COMMISSION OF THE EUROPEAN COMMUNITIES

COM (73) 550 final
Brussels, 3 May 1973

R E P O R T

ON THE

REGIONAL PROBLEMS

IN THE

ENLARGED COMMUNITY

I. INTRODUCTION

1. Point 5 of the final Communique of the Conference of Heads of State or of Government held at Paris from 19 to 21 October runs as follows :

"The Heads of State or of Government agreed that a high priority should be given to the aim of correcting, in the Community, the structural and regional imbalances which might affect the realisation of Economic and Monetary Union.

The Heads of State or of Government invite the Commission to prepare without delay a report analysing the regional problems which arise in the enlarged Community and to put forward appropriate proposals.

From now on, they undertake to coordinate their regional policies. Desirous of directing that effort towards finding a Community solution to regional problems, they invite the Community Institutions to create a Regional Development Fund. This will be set up before 31 December 1973, and will be financed, from the beginning of the second phase of Economic and Monetary Union, from the Community's own resources. Intervention by the Fund in coordination with national aids should permit, progressively with the realisation of Economic and Monetary Union, the correction of the main regional imbalances in the enlarged Community, and particularly those resulting from the preponderance of agriculture and from industrial change and structural underemployment."

2. This report is written in response to the above invitation to the Commission. It does not at this stage put forward the formal proposals for which the Summit Communique asked, but it indicates the guidelines within which these proposals should be made.

3. The purpose of the present Report is to examine the main regional problems in the enlarged Community and to present the ideas of the Commission for a Community Regional Policy. The Commission invites the institutions of the Community thoroughly to debate these ideas in May and June, and will have appropriate contacts with the social partners, so that

that it may take account of this debate in drafting its new formal proposals to the Council concerning the purpose and functioning of the Regional Development Fund and the Regional Development Committee. The Commission intends to present these proposals by the end of June at the latest, in order to allow the Council to take decisions before the end of the year.

4. Added to this Report is an annexe in three chapters, dealing respectively with :

(a) Regional trends in the nine Member Countries of the Community;

(b) The degree and character of the principal regional disequilibria;

(c) The aims and instruments of the regional policies of Member States of the Community.

This annexe should be read with the analytical survey entitled "Regional Development in the Community", which was published by the Commission in 1971.

II. COMMUNITY REGIONAL POLICY : THE PRESENT POSITION

5. The Community of the Six set up a customs union which was designed to guarantee in the words of the Treaty of Rome "a continuous and balanced expansion". Continuous expansion has been achieved; balanced expansion has been lacking.

6. The Community of Six can fairly claim to have achieved a high and continuous rate of growth and one that has benefitted its citizens as a whole. From 1960 to 1970 the gross national product of the Six increased in volume at a rate of 5.4% per year - and this was reflected in rising standards of living. It cannot be said, however, that economic activity throughout the Community has developed evenly, nor has expansion been geographically balanced. Indeed, despite positive interventionist policies by Member Governments, the gap with regard to comparative incomes between the regions has not shown any noticeable degree of change. The richest areas in the Community have an income per head about five times that of the poorest.

7. Certain regions of the Community have always known structural underemployment and high levels of unemployment, and there has always been sizeable migration from some Community regions, in particular those at its periphery.

8. Until now the Community has not had a comprehensive regional policy of the character called for by the Summit, although in certain cases the expenditure of Community resources has had by no means negligible regional effects. Operations of the European Investment Bank are relevant in this context: from total loans of 2.6 billion units of account made from 1958 to 1972, 1.9 billion units of account (about 75%) were allocated to regional development schemes (Article 130(A) of the Rome Treaty). Reconversion and re-adaptation financing, pursuant to Article 56 of the ECSC Treaty, have contributed to the creation of some 110,000 new jobs and made re-adaptation possible for nearly half a million workers of the coal and steel industries. The Social Fund, in providing 265 million units of account for resettlement and training of workers, has had a regional impact, as has the Guidance Section of the FEOGA, where some 150 million units of account have so far been spent on modernising and providing higher living standards in agriculture.

9. Furthermore, the Commission has over the past years put a number of communications and proposals to the Council of Ministers with the aim of directly tackling regional problems. The instruments proposed concerned the creation of a Community Fund for regional expenditure; the setting up of a Regional Development Committee; the allocation of fifty million units of account per year from the Guidance Section of FEOGA in order to create industrial jobs for people leaving the agricultural sector in certain agricultural priority areas; the setting up of a regional development company to act both as an information centre for European industrialists and as a minority shareholder on a temporary basis in companies set up in development areas; and the establishment of a European guarantee system to provide Community backing for loans for regional purposes.

III. THE MORAL, ENVIRONMENTAL AND ECONOMIC CASE FOR A COMMUNITY REGIONAL POLICY

10. For the reasons the final Communique of the Summit has stated, the case for building a comprehensive Community regional policy is a compelling one. It rests simultaneously on moral, environmental and economic grounds.

11. "Reducing the differences existing between the various regions and the backwardness of the less favoured regions" is an aim of the Treaty of Rome, contained in the Preamble. This is a human and moral requirement of the first importance.

12. No Community could maintain itself nor have a meaning for the peoples which belong to it so long as some have very different standards of living and have cause to doubt the common will of all to help each Member to better the conditions of its people.

13. At a time when it is maintained that economic expansion is no end in itself but must, as a priority, contribute to mitigating disparity in living conditions, it is unthinkable that the Community should only lead to an increase in the process whereby wealth is principally attracted to places where it exists already. Unless the Community's economic resources are moved where human resources are, thus sustaining living local communities, there is bound to be disenchantment over the idea of European unity. The long history and diversity of the European peoples, the historical and cultural values which are the moral wealth of each region, make the maintenance or establishment in each region of the groundwork of an up-to-date economy a matter of capital importance.

14. Furthermore, if capital is not moved towards the less developed regions in order to enable labour to find employment in conditions which are comparable to those existing in the regions of greater development, workers will not have a real choice on which the free circulation of labour in the Community can be based. These, then, are the moral considerations.

15. If "the continuous improvement and living conditions of their peoples" is the "essential aim" of the work undertaken by the signatory Governments of the Treaty of Rome, the European Community owes it to itself to show a comparable advance in furthering the kind of environment which it should offer its inhabitants as the framework of their daily life.

16. Community regional policy is not only in the interests of those living in the areas of relative poverty, high unemployment, under-employment and migration. It is equally in the interests of those who live in the great conurbations with their increasing congestion. The physical poverty of the underprivileged regions is matched only by the mounting environmental poverty of the areas of concentration. The pressure on housing, the miseries of commuting on overloaded roads or overcrowded trains, the pollution of the air and the water - all these developments mean that the environmental case for closing the geographical gaps is as powerful a one for those who live in the so-called prosperous areas of the Community, as it is for those in the poorer regions. The Regional Development Fund, the machinery for coordination to be created and other Community instruments, which could be created, should therefore be seen not as a method by which the better-off regions are forced to subsidise those less fortunate; they will in fact be contributing to a richer quality of life for themselves. Indeed, a Community regional strategy must ensure that efforts to attract new development in the problem regions are accompanied by "decongestion" arrangements which will make for the efficiency and coordination at a Community level of the present policies of Member States in order to discourage excessive industrial congestion in areas where this congestion can only lessen the quality of life, and encourage decentralisation of these industries and of other activities towards regions which need them. At the same time care must be taken lest the development of the poorest regions leads by ill-considered industrialisation to the destruction of their environment. These are the environmental considerations on which a Community regional policy should be based.

17. Finally, there is the economic case. It is time for a new balance in the economic policies of the Community to be struck. The purpose of a Community regional policy is to give areas suffering

from regional imbalances the means to correct them and to enable them to put themselves on a footing of more equal competitiveness. If this can be achieved, then it will be possible for the various factors of production of the Community to be more fully utilised and the idle human resources and under-used social capital and infrastructure to be more fully employed. The situation can be avoided where a Member Government is compelled to half its programmes of expansion because the central areas of its economy are becoming over-heated and the inflationary pressures are mounting while there remain wasted resources in the poorer regions. To entrepreneurs the advantages of expanding in an already crowded area often appear attractive. There is a network of suppliers and the mass market is on the doorstep. But if it were practicable to make them bear the full economic costs of their expansion, their calculations would look very different.

18. From any rational view of the economic interest of the Community as a whole, uncontrolled congestion is more costly than the positive intervention involved in regional policy. If workers are sucked in to meet the needs of expansion of the area, there is the cost of providing them with the social capital - the houses and schools and hospitals and recreation - to enable them to do the job. There is also the waste of the social capital they leave behind them. A real economic balance sheet should prove expenditure on regional policy - provided it is rationally deployed in the interests of long-term self-sustaining growth - to be a good investment.

19. These general economic considerations are now reinforced by the emphasis in the Summit mandate on achieving economic and monetary union by 1980 as a necessary condition for creating the European Union. For it is clear that rapid progress towards Economic and Monetary Union would be arrested if national economies had not undergone the transformations needed to avoid excessive divergencies between the economies of Member States. The reduction, by appropriate means, of regional imbalances is therefore a factor for accelerating those economic changes upon which the strength of Economic and Monetary

Union will depend when it comes to abandoning recourse to parity changes as a way of restoring a fundamental balance. No Member State can be expected to support the economic and monetary disciplines of Economic and Monetary Union without Community solidarity involved in the effective use of such instruments; equally Member States must be prepared to accept the disciplines of Economic and Monetary Union as a condition of this Community support.

IV. REGIONAL DISEQUILIBRIA

20. What are the key characteristics of regional imbalance? The annex to this Report contains a description in detail of the situation and economic and social trends of the regions of the enlarged Community.

21. Generally speaking the statistical material employed must be treated with some reservation because of a lack of uniformity and, often, considerable gaps in the figures used and because the analysis has necessarily been made on the basis of existing administrative units. The statistical office of the European Communities is engaged intensively in preparing comparable regional statistics; it is particularly urgent that this work should be completed given the need for the most objective possible regional analysis; it also requires the active assistance of Member States. Structural under-employment moreover raises a special problem; given its complex character and the paucity of figures relating thereto, evaluations are particularly difficult.

Nevertheless and notwithstanding the foregoing reservations, it is now possible to draw up a picture which demonstrates the broad regional inequalities within the Community.

22. The main regional imbalances with the enlarged Community as indicated in the final Communique of the Summit Conference are found in areas with the preponderance of agriculture, in areas of industrial change and of structural under-employment. It should be emphasized that the Community is here concerned with problems linked to certain limited geographical areas. For it is not the

role of Community regional policy to act as an overall corrective to all economic problems affecting the growth rate of a Member State. The fundamental cause of regional imbalances stems from the absence of modern economic activity or the overdependence of a region on backward agricultural or declining industrial activities, which are therefore unable to guarantee a satisfactory rate of productivity, employment and income; and where there are no compensatory factors in terms of alternative expanding sources of employment. The reasons for the lack of these do, of course, differ widely.

23. There are differences in the most appropriate methods for identifying those areas having a regional problem, as indicated in the Summit Communique. In general the agricultural problem regions tend to be situated on the periphery of the Community, and over recent years they have known a sharp rate of decline in the proportion of employment devoted to agriculture. They usually have the characteristic of severe structural under-employment and in some cases there is also high, long-term unemployment (these latter features are particularly significant in the case of Ireland and of the Italian Mezzogiorno). Whatever the variations in this respect, a common feature of all these areas is a relatively low income per head of the population and a high dependence on agricultural employment.

24. The areas suffering from industrial change have usually been those where there has been a high dependence for employment on ageing industries. Their problems of economic transformation are often underlined by a constantly slow rate of growth, and by high levels of unemployment stretching over many years. Thus for identifying these industrial problem areas, GDP per head is a valid criterion; as is a persistent high rate of unemployment. There are cases, however, where these two criteria are not sufficient to identify a regional imbalance. This can, for example, be the case where significant aids are given by governments to production in declining sectors in order to maintain a sufficient level of income and employment. In these cases, structural under-employment is not normally recorded statistically, but may none-theless be the major problem.

25. Both the agricultural and the industrial problem areas are affected to a varying extent by the problem of outward migration : in some cases this migration is extremely high, both in qualitative and quantitative terms, reaching sometimes an annual rate of 15 for every thousand inhabitants. Some areas also suffer from a serious lack of infrastructure, as regards means of communication, industrial infrastructure, and educational and training facilities. Moreover the special geographical situation of certain areas such as Greenland gives rise to exceptional economic and social problems.(1)

26. In general it should be stressed that the different indicators mentioned give no more than a photographic impression of the situation at a given moment, and must be interpreted dynamically rather than statically, globally rather than in isolation, to take account of future trends.

27. Any attempts to estimate the likely future economic development and especially the future employment situation of the regions will have to take account of their basic economic structure. Moreover the list of these regions benefitting from the Regional Development Fund should be reviewed periodically in the light of their economic development. Two further factors should be borne in mind. Firstly, the Community will have to take into account the regional problems which may be caused by the growing economic and industrial integration of Member Countries. Secondly, the liberalisation of Community trade should also be seen in the context of its effects on the regions. This liberalisation is necessary; it is part of the Community's vocation. But the less favoured regions and their citizens must not bear too large a share of the price for it.

28. Account also needs to be taken of the principles for co-ordinating general schemes of regional aid (2) which have set a

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(1) Comparable reasons should also apply to the case of the Faroe Islands if the Community Treaties eventually become applicable to those Islands.

(2) First Resolution of 20 October 1971 of the representatives of Governments of Member States, meeting with the Council, on general schemes of regional aid and the communication of the Commission to the Council (OJ CE NC 11 of 4 November 1971).

ceiling of 20% for net subsidy equivalent in the "central areas" of the Community. This ceiling is clearly also valid in the central areas in cases where Community aid maybe added to national aid. However, as laid down by the principles mentioned above, the Commission may allow derogation from this ceiling provided it is notified beforehand of the necessary reasons which call for such derogation. It should also be noted that there is provision to review the ceiling downwards in the light of the experience of its application.

V. GUIDELINES FOR A COMMUNITY REGIONAL POLICY

29. Against the background of the above analysis the Commission intends to present as soon as possible first proposals to fulfil the invitation of the Summit Conference. These proposals will be based on the following guidelines:

(i) Community regional policy cannot be a substitute for the national regional policies which Member States have been conducting for many years. It must complement them with the aim of reducing the main disparities across the Community. For this reason the effectiveness of the Community's policy will also depend on the close cooperation of Member States: the activities of Member States in the regional field, whether economic, social or cultural in fact form an indispensable basis for the mobilization of financial resources for regional development. The role of Community regional policy will progressively increase as the Community increases and improves its instruments of intervention, together with the coordination of national regional policies which will be undertaken in the light of the varying extent of regional problems.

(ii) Since overconcentration of economic activity in some regions is a major social and economic problem which tends to become more and more acute, the Community as well as giving aid to the poorer regions, should seek agreement between the Member States on common policies to reduce concentration in the congested regions. The Commission will in this matter make appropriate proposals in due time.

(iii) If Community regional policy is to be successful, it requires not only new incentives and disincentives but coordination of the various common policies and financial instruments which exist at Community level with a view to their improved utilization for regional objectives.

(iv) It will also be essential to achieve the real coordination of national regional policies to which the Summit Conference pledged the Community. In order to facilitate this coordination, a

Community Regional Development Committee should be set up. The proposed structure and role of this Committee are discussed more fully in Section VII. In carrying out these tasks, the closest cooperation with the social partners in the Community should at all times be maintained and developed in ways to be determined shortly.

(v) In the context of these guidelines the proposals which the Commission will present at the end of June this year, will concern mainly the Regional Development Fund and the Regional Development Committee to be set up by 31st December 1973. The Commission maintains its proposal to the Council on the use of part of the FEOGA Guidance Section for the creation of industrial employment in agricultural priority areas. Furthermore, the Commission also intends to give full consideration over the coming months to other useful regional policy instruments which have earlier been suggested, such as the establishment of a regional development company and a European guarantee system for loans.

(vi) The principal vehicle for mobilizing Community resources as a complement to actions presently carried out in the Member States should be the Regional Development Fund. The assistance of the Fund should be devoted entirely to the medium and long term development of the less developed and declining regions within the Member States, with the aim of bringing about self-sustaining growth.

(vii) The Regional Development Fund must be of sufficient size to contribute effectively to meeting the target set by the Heads of State or of Government who gave a "high priority" to the reduction of structural and regional imbalances in the Community which might affect the achievement of European Economic and Monetary Union. The Commission will make its proposals to the Council about the size of the Fund at the appropriate time. For the present the Commission wishes to underline that, following the Summit, the Fund must be provided with a sum of money different from that envisaged hitherto.

(viii) The Fund will have to concentrate its expenditure very largely in those regions which are the most in need in relation to the Community as a whole. In other words there must be standards to ensure that the means available to the Fund are used in a manner quite independent of any criterion of juste retour, and which reflect the size and urgency of the regional problems facing the Community. The acceptance of this principle will be an important test of Community solidarity.

(ix) At the same time a desirable flexibility in the use of the resources of the Fund should be introduced by retaining a proportion of them for financing of regional plans or projects by the Community concerning for example particularly intractable regional problems or trans-border schemes involving more than one Member State.

(x) As regards the identification of those areas whose problems arise from the preponderance of agriculture, from industrial change and structural under-employment and within which as indicated by the Summit the Fund should particularly operate, the Commission considers that the elements indicated in paragraphs 22 - 25 are a good basis of reference. Thus, these elements together with others which may emerge during discussion with Member States, will be taken into account when the Commission draws up its proposals for determining the geographical areas of application of the Regional Development Fund.

VI THE MECHANISM OF THE REGIONAL DEVELOPMENT FUND

30. The Commission is studying the financial methods which could be employed for the distribution of the resources of the Fund. The two main methods appear to be making grants and giving rebates of interest on loans raised for regional purposes. Grants have a useful role to play in any regional aid system; rebates have the advantage of assisting the mobilisation of larger financial sums at relatively low cost.

The Commission also envisages the possibility of making a financial aid for the creation of new jobs in less developed regions, or in declining regions, whether they be agricultural or industrial.

The Commission is also discussing with the European Investment Bank the possible role for the Bank in the context of these new Community regional policies.

Taking into account the differences in the situation of the various regions of the Community which could benefit from the aid of the Fund, the Commission envisages that financial aid should be given principally to industrial schemes, service activities, and to infrastructure projects having a particular regional importance and directly designed to stimulate production.

31. In managing the Fund the Commission should be assisted by a Fund Committee organised and working with the same procedure as the Management Committees of the Community. In the interests of efficiency the most flexible procedures possible should be adopted as regards deciding on the eligibility for Community aid of regional development projects. The Commission therefore proposes that there should be a distinction between projects. The criteria for this distinction would be established by the Council on the basis of a proposal from the Commission: the distinction could be fixed for example according to the volume of investment to be made, the number of jobs to be created or the nature of the projects

themselves. The smaller projects qualifying for Community aid could be decided on in advance by Member States in accordance with Community criteria. Member States should present the Commission every six months with a statement of their expenditure in respect of the projects concerned. The Commission would examine as necessary these projects in consultation with the Fund Committee in order to approve them and to grant Community aid within the resources of the Fund. The larger projects should, in order to be eligible for Community aid, be subject to prior approval by the Commission after consultation with the Fund Committee according to the Management Committee procedure. In both cases the projects presented by Member States should be in accordance with specific regional objectives or be in the context of regional development programmes as these programmes are drawn up. These programmes should also be examined by the Regional Development Committee. Thus Community finance could be granted at an initial stage to projects and then to regional development programmes which have been approved by the Community, with the financing pattern clear in advance.

32. It is important that the element of Community aid, in whatever form it is disbursed, should be clearly identifiable as such to the recipient.

VII THE CO-ORDINATION OF NATIONAL REGIONAL POLICIES

33. The Heads of State or of Government undertook at the Paris Summit Conference to co-ordinate their national regional policies. It is important that first steps towards such co-ordination be taken as soon as possible and that priorities be established so that these steps may make an effective contribution towards the progressive co-ordination and integration of the economic policies of Member States. The Commission therefore re-affirms the need to establish a Regional Development Committee with the aim of assisting the Council and the Commission in their examination and in their co-ordination of national regional policies and programmes, as with the co-ordination of such policies and programmes with the interventions of the Regional Development Fund.

34. Following the discussions in the Council in 1971 and 1972 the Commission accepts that the Regional Development Committee should be created on the lines of the existing Monetary and Medium Term Economic Policy Committee, that is to say that the Chairmanship should be in the hands of a representative of a Member State and the secretariat of the Committee run by the Commission. It seems logical that the Committee for Regional Policy should be established on similar lines.

35. The Commission considers that the Regional Development Committee should assist the Council and the Commission by fulfilling the following tasks:

(i) The consideration of problems and policies of Member States on regional matters; comparing these problems and policies should permit the Community's institutions to clarify co-ordinated aims in the regional field and to set in train concerted action to reach these targets.

(ii) The study of the means available to the Community to reinforce the regional impact of its other financial actions in the light of overall regional objectives. Within this framework the Committee could be required to give its opinion on the importance for regional objectives of aid from other Community sectors.

(iii) Consideration of programmes of regional development drawn up by Member States. Such considerations would bear in particular on means for ensuring that the steps taken by Member States and the finance from the Regional Development Fund of the Community or from other financial sources should be rationally co-ordinated and moreover that they should be directed effectively toward those regions where the need for aid is the most urgent. In this way programmes of regional development could become the framework for the intervention and co-ordination of national and Community regional policies.

(iv) Without prejudice to Articles 92 – 94 of the Treaty of Rome, a comparison of systems of aid designed to help the regions, or having a regional effect with a view to facilitating their co-ordination and in order to take account of the importance of the various problems of regional development.

(v) Consideration of ways to supply public and private investors with better information on the problems and policies of regional development.

(vi) Study of national measures designed to discourage investment in congested areas with the aim of facilitating the elaboration by the institutions of the Community of a coherent policy in this respect.

(vii) Examination of measures for helping more effective organisation of bodies operating at regional level.

VIII FINAL REMARKS

36. The ideas and proposals set out in the Report are not intended to cover the whole range of regional problems, nor to give final solutions. The tasks which the Commission proposes should be entrusted to the Regional Development Committee show the distance which has yet to be travelled in order to bring into being a Community Regional Policy. What is now proposed amounts only to a first step in what will undoubtedly be a long process of policy-making and the Commission will continue to study and put forward other suggestions for action on a Community scale. However, this first step should from the outset demonstrate the determination of the Community to attack and reduce the regional imbalances. The financial resources to devote to these objectives must therefore be sufficient to deal with the problems with which the Community is confronted.

