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Europe's regions





INTRODUCTION

The EU's regional policy aims to strengthen economic, social and territorial cohesion by reducing disparities in the level of development among regions and Member States. Its three main concerns are:

- convergence, under which the poorest Member States and regions are eligible, accounting for around 82 % of the funds available in the period 2007 to 2013;
- regional competitiveness and employment, accounting for around 16 % of the funds available in the period 2007 to 2013;
- European territorial cooperation, accounting for around 2.5 % of the funds available in the period 2007 to 2013.

The main instruments of regional policy are the structural and cohesion funds.

- The European Regional Development Fund (ERDF) operates in all Member States and co-finances physical investments and, to a limited extent, training for citizens.
- The European Social Fund (ESF) will be implemented in line with the European Employment Strategy.
- The Cohesion Fund co-finances mainly transport and environment projects in Member States whose gross national income per inhabitant is less than 90 % of the EU average.
- The regional development component, as well as the cross-border cooperation component of the new Instrument for Pre-Accession (IPA), helps candidate countries to develop their competitiveness, particularly through the development of transport networks and environmental infrastructure.

The ERDF is concentrated on the poorest regions in terms of gross domestic product per inhabitant. It aims to strengthen economic and social cohesion in the EU by correcting imbalances between its regions. The fund can intervene in the three objectives of regional policy. In regions covered by the convergence objective, it focuses its intervention on modernising and diversifying economic structures as well as safeguarding or creating sustainable jobs. Concerning regional competitiveness and employment, the priorities of the ERDF are innovation and the knowledge-based economy, environment and risk prevention, and access to transport and telecommunications services of general economic interest. With respect to European territorial cooperation, the ERDF is concerned with the development of economic and social cross-border activities, the establishment and development of transnational cooperation, and increasing the efficiency of regional policy through interregional promotion and cooperation, as well as the networking and exchange of experiences between regional and local authorities.

The ESF sets out to improve employment and job opportunities in the EU. It intervenes in the framework of the convergence and regional competitiveness and employment objectives. The ESF supports actions in Member States and will focus on four key areas: increasing adaptability of workers and enterprises (lifelong learning schemes, designing and spreading innovative working organisations); enhancing access to employment and participation in the labour market; reinforcing social inclusion by combating discrimination and facilitating access to the labour market for disadvantaged people; and promoting partnership for reform in the fields of employment and inclusion.

The Cohesion Fund is aimed at Member States whose gross national income per inhabitant is less than 90 % of the EU average. It serves to reduce their economic and social shortfall, as well as to stabilise their economy. It supports actions in the framework of the convergence objective. For the 2007-2013 period, the Cohesion Fund concerns Bulgaria, the Czech Republic, Estonia, Greece, Cyprus, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovenia and Slovakia; Spain is eligible to a phase-out fund only. The Cohesion Fund finances activities under two categories: trans-European transport networks, notably priority projects of European interest; and the environment, also supporting projects related to energy or transport, as long as they clearly present a benefit to the environment.

DEFINITIONS AND DATA AVAILABILITY

Comparable regional statistics form an important part of the European statistical system, and have been collected for several decades. Eurostat's regional statistics cover the principal features of economic and social life within the EU. The concepts and definitions used for these regional statistics are as close as possible to those used for the production of statistics at a national level.

All statistics at a regional level within the EU are based on the nomenclature of territorial units for statistics (NUTS). The NUTS classification has been used for many decades for regional statistics, but it was only in 2003 that NUTS acquired a legal basis. As new Member States have joined the EU the NUTS Regulation has been amended to include the regional classification in those countries. This was the case in 2004, when the EU took in 10 new Member States, and again in 2007 when Bulgaria and Romania became members. A review of the NUTS classification was conducted in 2006 and a revised version is expected to be put in place during the course of 2008.

NUTS is a hierarchical classification; it subdivides each Member State into a number of regions at NUTS 1 level. Each of these is then subdivided into regions at NUTS 2 level, and these in turn into regions at NUTS 3 level. The NUTS regions are, in general, administrative units, reflecting the remit of local authorities. Administrative regions are generally adopted by statisticians as the most appropriate units for data collection, processing and dissemination.

Since 2004, Eurostat has also collected and published urban statistics, measuring the 'quality of life' through a set of some 280 indicators for 258 cities within the EU. Data are available for three levels: the core city; larger urban zones; and for sub-city districts. This project is called the Urban Audit. In 2006 a new Urban Audit data collection started for 284 cities including 26 from Turkey.

MAIN FINDINGS

The maps presented here illustrate the diversity of Europe's regions. They show that for many economic and social aspects, quite large variations can also be found within a given country. In most cases, the capital region of a country is economically better off than the more rural areas.

The richest European regions in 2004, as defined by GDP per inhabitant, were concentrated within the major conurbations of the EU-15 Member States, with inner London topping the list. Among the top 20 regions Prague stood out as the only region from the countries that have joined the EU since 2004, and was ranked in 12th place of the 268 regions within the EU-27 Member States for which data are presented. The ten poorest regions (using this measure) were in Bulgaria and Romania, with Polish and Romanian regions making up most of those regions ranked between 10th and 20th poorest. The region at the top of the ranking was more than twelve times as rich as the one at the bottom.

The widest disparities in the distribution of wealth creation between the regions within a country were recorded in the United Kingdom, France, Belgium and Slovakia. In each of these cases the highest GDP per inhabitant was recorded for the region including the capital city, and the exclusion of this region narrows considerably the distribution. The pattern of the highest GDP per inhabitant being recorded in the region with the capital city was not observed in all of the Member States, as for example, Hamburg was the wealthiest region in Germany, Åland the wealthiest in Finland, while the province of Lombardia was the wealthiest in Italy. Care should be taken with the interpretation of data on GDP per inhabitant as it is based on calculation of GDP where it is created divided by the population where it is resident, and as such the ratio is influenced by commuters working in one region but living in another: the very high GDP per inhabitant within Inner London can, at least in part, be explained by this.

