportunities, Retrieved from: [https://ec.europa.eu/regional\\_policy/sources/policy/themes/outermost-regions/rup-2022/comm-rup-2022-glance\\_en.pdf](https://ec.europa.eu/regional_policy/sources/policy/themes/outermost-regions/rup-2022/comm-rup-2022-glance_en.pdf)

ECW – B, Synopsis report on the results of the Communication on the outermost regions consultation activities, Retrieved from: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022SC0134>

ERDF and ESF+ 2021-2027 programmes, All retrieved from: <https://ec.europa.eu>