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ANNEX

ANNEX TO

THE REGIONAL PROBLEMS IN THE ENLARGED COMMUNITY:

A REPORT

A N N E X

TO

THE REGIONAL PROBLEMS IN THE ENLARGED COMMUNITY: A REPORT

CHAPTER ONE

Regional development in the Enlarged Community

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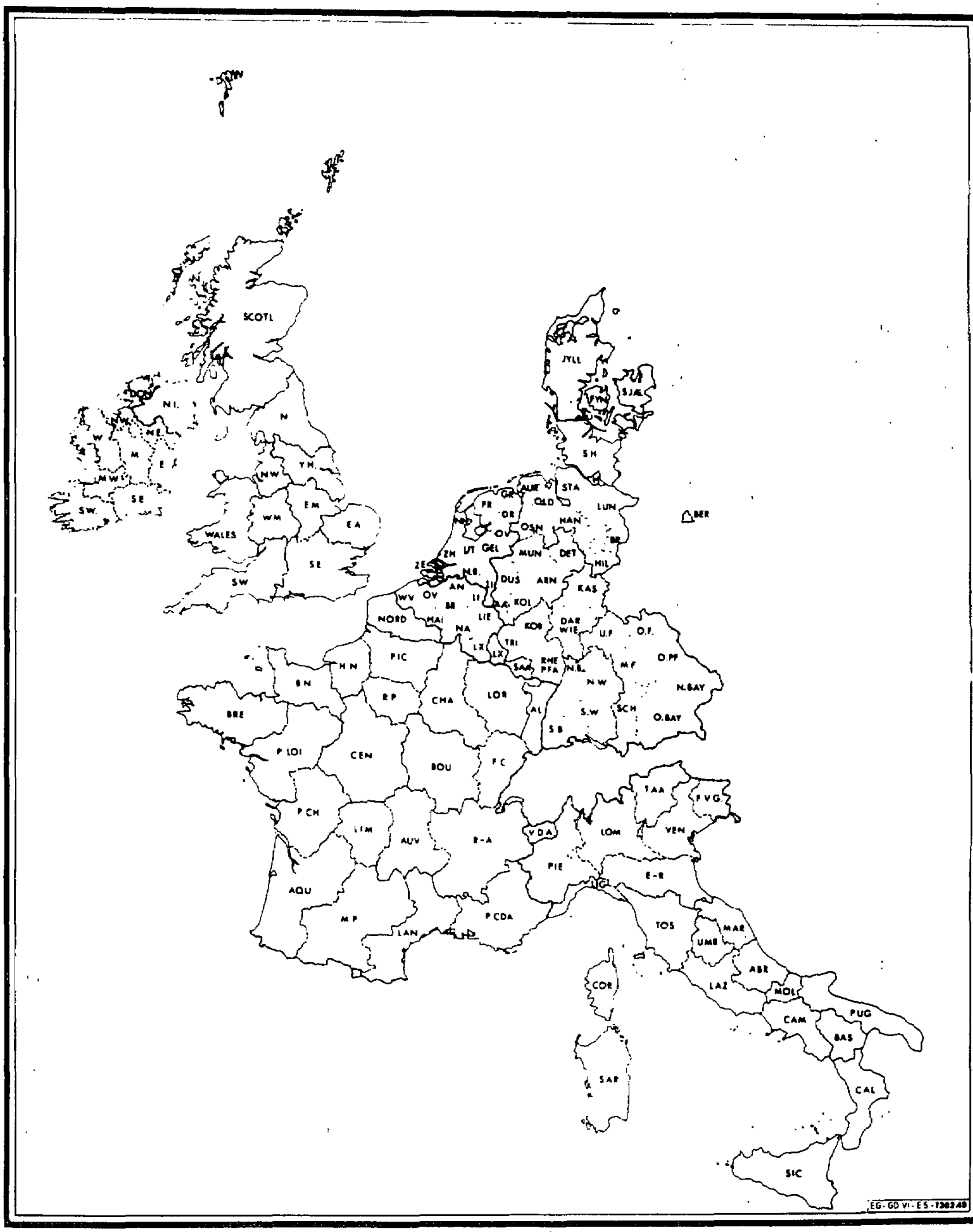
CARTE DES UNITES REGIONALES ADMINISTRATIVES



UNITED KINGDOM

SCOTL	: Scotland
N.	: North
N.I.	: Northern Ireland
N.W.	: North West
Y.H.	: Yorkshire-Humberside
WALES	: Wales
W.M.	: West Midland
E.M.	: East Midland
E.A.	: East Anglia
S.W.	: South West
S.E.	: South East

DEUTSCHLAND BUNDESREPUBLIK

S.H.	: Schleswig-Holstein
STA	: Stade
AUR	: Aurich
OLD	: Oldenburg
B	: Bremen
LUN	: Luneburg
BR	: Braunschweig
OSN	: Osnabrück
HAN	: Hannover
MUN	: Münster
DET	: Detmold
HIL	: Hildesheim
DUS	: Düsseldorf
ARN	: Arnsberg
KAS	: Kassel
AA	: Aachen
KOL	: Köln
TRI	: Trier
KOB	: Koblenz
DAR	: Darmstadt
WIE	: Wiesbaden
U.F.	: Unterfranken
O.F.	: Oberfranken
SAA	: Saarland
RHE PFA	: Rheinhessen-Pfalz
N.B.	: Nordbaden
N.W.	: Nordwürttemberg
M.F.	: Mittelfranken
O.PF	: Oberpfalz
N.BAY	: Niederbayern
S.B.	: Südbaden
S.W.	: Südwürttemberg
SCH	: Schwaben
O.BAY	: Oberbayern
BER	: Berlin

FRANCE

NORD	: Nord
PIC	: Picardie
H.N.	: Haute-Normandie
R.P.	: Région Parisienne
CHA	: Champagne
LOR	: Lorraine
AL	: Alsace
B.N.	: Basse-Normandie
BRE	: Bretagne
P.LOI	: Pays de la Loire
CEN	: Centre
BOU	: Bourgogne
F.C.	: Franche-Comté
P.CH	: Poitou-Charentes
LIM	: Limousin
AUV	: Auvergne
R-A	: Rhône-Alpes
AQU	: Aquitaine
M.P.	: Midi-Pyrénées
LAN	: Languedoc
P.CDA	: Provence-Côte d'Azur
COR	: Corse

IRELAND

DON	: Donegal
N.W.	: North West
N.E.	: North East
W.	: West
M.	: Midland
E.	: East
M.W.	: Mid West
S.E.	: South East
S.W.	: South West

DANMARK

JYLL	: Jylland
SJÆ	: Sjælland
FYN	: Fyn

ITALIA

V.D.A.	: Valle d'Aosta
PIE	: Piemonte
LOM	: Lombardia
T.AA	: Trentino-Alto Adige
VEN	: Veneto
F.V.G.	: Friuli-Venezia Giulia
LIG	: Liguria
E-R	: Emilia-Romagna
TOS	: Toscana
UMB	: Umbria
MAR	: Marche
LAZ	: Lazio
ABR	: Abruzzi
MOL	: Molise
CAM	: Campania
PUG	: Puglia
BAS	: Basilicata
CAL	: Calabria
SIC	: Sicilia
SAR	: Sardegna

BELGIQUE/BELGIE

AN	: Antwerpen
W.V.	: West-Vlaanderen
O.V.	: Oost-Vlaanderen
BR	: Brabant
LI	: Limburg
LIE	: Liège
HAI	: Hainaut
NA	: Namur
LX	: Luxembourg

NEDERLAND

GR	: Groningen
FR	: Friesland
DR	: Drenthe
OV	: Overijssel
NH	: Noord-Holland
GEL	: Gelderland
ZH	: Zuid-Holland
UT	: Utrecht
ZE	: Zeeland
N.B.	: Noord-Brabant
LI	: Limburg

LUXEMBOURG

LX	: G.D. du Luxembourg

CHAPTER 1

REGIONAL DEVELOPMENT IN THE ENLARGED COMMUNITY

0. Introduction

0.1 Object of the Study

In 1971 the Commission of the European Communities published a work[1] analyzing regional development of the whole population, of the working population and of the regional product, especially at the level of about one hundred basic regions of the Six Member Countries.

For the purposes of the analysis of regional problems called for in the Summit Communique this work remains valid. It should be read alongside this chapter, the object of which is to extend this earlier analysis to the regions of the three new Member Countries and to examine the present regional position in the enlarged Community.

In the first place, some reservations must be made on the possibilities of comparisons available and which are, at times, limited mainly through statistical difficulties. In the Community of Six serious gaps are already noticeable in regional statistics and existing statistics are at time difficult to compare. Gaps in regional statistics already noticed amongst the Six exist also in the new Member Countries, they are often considerable.

It has not been always possible to make direct comparisons between the regions of the various countries and it has been necessary to start by analyzing regions inside each one of these.

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[1] Regional development in the Community - Analytical return 1971. Study published by the Official Publications Office of the European Communities in 1971.

0.2 Geographical units considered

Analysis of regional development in the three new Member Countries rests mainly on the basic regions. Accordingly, the following have been taken into consideration:

(i) in the United Kingdom, the 11 new standard regions;

(ii) in Ireland, the nine planning regions;

(iii) in Denmark, two groups of islands and the continental portion of the territory, i.e. a total of three basic regions.[1]

The division of the United Kingdom into standard regions has been partially modified during the period 1960-1970. Statistical data for 1960 was at times worked out again by the British statistical departments for the new standard regions. When this was not the case, data for 1960 was used for the former regions and data for 1969 or 1970 for the new regions. Moreover, the following regions or groups of regions (1960 and 1970 division) are comparable overall:

	1960	1970
1 + 2	London and South Eastern Eastern and Southern	South East and East Anglia
3	South West	South West
4 + 5 + 6	Midland Region, North Midland, East and West Ridings	West Midlands, East Midlands, Yorkshire and Humberside

The other British regions were not amended.

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(1) In view of its unusual geographical situation and the special characteristics resulting therefrom in different fields, Greenland is the subject of a separate heading following page 70 of this chapter.

In the case of the United Kingdom and Ireland, the choice of basic regions is automatic since, in both countries these are regions for which schemes exist. For Denmark the basic regions considered were chosen because they appeared to lend themselves to regional analysis insofar as statistical data is available for these regions or can be obtained from publications giving detailed geographical information.

Basic regions of the United Kingdom are grouped in two large geographical areas: the South-East and the North-West.

The Irish territory is divided into three geographical areas: Western, Eastern and the County of Dublin. These three areas do not strictly constitute a grouping of the planning regions; their boundaries cut across a few.

This division in the United Kingdom and in Ireland is based on the fact that regions of an area have, to a certain extent, similar characteristics; it affords a rapid overall picture of the regional situation in both these countries. The North-West area of the United Kingdom corresponds, to a large extent, to the areas where the present regional policy of the country applies.

Far less considerable than the major geographical areas of the United Kingdom, the three divisions of Ireland are rather comparable to those for which boundaries have been laid down in the Six countries of the Community.

Table 1 gives an outline of the various regional units. It should be noted, at this state, that in the chapter which follows, the analysis was made essentially at the level of basic regions. Administrative units are included in the Table but, except in a few instances, these are not examined at the present stage of regional analysis.

Although a basic region be considered as constituting a unit to some extent - mainly due to geographical, economic and demographic characteristics - the situation in a region is obviously not homogeneous and major disparities of structure and of economic development can exist, not only in the larger regions but also in the smaller ones. Thus, the analysis is an overall and incomplete one since disparities unobserved in large regions may be acute in parts of those regions.

The average demographic importance of regional units varies from one country to another, particularly where basic regions are concerned and, to a lesser extent, in the administrative units. In each country, demographic disparities are important and of the same order as between the averages of the nine countries. This is shown in the minima and maxima of Table 2 and the coefficient of variation of the population of each country and for the enlarged Community.

For quick reference, the present work contains a map of the Community of Nine with names of all the regions.

Table 1: Population per administrative regional units (1970 – thousands)

	Major geographical areas			Regions			Basis regions			Attached administrative units		
	No	Average population	Index	No	Average population	Index	No	Average population	Index	No	Average population	Index
United Kingdom	2	27 906	254	–	–	–	11	5.074	246	184	303	235
Ireland 1969	1	2 944	27	3	981		9	327	16	26	113	88
Denmark 1970	11	4 921	45	..	–		3	1.640	80	16	308	240
Germany F.R. 1968	4	15 387	140	11	5.595		38[1]	1 620	79	564	109	85
France 1968	3	16 926	154	9	5 642		21[2]	2.418	117	95	534	414
Italy 1968	4	13 623	124	11	4.954		20	2 725	132	92	583	454
Belgium 1968	3	3 225	29	5	1.935		9	1 075	52	44	220	171
Netherlands 1968	4	3 259	30				11	1 185	58	935	14	11
Luxembourg 1968	1	340	3[1]				1	340	17	12	28	22
Community of Nine	23	11 024	100	–	–		123	2 061	100	1968	129	100

[1] Number of administrative districts in 1967. Mergers have since taken place.

[2] Provence – Cote d'Azur – Corsica considered single basis region.

Source: Averages calculated on published figures for total population: OECD, SOEC.

Table 2: Population of basic regions: variation from averages

		Minimum ('000)	Maximum ('000)	Average ('000)	Variation coefficient %(1)
United Kingdom (1970)		1 522	17.316	5.074	82.1
Ireland (1971)		78	1 059	339	85.5
Denmark (1970)		431	2 303	1 640	-
Germany F.R.		277.0	5 605.2	1 577.6	65.8
France		736.3	9 238.3	2 365.9	75.6
Italy	1968	106.9	8 129.9	2 682.8	75.6+
Belgium		219.4	2 148.5	1 067.3	53.0
Netherlands		298.5	2 922.5	1 151.0	69.0
Community of Nine		78.0	17 316	1 979.9	106.5

(1) $\frac{\sigma}{\bar{x}}$ where $\sigma = \sqrt{\frac{1}{n} \sum (x - \bar{x})^2}$

$\bar{x}$ is arithmetical mean for the sequence
n is number of elements

0.3 Periods considered

The periods considered are chosen partly on the basis of statistical data; they are not always the same neither for each country nor for each item examined. In order that disparities shall be less criticized, annual averages, growth rate, etc. have been worked out and appear in the tables. Overall, the periods considered are 1950–1960 and 1960–1970 i.e. much the same as those adopted for the work already mentioned concerning the Six.

0.4 Summary for statistical data

The statistical data mentioned above concerning the three new member countries appear in the appended tables. For ease of consultation we have given letters:

D for demographic data
E for employment data
R for regional produce and income data

followed by one or two letters to show the country concerned:

UK for United Kingdom
IR for Ireland
D for Denmark

and a number which corresponds with the one in the table in the group.

The information is taken from statistics and other official publications by the countries concerned, obtained directly from the authorities of the three countries or have been worked out from similar official data.

Occasionally, figures taken from other sources - for instance OECD - have been used in the text for comparison purposes or to ensure standardization between the Nine countries. If these figures do not give always the same results for each region as those of national sources, the general conclusions for the whole of the regions remain, nevertheless, valid.

Part One: Demographic considerations

1.0 Introductory observations

As already mentioned in the general introduction, it is difficult to analyse the problems and make comparisons owing to the heterogeneous character of certain data or the lack of data. In some cases, therefore, it has been necessary to work on estimates. For instance, migratory balances have been partly worked out from the difference between total growth and natural population growth.

Variations in total population

1.1 At national level

The general trend in the development of population is one of regular growth. The only exception is Ireland where the decrease in population, noticed since the first population census of 1831, was still evident during the first of the periods considered (1950-1960). For the whole of the period 1831-1950 the decrease is 52% i.e. the population in 1950 was less than half that of 1831. It is only in 1961 that the demographic curve starts to rise. The following table shows growth rates for the total population in the nine countries during the two periods considered.

Table D-1

Total population and average annual growth rate.

Country	1970 Population[1] ('000)	Growth rate %	
		1950-1960	1960-1970
United Kingdom	55 812	0.44	0.60
Ireland	2 944	0.49	0.41
Denmark	4 921	0.73	0.72
Germany	61 566	1.04	1.05
France	50 775	0.91	1.06
Italy	54 459	0.74	0.83
Belgium	9 676	0.55	0.59
Netherlands	13 032	1.27	1.27
Luxembourg	340	0.59	0.76
Community	253 543	0.77	0.88

(1) Source: OECD

The national figures reflect fairly sharp differences even if one overlooks for a moment the Irish population evolution. The highest growth rate (Netherlands) is more than twice that of the lowest (United Kingdom, if one overlooks that of Ireland).

In several countries, annual growth is noticeably higher during the second period. This observation does not, in itself, lead to the conclusion that there is a definite trend because evolution of population depends on several factors: marriage fecundity, increase in expectation of life, changes in the pyramid of age, migratory movements, which have partly opposite effects. Slight changes in these factors can easily be reflected in the '70s by a weaker growth rate.

If an average annual increase of almost half percent has suddenly followed an average annual decrease of half percent in Ireland this is due mainly to a sharp reduction in emigration. This phenomenon, which is one of the major problems for Ireland, will be studied in greater detail in the paragraph on migrations.

1.2 At regional level

Within each country there are also differences, sometimes important, as regards population growth scale. Concerning the Six, one should refer in this connection to the analytical return for 1971.

In the United Kingdom there is a clear distinction between regions of the large South-East geographical area and that of the North-West. In the former, population growth rate is frequently higher than the national average whilst in the latter it is lower.

The Yorkshire-Humberside region is an exception because it belongs to the South-East area and its population growth rate is noticeably lower than the national average.

This shows moreover the limited value of dividing into areas. Geographically, Yorkshire-Humberside is in the centre of the United Kingdom, on the boundaries of the large geographical areas already mentioned in this report. Based purely on growth rate, this region should be included in the North-West area. The division of the United Kingdom, like that of Ireland in three areas, is only a convenient means of having an overall picture of a limited number of regional characteristics.

A similar case is that of Northern Ireland where the percentage of population growth in a second period is slightly higher than the national average, even though this region, by virtue of its geographical position, should belong to the North-West area of the United Kingdom.

There are interesting differences in the South-East area. During the first period, its growth rate remained at the same level (except for Yorkshire and Humberside). Whilst in the London region the growth rate declined noticeably during the second period, it increased in the other regions. It would thus appear that the relative concentration in the South-East area tends to diminish, at least in the area being studied.

In the North West, the gradual demographic loss of Scotland is clear: the growth rate of this sparsely populated region, already modest during the period 1951-1961, has dropped to zero during the second period. The population of Scotland has remained practically stationary whereas other regions in this area recorded an increase in their demographic growth.

As has already been said, Ireland is a special case in the nine countries as regards population evolution. The region of the capital city, the East, is the only one where there was an increase in population during the first period; with an annual growth of 1.57% for the second period, it is amongst the regions of the Europe of Nine which are the most dynamic in this respect. On the other hand, for the period 1951-1961 there is a decrease in population in all other regions of the country and for the period 1961-1971 a decrease in half the regions.

In the North West the position is particularly unfavourable and during the second period - not the worst one from a demographic aspect - the population still diminishes by almost 1% per annum.

However, in relation to the previous period, the evolution from 1961 to 1971 is much more favourable in each region and in the country as a whole.

The evolution is more even in Denmark: growth rate is below national average only in the tiny region of Fyn. In the region of the capital city growth rate was slightly reduced during the second period.

Determining factors of demographic development

1.3 Natural development in the population

The main factors affecting demographic development are birth rate, mortality and the difference between the two i.e. the natural increase of the population. National figures for these three factors are given below.

Table D-2

Birth rate, mortality and natural growth of the population

Countries		Annual average rate per hundred inhabitants		
		Birth rate	Mortality	Natural growth
United Kingdom	1951-1960	1.62	1.17	0.45
	1961-1970	1.78	1.17	0.61
Ireland	1951-1960	2.13	1.21	0.92
	1961-1971	2.16	1.14	1.02
Denmark	1951-1960	1.71	0.91	0.80
	1961-1969	1.68	0.99	0.69
Germany	1960-1967	1.78	1.14	0.64
France	1960-1967	1.77	1.10	0.67
Italy	1960-1967	1.86	0.95	0.91
Belgium	1960-1967	1.65	1.20	0.45
Netherlands	1960-1967	2.03	0.79	1.24
Luxembourg	1960-1967	1.57	1.20	0.30

Source: National statistics of each country

With annual birth rates above 2%, Ireland and the Netherlands are ahead of the other countries whilst the United Kingdom and Denmark are at the European average. Mortality rates are slightly lower in Denmark, Italy and the Netherlands than in the other countries; the Netherlands enjoy a particularly favourable position in this regard.

There is no doubt that the divergencies noted are largely the result of the differences which exist between the age pyramids. Thus the nature of the age pyramid in Ireland, influenced by emigration, may be considered as one of the causes of a high death rate. A very high degree of procreation guarantees at the same time that there will also be a very high birth rate so that the natural growth rate of the population, per hundred inhabitants, is substantially higher than the rate recorded in the other countries and is exceeded only by that of the Netherlands.

As regards regions, in the United Kingdom natural growth of population is very weak in the South West regions and in Wales where birth rates are low and death rates are high.

On the other hand, Northern Ireland has a very high birth rate and a death rate slightly below the national average; the outcome is a natural annual growth of almost 1.2%.

In the Eastern region (Dublin) of the Irish Republic the position is even more favourable: it has a birth rate of 2.34% per annum (1966–1971), the highest not only for Ireland but in the Europe of Nine; the annual death rate is slightly under 1%. This is not the case in the other regions of the country. If birth rate is generally high, so is the death rate so that the natural increase in population is modest or weak – very weak in Donegal.

1.4 Migrations

It should once again be pointed out that the methods to establish migration balances vary from country to country so that the results only allow for approximate national comparison to be made.

Table D-3

Migration balances in different countries

Countries	Periods	Migration balances		
		For the whole period, thousand units	Annual average	
			thousand units	% of population
United Kingdom	1961–1970	– 115	– 11.5	– 0.02
Ireland	1961–1971	– 141.6	– 14.2	– 0.50
Denmark	1961–1969	+ 23.7	+ 2.6	+ 0.06
Germany	1960–1969	+ 2 691.6	+ 269.2	+ 0.45
France	1962–1968	+ 1 333.6	222.3	+ 0.45
Italy	1960–1969	– 517.9	51.8	– 0.10
Belgium	1960–1968	+ 183.5	20.4	+ 0.21
Netherlands	1960–1969	+ 80.2	8.0	+ 0.06
Luxembourg	1960–1969	+ 8.3	0.8	+ 0.25

Source: National statistics of each country

In absolute figures, both the United Kingdom and the Irish Republic, have a substantially lower migratory rate than that of Italy and almost insignificant compared with the positive migratory balance of Germany and France.

Related to the country's population, however, Irish emigration is very high. This, in fact, is one of the more serious problems for Ireland and raises the question of measures to be taken so as to prevent once again an important portion of the Irish population - important also from a qualitative angle because emigrants are the more dynamic, active and young people - leaving the country.

Attempts made to increase the number of jobs in Ireland even through industrialization and to remove in this way the main reason of emigration, that of seeking employment, have not been without results. The migratory balance which during the period 1951-1960 was -1.4% per annum, went to -0.4% in the more recent period.

If at national level it is mainly in Ireland that the surplus emigration is important, at regional level, the other countries are also affected by important migratory movements.

In this connection it is important to restate the considerable size and the permanent character of emigration observed in Southern Italy, this movement being directed mainly towards the north of the country. In absolute figures (about 200 000 departures every year on average), this migratory movement is of a different magnitude than the one affecting Ireland but the same reasons apply: reduction in agricultural employment, insufficient increase in other forms of employment to absorb labour made available and to accept a working population which increases with the demographic growth.