In stark contrast to the level of GDP per inhabitant, several regions of Bulgaria and Romania as well as the three Baltic Member States (Estonia, Latvia and Lithuania) recorded strong growth in GDP per inhabitant: an analysis of the period 2000 to 2004 shows that the top 15 regions within the EU-27 for the growth of GDP per inhabitant included eight from Romania, two from Bulgaria, the three Baltic Member States, as well as one region each from Hungary and Slovakia. Six Romanian and one of the Bulgarian regions averaged growth in excess of 10 % per annum during this period, and the highest growth was 13.3 % in the Vest region of Romania. The slowest growing regions included Malta, 15 regions in Italy, and four in Portugal, with four of the Italian regions and one Portuguese region recording a fall in GDP per inhabitant over the period considered, the largest reduction being an average of 1.5 % per annum in Abruzzo.

SOURCES

Statistical books

Eurostat regional yearbook 2007

Methodologies and working papers

More information on NUTS, the Regulation and its application can be found on the Eurostat website at: http://ec.europa.eu/eurostat/ramon/nuts/splash_regions.html.

Dedicated sections on the Eurostat website

Regions

Portrait of the regions

Geographic information system (GISCO)

Website data

General and regional statistics

Regional statistics

Regional agriculture statistics

Regional demographic statistics

Regional economic accounts – ESA95

Regional education statistics

Regional environment and energy statistics

Regional science and technology statistics

Regional structural business statistics

Regional health statistics

Regional tourism statistics

Regional transport statistics

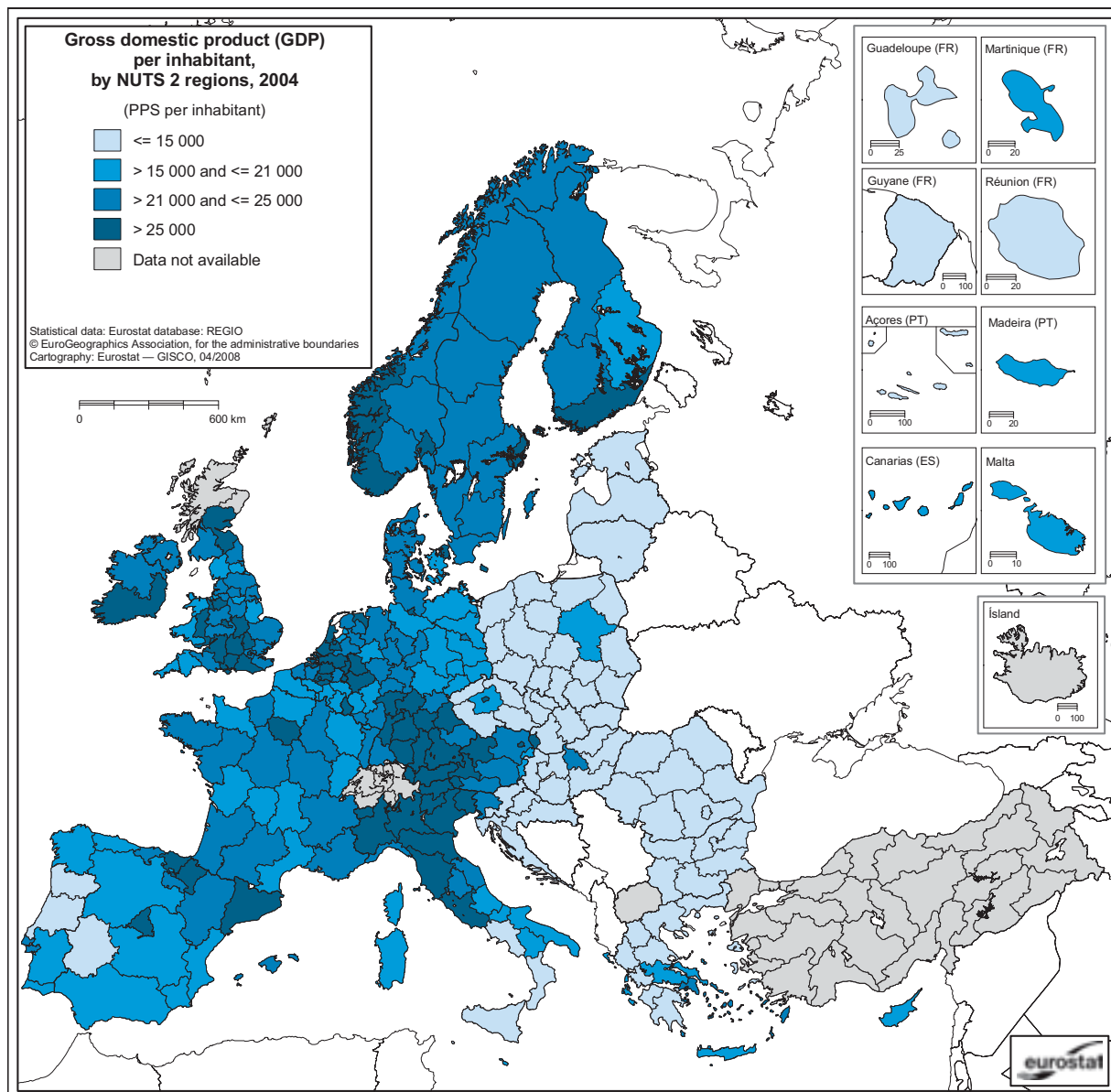
Regional labour market statistics

Regional labour costs statistics

Urban audit

Map 13.1: Gross domestic product (GDP) per inhabitant, by NUTS 2 regions, 2004

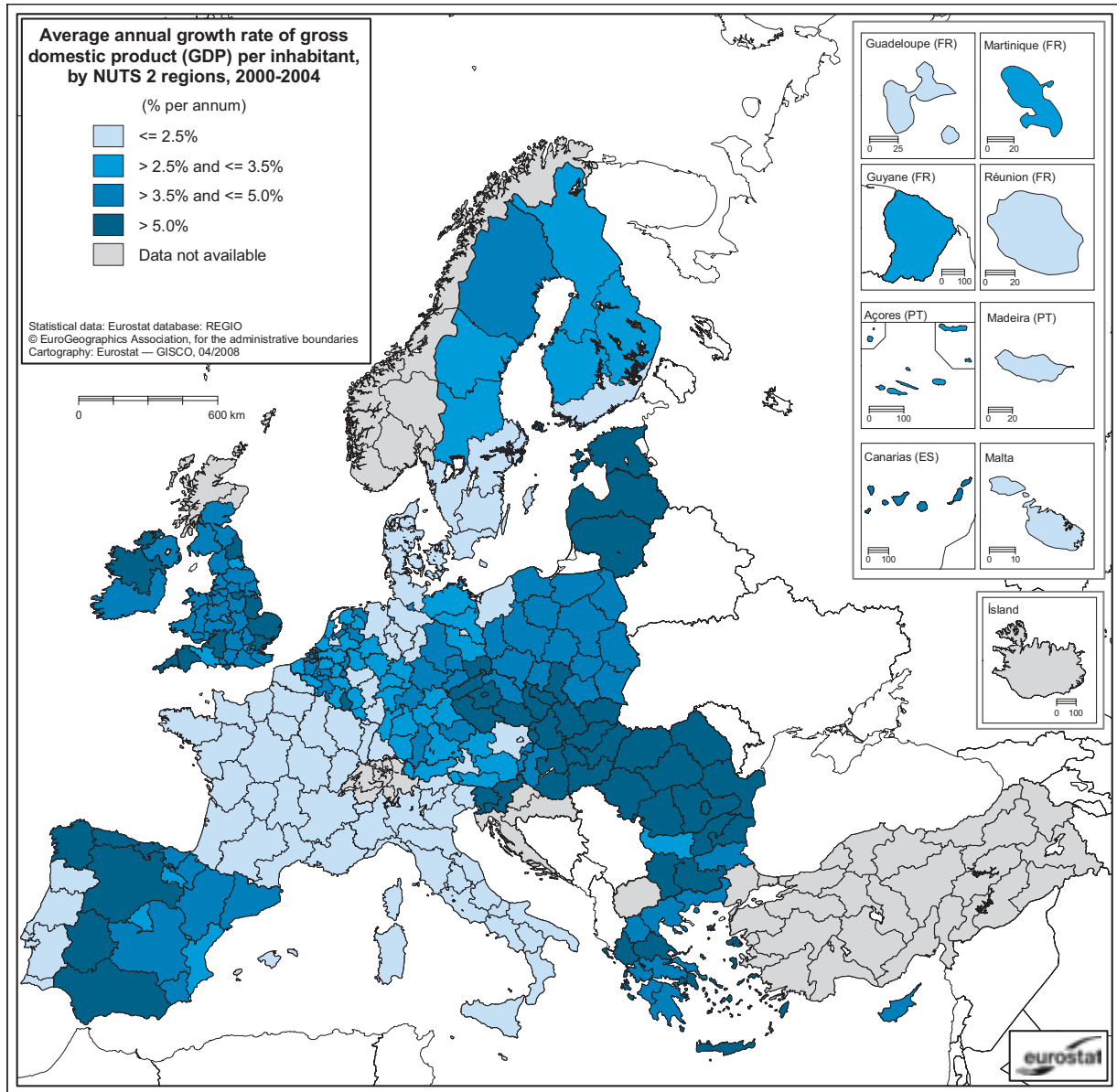
(PPS per inhabitant)



Source: Eurostat (tgs00005)

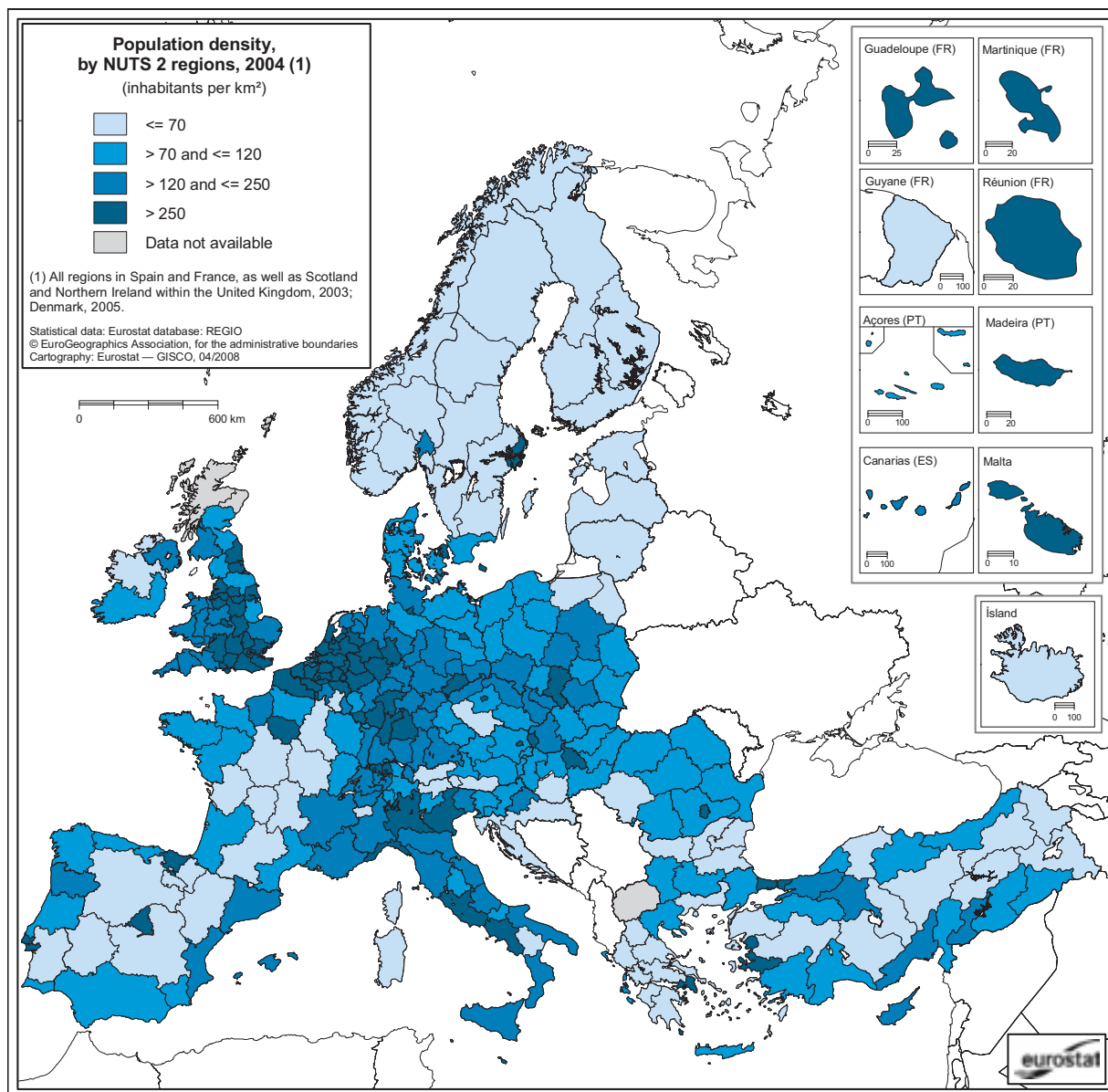
GDP (gross domestic product) is an indicator of the output of a country or a region. It reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production. Expressing GDP in PPS (purchasing power standards) eliminates differences in price levels between countries. Calculations on a per inhabitant basis allow for the comparison of economies and regions significantly different in absolute size. GDP per inhabitant in PPS is the key variable for determining the eligibility of NUTS 2 regions in the framework of the European Union's structural policy.