In the United Kingdom a migratory movement is observed from the northern towards the southern regions. Scotland in particular is losing an important number of inhabitants most of whom, as shown in Table D-UK-5, settle in the South East and Midlands regions. Over the 1951-1961 period, the South East has been the main beneficiary from migrations; later on, the main beneficiaries were the regions bordering on the South East and those of East Anglia. Table D-UK-5 covers only one year and offers, therefore, but a limited interest; during the year under review the South East in any event increased its population through the arrival of immigrants from the North but, at the same time, lost a number of inhabitants to neighbouring regions. It seems that the South East continues to attract persons from distant regions and that they then spread out inside a larger area.

In the other two new member countries a migratory movement towards the region of the capital city is also noted.

In Ireland the highest negative migratory balance is to be found in West and North West regions, and the region of Dublin is the only one having a positive migratory balance.

The following table shows migratory balances per one hundred inhabitants in geographical areas of the United Kingdom and Ireland revealing again the general orientation of migratory movements in both countries.

Table D-4

Average migratory balance per 100 inhabitants

Countries	First period	Second period
United Kingdom	(1951-1961)	(1961-1970)
North West area	- 0.33	- 0.29
South East area	+ 0.17	+ 0.12
Ireland	(1951-1961)	(1961-1966)
North West area	- 1.77	- 1.28
South East area	- 1.39	- 0.74
Dublin	- 0.99	+ 0.48

It is also interesting to examine more closely the migratory flow from and towards foreign countries. At national level this study is possible within a certain limit. In the United Kingdom immigration and emigration rates, broken down by countries, were published for the period 1964-1969 but excluded migratory movements between the UK and the Irish Republic. The most detailed data concerns Commonwealth citizens who represent about 60% of the total migratory movements. It is the high rate of departure for Australia, New Zealand and Canada which is important with a total of 650 000 persons during the six years under consideration. Conversely, there is an immigration balance of 171 000 persons from Asia (India, Pakistan and Ceylon).

Apart from the Commonwealth, there is an immigration balance of 103 000 persons from Western Europe.

In Ireland statistics furnish information on the movements of passengers by boat, rail and air; many of these have no bearing on the migratory flow and the balance of these movements of passengers is almost double the migratory movement. Nevertheless they confirm that the Irish migratory flow is largely directed towards the United Kingdom. The balance of these movements shows 70% of passengers going to Great Britain and 4% to Northern Ireland.

Persons immigrating in Denmark (balance) originate as to one third from other Scandinavian countries and as to two thirds from the rest of Europe. Only about one thousand persons per annum are involved. Migratory flow - very weak - with other continents cancel each other out in practice. Figures cover the period 1961-1969.

Population concentration

1.5 Population density

This is expressed as inhabitants per km.sq. and varies considerably from one country to another amongst the nine.

Table D-5

Country	Year	Inhabitants per km.sq.
United Kingdom	1970	228
Ireland	1971	43
Denmark	1970	114
Germany F.R.	1969	245
France	1969	93
Italy	1969	180
Belgium	1969	317
Netherlands	1969	384
Luxembourg	1969	131
Community	1970	166

Source: National statistics of each country

This table shows again how sparsely Ireland is populated compared to other countries, also that Denmark is not above the modest figure for France. The United Kingdom hits an average in this regard.

All that applies at national level for Ireland is also true at regional level: a very low density of under 50 inhabitants per km.sq. which can go below 25. The only exception is the East region with a density of 152.

The position is quite different in the United Kingdom where there is a densely populated central zone extending from the North West region towards the London region and the South East and is surrounded by regions decidedly less populated which Scotland - with a very low demographic density - extends towards the North.

Lorenz curves

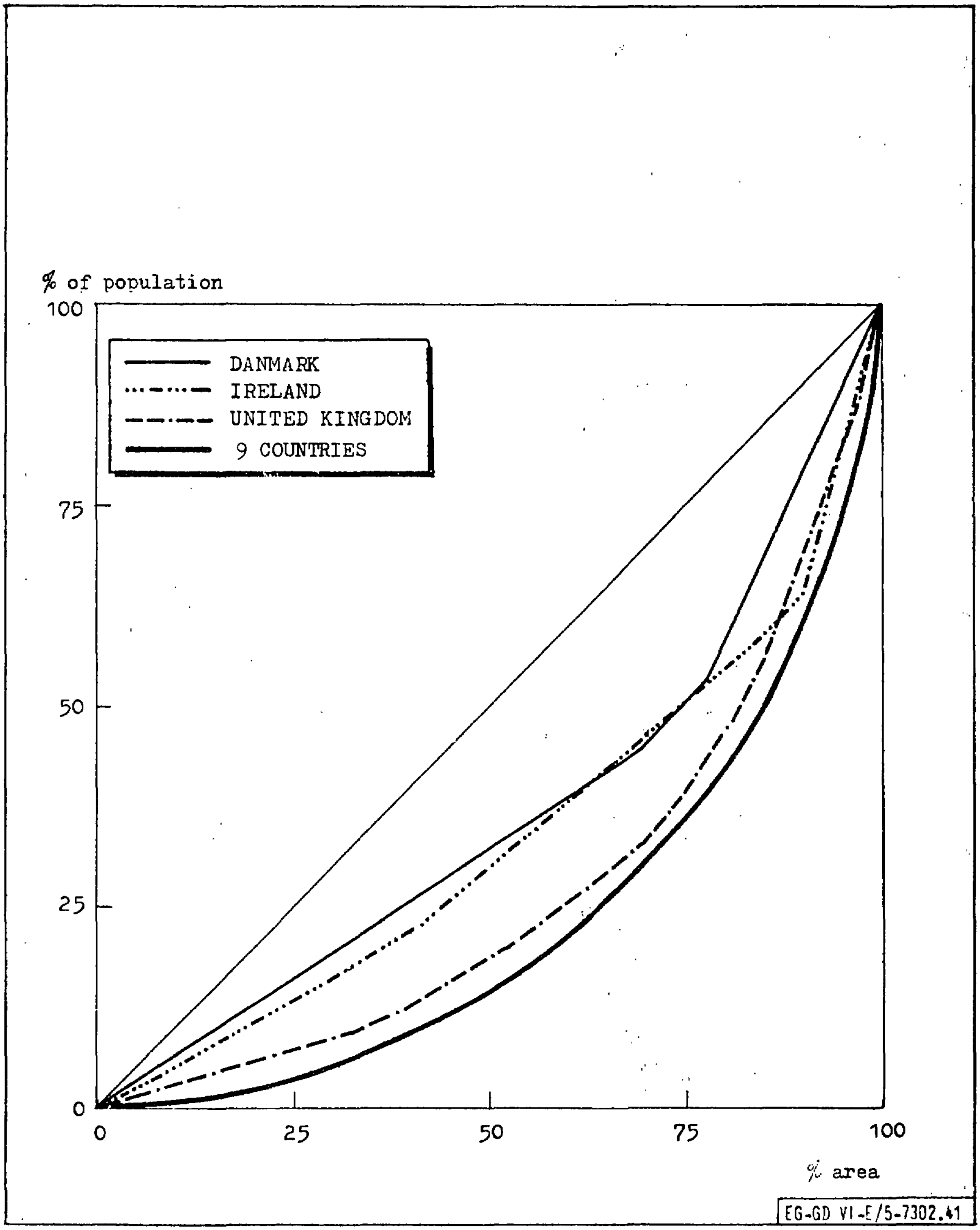
An overall view of the homogeneous and heterogeneous character of population division can be had by examining Lorenz curves. The more a curve is distant from the diagonal of the square, the more heterogeneous is the division. The average density of the country considered does not come into consideration and it is possible to make a comparison between the three new member countries and to study the position of each in the general context of the nine. This has been done for 1970 in plate 1 of page 21.

In the first place it should be noted that the curve for Denmark, where there are three regions only, has but a limited meaning. It is clear, however, that, of the three countries, the United Kingdom is the one where the division of population is the more heterogeneous.

Curves for Ireland show that in that country, the heterogeneous character is due to the relative concentration in the East (region of the capital city); disregarding this extreme case, it appears that the plotting of the Lorenz curve for that country is very close to the diagonal.

PLATE 1

Lorenz Curves "1970"



1.6 Concentration growth

Lorenz curves covering several years enable one to establish that concentration i.e. the unequal division of the population over the whole national territory has widened considerably in Ireland whereas it has hardly moved for the two new member countries. This general conclusion can be confirmed by considering to what extent there is a relation between the density in population and its growth. In the following table, the regions of each country considered are classified according to their demographic density.

Table D-6

Density and annual average growth rate of population in regions of new member countries

Regions	Inhabitants per km.sq.	Increase rate %	
		1950-1960	1960-1970
United Kingdom			
North West	850	0.20	0.41
South East	632	0.72	0.64
West Midlands	398	0.73	0.94
Yorkshire and Humberside	339	0.27	0.43
East Midlands	276	0.71	0.88
North	174	0.37	0.38
South West	159	0.57	1.02
East Anglia	133	0.71	1.30
Wales	132	0.18	0.41
Northern Ireland	108	0.40	0.72
Scotland	66	0.16	0.03
Country as a whole	228	0.49	0.59
Denmark			
Sjaelland	235	0.82	0.72
Funen	124	0.46	0.43
Jylland	73	0.59	0.82
Country as a whole	114	0.69	0.73
Ireland			
East	152	0.20	1.57
North East	43	- 0.98	0.15
South West	38	- 0.44	0.39
South East	35	- 0.63	0.25
Mid West	34	- 0.66	0.34
Midlands	26	- 0.71	0.03
North West	24	- 1.36	0.94
West	23	- 0.92	0.55
Donegal	22	- 1.27	0.50
Country as a whole	43	- 0.47	0.53

The clearest situation is that of Ireland where there is a definite increase of concentration in the region of the capital city. This is the only region not having a very low density and is also the one to show an increase in population during the first period, and, during the second, a rate of demographic growth several times higher than that of other regions where the population is increasing. Leaving out the region of the capital city, the density is so low everywhere that one can hardly speak of concentration or increased concentration.

In Denmark, the attraction of the region having the highest density of population - that of Copenhagen - tends to diminish· as already mentioned, the growth rate during the second period has lessened and is no longer above the national average. On the other hand the relative population growth in Jylland. where the demographic density is low, is slightly higher. Since 1960 disparities in regional distribution are lessening somewhat.

A greater disparity is recorded in the evolution of the United Kingdom. In the regions of high density - the North West and South East - population growth rate is lower than the national average and than the rate recorded in regions of low and very low density. In certain other sparsely populated areas and in the Midlands where the density is high, the relative population growth is from one and a half times to twice higher than the national average. These observations relate to the 1960-1970 period and calculations show that total concentration for the whole country has not increased during this period as was still the case to a small extent during the previous period (1950-1960).

The above mentioned trends coincide more or less with those noticed in the Community of Six: the 1950-1960 period during which there was an increase in demographic concentration, was followed by a period of stability or even of slight deconcentration. In this connection, it should again be stressed that in the preceding considerations an increasing or decreasing concentration is tantamount to an increasing or decreasing inequality in the geographical distribution of the population. Concentration of population in the sense of demographic density, has moreover increased almost everywhere during the second period; in the Community of Nine the average density has increased in 1970 from 153 to 166 inhabitants per km.sq.

1.7 Role of each region in the total population of the country

The demographic importance and, therefore, to a large extent the economic importance of a region is better expressed by the part it plays in the total population and which necessarily includes factors of density and area. In the three new member countries, this part is particularly important for regions of the respective capital cities, especially in Denmark where it contains almost half the total population.

If one considers the two most important regions in the United Kingdom and in Ireland, it appears that they also represent about half or even a higher proportion of the population.

Table D-7

Part percent of the population and of the total area in 1970

Country	Part % of the population	Part % of the area
United Kingdom		
South East (London)	31.1	11
North West	12.2	3
Total	43.3	14
Ireland		
East (Dublin)	35.6	10
South West	15.7	18
Total	51.3	28
Denmark		
Sjaelland (Copenhagen)	46.9	23

It is clear that the importance of the part of the total population goes hand in hand with the relative small number of regions but the table shows the leading position of the respective regions of the capital city in each of the three countries. As a comparison we may mention by way of example that the Paris region contained 19% of the total population in 1968 but only 2.2% of the total area.

1.8 Geographical distribution of the population in the Europe of Nine

The Community of Six had two main aspects:

(a) in the North West a very important concentration in regions with a density higher than 300 inhabitants per km.sq. and consisting of the major portion of the Benelux countries, northern France, Rhineland and North Westphalia;

(b) a very low density over a strip of territory consisting of regions extending in a South-Westerly direction from the Belgian Limburg to the Midi-Pyrenees region.

How does the Europe of Nine appear now as regards the distribution of population?

In the first place, when regions are divided or grouped together in relation to density of population, the choice is somewhat arbitrary. It seems that if a figure is chosen of 400 inhabitants per km.sq., regions with a higher density appear as "small islands" on the map of Europe (see map page 26). If a figure of 300 inhabitants per km.sq. is chosen most of the "small islands" merge together and thus constitute the important concentration just mentioned. However, due to the entry of the three new Member Countries, this concentration has now a much more central position in the Europe of Nine and extends, the other side of the Channel to a few British regions. If the density figure is further reduced (to 250 inhabitants per km.sq.) some regions are again integrated in the "blanks" of the concentration area to which they belong both through localization and economic structure.

PLATE 2

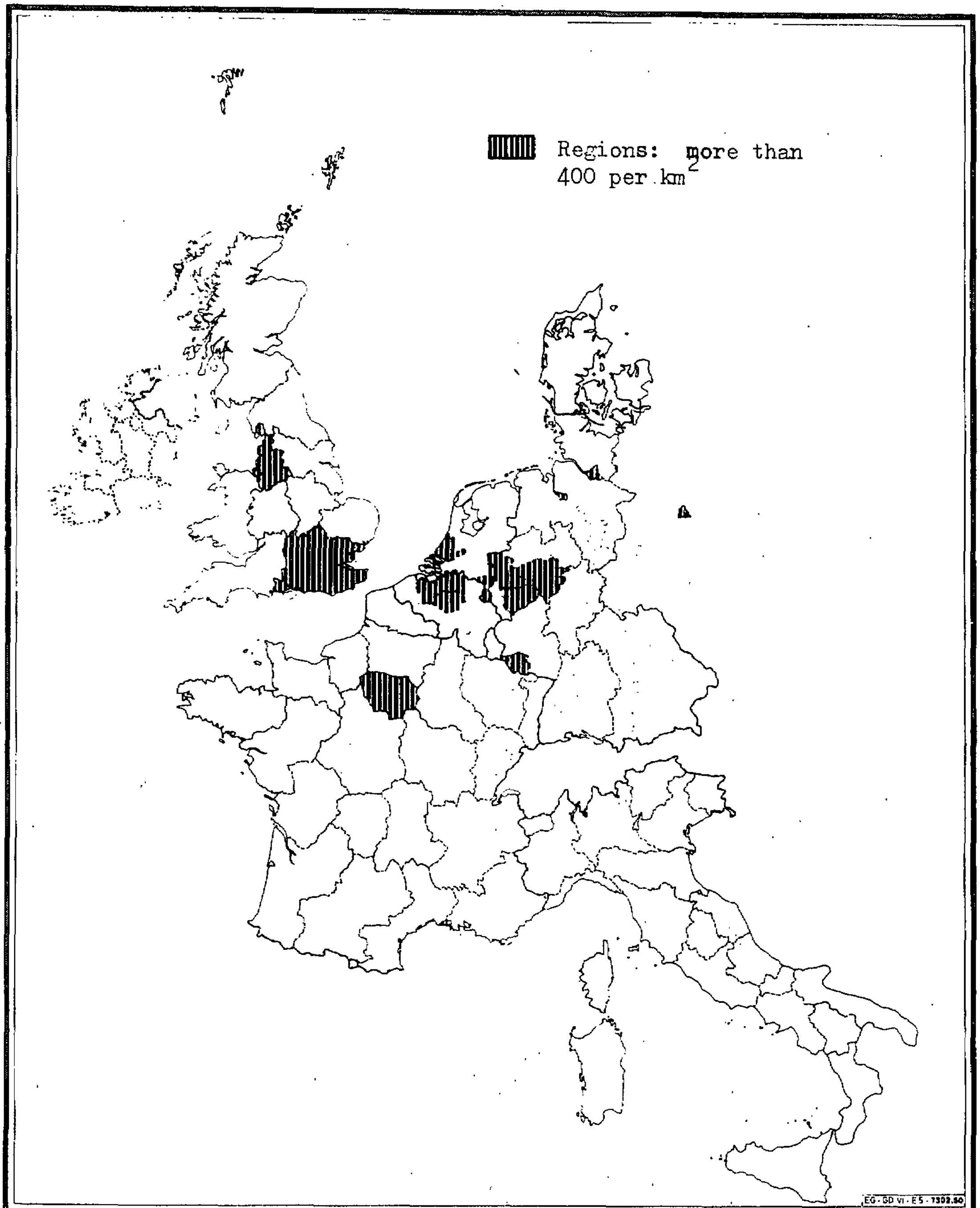
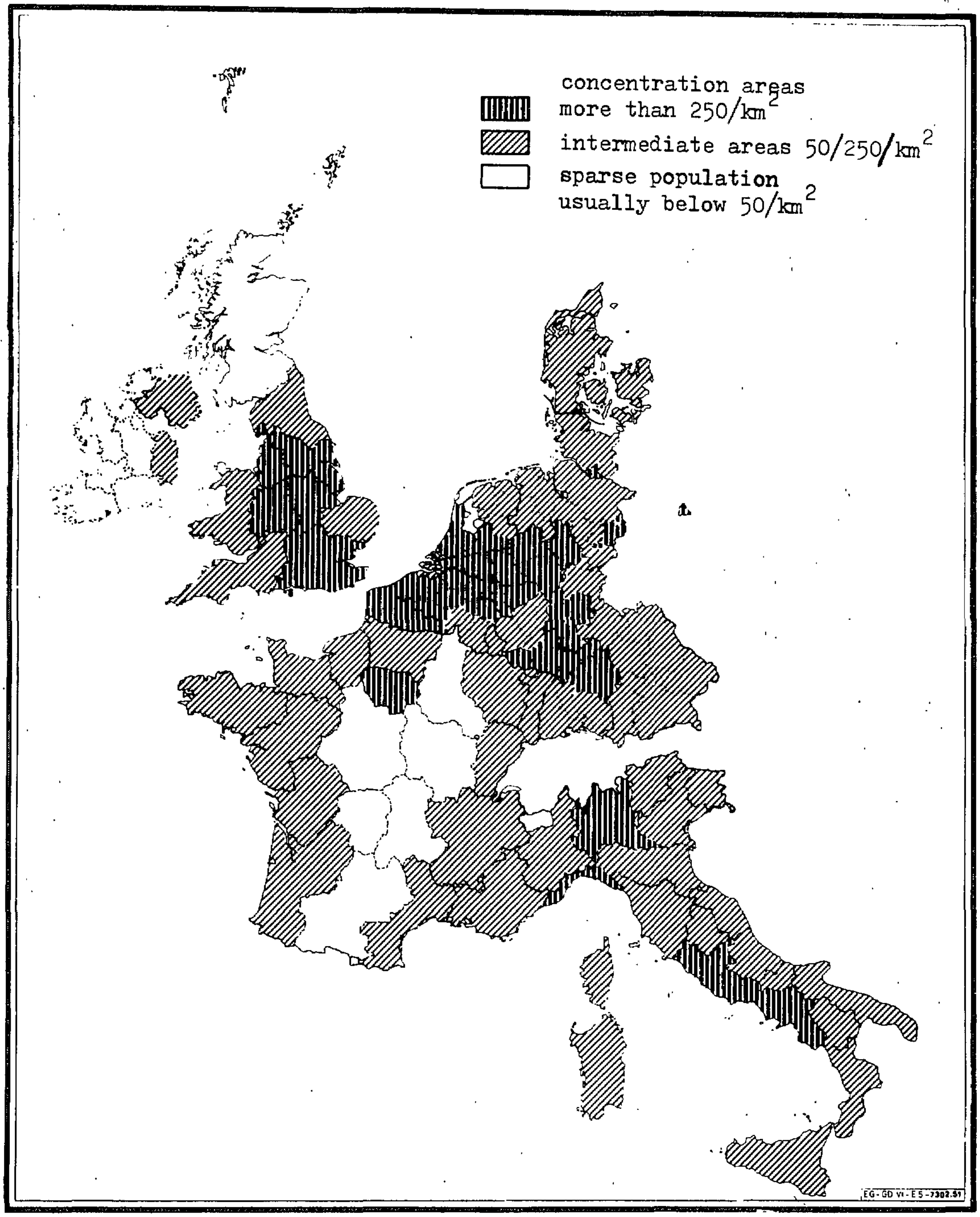


PLATE 3


concentration areas
more than 250/km²
intermediate areas 50/250/km²
sparse population
usually below 50/km²
EG-GD VI-ES-7302.51

Apart from this large area of concentration and a few others of high density, there are also groups of regions sparsely populated for which, as a whole, it is difficult to establish a general figure of density; such a figure can more easily be given for each group.

The regional make up of the Europe of Nine as regards population can finally be presented as follows (see map 3 page 26a):

(i) There is a concentration zone occupying a somewhat central position consisting of neighbouring regions with a density of population of at least 250 inhabitants per km.sq. This zone includes the region of northern France, Belgium excluding the Namur and Luxembourg provinces, the Netherlands excluding the four northern provinces and Zeeland, the whole of Rhineland of North Westphalia and towards the South-East the "Regierurungsbezirke" of Darmstadt in Hesse; Rheinhessen-Pfalz in Rhineland-Palatinate, North Wurtemburg and North Baden in the Land of Baden-Wurttemberg, the Saar and, across the Channel the English regions South East, West-Midlands, East Midlands, North West and Yorkshire-Humberside. This area contains 90 million people representing 35% of the total population, on 13% of the total area. The average density is 452 inhabitants per km.sq.

(ii) There are less extensive concentration areas where the density is also higher than 250 inhabitants per km.sq. i.e. several times higher than that of neighbouring regions. The three most important are the Paris region, Lombardy and Liguria in Northern Italy. Each holds a population of about 10 million.

(iii) Three areas very sparsely populated with a total in excess of 16 million inhabitants, i.e. 6½% of the total population in 20% of the total area of the Community. By classifying these regions according to the importance of total population, there is first a strip of territory which goes obliquely across France and consists of regions with a demographic density of about 50. This strip starts in the Belgian province of Luxembourg and includes the following regions towards the South-West: Champagne, Burgundy, Centre, Limousin, Auvergne and Midi-Pyrenees. It is almost entirely surrounded by regions where the density is also low, i.e. below or just above 100. In the second place there is Scotland with a density of 66, followed by practically the whole of Ireland with a density below 50; only the East region of Ireland is not included in the sparsely populated areas.

(iv) For all other regions the density for the most part varies from 100 to 200 except on either side of the French sparsely populated strip where it remains below 100.

The portion of the total population in the Community enlarged by the central concentration area is important but has not increased during the ten year period 1960-1970 whilst that of immediate neighbouring regions has increased slightly. The relative demographic importance of sparsely populated regions is somewhat reduced. These developments confirm on the whole those already noticed for the Six countries in the Analytical Return of 1971.

Part Two: Working population and employment

2.0 Statistical data

It is extremely difficult to obtain comparable data on the whole of the working population even for the whole of the economic activities and for whole countries. It is almost entirely the population census which supplies the information. Ideas and methods change not only from country to country but also over the years so as to improve results. These changes concern, unfortunately, factors which are not comparable and which cannot always be eliminated. The OECD has prepared statistics which are as comparable as possible and these have been used in this work for the study at national level. As regards regional development, however, it has been necessary to use national statistics as a basis and this makes for poorer comparison in spite of certain additional estimates which were required. The use of information from different sources explains the divergencies which sometime exist between the tables included in the text and those in the Appendix.

2.1 Development at national level

In order to understand the development of the whole working population (persons employed, unemployed or doing their military service), the figures published by the OECD have been used although there remain also some disparities in this connection from one country to another regarding definitions and methods used to obtain information.

Table E-1

Total working population and average annual variation

Countries	Total working population ('000)			Average annual variation (%)	
	1950	1960	1969	1950-1960	1960-1969
United Kingdom	23 536	25 100	25 802	0.65	0.31
Ireland	1 295	1 118	1 127	- 0.29	0.09
Denmark	2 063	2 094	2 367	0.15	1.37
Germany	22 730	26 518	27 001	1.55	0.20
France		19 792	20 887		0.60
Italy		21 210	19 778		- 0.73
Belgium	3 511	3 675	3 866	0.46	0.56
Netherlands	3 896	4 231	4 687	0.83	1.14
Luxemburg	138	133.7	140.4	- 0.31	0.55
Community		103 872	105 655		0.20

Source: OECD

It is also possible that owing to changes in methods, it may become risky to compare in time data relating to a country. For instance the important increase in annual average variation in Denmark is difficult to explain. On the other hand, the reduction in the rate of increase in Germany can be ascribed to the lower intake of refugees during the second ten year period than the first. In France the inflow of the former Algerian colonists should be taken into consideration.

From the data available from the same source concerning the working population from 15 to 64 years of age it is possible to establish work indices. The exact figure of the total population presents less problems than that of the working population and eventual features concerning the working population not comparable in time will be reflected directly on working indices. Thus, for Denmark, one observes a development which is at variance with those recorded in the other countries, i.e. a major progression during the 1960-1969 period (following a regression of the same size during the previous period). In almost all other countries, the work index has regressed from 1960 to 1969 in varying proportions. This is a general tendency which can be explained by the raising of the school leaving age (indications are to be found in the Analytical Return for the Six as regards the major regression recorded in Italy).

Table E-2

Work indices related to total population of 15 to 64 years of age

Countries	Work indices %(1)		
	1950	1960	1969
United Kingdom	69.8	73.4	73.1
Ireland	69.7	67.3	67.0
Denmark	74.7	71.2	75.1
Germany	69.1	70.5	69.5
France		69.9	66.6
Italy		64.1	56.1
Belgium	59.7	62.2	63.6
Netherlands	61.2	60.4	58.3
Luxembourg	65.7	62.6	63.6
Community		69.0	66.0

(1) Work index = $\frac{\text{Working Population}}{\text{Total Population - ages 14 to 64}}$

National data concerning employment and sectoral distribution is taken from OECD publications. This concerns civilian employment; armed forces and those unemployed are not included.

The position and development in the primary sector are particularly interesting.

Table E-3

Civilians employed in the primary sector

Countries	Employed in 1960			Employed in 1969			Average annual employment variation %
	'000	% 3 sectors = 100	% 9 countries = 100	'000	% 3 sectors = 100	% 9 countries = 100	
United Kingdom	1 028	4.2	6.0	730	2.9	6.4	- 2.87
Ireland	390	37.3	2.3	301	28.4	2.6	- 2.31
Denmark	364	18.1	2.1	272	11.9	2.4	- 2.54
Germany	3 723	14.0	22.0	2 533	9.6	22.2	- 2.96
France	4 189	22.4	24.6	3 009	15.1	26.3	- 2.80
Italy	6 567	32.8	38.5	4 023	21.5	25.3	- 3.71
Belgium	299	8.7	1.7	191	5.2	1.7	- 3.49
Netherlands	465	11.6	2.7	340	7.6	3.0	- 2.68
Luxembourg	21.9	16.4	0.1	16.3	11.6	0.1	- 2.56
Community	17 047	17.1	100	11 415	11.2	100	- 3.18

Source: OECD

Three countries - Germany, France and Italy - provide almost three quarters of the employment in the primary sector of the Nine, the fourth major country, the United Kingdom, provides only 6%.

It is true that in the United Kingdom the primary sector is relatively modest, whilst in Italy and even more so in Ireland its share is particularly important.

In each one of the nine countries the number of employments in the primary sector is regressing sharply; the annual rate varies from 2.3% in Ireland to 3.7% in Italy.

In the secondary sector, the United Kingdom holds an important position (more than one quarter of the employment) and is overtaken only by Germany.

Table E-4

Civilian employment in the secondary sector

Countries	Employed in 1960			Employed in 1969			Average rate of increase %
	'000	% 3 sectors = 100	% 9 countries = 100	'000	% 3 sectors = 100	% 9 countries = 100	
United Kingdom	11 841	48.8	27.2	11 666	46.8	25.6	– 0.16
Ireland	248	23.7	0.6	315	29.7	0.7	2.70
Denmark	756	37.7	1.7	884	38.5	1.9	1.76
Germany	12 518	48.2	28.8	12 936	49.1	28.4	0.37
France	7 313	39.1	16.8	8 101	40.6	17.8	1.14
Italy	7 388	36.9	17.0	8 049	43.1	17.7	0.96
Belgium	1 612	46.8	3.8	1 652	44.9	3.7	0.27
Netherlands	1 715	42.7	4.0	1 861	41.6	4.1	0.92
Luxembourg	58.9	44.1	0.1	64.1	45.7	0.1	0.95
Community	43 450	43.5	100	45 528	44.9	100	0.52

Source: OECD

As regards the share of the secondary sector in relation to the three sectors, the United Kingdom also occupies second place after Germany, at least in 1969. In Ireland, the share of the secondary sector in 1969 does not exceed 30% but ispprogressing faster than anywhere else.

As a general rule, growth rate of those employed in secondary industry in the less industrialized countries is higher than in those which are already highly industrialized. Indeed, there is a definite negative relationship for the whole of the nine countries between growth rate and the share of the secondary sector in relation to total employment (R^2 = 0.85 where R is the relationship coefficient).

In the tertiary sector, a clear relationship cannot be established between growth rate and the share of this sector. For some countries, the share of the tertiary sector and its growth rate are weak (Ireland Germany, Italy and Luxembourg); in others both these elements are relatively important (Denmark, Belgium and the Netherlands). In the United Kingdom, where the share of the tertiary sector was still the highest in 1960, employment increases relatively slowly whilst in France an average share and an important growth rate are recorded.

Table E-5

Civilian employment in the tertiary sector

Countries	Employed in 1960			Employed in 1969			Average growth rate %
	'000	% 3 sectors = 100	% 9 countries = 100	'000	% 3 sectors = 100	% 9 countries = 100	
United Kingdom	11 387	46.9	29.1	12 508	50.2	28.0	1.05
Ireland	408	39.0	1.0	445	41.9	1.0	0.97
Denmark	886	44.2	2.3	1 138	49.6	2.6	2.82
Germany	9 813	37.8	25.0	10 868	41.3	24.4	1.14
France	7 210	38.5	18.4	8 857	44.4	19.9	2.31
Italy	6 048	30.2	15.4	6 606	35.4	14.8	0.99
Belgium	1 536	44.6	4.0	1 840	50.0	4.1	2.03
Netherlands	1 839	45.8	4.7	2 276	50.8	5.1	2.40
Luxembourg	52.9	39.6	0.1	60.0	42.7	0.1	1.41
Community	39 180	39.4	100	44 598	43.9	100	1.45

Source: OECD

Working population and employment in the regions of the three countries

2.2 Total working population

The OECD figures are not broken down by regions and the analysis at regional level had to be made entirely from data from official sources or taken from official statistics and other official publications of the three countries. They have the advantage of possessing an official character but, on the other hand, are less comparable. The most recent year for which data is available is not always the same.

In order to compare the latest positions, however, estimates on total employment in 1970 have been furnished.

As is the case for the total population, the total working population in each of the three countries is concentrated to a large extent in the region of the capital city; about half in the United Kingdom and in Ireland and about one third in Denmark. Concentration is still increasing in two countries; Denmark is the only country where the share of the Sjaelland region is lower in 1970 than in 1960.

The increase in total working population varies from one region to another and is, by nature, closely linked with that of the total population of a region. In order to study this relationship we have shown in a graph (plate 4 page 37), the respective growth rates of total active population and of total population. We have also traced diagonal lines representing identical growth rates. It seems, in the first place, that a number of regions in the United Kingdom and more particularly in Ireland are more or less located on a parallel line, but slightly below, the line representing identical growth rates.[1] This means that the working population of these regions has progressed slightly more slowly than the total population and that the difference for these regions is about the same from one country to another. This phenomenon is partly due to the fact that the population of working age increases more slowly than total population (United Kingdom and Ireland) and partly to the reduction in the working index.

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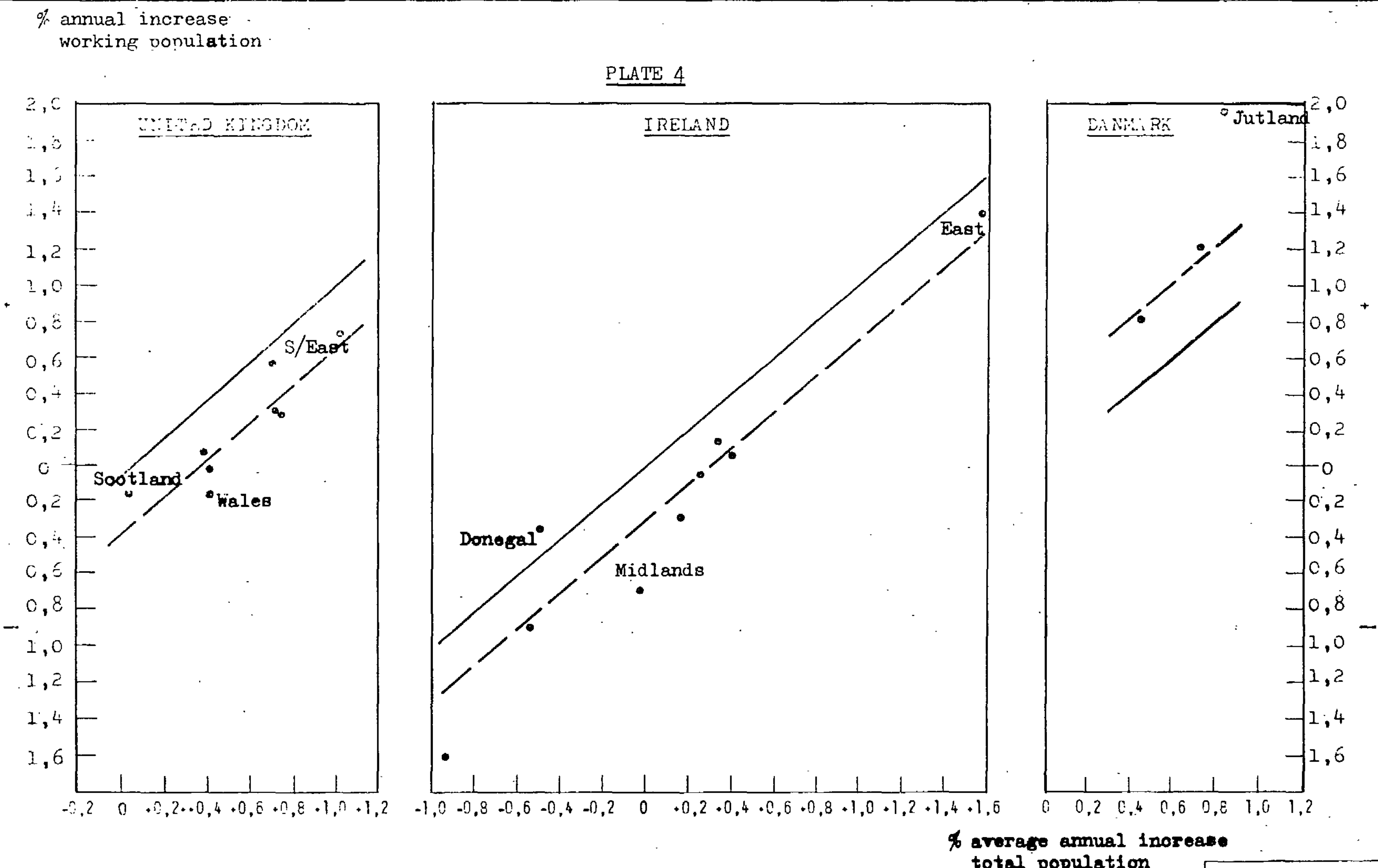
[1] For the United Kingdom and Ireland those parallel lines coincide more or less with the regression curves obtained by linear correlation (respective correlation coefficient $R2 = 0.80$ and 0.91) between the rate of increase in working population and of total population.

PLATE 4



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In Denmark where the work index increased between 1960 and 1969, the regions are above the line representing identical growth rates.

The most interesting case is that of not typical regions. In the United Kingdom, these are the South East, East Anglia and Scotland where the working population is progressing faster than expected considering total population growth, also the North West, West Midlands and Wales where working population is progressing more slowly or is decreasing more than anticipated.

In Ireland, the Donegal region is above the line and the North West and Midlands regions are below.

In Denmark, the division of the country into three regions, only shows that relative growth in working population is particularly high in Jylland.

What are these odd positions of certain regions due to? Partly to one of the factors likely to cause a reduction in the work index itself, i.e. the raising of the school leaving age combined with an untypical age pyramid. It is also likely that a number of persons, commuters in particular, are registered as working in a different region than the one where they reside. These phenomena must be examined more closely.

2.3 Employment in the primary sector

Table E-7

Average annual employment reduction in the primary sector in regions for the approximate period 1960-1970.

Countries	Average annual reduction %		Typical differential σ (3)
	Extremes	Average	
United Kingdom (2)	- 2.88 to - 2.41	- 2.70	0.16
Ireland	- 2.67 to - 1.95	- 2.30	0.22
Denmark (1)(2)	- 3.00 to - 2.15	- 2.46	
Germany	- 9.43 to + 4.52	- 3.28	3.50
France	- 4.56 to - 2.35	- 3.74	0.66
Italy	- 9.98 to - 2.07	- 5.28	1.98
Belgium	- 4.80 to - 1.07	- 2.27	1.25
Netherlands	- 6.08 to 1.83	- 3.56	1.18
Luxembourg		- 4.54	

(1) In view of the small number of regions, the typical differential has not been worked out.

(2) Employed and unemployed working population

(3) $\sigma = \sqrt{\frac{1}{n} \sum (x - \bar{x})^2}$ $\bar{x}$ = average for regions
n = number of regions

The reduction of employment in the primary sector constitutes a general problem and is particularly acute in regions where the relative importance of this sector is still important. There are no such regions in the United Kingdom. Even in East Anglia and in Northern Ireland where it is by far the most important, the relative share of the primary sector does not reach 10% (in 1970).

The situation in Ireland has quite a different aspect. It is only in the East region that the share of employment in the primary sector is small (6%); in the other regions it varies from 30 to 52%. These figures refer to 1971. For the sake of comparison in the Community of Six, the primary sector has the most relative importance in Basilicata, in Southern Italy, with a figure of 46% in 1969.

In Ireland, the annual reduction of the working population in the primary sector is slightly above 2%; one could expect it to reach 3 or even 5% in view of the progress recorded in productivity in other European countries.

In Denmark, the share of agriculture is at present below 18% in the three regions.

2.4 Employment in the industrial sector

Since, for some time, the United Kingdom has been one of the most industrialized countries of the world, the share of the secondary sector (mines, processing industries, building, undertakings for the distribution of gas, water and electricity) in total employment is important in all regions; more often than not it exceeds 50% and in the West Midlands regions even 60%.

However, a large share is still taken by the "traditional" industries: coalmining, steel, shipbuilding, the textile and clothing industries even though their importance is diminishing rapidly. The share of the secondary sector in total employment and numbers employed in absolute value is decreasing owing to the shrinkage in traditional industries in almost all regions. Exceptions are Northern Ireland and the South West; in the latter region, employment in the secondary sector has advanced by about 1% per annum during the past ten years; on the basis of persons employed, activity is even increasing in the textile industry.

The situation is particularly unfavourable in the North West region. The annual reduction of persons employed in the textile industry is already 0.62% of all industrial employment; for the whole of the secondary sector, the reduction is 0.71% per annum.

Table E-8

Share of some of the main industries and reduction in the total number of wage earners working and not working in industry in the United Kingdom.

Region	% share of the total of wage earners in 1970						Annual variation of the total number of wage earners 1960-1970
	Mining	Metallurgy	Shipbuilding	Textiles	Clothing Footwear	Total for the 5 sectors	
			%				%
South East and East Anglia	0.5	1.6	1.4	1.0	4.0	8.6	- 0.05
South West	2.5	1.5	3.2	2.7	4.4	14.4	+ 0.94
West Midlands	2.3	10.5	0.1	2.5	1.5	16.9	- 0.20
East Midlands, Yorkshire and Humberside	9.1	8.0	0.5	14.2 (1)	6.5	38.3	- 0.33
North West	1.5	2.3	1.9	11.9 (2)	5.4	22.9	- 0.71
North	10.4	8.3	5.9	3.5	5.2	33.3	- 0.31
Scotland	4.2	4.7	4.5	8.6 (1)	3.2	25.1	- 0.06
Wales	11.3	18.2	0.5	3.9	3.2	37.1	- 0.18
Northern Ireland	1.6	0.4	4.3	19.5	10.9	36.6	+ 0.35
United Kingdom	3.9	5.3	1.8	6.4	4.5	21.9	- 0.19

(1) Mainly wool and woollen thread

(2) Mainly cotton

The position of the secondary sector in Ireland is almost directly opposite to that of the United Kingdom.

The share of this sector is relatively weak in the Irish regions - not even 20% in some instances - and in the most industrialized one, the East, it reaches only 39%. In Denmark, the position is more homogeneous with 37 to 42%.

However, industrialization is gaining ground rapidly in Ireland; the growth rate is the highest of the Nine countries. This is a necessity since natural population growth in Ireland is by far the most important of the three countries (and even of the Nine after the Netherlands) and the reduction in agricultural employment in relation to total working population is the sharpest.

Table E-9

Average annual growth rate in industrial employment for the approximate period 1960-1970.

Countries	Average annual growth rate %		Typical differential
	Extremes	Average	
United Kingdom (2)	- 0.70 to 1.12	- 0.15	0.48
Ireland	1.63 to 4.38	2.40	0.50
Denmark (1)(2)	0.79 to 2.99	1.74	
Germany	- 2.86 to 3.34	- 0.63	1.44
France	- 0.58 to 3.66	1.17	1.21
Italy	- 3.61 to 1.96	0.45	1.44
Belgium	- 2.52 to 1.31	- 0.71	1.05
Netherlands	1.41 to 3.31	1.93	0.65
Luxembourg		0.58	

(1) In view of the small number of regions, the typical differential has not been worked out.

(2) Employed and unemployed working population.

2.5 Employment in the tertiary sector

Employment is increasing throughout the tertiary sector of the three countries. Growth rates in regions of the respective capital cities are amongst the highest recorded in these countries so that the share of this sector in total employment, already the higher in these regions than in the others, increases regularly. Thus, in the South East region of the United Kingdom, for every 100 situations occupied in 1970, 60 were already in the sector of services, a percentage which, in the Nine, is exceeded only in Hamburg and the Belgian province of Brabant.

In Ireland, on the other hand, the share of the tertiary sector is particularly weak (except in the East region); it varies from 30 to 40% and the position is similar to the one in Southern Italy.

The table below compares average and extreme figures of the respective growth rate in the tertiary sector of the nine countries.

Table E-10

Average annual growth rate in the tertiary sector
Employment for the approximate period 1960-1970

Countries	Average annual rate %		Typical differential
	Extremes	Average	
United Kingdom [2]	0.12 to 1.28	0.98	0.32
Ireland	0.23 to 1.41	1.06	0.51
Denmark [1][2]	2.03 to 3.59	2.69	
Germany	- 2.32 to 4.45	1.06	1.56
France	1.78 to 3.39	2.41	0.44
Italy	- 0.11 to 3.66	1.32	0.82
Belgium	1.04 to 3.49	1.95	0.88
Netherlands	1.50 to 3.43	2.18	0.70
Luxembourg	-	1.50	-

[1] In view of the small number of regions, the typical differential has not been worked out.

[2] Employed and unemployed working population.

2.6 Unemployment

There is nothing to ensure that data on unemployment in the various countries is comparable, even as regards magnitude. This is due to the various definitions of unemployment, of periods or dates of reference and categories of the working population considered. Therefore, any comparison at international level has been abandoned and it has only been possible to study regional variations at the level of each country. In this case also it is necessary to stress once more the imperfections of considering only regions as a whole, particularly when dealing with an outline on unemployment. Within a region the acuteness of the situation may vary considerably, particularly when the region is extensive. Search for employment in another locality of the same region may involve a removal which does not show up in the figures relating to interregional migrations but which faces the person concerned with the same problems as those arising for migrants.

In the United Kingdom the unemployment rate in the major geographical areas of the North West is considerably higher than in the South East; on average it has been 2.6 times higher in 1960 and 1.8 times higher in 1970. This relationship shows that the relative position has deteriorated less in the North West area (unemployment rate in each area was higher in 1970 than in 1960).

The chief objective of British regional policy is a reduction in unemployment rate. If the general situation shows that during the period considered -- particularly under the influence of economic factors - one has drawn away from this objective, the major regional disparities have, nevertheless, been reduced.

The insufficiency in employments, in the regions of the large North West area is far more serious than appears to be the case if one refers purely to data relating to unemployment. The proof of this is that a part of the working population has emigrated and is still emigrating abroad or towards regions of the South East area.

Unemployment is particularly serious in Northern Ireland even though this region has one of the highest rates of emigration.

In the Irish Republic unemployment is rather high everywhere in the country - 50% of the working population or even slightly higher - but the situation is particularly unfavourable in Donegal with an unemployment rate of almost 14% in 1971. Observations made in connection with the North West area of the United Kingdom apply to all Irish regions except the East, i.e. that emigration partially disguises the real insufficiency of employment.

In Denmark unemployment is decidedly higher in Jylland than in other regions. In 1970, the rate is 4% which is almost twice that recorded in Sjaelland and higher than in Funen. However, during the period 1962-1970, contrary to the development in the two other regions, the rate decreased in Jylland.

2.7 Geographical distribution of the working population in the nine countries in 1970

Information regarding employment by regions and sectors used for the analytical return, 1971, and for this chapter, is sometimes used for comparative purposes in the light of confirmed trends. It illustrates geographical distribution of employment by sectors for 1970.

The distribution of the total working population i.e. the whole of the economic activities, is obviously closely linked to that of the total population. Indeed, the central area of high concentration in population (in excess of 250 inhabitants per km.sq.) includes about 36 million employments or 35% of the total, i.e. the same share of the total population over 13% of the whole area of the Europe of Nine.

In the three sparsely populated areas of France, Scotland and Ireland, 6½% of the population and of the working population only live and work on one fifth of the total area.