Map 13.2: Average annual growth rate of gross domestic product (GDP) per inhabitant, by NUTS 2 regions, 2000-2004
 (% per annum)



Source: Eurostat (tgs00005)

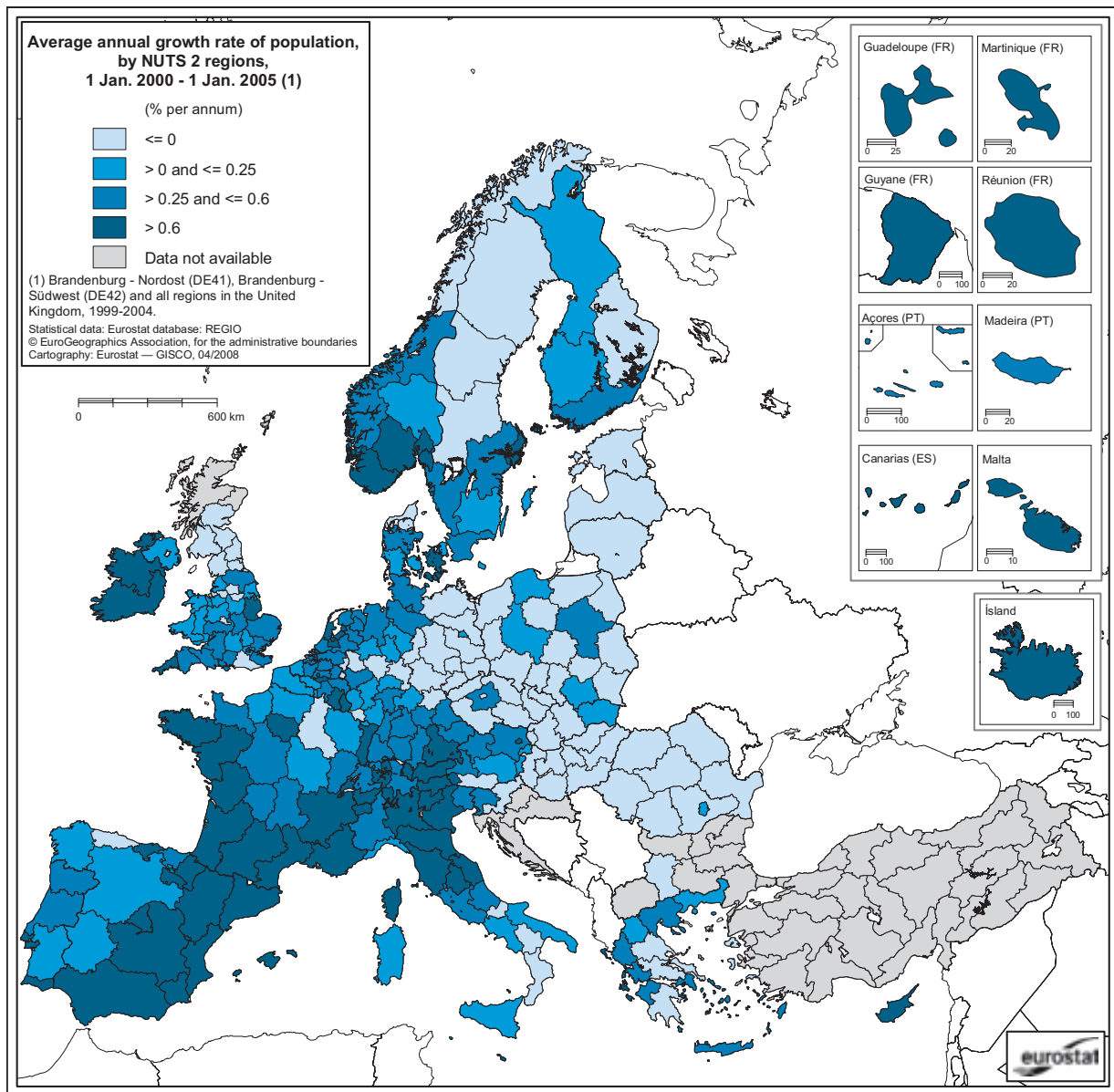
Map 13.3: Population density, by NUTS 2 regions, 2004

(inhabitants per km²)

Source: Eurostat (tgs00024)

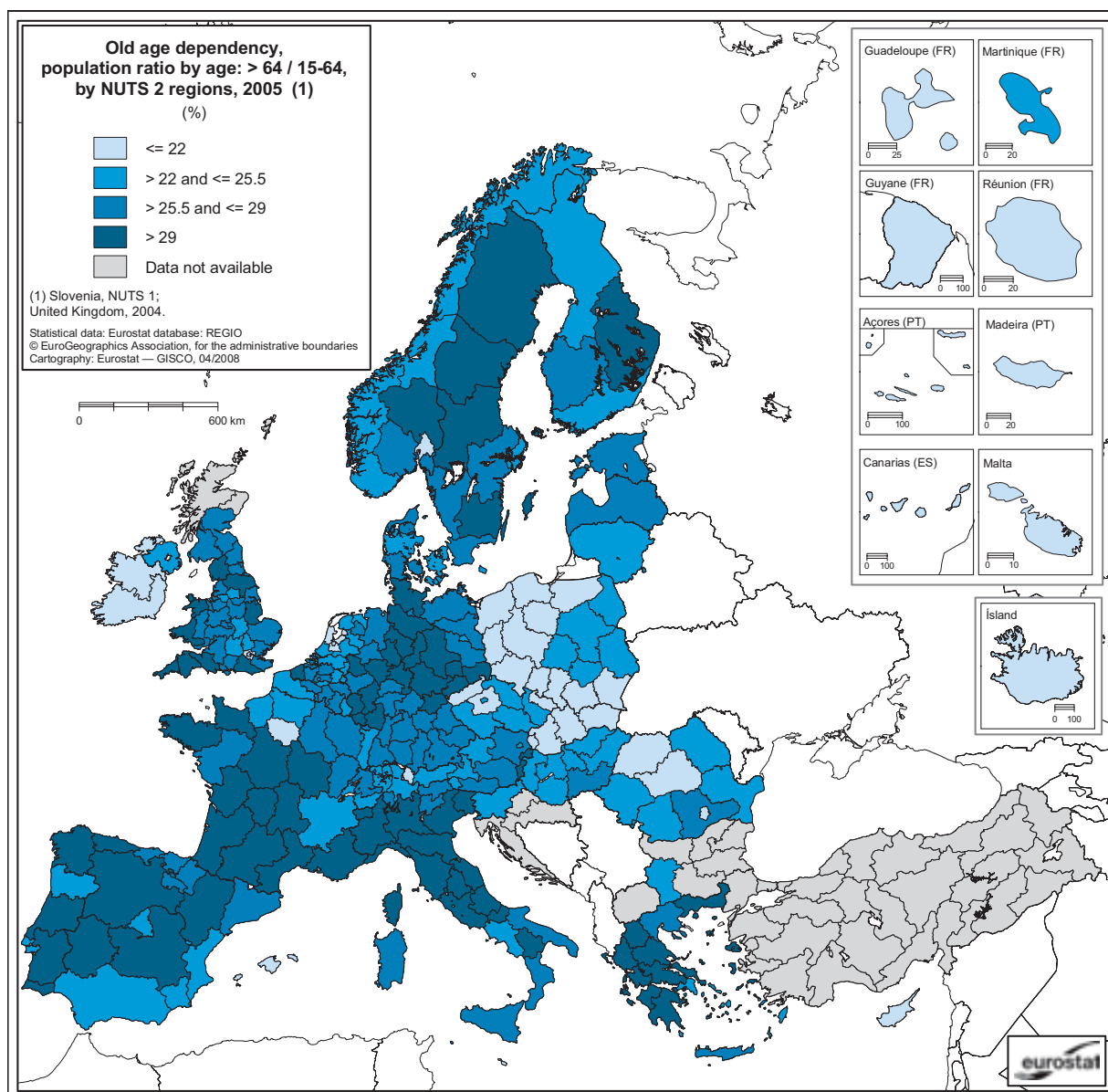
Total population divided by the surface area. For the calculation of population density, the land area concept (excluding inland water bodies like lakes or rivers) should be used wherever available. In several countries the total area, including area of lakes and rivers, is used because it is the only concept for which data are available.

Map 13.4: Average annual growth rate of population, by NUTS 2 regions, 1 Jan. 2000 – 1 Jan. 2005
 (% per annum)



Source: Eurostat (reg_d2jan)

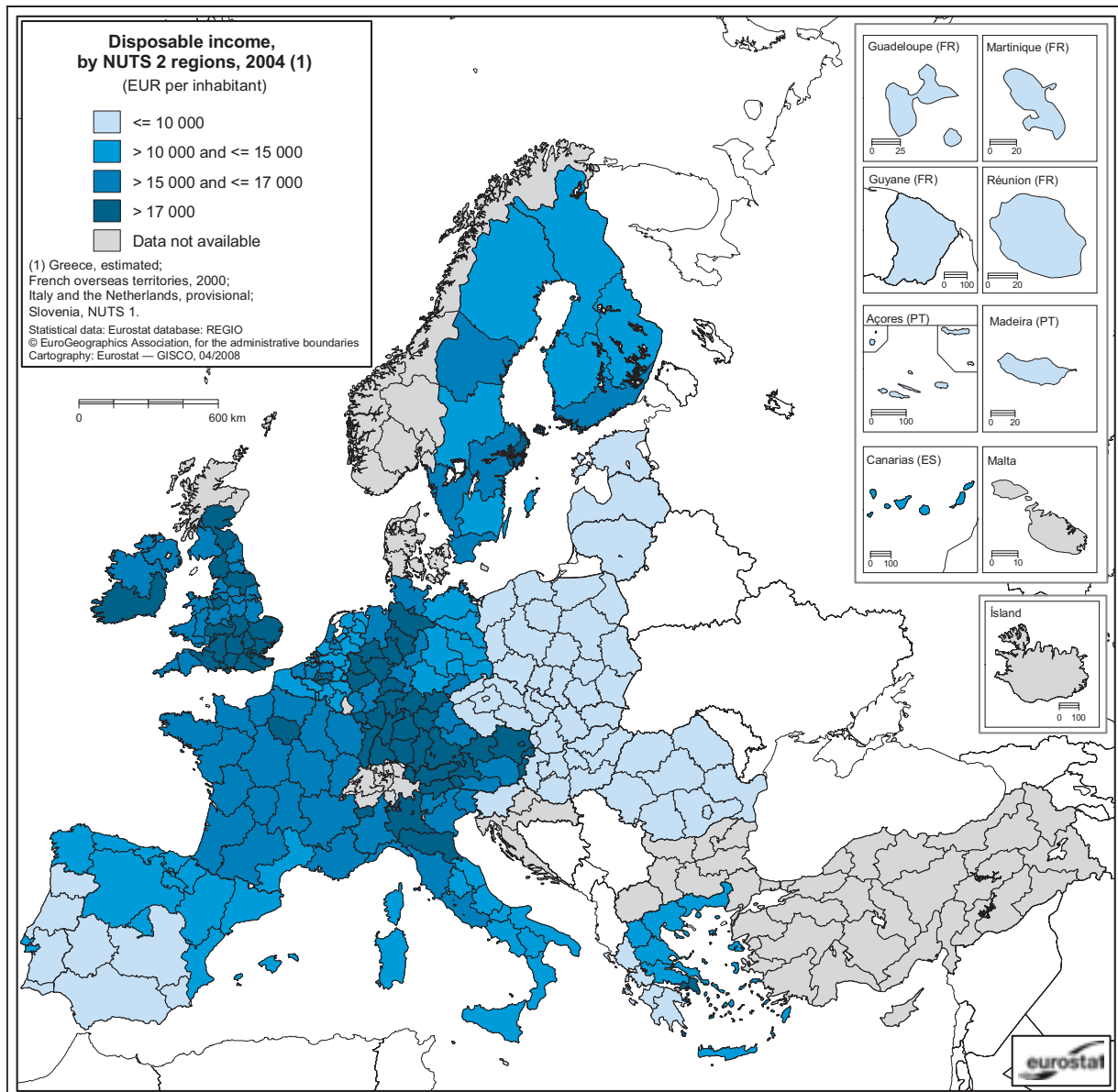
Map 13.5: Old age dependency, population ratio by age: > 64 / 15-64, by NUTS 2 regions, 2005 (%)