The distribution in each sector of activity differs considerably. Farmers are to be found everywhere mainly in relation to the possibilities offered by the equality of the soil and by the climate. If one calls highly agricultural regions those with an agricultural working population in excess of 20% of total employment, this definition takes, in fact, into account the limited degree of industry and services rather than the quantity of those employed in farming.

Principal agricultural regions are located, with few exceptions, on the outskirts of the Community. They merge in part with regions sparsely populated i.e. under 100 or even under 50 inhabitants per km.sq. However, several Italian agricultural regions have a higher density of population. On the other hand, Scotland cannot be considered as an agricultural region since the importance of employment in the primary sector remains well below 20% of total employment for the region.

Plate 5 shows the distribution of regions in relation to the share of the primary sector in total employment. For all the nine countries this share was still 9.8% in 1970.

In the central area, industry is highly developed and the number of industrial workers exceeds almost everywhere 60 workers per km.sq. occasionally by a substantial margin. The same applies to other areas with a high density of population. This industrial intensity is found nowhere else in the enlarged Community.

Industry's share of total employment is frequently high (in excess of 50% in these areas) and where this is not the case - in certain regions the share is not even 40% - it is because development in the tertiary sector has been such that its importance exceeds that of industry (see Plates 6 and 7).

Activities in the tertiary sector are also highly developed in the central area and other high density areas particularly in the regions of the capital cities and large towns. The same applies in areas of average and low density. In these areas employment in absolute figures is modest - frequently less than 40 workers in the tertiary sector per km.sq. - but the share of the tertiary in employment exceeds 50% in some regions. This is the case, in particular, in Schleswig Holstein, Provence - Cote d'Azur, Liguria, Namur and Belgian Luxembourg, the South West of the United Kingdom, Scotland, East Ireland and Sjaelland.

PLATE 5

Proportion of primary sector in total employment

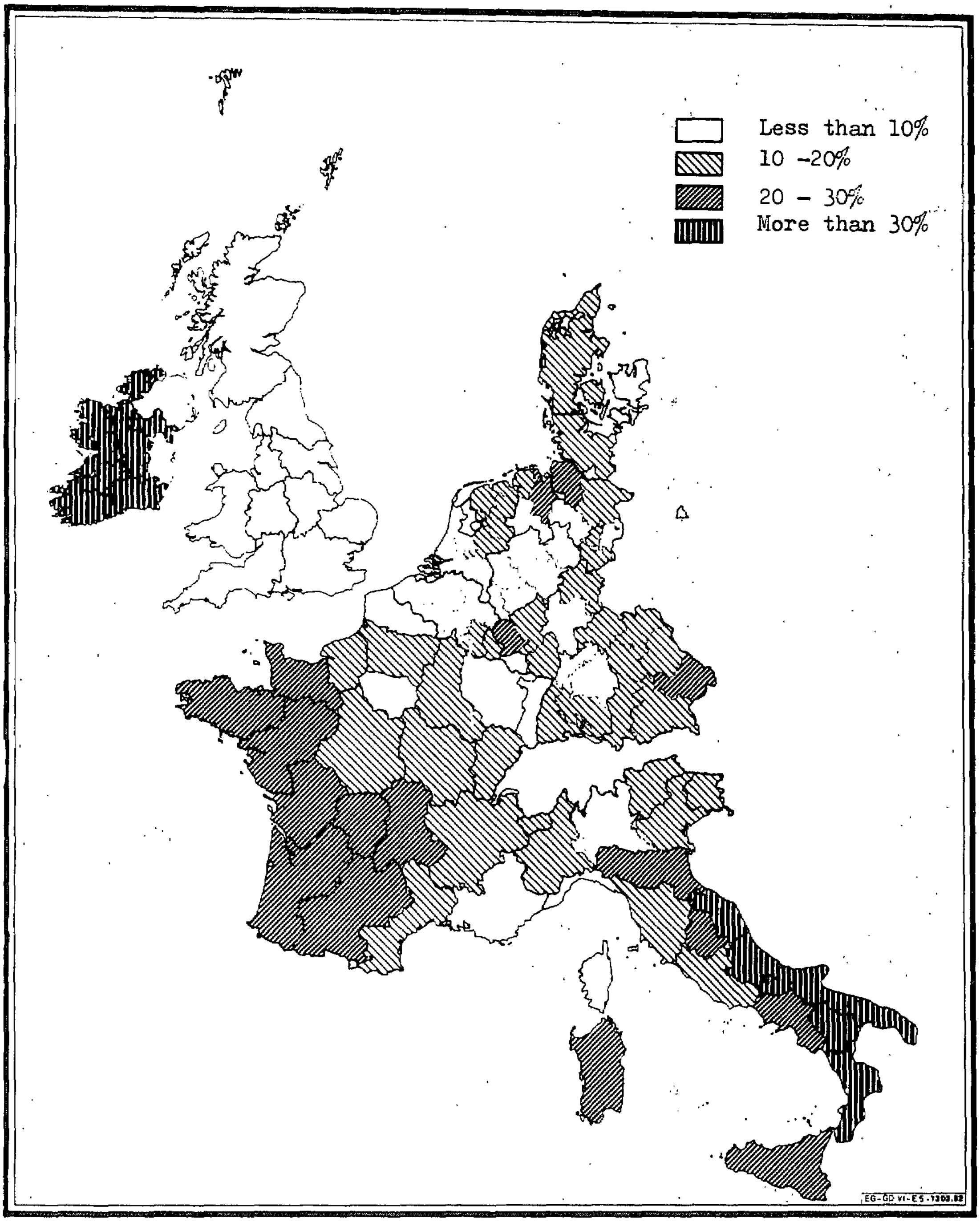


PLATE 6

Proportion of secondary sector in total employment

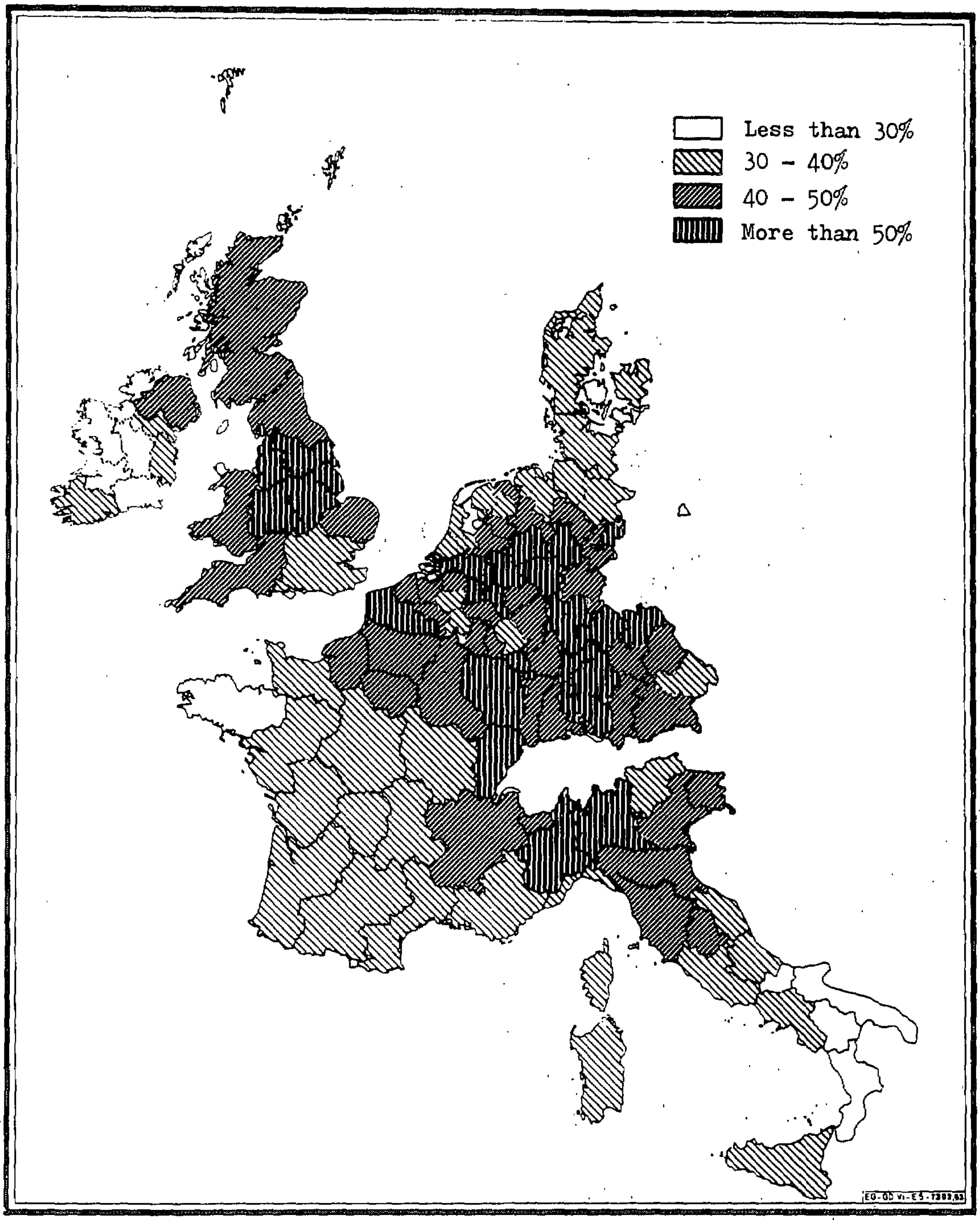
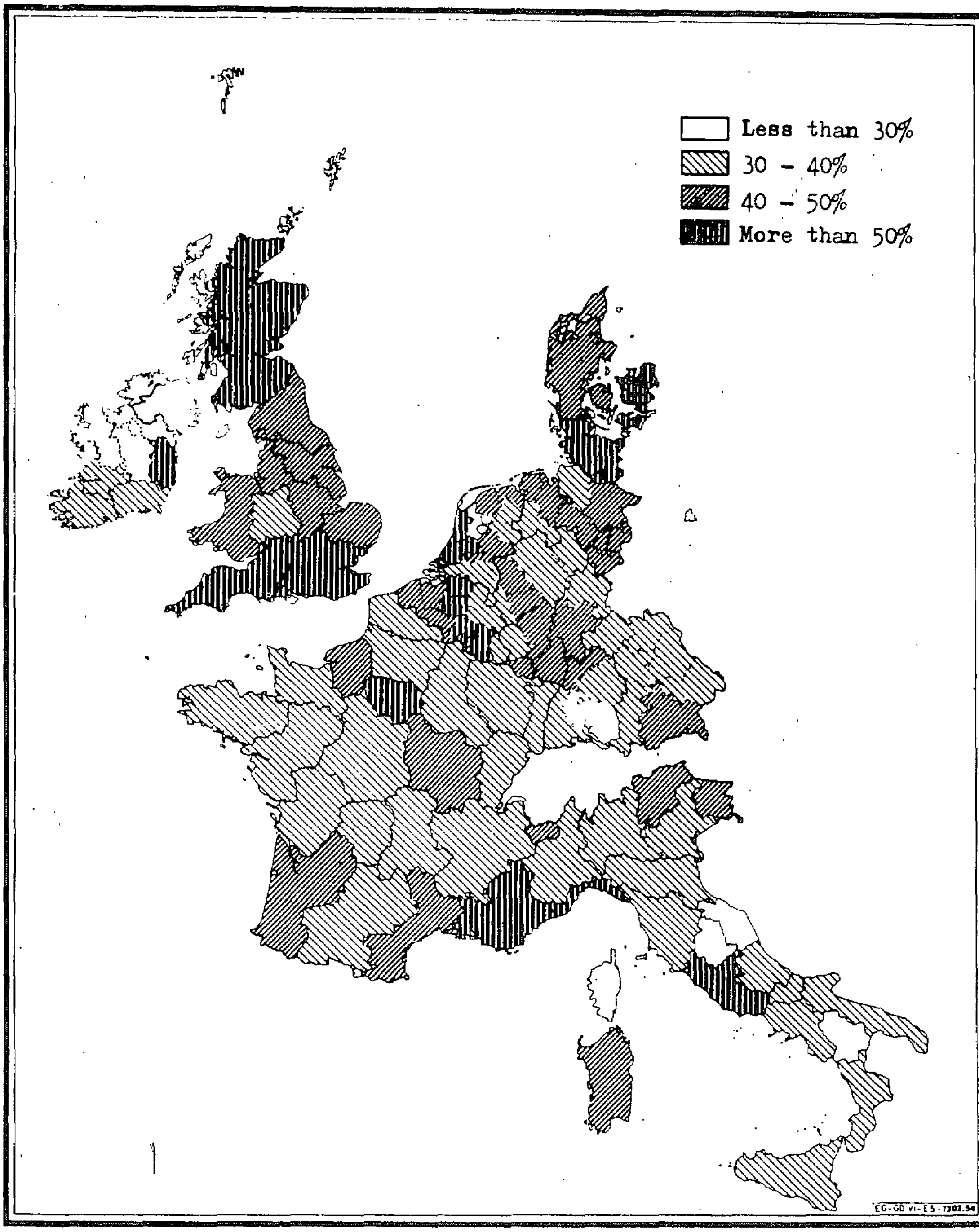


PLATE 7

Proportion of tertiary sector in total employment



6

Part Three: Regional product and income

3.0 Introduction

If it proved difficult to obtain comparable regional data or estimates on working population and employment, it is even more so to secure information regarding regional product. In fact, in the new member countries the regional product has been estimated only in the United Kingdom for 1961 and 1964 and very provisionally for 1969.

On the other hand data is available on personal income in the three countries over several years and this enables a study to be made at least on progress in incomes in the regions.

However, it is obviously important to have access to indices for direct comparison in standard of living in the various regions; preferably this information should be up to date.

This is the reason why estimates of product per inhabitant have been prepared for the regions for 1970.

3.1 Product per head of population in the countries

It is useful to recall briefly the positions at national level for the nine countries and to compare these, all the more since at this level, data has been published by the SOEC which enables an international comparison to be made.

Table R-1

Gross national product per head of population at market prices

Countries	1960 at prices and exchange rate during 1963				1970 at prices and exchange rate during 1963				Average annual increase 1960 1970 prices and exchange rate during 1963	
	u.a.	average 9 countries = 100	u.a.	average 9 countries = 100	u.a.	average 9 countries = 100	u.a.	average 9 countries per 100	%	%
United Kingdom	1 373	117	1 501	113	2 175	88	1 864	97	4.71	2.19
Ireland	655	56	720	54	1 321	54	1 019	53	7.27	3.54
Denmark	1 300	111	1 531	115	3 163	128	2 278	118	9.30	4.0[illegible]
Germany	1 298	111	1 526	114	3 028	123	2 202	114	3.84	3.74
France	1 337	114	1 535	115	2 906	118	2 428	126	8.07	4.6[illegible]
Italy	696	59	821	62	1 710	69	1 312	68	9.40	4.80
Netherlands	979	84	1 142	86	2 398	97	1 660	86	9.37	3.81
Belgium	1 253	107	1 318	99	2 656	108	2 002	104	7.80	4.27
Luxembourg	1 568	134	1 628	122	2 929	118	2 110	109	6.45	2.63
Community	1 168	100	1 333	100	2 469	100	1 929	100	7.80	3.79

Source: OECD - SOEC

Table R-1

In 1960, the GNP per head of population in the Europe of Nine was the highest in Luxembourg, followed by the United Kingdom, respectively 34% and 17% above the average. Ireland and Italy were on the opposite side of the scale with a lag of 44% and 41% respectively.

The position is somewhat different in 1970. Denmark is in the lead with 28% above the average of the nine countries, followed by the Federal Republic with 22%. Ireland and Italy remain the last two countries but whereas Italy has improved its position by reducing its lag from 41% of the 1960 average to 31% in 1970, Ireland lost ground and has a GNP per head of population of 47% below the nine countries' average.

The most important change in the relative situation has occurred in the United Kingdom. A lead of 17% in 1960 has become a lag of 12% in 1970. The average annual growth in GNP per head of population was the least important in the United Kingdom: 4.71% at current prices and 2.19% at constant prices against respectively 7.80 and 3.79% for the nine countries taken as a whole.

Luxembourg also had a notably weaker growth than the nine countries taken as a whole: 6.54% at current prices and 2.63% at constant prices. Her lead of 34% in 1960 was reduced to 18% in 1970.

A graph makes comparisons of the 1960 and 1970 levels easier as also the development in real GNP (see plate 8 page 54a). In this graph relationships between GNP per head of population are represented in the columns headed 1960 and 1970; rises correspond to increases (%) in each country and in the nine countries as a whole.

In total, GNP dispersion per head of population is not quite as high in 1970 as in 1960. The variation coefficient (weighted by population) goes from 23.0% in 1960 to 21.4% in 1970.

<u>Product per head of population and personal income in the regions of the three countries</u>

3.2 <u>United Kingdom</u>

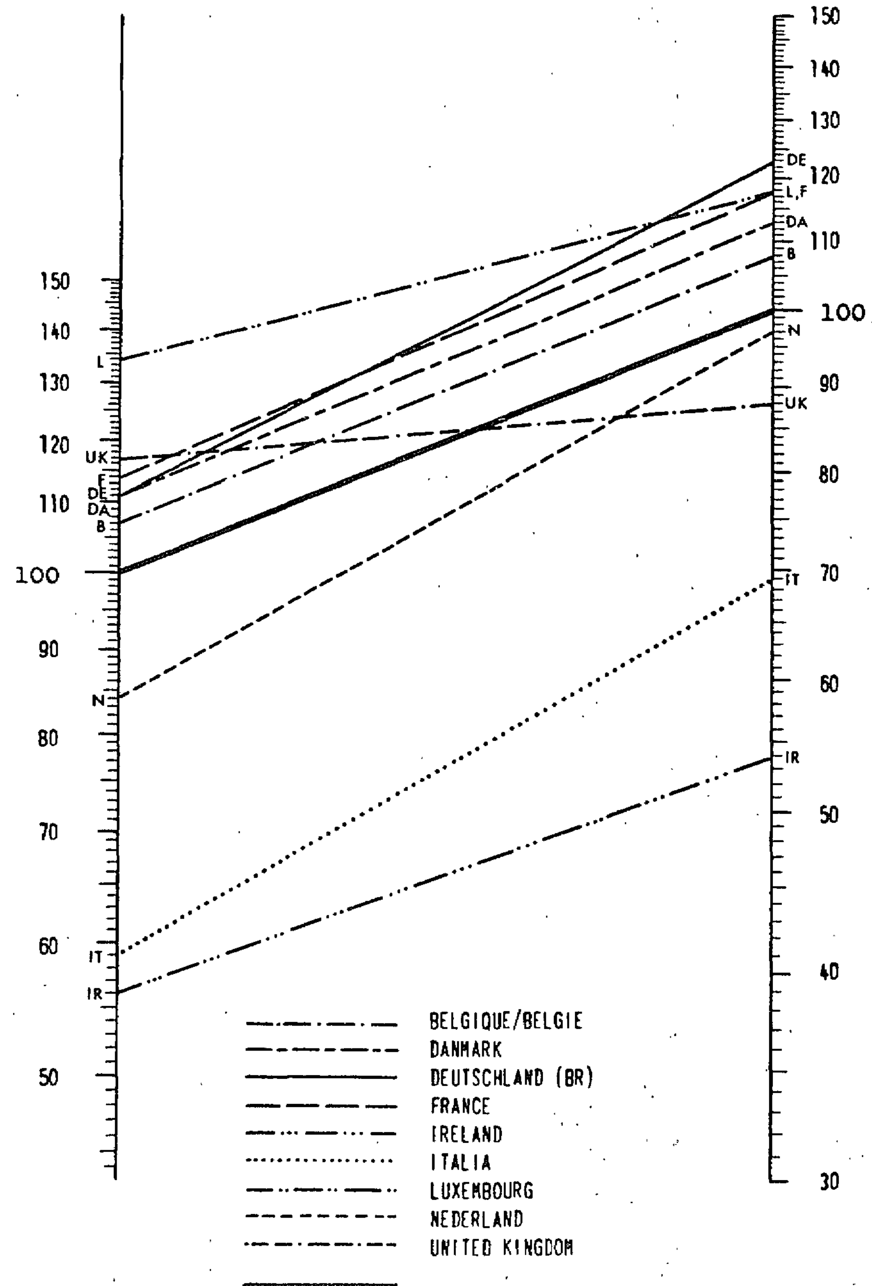
The National Institute of Economic and Social Research published a work in 1970 by V.H. Woodward "Regional Social Accounts for the United Kingdom" which, amongst other features, shows the Gross Interior Product at factors cost per head of population and by region for 1961 and 1964. This data is reproduced in Table R-UK-1.

The Scottish Office, the Welsh Office and the Stationery Office in Belfast publish the GIP yearly; the latest figures are those for 1970. A first estimate for all regions relating to 1969 has been attempted and concerns the GIP at market price; results are therefore not comparable with the data for 1961 and 1964.

PLATE 8

Gross domestic product at market prices
(at current prices and exchange rates)

Community of Nine = 100



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On the basis of Woodward's study one notices that in 1961 there are four clearly distinct groups of regions:

(i) London and South Eastern, Eastern and Southern, and the Midlands with a GIP per head of population about 10% above the United Kingdom's average;

(ii) North Midlands, East and West Riding and North West with a GIP per head of population at the same level as the national average;

(iii) South West, North, Scotland and Wales with a lag of 10 to 15%;

(iv) Northern Ireland with a lag of 34%.

Figures for 1964 show practically the same results except that the North has dropped further, i.e. from 10% in 1961 to 15% in 1964.

If the two major geographical areas are considered, the GIP per head of population was 17% higher in the South East in 1961 than in the North West. In 1964 this difference has increased to 21%.

For 1970 a comparison can only be made for Scotland, Wales and Northern Ireland. In relation to the United Kingdom's average, Scotland and Northern Ireland have relatively better positions than in 1964 whilst Wales has dropped back slightly. Northern Ireland, however, has still a lag of 20% (see Table R-UK-2).

If the GIP per head of population is an appropriate index of overall gross productivity of a region, in order to measure the standard of living, personal income per head or taxpayer seems more reliable.

For the United Kingdom, personal income, i.e. the mass of income divided by the number of taxpayers (husband and wife count as a single taxpayer) for each region during the financial years 1959/1960 and 1968/1969 is shown in Table R-UK-3.

If these same groups can be classified by the GIP per head of population, the differences are markedly reduced i.e. by about half.

Thus, in 1959/1960, London and South Eastern, Eastern and Southern show a lead of only 7% and the Midlands Region of 3%. The lag of the South West, North, Scotland and Wales is from 6 to 8%; the lag of Northern Ireland is 18%.

There is a similar situation in 1968/1969 with a slight improvement, however, in the South West position. The rise from 1959/1960 to 1968/1969 is 73% for the South West as against 68% for the United Kingdom.

The difference in income per head between the two major areas in 1959/1960 as well as in 1968/1969 is about 7½%.

In the following table the spread of personal income is compared to the spread of the GIP per head of population. The latter is about double. From 1959/1960 to 1964/1965 the spread of personal income was reduced slightly; in 1968/1969 it has the same value as in 1964/1965.

Table R-2

United Kingdom

Variation coefficients of GIP per head of population and of personal income

	Variation coefficient $\frac{\sigma}{\bar{x}}$ (1)	
GIP per head Personal income	1961 : 13.8% 1959/1960 : 7.1% 1968/1969 : 6.4%	1964 : 13.8% 1964/1965 : 6.4%

(1) $\sigma = \sqrt{\frac{1}{n}\sum(x - \bar{x})^2}$ $\bar{x}$ is the simple average of the series
n the number of elements

3.3 Ireland

For Ireland, only personal incomes are known for the regions (Table R-IR-1).

The level of income per inhabitant falls within four distinct groups in 1960; these are:

(a) the East with a lead of 24% above the national average;

(b) the South West, South East and Mid West which are from 2 to 6% below;

(c) the North East and the Midlands 12 to 15% below;

(d) the West, North West and Donegal 22 to 25% below.

The position in 1969 shows a few important changes compared with 1960. The lead of the East is reduced by 20%. The third group no longer exists and developments in the North East and in the Midlands have been quite different. The former has recorded the fastest growth in personal income compared with other regions of the country i.e. 121% from 1960 to 1969 as against 110% for the country as a whole and therefore merges with group (b). The Midlands has the slowest rate of growth i.e. 96% and merges with group (d).

In 1969, therefore, the position is as follows:

(i) in the East (Dublin region) personal income is 20% above national average;

(ii) the South West, North East, South East and Mid West lag behind by 1 to 7%;

(iii) the Midlands, North West, Donegal and West have a lag of 21 to 25% under national average.

The ratio between the highest personal income (East) and the lowest (West) is 1.6. The relatively high value of the East is due mainly to the County of Dublin. If Ireland is considered in three parts as regards distribution, the index for Dublin is 127 against 95 for the East excluding Dublin and 80 for the West (the national average = 100).

Spread in personal income increased slightly from 1960 to 1965 then fell back in 1969 slightly below the 1960 level.

Table R-3

Ireland

Variation coefficient in personal income per head of population

Year	Variation coefficient
1960	15.3%
1965	16.6%
1969	15.3%

3.4 Denmark

For Denmark we have figures of personal income and by region for 1960 and 1970. According to Danish information received, however the two years are n.. comparable because the definition of income has been modified. This is why in Table R-D-1 which shows income per head and overall incomes indices for 1970 based on 1960 = 100 are not given.

In 1970 the region of Sjaelland has an income per head 19% higher than the country's average, i.e. over 40% higher than the rest of the country. The two other regions on the other hand are respectively 13 and 18% below.

The position in 1970

3.5 In the three member countries

Data is available on the GNP per head expressed in units of account, published by the SOEC (Table, page R2). On the basis of this information and by using certain relationships between the regions of each member country, estimates have been prepared of the Gross Regional Product per head for the regions. These are very approximate estimates which should be considered with a considerable amount of reserve and are but a first indication of the standards of living and productivity.

Quite apart from theoretical difficulties and practical problems of measuring gross product at regional level there is the fact that for Ireland and Denmark it has been found necessary to use the relationship between personal income. These relationships can differ from those that exist between gross regional products per head as is the case, for instance in the United Kingdom. In the case of the latter, two estimates were made:

(a) the one based on gross domestic product of regions taken some years ago;

(b) the other based on personal income for a more recent year.

The results are given below.

Estimates of Gross Regional Product per head of population in 1970

Table R-5

	Gross regional product per head in 1970			
	Based on ratios of GIP per head		Based on ratios of personal incomes	
	u.a.	Index 9 countries = 100	u.a.	Index 9 countries = 100
			Based on 1969 ratios	
Ireland			1 321	54
West			995	41
Donegal			1 002	41
North West			1 024	42
Midland			1 046	43
South East			1 223	50
North East			1 229	50
Mid West			1 233	50
South West			1 320	54
East			1 590	65
	Based on 1964 ratios		Based on 1968/1969 ratios	
United Kingdom	2 175	88	2 175	88
Northern Ireland	1 425	58	1 806	73
North	1 837	74	2 009	81
Scotland	1 878	76	2 009	81
Wales	1 891	76	2 009	81
North West	2 121	86	2 044	83
Yorkshire and Humberside	2 163	87	2 095	85
South West	1 907	77	2 115	85
East Midlands	2 121	86	2 141	86
West Midlands	2 360	95	2 210	89
South East and East Anglia	2 467	100	2 327	94
			Based on 1970 ratios	
Denmark			3 163	128
Jylland			2 595	105
Fyn			2 754	111
Sjaelland			3 775	152

Regional comparison of the three countries should be based preferably on the results of a simple method of estimation which, in the present case, can only be the method which uses personal income. In Table R-5 regions are shown in the order of increase of Gross Regional Product per head expressed in units of account and indices (average of the nine countries = 100).

There are first the Irish regions with indices varying from 41 to 65 followed by the United Kingdom regions with indices from 73 to 94 and, finally, Denmark with indices 105 to 152.

3.6 General situation in the regions of the nine countries in 1970

For a general picture of the situation in regions of the enlarged Community, additional figures were worked out for the Gross Regional Product per head in regions of the six countries with the help of indices for 1969 already estimated[1] and the GNP per head for the countries in 1970 (Table R-1). As is the case for the three countries, the results are but rough estimates and have been used mainly in drawing up the map below of GRP per head in the regions of the nine countries and which may help in obtaining an overall picture.

In two large European areas containing 9% of the total population there is undoubtedly a serious lag, i.e. in Southern Italy and in Ireland where the GRP per head does not attain 60% of the average for the Community of Nine. Only the East region of Ireland has an index of 67. These are generally agricultural regions with a share of the primary sector of total employment mostly exceeding 30%.

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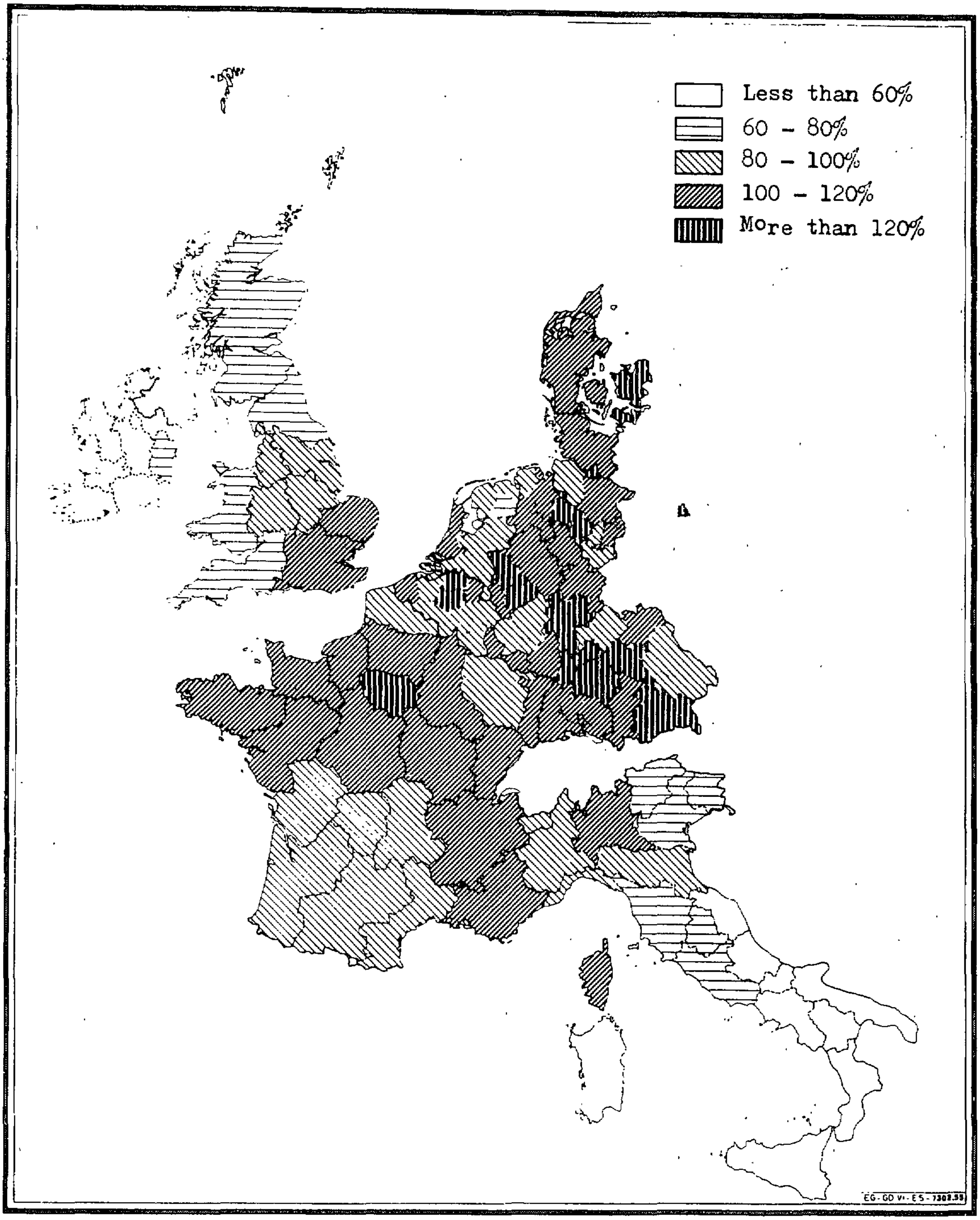
(1) Regional development in the Community - Analytical Return 1971.

PLATE 9

Gross domestic product per head of population

(Index: average of Community of Nine = 100)



Alongside these two areas and towards the centre of the Community there are two others where the situation is better but which, nonetheless, are well below the Community average with GRP per head of 60 to 80. These are central Italy and the North East of the country and the North and West of the United Kingdom. Also, in the same category, are a few isolated regions of Germany and of the Benelux.

In certain cases in central Italy and in Germany there are again agricultural regions which employ 20 to 30% in the primary sector but in most regions in this category the primary sector is less important or even - in the United Kingdom - almost negligible compared with the industrial and services sectors.

On the other hand, in a number of French regions with a high agricultural population - over 20% of employment in the primary sector - the GRP per head is close to the average for the nine countries or even above it.

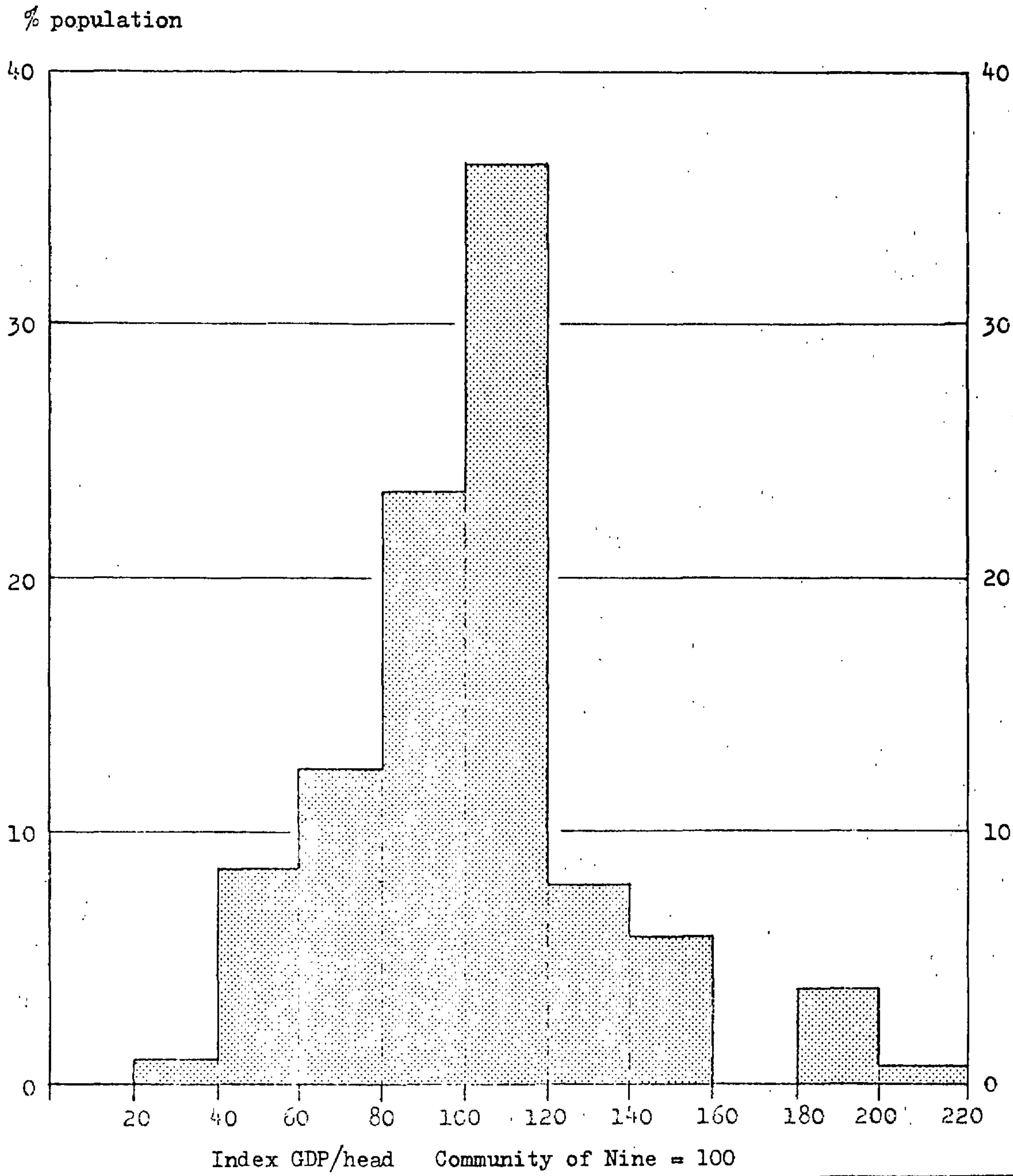
A high or very high level of income (index GRP per head exceeding 120) is found in the regions of the capital cities of France, Germany, Belgium and Denmark also in the Antwerp province and in the Land-cities and a few other regions of Germany. The regions as a whole account for 18% of the total population. In all cases these are highly industrialized regions or engaged in services where the role of the primary sector is very modest.

As was already mentioned, in other highly industrialized regions, the level of income is not very high and may even be low.

The distribution of population in relation to the average gross internal product per head of the region is shown in Plate 10.

PLATE 10

Population distribution; Community of Nine according to GDP per head in 1970



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3.7 Level of income and economic structure

From the above observations the problem arises of the relationship between income level and economic structure. Regional product per head depends, amongst other things, on the economic structure, the latter being defined by the relative importance of each of the three sectors mentioned in this study - to the extent that work productivity is noticeably different in each of the three sectors.

For the new member countries, the GIP per person employed which is the index of work productivity, can be calculated on the basis of OECD data on national income and expenditure and on the labour force. The following table shows the results of these calculations.

For the countries of the Community of Six calculations were based on the SOEC data. Results are given in the same table.

Table R-6

GIP at factors costs per person employed

Countries		GIP per person employed in 1969		
		Primary sector	Secondary sector	Tertiary sector
United Kingdom	£	1 640	1 540	1 610
Ireland (1)	£	660	1 180	1 110
Denmark	Dkr	32 640	45 530	44 940
Germany	DM	8 850	21 100	18 980
France (2)	Ffr	15 340	42 920	32 160
Italy	Lit	1 280	2 260	2 700
Belgium	Bfr	280 000	274 000	254 000
Netherlands	Fl	19 040	20 900	18 500
Luxembourg	LbgF	124 000	361 000	241 000

Source: calculated from OECD and SOEC data

(1) 1968

(2) GIP at market prices

The figures on product per person employed must be regarded with a considerable reserve. They are not comparable from one country to another. In particular, it should be pointed out that figures extracted from OECD data concern the GIP at factors costs; for the Six on the other hand the GIP is expressed at market prices. The number of persons employed is taken without taking into account variations in the annual duration of work. For the United Kingdom this number does not take into consideration non-remunerated family helps which means that the product per person employed may be overestimated by 30% or more in agriculture and this explains the high figure compared to the other two sectors.

It is clear that in most other countries work productivity in the primary sector is much lower than in other sectors. If this conclusion is also valid for the regions, this may explain largely the low income or product per head for all three sectors in agricultural regions.

In the French agricultural regions the average product per head taken in all three sectors is, however, at around the level of the general average for all regions of the nine countries. This is partly explained by the fact that productivity i.e. the product per person employed in the secondary and the tertiary sectors exceeds by far in France the value of other countries so that even in agricultural regions, the low productivity of the farmer is largely compensated by the very high productivity of the other two sectors.

It seems important to go further into the analysis of disparities in income and in productivity but a prerequisite condition is that data should be comparable. It would then be possible to see to what extent regional divergencies in income are due to differences of economic structures and to what extent they are due to other factors.

However, for each country, a first index to measure structural influence on the product per inhabitant has been worked out for each region by multiplying the part of a sector of total employment by the GIP national value per person employed in the same sector and by calculating the total for the three sectors. Results are then translated in indices on the basis of the country = 100.

Indices so obtained are compared to GIP indices per head or to personal income per head in Plate 11.

Graphs show:

(a) that the dispersion of structural indices is by far inferior than those of indices of product per head;

(b) that there is a small correlation between the two indices in Germany, Italy, Ireland and Denmark;

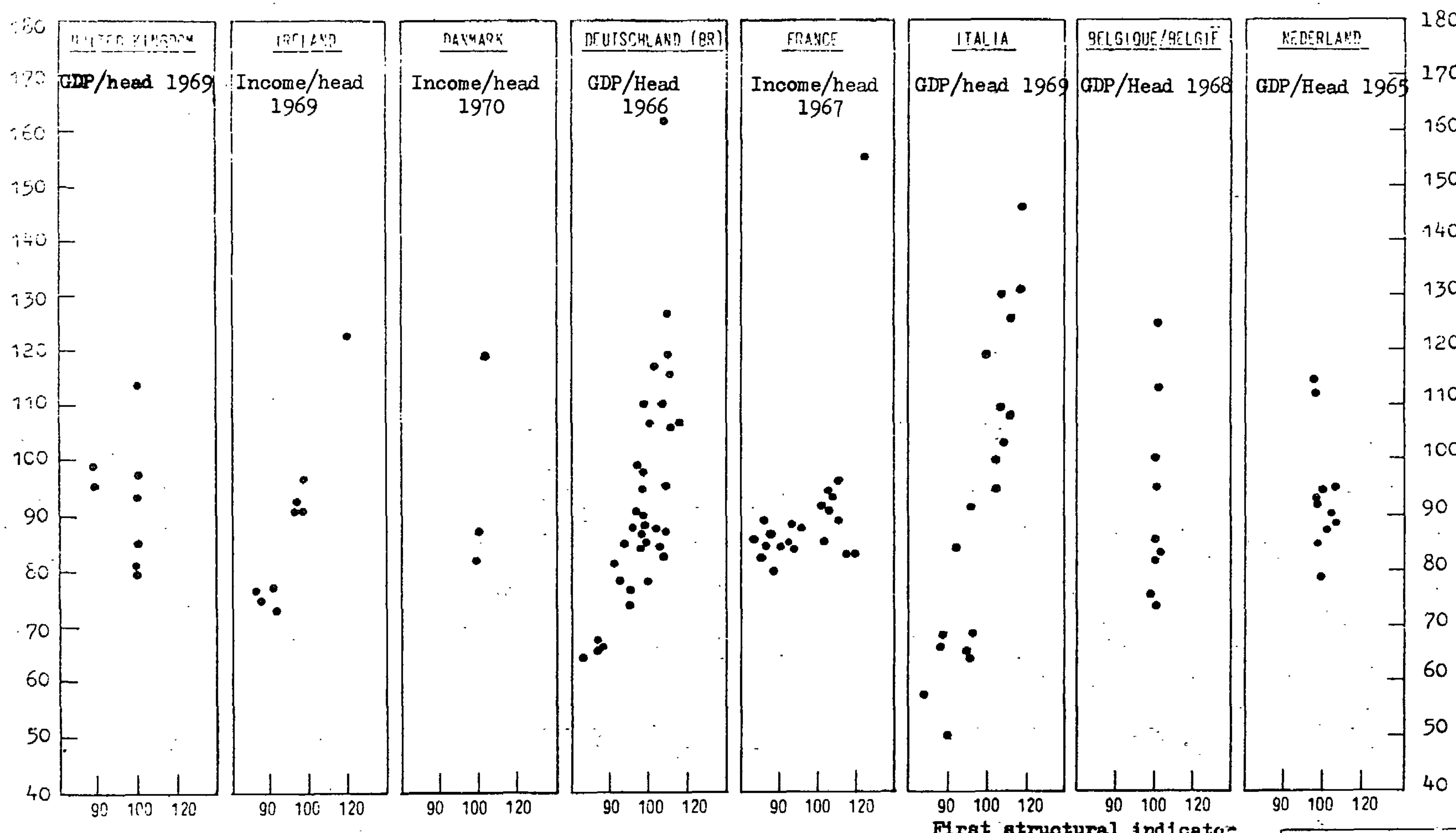
(c) that regression coefficients are very high in these cases. How can these results be explained?

Work productivity in sectors of a region can be somewhat different from national values and this can lead to a dispersion of the GIP per inhabitant exceeding by far that of structural indices.

Poor correlations or no correlations at all are explained through the same phenomenon and generally through the fact that there are other factors than structure in the sense used which can have an important bearing on the GIP level. Very high regression coefficients suggest that if in a region the structure is favourable to a high GIP, productivity is relatively high (i.e. in relation to the national value) in each of the three sectors.

PLATE 11

Comparison: GDP per head with first structural indicator



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The analysis of the GIP per head can be pushed further and another structural index is obtained as follows:

By definition, we have:

$$\frac{\text{GIP}}{\text{No of inhabitants}} = \frac{\text{GIP}}{\text{Total employment}} \times \frac{\text{Total employment}}{\text{No of inhabitants}}$$

which can also be read: GIP per head = GIP per person employed x total activity rate.[2]

It is interesting, in the first place, to work out the variation coefficients of those three elements for each country.

Countries[1]	Variation coefficients %		%
	GIP per head	GIP by employed person	Total activity rate (2)
United Kingdom	15.0	9.7	8.2
Ireland	15.8	16.6	3.2
Germany	22.4	20.7	7.1
France	17.2	17.4	7.2
Italy	29.9	23.4	12.2
Belgium	18.0	13.0	8.8
Netherlands	11.0	7.8	4.5

(1) The regions in Denmark being only three, this country and Luxembourg have not been taken into account.

(2) Total activity rate as opposed to the activity rate relating to the population of 15 to 64 years of age.

Even allowing for the fact that GIP factors per person employed and total activity rates are not entirely independent – there is, in fact, a relation between the two – in most countries the major part of the GIP variance per head is due to the GIP variance per person employed. With these considerations in mind, if we suppose that the last factor is determined mainly by the economic structure, we have established that GIP per person employed = x part of the primary in total employment + b x part of the secondary + c x part of the tertiary, and ascertained the coefficients a, b and c by correlation calculations. Results are given hereunder.