Source: Eurostat (reg_d2jan)

Map 13.6: Disposable income, by NUTS 2 regions, 2004

(EUR per inhabitant)

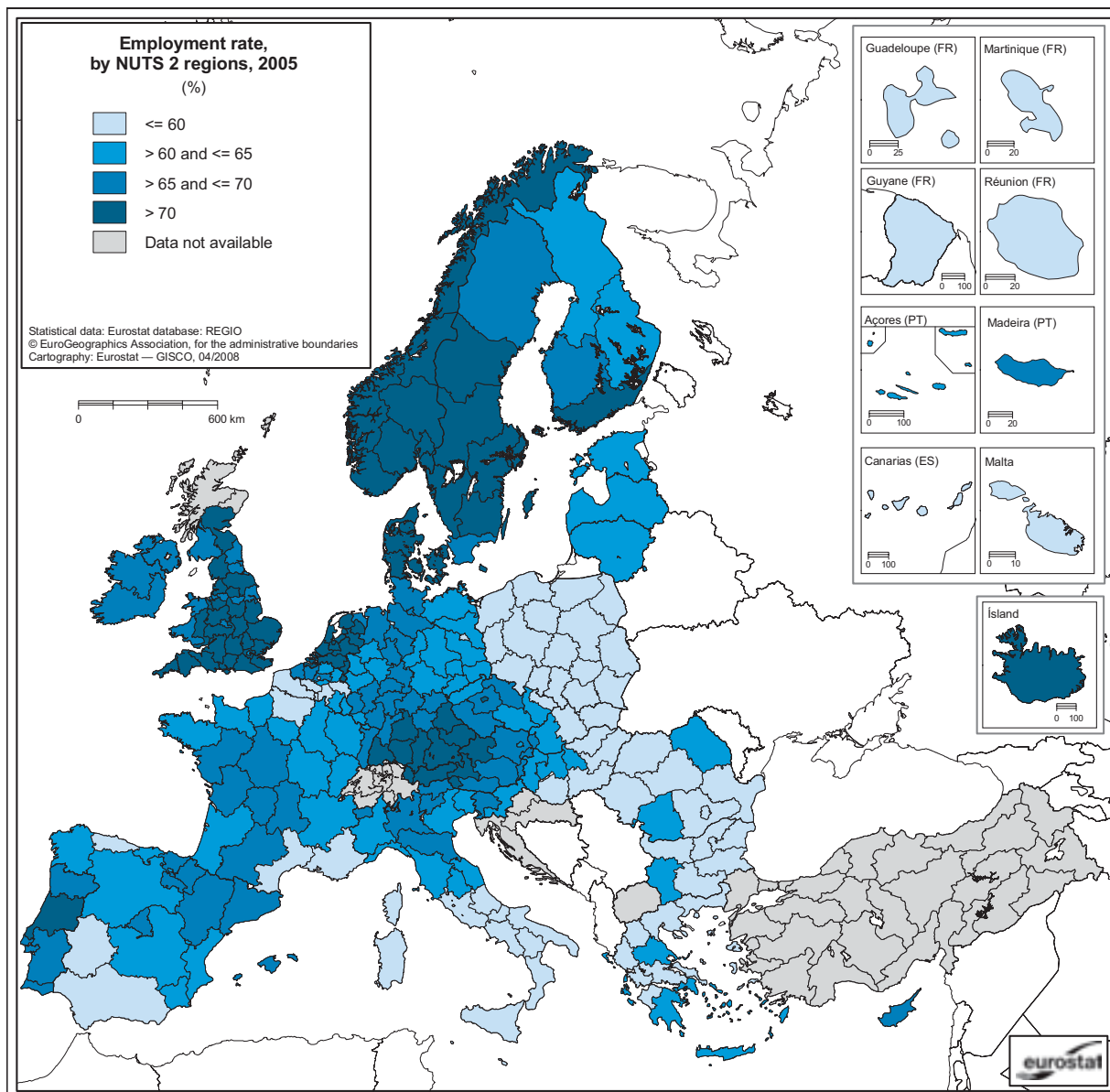


Source: Eurostat (tgs00026)

The disposable income of private households is the balance of primary income (operating surplus/mixed income plus compensation of employees plus property income received minus property income paid) and the redistribution of income in cash. These transactions comprise social contributions paid, social benefits in cash received, current taxes on income and wealth paid, as well as other current transfers. Disposable income does not include social transfers in kind coming from public administrations or non-profit institutions serving households.

Map 13.7: Employment rate, by NUTS 2 regions, 2005

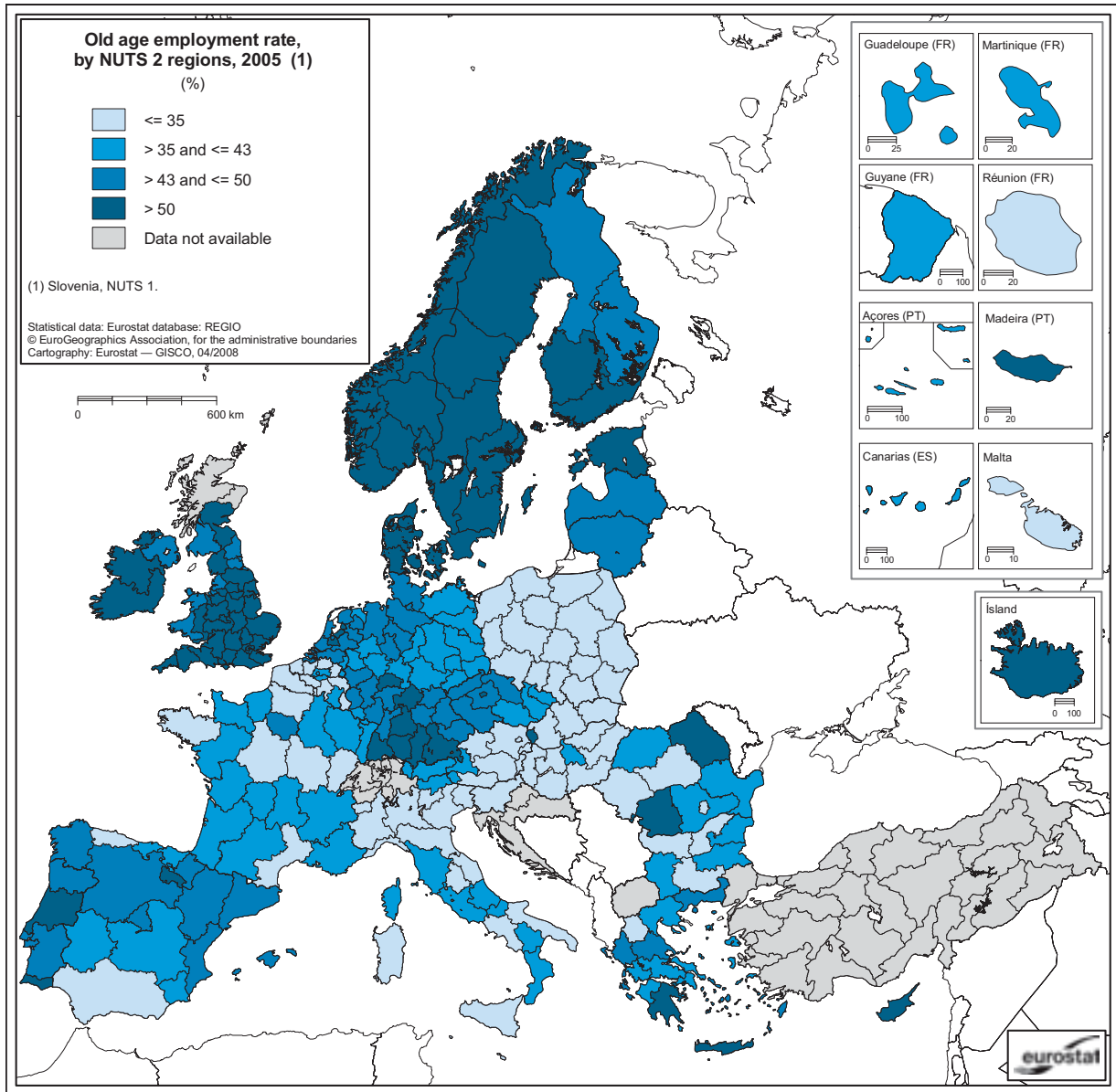
(%)



Source: Eurostat (tgs00007)

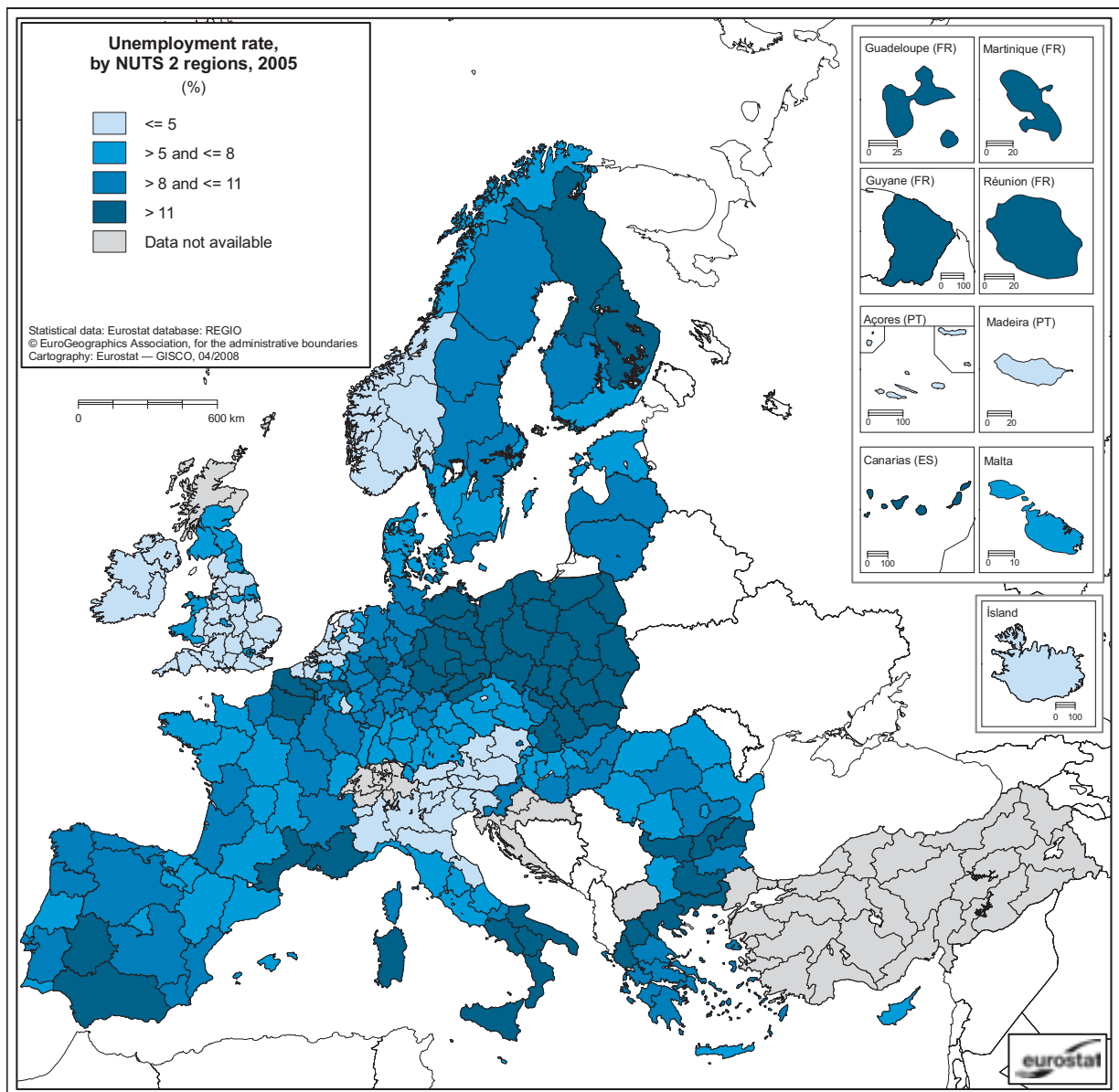
Regional (NUTS level 2) employment rate of the age group 15-64 represents employed persons aged 15-64 as a percentage of the population of the same age group. The indicator is based on the EU Labour Force Survey (LFS). The survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals. The employed persons are those aged 15-64, who during the reference week did any work for pay, profit or family gain for at least one hour, or were not at work but had a job or business from which they were temporarily absent.