Correlation results

GIB per person employed = x part of the primary in total employment + bx part of II and cx part of III

Table R-7

	Year	a	b	c	R^2
United Kingdom	1961	– 1 216 £	883 £	1 257 £	0.76
Ireland (income)	1969	367 £	1 770 £	1 212 £	0.85
Denmark	1970	– 24 450 DK	27 920 DK	30 490 DK	(1)
Germany	1966	– 7 890 DM	12 630 DM	30 450 DM	0.66
France	1962	– 1 007 Ffr	15 417 Ffr	23 470 Ffr	0.83
Italy	1969	–1 220 000 Lit	3 750 000 Lit	3 630 000 Lit	0.89
Netherlands	1965	4 730 Fl	11 760 Fl	20 400 Fl	0.64
Belgium	1968	– 242 000 Bfr	162 700 Bfr	407 600 Bfr	0.57

(1) Direct calculation since there are only three regions

Correlation coefficients show that a major part - 57 to 89% depending on the country -- of the GIP variation per person employed can be attributed to the structure of employment in the regions.

Apart from Ireland and the Netherlands, coefficients <u>a</u> are negative, coefficients <u>b</u> and <u>c</u> are positive everywhere and <u>c</u> is usually larger than <u>b</u>. These results clearly prove that structural influence on the average productivity of all three sectors of activity is much larger than that derived directly from the fact that productivity is generally higher in industry and in the tertiary sector than in agriculture. A second and better index of the economic structure of a region in relation to its overall productivity is therefore:

a x share of the primary + b x share of the secondary + c x share of the tertiary, when a, b and c are taken from the above tables.

The correlation between the GIP per person employed and this structural index is shown in the graphs of Plate 12. To facilitate the comparison between countries, the GIP per person employed and the structural index are given on the basis of the country = 100.

The "total activity rate" in the formula: GIP per head = GIP per person employed x total activity rate is influenced mainly by the population structure - age pyramid, in particular the part of those between 15 and 64 years of age in the total and the part of women in the population - and by under-employment.

It has already been seen that the variability of this factor, expressed by the variation coefficient, is far smaller; frequently it is less than half that of the GIP per person employed.

The analysis of this factor and its constituant parts has not been affected in this note; it requires data, particularly on unemployment, more comparable than is available at present.

PLATE 12a

Comparison: GDP per person at work with second structural indicator

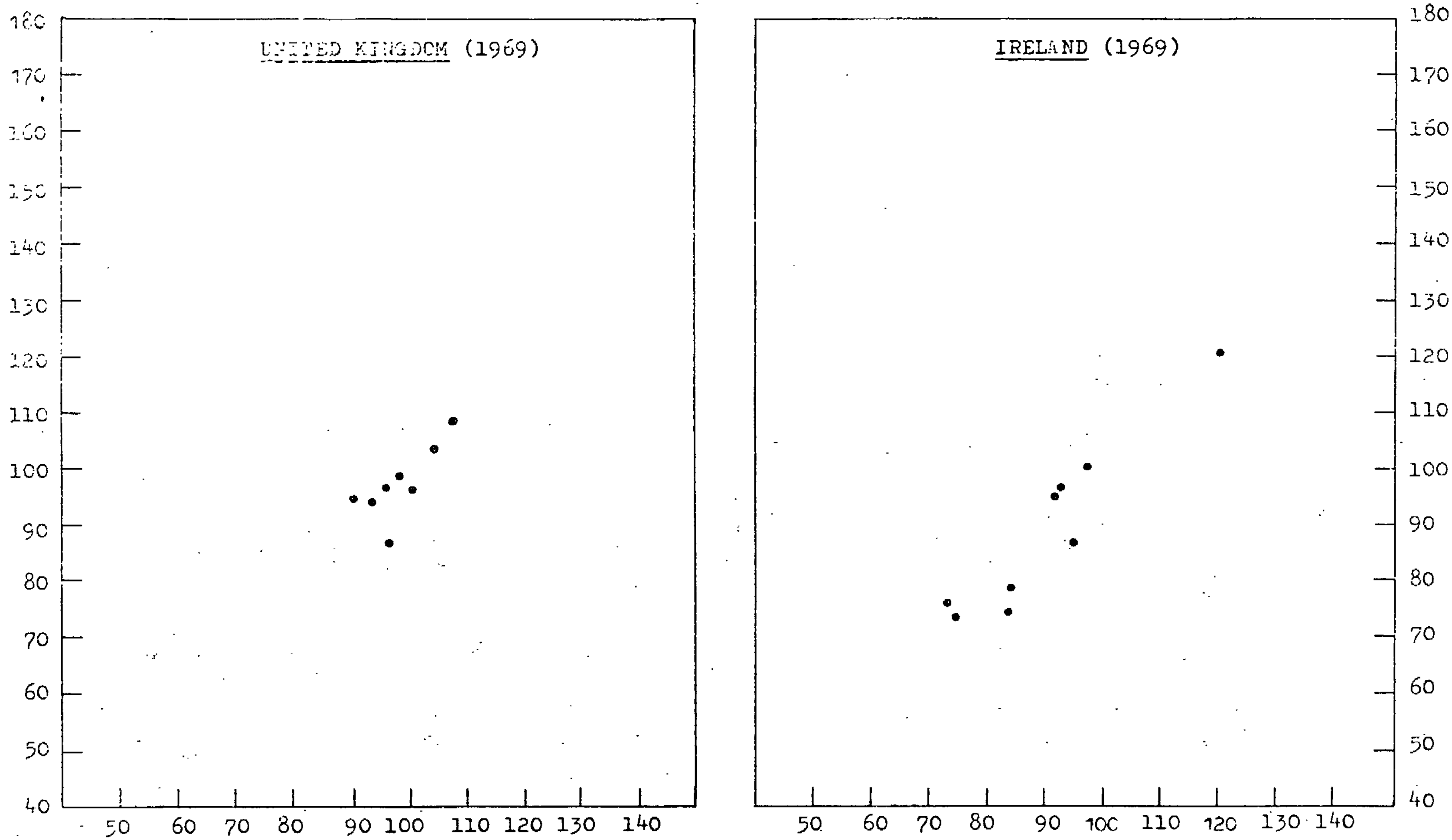

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PLATE 12b

Comparison: GDP per person at work with second structural indicator

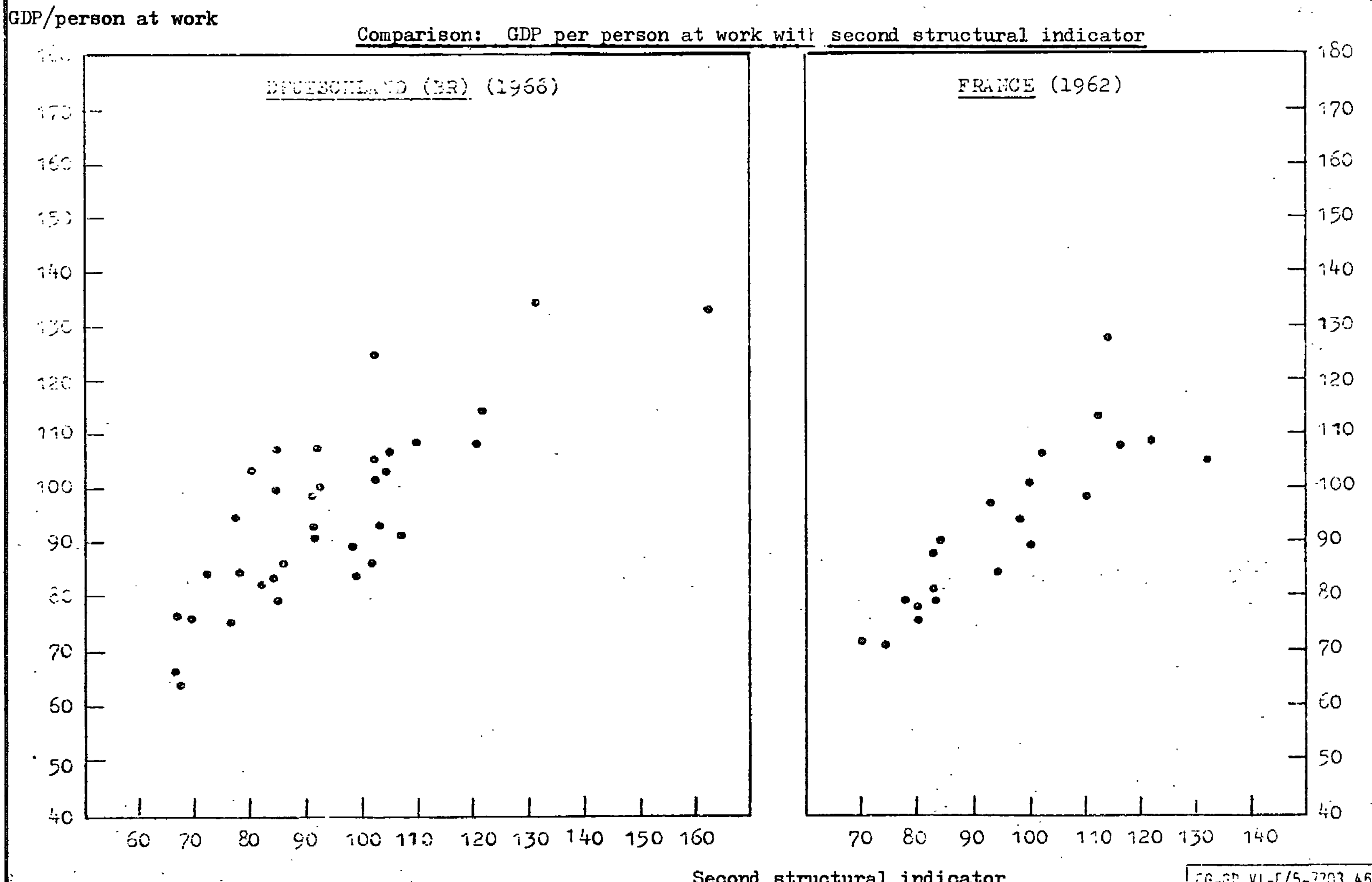

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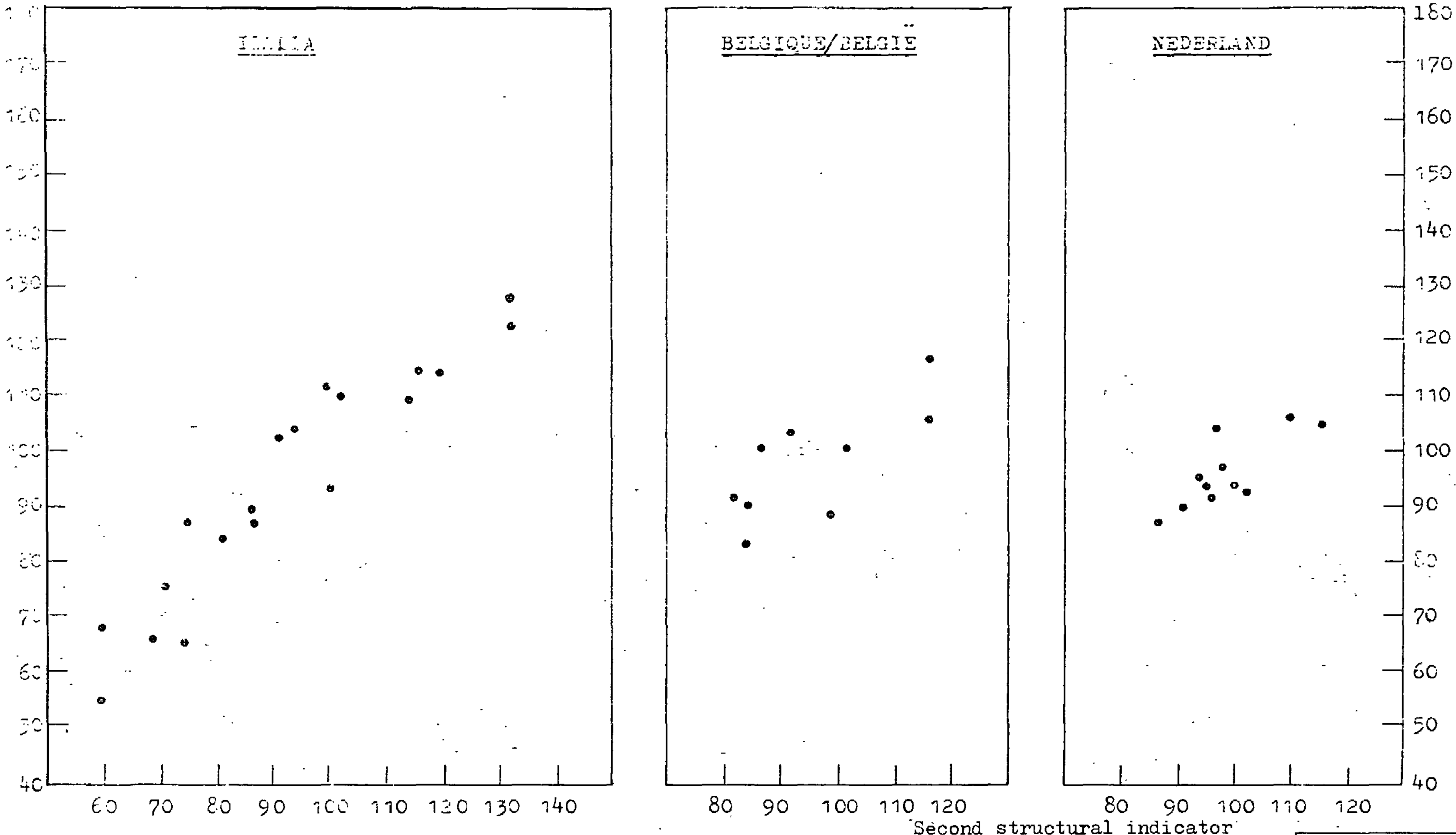
PLATE 12c

Comparison: GDP per person at work with second structural indicator



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4. GREENLAND

Greenland is the subject of a section on its own since its exceptional size and its very remote geographical situation create peculiarities in its economic and social structure so that it may only be judged with difficulty in the light of normal means of assesment and in the context of other regions of the European continent. Official Danish statistics and regional policy recognize this fact by providing separate categories for figures and statistical regional analysis for Greenland; which is also the subject of special treatment in Danish regional policy.

(a) General situation and population trends

Greenland is some 40% larger than all other Community regions combined. The distance from Copenhagen Airport to Sondre Stromfjord (west coast of Greenland) is some 3.500 km. Climatic conditions which are not to be compared have to be emphasized; only 15.7% of the whole island is ice free. The principal areas of population are to be found in a coastal strip of south-west Greenland.

The overall population of Greenland has almost doubled in 20 years (see Table 1 below) which must be considered as particularly surprising, given the standards of living in the region. Highest growth rates both in the Community and in individual regions lie well below those of Greenland in importance.

Table I: Population trends in Greenland

	POPULATION						Yearly population growth %	
	1950		1960		1970			
	Absolute figures	Pro-portion	Absolute figures	Pro-portion	Absolute figures	Pro-portion	Period 1950-1960	Period 1960-1970
Greenlanders	22.581	95.5	30.253	92.8	38.785	85.4	2.97	2.58
Immigrants	1.061	4.5	2.365	7.2	6.634	14.6	8.35	10.86
Total population of Greenland	23.642	100.0	32.618	100.0	45.419	100.0	3.27	3.37

Population trends in Greenland are affected on the one hand by the very high natural growth in the indigenous population (Personner f⌀dt i Gr⌀nland). The death rate declined notably in the fifties so that with at the same time a high birth rate, which is only falling slowly, a sharp rise in the population was foreseeable. On the other hand the total population of Greenland was increased by relatively considerable immigration of Danish labour from the continent (Personner f⌀dt uden for Gr⌀nland); their proportion of the total population rose from 4.5% (1950) to 16.4% (1970). Migration within the country is increasing.

(b) Employment

Very few detailed statistics are available on employment in Greenland - particularly on unemployment. They are already relatively out of date (1965) and probably unrepresentative as a yearly average since they date at 31 December. The figures show that some 55% of the population are of working age; the proportion of employed is only 34%.

Table II: Distribution of labour among branches of the economy

	1951	1955	1960	1965	% Distribution 1951	1955	1960	1965
Fishing, trapping, stock-farming	3.690	3.701	4.058	3.645	55.4	46.7	38.4	27.5
Mining	330	360	342	302	4.9	4.5	3.2	2.3
Manufacturing	)	)	841	1.327	)	)	7.9	10.0
	)	)1.289			)	)16.3		
Building	)1.760	)	969	1.546	) 26.5	)	9.2	11.7
Gas – water – electricity	)	)	135	219	)	)	1.3	1.6
Trade	)	700	1.212	1.542	)	8.9	11.5	11.7
Transport	)	474	929	1.320	)	6.0	8.8	10.0
Public administration Free occupations Services	882	1.397	2.084	3.331	13.2	17.6	19.7	25.2)
	6.662	7.921	10.570	13.232	100.0	100.0	100.0	100.0

Distribution of the working population within the three sectors of the economy indicates that the primary sector in Greenland - mainly fisheries - still occupies an important place with 27.5%. Proportionally it is however declining sharply and absolute figures for those employed are also falling. Absolute and proportional figures for industry and services are, on the contrary, rising. Secondary sector, with 25.6%, is however relatively unimportant whilst the tertiary sector, with 46.9%, is nearly twice as large as the two other sectors together.

The principal concern of the fisheries industry, which is the most important branch of Greenland's economy at the present time, is that fish resources will decline through a climatic fall in temperature. The number of available fishing craft, harbour modernization and fish processing are also considered inadequate.

Much hope in Greenland is placed on the mining industry, in 1965 its share of employment was relatively unimportant but several seams (copper, zinc, iron, nickel, olivine (chrysolite), kryolith, molybdinum, uranium) have been found and others (oil and natural gas) are thought to exist. Prospecting and developing these resources still however present technical difficulties at the present time.

Although increasing numbers of Danish workers are coming to Greenland from the continent to work in administrative services, also increasingly in industry, employment problems exist in this region. On the one hand there is a need for skilled workers; on the other hand there is substantial lack of employment for unskilled workers. Many young Greenlanders are therefore leaving the island to acquire professional training in Denmark.

(c) Situation with regard to incomes

The only available figures to estimate the situation with regard to incomes are those as follows relating to money, wages and salaries per head.

Table 3: Money incomes per inhabitant in Greenland and Denmark

Price level 1968

	1960	1965	1968	1970
	kr.	kr.	kr.	kr.
Denmark	12.700	15.500	15.800	17.000
Greenland	2.700	4.400	5.350	5.900

The only available figures to estimate the situation with regard to trends in incomes are those as follows relating to money, wages, and salaries per head of the indigenous population of Greenland.

By comparison with average incomes in Denmark, incomes in Greenland have risen relatively sharply. It should be noted in this context that barter played a considerable part in Greenland in the past and this does not appear in the figures. Today it is much less important.

In addition to the figures for trends in income at 1968 prices, which are only valid for the indigenous population of Greenland, there are details available for the income situation of the overall population of Greenland for 1970 and 1971 (in brackets) at current prices. According to these details income per inhabitant of Greenland was 10.800 (11.500) dkr /_6.800 (6.950) dkr for the indigenous population_7. Comparable figures for Denmark for 1970 were 18.700 dkr. It may therefore be assumed on the basis of a first evaluation that the Greenland region, compared with the general Community level, has an index value for income standing at 70 (43 for the indigenous population of Greenland).

Statistics are taken from statistics and other official publications of the three countries and from information supplied from their official sources of documentation.

Table E-IR-5 and E-D-5 have however been prepared by the Commission on the basis of official information.

UNITED KINGDOM

Table D-UK-1

Area, total population and density

	Regions	Area km.sq. 1969	Population - '000			Population density/km.sq. 1970
			mid 1951	mid 1961	mid 1970	
1	South East	27 413	15 216.4	16 345.5	17 316	632
2	East Anglia	12 565	1 387.6	1 489.2	1 673	133
	1 + 2	39 978	16 604.0	17 834.7	18 989	475
3	South West	23 658	3 247.4	3 436.0	3 764	159
4	West Midlands	13 015	4 426.1	4 760.6	5 178	398
5	East Midlands	12 197	2 896.0	3 107.7	3 363	276
6	Yorkshire and Humberside	14 176	4 508.7	4 630.5	4 812	339
	4 + 5 + 6	39 388	11 830.8	12 498.8	13 353	339
7	North West	7 984	6 416.8	6 545.3	6 789	850
8	North	19 347	3 127.2	3 246.0	3 360	174
9	Scotland	78 771	5 102.5	5 183.8	5 199	66
10	Wales	20 760	2 588.8	2 635.2	2 734	132
	Great Britain	229 886	48 917.5	51 380.0	54 187	236
11	Northern Ireland	14 119	1 372.6	1 427.4	1 522	108
	United Kingdom	244.005	50 290.1	52 807.4	55 709	228
	Major geographical areas -					
	North West	103 024	31 682.2	33 769.5	36 106	351
	South East	140 981	18 607.9	19 037.9	19 604	139

Growth, share and natural movement of the population

Regions	Average annual increase %		Share of each region %		Birth rate	Death rate %	Natural increase
	1951-61	1961-70	1951	1970	1961 - 1970		
1 South East	0.72	0.64	30.1	31.1	1.73	1.14	0.59
2 East Anglia	0.71	1.30	2.8	3.0	1.65	1.14	0.51
1 + 2	0.72	0.70	32.9	33.1	1.73	1.14	0.59
3 South West	0.57	1.02	6.5	6.8	1.61	1.21	0.40
4 West Midlands	0.73	0.94	8.8	9.3	1.87	1.06	0.81
5 East Midlands	0.71	0.88	5.8	6.0	1.80	1.11	0.69
6 Yorkshire and Humberside	0.27	0.43	9.0	8.6	1.77	1.21	0.56
4 + 5 + 6	0.55	0.74	23.6	23.9	1.82	1.13	0.69
7 North West	0.20	0.41	12.8	12.2	1.81	1.28	0.53
8 North	0.37	0.38	6.2	6.0	1.73	1.18	0.55
9 Scotland	0.16	0.03	10.1	9.3	1.91	1.21	0.70
10 Wales	0.18	0.41	5.1	4.9	1.67	1.28	0.39
Great Britain	0.49	0.59	97.3	97.3	1.72	1.15	0.57
11 Northern Ireland	0.40	0.72	2.73	2.73	2.26	1.07	1.19
United Kingdom	0.49	0.60	100	100	1.78	1.17	0.61
Major geographical areas –							
North West	0.64	0.75	63.0	64.8	1.76	1.15	0.61
South East	0.23	0.33	37.0	35.2	1.83	1.23	0.60

UNITED KINGDOM

Table D-UK-3

Interregional and international migratory balance
of total population 1951 1961

Regions		Absolute figures ('000)		% of the population [1]	
		Total	Annual average	Total	Annual average
1	South East	438	43.8	2.78	0.28
2	East Anglia	27	2.7	1.88	0.19
	1 + 2	465	46.5	2.70	0.27
3	South West	99	9.9	2.96	0.30
4	West Midlands	47	4.7	1.02	0.10
5	East Midlands	39	3.9	1.30	0.13
6	Yorkshire and Humberside	– 96	– 9.6	– 2.10	– 0.21
	4 + 5 + 6	– 10	– 1.0	– 0.1	– 0.01
7	North West	– 124	– 12.4	– 1.91	– 0.19
8	North	– 80	– 8.0	– 2.51	– 0.25
9	Scotland	– 282	– 28.2	– 5.48	– 0.55
10	Wales	– 49	– 4.9	– 1.88	– 0.19
	Great Britain	20	2.0	0.04	–
11	Northern Ireland	– 89	– 8.9	– 6.36	– 0.64
	United Kingdom	– 69	– 6.9	– 0.13	– 0.01
	Major geographical areas –				
	North West	554	55.4	1.69	0.17
	South East	– 624	– 62.4	– 3.32	– 0.33