Map 13.8: Old age employment rate, by NUTS 2 regions, 2005 (%)



Source: Eurostat (reg_lfe2emprt)

Map 13.9: Unemployment rate, by NUTS 2 regions, 2005
(%)



Source: Eurostat (tgs00010)

Regional (NUTS level 2) unemployment rate represents unemployed persons as a percentage of the economically active population (i.e. labour force or sum of employed and unemployed). The indicator is based on the EU Labour Force Survey (LFS). Unemployed persons comprise persons aged 15-74 who were (all three conditions must be fulfilled simultaneously): 1) without work during the reference week; 2) currently available for work; 3) actively seeking work or who had found a job to start within a period of at most three months. The employed persons are those aged 15-64, who during the reference week did any work for pay, profit or family gain for at least one hour, or were not at work but had a job or business from which they were temporarily absent.

Table 13.1: Dispersion of regional employment rates (1)

(coefficient of variation)

	1999	2000	2001	2002	2003	2004	2005
EU-27	12.9	13.0	13.1	13.1	12.7	12.1	11.9
Belgium	8.0	7.9	8.0	8.0	7.7	8.7	8.4
Bulgaria	:	:	:	:	:	6.9	7.2
Czech Republic	5.6	5.8	5.7	5.6	5.8	5.6	5.5
Denmark	:	:	:	:	:	:	:
Germany	5.5	5.7	6.1	5.8	6.0	6.2	5.7
Estonia	-	-	-	-	-	-	-
Ireland	-	-	-	-	-	-	-
Greece	5.2	5.1	4.3	3.8	3.2	4.1	4.3
Spain	10.8	10.7	10.0	9.3	9.0	8.7	8.3
France	7.1	6.9	8.3	8.0	7.2	7.1	7.3
Italy	17.4	17.5	17.1	16.7	17.0	15.6	16.0
Cyprus	-	-	-	-	-	-	-
Latvia	-	-	-	-	-	-	-
Lithuania	-	-	-	-	-	-	-
Luxembourg	-	-	-	-	-	-	-
Hungary	9.1	9.0	8.8	9.4	8.5	9.4	9.9
Malta	-	-	-	-	-	-	-
Netherlands	2.3	2.2	2.3	2.2	2.3	2.3	2.0
Austria	2.3	2.5	2.6	2.5	3.0	3.5	4.1
Poland	4.8	6.9	7.2	7.3	7.2	6.4	5.6
Portugal	3.6	4.3	3.5	3.8	3.9	3.5	3.3
Romania	4.2	4.6	5.6	3.2	3.5	4.9	4.5
Slovenia	-	-	-	-	-	-	-
Slovakia	8.1	9.1	8.3	7.3	7.6	9.0	9.8
Finland	6.7	6.8	7.0	6.7	6.1	5.5	5.5
Sweden	4.8	4.5	4.2	4.6	4.3	4.4	3.0
United Kingdom	7.5	7.1	6.8	6.6	6.1	5.9	5.7
Iceland	-	-	-	-	-	-	-
Norway	2.4	2.4	2.2	1.6	1.6	1.7	1.3

(1) Variation of employment rates for the age group 15-64 across regions (NUTS 2 level) and within countries.

Source: Eurostat (tsisc041)

The dispersion of regional (NUTS level 2) employment rates of the age group 15-64 shows the regional differences in employment within countries and groups of countries (EU-27, euro area). The employment rate of the age group 15-64 represents employed persons aged 15-64 as a percentage of the population of the same age group. The dispersion of regional employment rates is zero when the employment rates in all regions are identical, and it will rise if there is an increase in the differences between employment rates among regions. The indicator is not applicable for Denmark, Estonia, Ireland, Luxembourg, Cyprus, Latvia, Lithuania, Malta, Slovenia or Iceland as these countries comprise only one or (in the case of Ireland) two NUTS level 2 regions. However, the employment rates of these countries and of the two Irish regions are used to compute the dispersion of regional employment rates for groups of countries. Regional employment rates represent annual average figures and are taken from the EU Labour Force Survey (LFS).