[1] Average population for 1951 and 1961

UNITED KINGDOM

Table D-UK-4

Interregional and international migratory
balance of total population 1961-1970

Regions	Absolute figures ('000)		% of the population (1)	
	Total	Annual average	Total	Annual average
1 South East	+ 34	+ 3.8	+ 0.20	+ 0.02
2 East Anglia	+ 118	+ 13.1	+ 7.46	+ 0.82
1 + 2	+ 152	+ 16.9	+ 0.82	+ 0.09
3 South West	+ 192	+ 21.3	+ 5.33	+ 0.59
4 West Midlands	+ 55	+ 6.1	+ 1.10	+ 0.12
5 East Midlands	+ 55	+ 6.1	+ 1.70	+ 0.18
6 Yorkshire and Humberside	- 66	- 7.3	- 1.40	- 0.15
4 + 5 + 6	+ 44	- 4.9	- 0.34	- 0.03
7 North West	- 77	- 8.6	- 1.15	- 0.13
8 North	- 50	- 5.6	- 1.51	- 0.17
9 Scotland	- 319	- 35.4	- 6.14	- 0.68
10 Wales	+ 5	+ 0.5	+ 0.11	+ 0.01
Great Britain	- 50	- 5.6	- 0.09	- 0.01
11 Northern Ireland	- 61	- 6.8	- 4.13	- 0.46
United Kingdom	- 115	- 12.8	- 0.21	- 0.02
Major geographical areas -				
North West	+ 392	+ 43.5	+ 1.12	+ 0.12
South East	- 507	- 56.3	- 2.62	- 0.29

(1) Average population for 1961 and 1970

UNITED KINGDOM

Table D-UK-5

Net migration between regions from 1965 to 1966 (persons aged 1 year and more)

	Departure regions											Main departure area		Total % of the population
	South East	East Anglia	South West	West Midland	East Midland	Yorkshire and Humberside	North West	North	Scotland	Wales	Total	North West	South East	
Arrival regions														
South East	–	–12.31	–13.35	1.64	– 3.96	–0.18	1.16	1.37	4.78	0.69	–20.16			–0.12
East Anglia	12.31	–	– 0.34	0.10	– 0.43	–0.07	0.07	0.11	0.36	–0.07	12.04			0.76
South West	13.35	0.34	–	3.76	– 0.26	0.50	1.93	–0.15	0.54	0.49	20.50			0.57
West Midland	–1.64	– 0.10	– 3.76	–	– 1.62	–0.86	–1.84	2.19	2.71	0.53	– 4.49			–0.09
East Midland	3.96	0.43	0.26	1.62	–	0.55	0.90	1.24	2.36	0.57	11.89			0.37
Yorkshire & Humberside	0.18	0.07	– 0.50	0.86	– 0.55	–	0.04	–0.82	1.32	0.63	1.23			0.03
North West	–1.16	– 0.07	– 1.93	1.94	– 0.9	–0.04	–	0.02	2.89	–3.17	– 2.42			–0.04
North	–1.37	– 0.11	0.15	–2.19	– 1.24	0.82	–0.02	–	1.31	–0.10	– 2.75			–0.08
Scotland	–4.78	– 0.36	– 0.54	–2.71	– 2.36	–1.32	–2.89	–1.31	–	0.60	–15.67			–0.30
Wales	–0.69	0.07	– 0.49	–0.53	– 0.57	–0.63	3.17	0.10	–0.60	–	– 0.17			–0.01
Total	20.16	–12.04	–20.50	4.49	–11.89	–1.23	2.42	2.75	15.67	0.17	–			
North West main area												21.01	–	+0.06
South East main area												–	–21.01	–0.11

IRELAND

Table D-IR-1

Area, total population and density

Regions	Area km.sq.	Population ('000)			Density inhabitants/km.sq 1971
		1951	1961	1971*	
East	6 979	888.4	906.3	1 059.0	152
South East	9 406	340.8	319.9	327.8	35
South West	12 161	467.9	446.9	464.7	38
Mid West	7 870	280.0	260.7	269.8	34
West	11 338	302.1	273.2	257.7	23
North West	3 321	101.7	87.0	78.5	24
Donegal	4 830	131.5	113.8	108.0	22
Midlands	8 987	250.1	239.3	232.5	26
North East	4 002	190.5	171.1	173.8	43
Ireland	68 893	2 960.6	2 818.2	2 971.2	43
Dublin	922	693.0	718.3		
East excluding Dublin	34 949	1 334.5	1 277.9		
West	33 022	933.1	827.1		

* Irish estimate

IRELAND

Table D-IR-2

Growth, share of each region and natural movement of population

Regions	Average annual increase %		Share of each region %	
	1951-1961	1961-1971	1951	1971
East	0.20	1.57	30.0	35.6
South East	– 0.63	0.25	11.5	11.0
South West	– 0.44	0.39	15.8	15.7
Mid West	– 0.66	0.34	9.4	9.1
West	– 0.92	– 0.55	10.3	8.7
North West	– 1.36	– 0.94	3.4	2.7
Donegal	– 1.27	– 0.50	4.5	3.6
Midlands	– 0.71	– 0.03	8.7	7.9
North East	– 0.98	0.15	6.4	5.7
Ireland	– 0.47	0.53	100	100
Areas:				
Dublin	+ 0.36		23.4	
East excluding Dublin	– 0.42		45.1	
West	– 1.08		31.5	

IRELAND

Table D-IR-2a

Growth, share of each region and natural movement of population

	Rate % of			Rate % of		
	Births	Deaths	Natural growth	Births	Deaths	Natural growth
	1961-1966			1966-1971		
East	2.47	0.99	1.48	2.34	0.92	1.42
South East	2.21	1.25	0.96	2.17	1.20	0.97
South West	2.09	1.27	0.82	2.07	1.24	0.83
Mid West	2.16	1.24	0.92			
West	1.85	1.20	0.65	1.84	1.25	0.59
North West	1.74	1.46	0.28	1.63	1.45	0.18
Donegal	1.80	1.25	0.55	1.83	1.24	0.59
Midlands	2.11	1.26	0.85	2.02	1.21	0.81
North East	2.11	1.25	0.86	2.10	1.20	0.90
Ireland	2.19	1.17	1.03	2.14	1.12	1.01
Areas:						
Dublin						
East excluding Dublin						
West						

IRELAND

Table D-IR-3

Interregional and international migratory balance of total population

Regions	1961-1966				1966-1971
	Absolute figures ('000)		% of the population		% of the population
	Total	Annual average	Total	Annual average	Annual average
East	12.8	2.6	1.35	0.27	- 0.06
South East	- 15.6	- 3.1	- 4.88	- 0.98	- 0,47
South West	- 12.9	- 2.6	- 2.87	- 0.57	- 0.30
Mid West	- 7.9	- 1.6	- 3.01	- 0.60	- 0.52
West	- 10.1	- 3.6	- 6.74	- 1.35	- 1.06
North West	- 6.4	- 1.3	- 7.58	- 1.51	- 1.00
Donegal	- 8.4	- 1.7	- 7.55	- 1.50	- 0.69
Midlands	- 15.0	- 3.0	- 6.33	- 1.26	- 0.98
North East	- 9.1	- 1.8	- 5.34	- 1.07	- 0.37
Ireland	- 80.6	- 16.1	- 2.83	- 0.57	- 0.42
Areas:					
Dublin	10.2	3.6	0.48	0.48	
East excluding Dublin	- 47.0	- 9.4	- 0.37	- 0.74	
West	- 51.7	- 10.3	- 6.37	- 1.28	

DENMARK

Table D-D-1

Area, total population and density

Regions / Bases	Area km.sq. 1970	Population ('000)			Density inhabitant/km.sq. 1970
		1950	1960	1970	
Sjaelland and other islands East of the Great Belt	9 817.8	1 983.7	2 153.2	2 302.9	234.6
Fyn	3 485.5	395.5	413.9	431.0	123.6
Jylland	29 766.0	1 902.1	2 018.2	2 179.0	73.2
Denmark	43 069.3	4 281.3	4 585.3	4 912.9	114.1

DENMARK

Table D-D-2

Growth, share of the population and its natural movement

Regions Bases	Average annual growth %		Share by		Rate % of		
	1950-1960	1960-1970	1950	1970	Births	Deaths	Natural growth
					1969-1969		
Sjaelland and other islands East of Great Belt	0.82	0.72	46.3	46.9			
Fyn	0.46	0.43	9.2	8.8			
Jylland	0.59	0.82	44.4	44.4			
Denmark	0.69	0.73	100	100	1.68	0.99	0.69

DENMARK

Table D-D-3

Migratory Balance

Regions Bases	1951-1960				1961-1964			
	Absolute figures ('000)		% population[1]		Absolute figures ('000)		% population[2]	
	Total	Annual average	Total	Annual average	Total	Annual average	Total	Annual average
1. Sjaelland and other islands East of Great Belt	41.0	4.1	2.0	0.20	12.5	3.1	0.58	0.14
2. Fyn	- 9.1	- 0.9	- 2.3	- 0.23	- 1.4	- 0.3	0.33	- 0.08
3. Jylland	- 73.0	- 7.3	- 3.7	- 0.37	- 1.0	- 0.2	0.05	- 0.01
Denmark	- 41.1	- 4.1	- 0.92	- 0.09	10.1	2.5	0.22	0.06

(1) 1955 population

(2) 1960 population

Table D-D-4

Interregional and international migratory balance 1960 and 1968

Regions Bases	1960			1968		
	Total	Interregional	International	Total	Interregional	International
	('000)			('000)		
Sjaelland and other islands East of Great Belt	+ 7.8	+ 5.9	+ 1.9	2.0	+ 4.6	- 2.5
Fyn	--	- 0.3	0.3	- 1.3	- 1.0	- 0.3
Jylland	- 3.8	- 4.6	+ 0.8	- 3.6	- 3.1	- 0.6
Denmark	-	-	+ 2.9	-	-	- 3.4

UNITED KINGDOM

Table E-UK-1

Development in working population employed and unemployed

Bases / Regions	1960 '000	1960 Share % of each region	1970 '000	1970 Share % of each region	Variation 1960-1970 '000	Variation 1960-1970 Average annual rate %
1. South East			8 388	33.2		
2. East Anglia			712	2.8		
1 + 2	8 588	34.9	9 100	36.0	512	0.58
3. South West	1 408	5.7	1 514	6.0	106	0.73
4. West Midlands			2 448	9.7		
5. East Midlands			1 527	6.0		
6. Yorkshire and Humberside			2 174	8.6		
4 + 5 + 6	5 980	24.3	6 149	24.3	169	0.28
7. North West	3 211	13.1	3 130	12.4	– 81	– 0.03
8. North	1 395	5.7	1 406	5.6	11	0.08
9. Scotland	2 332	9.5	2 293	9.1	– 39	– 0.16
10. Wales	1 085	4.4	1 068	4.2	– 17	– 0.15
Great Britain(1)	23 999	97.7	24 660	97.7	661	0.27
11. Northern Ireland	576	2.3	593	2.3	17	0.29
United Kingdom(1)	24 575	100.0	25 253	100.0	678	0.27
Major areas:						
South East	15 976	65.0	16 763	66.4	787	0.48
North West	8 599	35.0	8 490	33.6	– 109	– 0.13

(1) Does not include civil servants employed abroad.

UNITED KINGDOM

Table E-UK-2

Breakdown by sections of the working population employed and unemployed

Absolute figures ('000)

Bases / Regions	1960 Sectors I	1960 Sectors II	1960 Sectors III	1960 Total	1970 Sectors I	1970 Sectors II	1970 Sectors III	1970 Total
1. South East					129	3 281	4 978	8 388
2. East Anglia					68	296	348	712
1 + 2	286	3 581	4 721	8 588	197	3 577	5 326	9 100
3. South West	122	550	736	1 408	82	615	817	1 514
4. West Midlands					50	1 448	950	2 448
5. East Midlands					51	854	622	1 527
6. Yorkshire and Humberside					54	1 156	964	2 174
4 + 5 + 6	212	3 534	2 234	5 980	155	3 458	2 536	6 149
7. North West	48	1 738	1 425	3 211	33	1 612	1 485	3 130
8. North	58	737	600	1 395	39	709	658	1 406
9. Scotland	146	1 074	1 112	2 332	99	1 044	1 150	2 293
10. Wales	64	526	495	1 085	43	524	501	1 068
Great Britain	935	11 738	11 326	23 999	650	11 537	12 473	24 660
11. Northern Ireland	82	254	240	576	56	266	271	593
United Kingdom	1 017	11 992	11 566	24 575	706	11 803	12 744	25 253
Major zones:								
South East	619	7 664	7 692	15 976	435	7 648	8 679	16 763
North West	398	4 328	3 874	8 599	271	4 155	4 065	8 490

UNITED KINGDOM

Table E-UK-2a

Trends in working population in paid employment

Bases Regions	1960		1970		Variation 1960-1970	
	Thousands	Share % of each region	Thousands	Share % of each region	Thousands	Annual average rate %
1. South East			7 698	33.6	-	
2. East Anglia			637	2.8	-	
1 + 2	7 984	35.5	8 335	36.4	351	0.43
3. South West	1 230	5.5	1 310	5.7	80	0.64
4. West Midlands	2 217	9.9	2 259	9.9	42	0.19
5. East Midlands)						
6. Yorkshire and Humberside)	3 332	14.8	3 368	14.7	36	0.10
4 + 5 + 6	5 549	24.7	5 627	24.6	78	0.14
7. North West	2 941	13.1	2 842	12.4	- 99	- 0.33
8. North	1 270	5.6	1 270	5.6	-	-
9. Scotland	2 105	9.4	2 077	9.1	- 28	- 0.13
10. Wales	948	4.2	935	4.1	- 13	- 0.14
Great Britain (1)	22 027	98.0	22 395	97.9	368	0.17
11. Northern Ireland	455	2.0	487	2.1	32	0.77
United Kingdom (1)	22 482	106	22 882	100	400	0.18
Major zones:						
South East	14 763	65.7	15 271	66.7	508	0.34
North West	7 719	34.3	7 611	33.3	- 108	- 0.14

(1) Does not include civil servants employed abroad.

UNITED KINGDOM

Table E-UK-3

Breakdown by sectors of the working population employed and unemployed
Regions (the three sectors together) = 100

Bases / Regions	1960 Sectors I	II	III	1970 Sectors I	II	III
1. South East				1.5	39.1	59.4
2. East Anglia				9.6	41.6	48.8
1 + 2	3.3	41.7	55.0	2.2	39.3	58.5
3. South West	8.7	39.1	52.2	5.4	40.6	54.0
4. Midlands				2.0	59.2	38.8
5. East Midlands				3.3	55.9	40.7
6. Yorkshire & Humberside				2.5	53.2	44.3
4 + 5 + 6	3.5	59.1	37.4	2.5	56.2	41.2
7. North West	1.5	54.1	44.4	1.1	51.5	47.4
8. North	4.2	52.8	43.0	2.8	50.4	46.8
9. Scotland	6.3	46.1	47.6	4.3	45.5	50.2
10. Wales	5.9	48.5	45.6	4.0	49.1	46.9
Great Britain	3.9	48.9	47.2	2.6	46.8	50.6
11. Northern Ireland	14.2	44.1	41.7	9.4	44.9	45.7
United Kingdom	4.1	48.8	47.1	2.8	46.7	50.5
Major zones;						
South East	3.9	48.0	48.1	2.6	45.6	51.8
North West	4.6	50.3	45.1	3.2	48.9	47.9

UNITED KINGDOM

Table E-UK-4

Variation in employed population by sectors
Average annual rate%

Bases regions	Average annual variation rate 1960/1970 (%)			
	Sectors			
	I	II	III	Total
1. South East	–	–	–	–
2. East Anglia	–	–	–	
1 + 2	– 2.75	– 0.01	1.21	0.58
3. South West	– 2.88	1.12	1.10	0.73
4. West Midlands	–	–	–	–
5. East Midlands	–	–	–	–
6. Yorkshire & Humberside	–	–	–	–
4 + 5 + 6	– 2.41	– 0.21	1.28	0.28
7. North West	– 2.76	– 0.70	0.42	– 0.03
8. North	– 2.87	– 0.38	0.93	0.08
9. Scotland	– 2.83	– 0.28	0.34	– 0.16
10. Wales	– 2.88	– 0.04	0.12	– 0.15
Great Britain	– 2.70	– 0.17	0.97	0.27
11. Northern Ireland	– 2.79	0.47	1.22	0.29
United Kingdom	– 2.70	– 0.15	0.98	0.27
Major zones:				
South East	– 2.64	– 0.02	1.21	0.48
North West	– 2.81	– 0.40	0.48	– 0.13

UNITED KINGDOM

Table E-UK-5

Working population employed and unemployed broken down into main sectors for 1970

Bases Regions	Primary sector			Secondary sector			Tertiary sector			Total	
	'000	Country = 100	Region 100	'000	Country = 100	Region 100	'000	Country = 100	Region 100	'000	Country = 100
1. South East	129	18.3	1.5	3 281	27.8	39.1	4 978	39.1	59.4	8 388	33.2
2. East Anglia	68	9.6	9.6	296	2.5	41.6	348	2.7	48.8	712	2.8
1 + 2	197	27.9	2.2	3 577	30.3	39.3	5 326	41.8	58.5	9 100	36.0
3. South West	82	11.6	5.4	615	5.2	40.6	817	6.4	54.0	1 514	6.0
4. West Midlands	50	7.1	2.0	1 448	12.3	59.2	950	7.4	38.8	2 448	9.7
5. East Midlands	51	7.2	3.3	854	7.2	55.9	622	4.9	40.7	1 527	6.0
6. Yorkshire and Humberside	54	7.7	2.5	1 156	9.8	53.2	964	7.6	44.3	2 174	8.6
4 + 5 + 6	155	22.0	2.5	3 458	29.3	56.2	2 536	19.9	41.2	6 149	24.3
7. North West	33	4.7	1.1	1 612	13.7	51.5	1 485	11.5	47.4	3 130	12.4
8. North	39	5.5	2.8	709	6.0	50.4	658	5.2	46.8	1 406	5.7
9. Scotland	99	14.0	4.3	1 044	8.8	45.5	1 150	9.0	50.2	2 293	9.1
10. Wales	43	6.1	4.0	524	4.4	49.1	501	3.9	46.9	1 068	4.2
Great Britain	650	92.1	2.6	11 537	97.7	46.8	12 473	97.9	50.6	24 660	97.7
11. Northern Ireland	56	7.9	9.4	266	2.3	44.9	271	2.1	45.7	593	2.3
United Kingdom	706	100.0	2.8	11 803	100.0	46.7	12 744	100.0	50.5	25 253	100.0
Major areas:											
South East	435	61.6	2.6	7 648	64.8	45.6	8 679	68.1	51.8	16 763	66.4
North West	271	38.4	3.2	4 155	35.2	48.9	4 065	31.9	47.9	8 490	33.6

UNITED KINGDOM

Table E-UK-6

Average annual unemployment[1]

Regions	1960		1970	
	'000	% (2)	'000	% (2)
1. South East	73.2		129.8	1.6
2. East Anglia	8.0		13.9	2.2
1 + 2	81.2	1.0	143.7	1.7
3. South West	20.6	1.7	38.1	2.9
4. West Midlands	21.4	1.0	52.7	2.3
5. East Midlands	13.1		33.3	2.3
6. Yorkshire and Humberside	24.5		59.8	2.9
5 + 6	37.6	1.1	93.1	2.7
7. North West	57.8	1.9	80.5	2.7
8. North	37.2	2.9	63.3	4.8
9. Scotland	78.7	3.6	93.5	4.3
10. Wales	26.0	2.7	38.5	3.9
Great Britain	360.4	1.6	603.4	2.6
11. Northern Ireland	32.4	6.7		
United Kingdom	392.8	1.7		
Major areas:				
South East	160.8	1.1	327.6	2.1
North West	232.2	2.9		3.8

(1) Total number unemployed (total unemployments, partial, persons seeking first job)

(2) % wage earners employed and unemployed

IRELAND

Table B-IR-1

Development in working population, employed and unemployed

Bases regions	1961		1971		Variation 1961-1971	
	'000	Share % of each region	'000	Share % of each region	'000	Average annual tax %
East	361.1	32.6	414.6	36.4	53.5	1.39
South East	121.5	11.0	120.9	10.6	- 0.6	- 0.05
South West	172.6	15.6	173.6	15.2	1.0	0.06
Mid West	100.5	9.1	101.9	9.0	1.4	0.14
West	107.7	9.7	98.4	8.7	- 9.3	- 0.90
North West	35.5	3.2	30.2	2.6	- 5.3	- 1.60
Donegal	44.7	4.0	43.2	3.8	- 1.5	- 0.35
Midlands	94.3	8.5	88.1	7.8	- 6.2	- 0.68
North East	70.1	6.3	68.1	5.9	- 2.0	- 0.29
Ireland	1 108.1	100	1 139.0	100	30.9	0.28
Areas:						
Dublin	289.2	26.1				
East less Dublin	490.6	44.3				
West	328.3	29.6				

IRELAND

Table E-IR-2

Breakdown into sectors of the employed working population

Absolute figures ('000)

Bases Regions	1961				1971			
	Sectors			Total	Sectors			Total
	I	II	III		I	II	III	
East	31.9	124.6	188.1	344.6	25.1	151.9	216.3	393.3
South East	50.2	23.4	41.4	114.7	38.6	29.9	43.6	112.1
South West	63.6	39.1	60.3	163.0	48.4	49.7	64.9	163.0
Mid West	44.6	17.2	32.3	94.1	32.0	26.4	36.1	94.5
Wes	66.3	11.2	26.4	104.0	49.4	15.0	30.0	94.4
North West	21.2	4.1	8.8	34.1	14.8	5.0	9.0	28.8
Donegal	22.4	6.8	11.6	40.8	16.8	9.3	12.0	38.1
Midlands	48.7	16.6	25.2	90.5	35.2	19.5	27.4	82.1
North East	29.8	15.8	21.1	66.7	21.7	21.3	21.7	64.7
Ireland	378.7	258.8	415.0	1 052.5	282.0	328.0	461.0	1 071.0
Areas:								
Dublin	5.9	108.0	162.6	276.5				
East less Dublin	181.8	111.9	170.2	463.9				
West	191.0	38.9	82.2	312.1				

IRELAND

Table E-IR-3

Breakdown by sectors of the employed working population
Regions (the three sectors together) = 100

Bases Regions	1961			1971		
	Sectors			Sectors		
	I	II	III	I	II	III
East	9.2	36.2	54.6	6.4	38.6	55.0
South East	43.8	20.4	35.8	34.4	26.7	38.9
South West	39.0	24.0	37.0	29.7	30.5	39.8
Mid West	47.4	18.3	34.3	34.3	27.5	38.2
West	63.8	10.8	25.4	52.3	15.9	31.8
North West	62.1	12.1	25.8	51.4	17.4	31.2
Donegal	54.9	16.6	28.5	44.1	24.4	31.5
Midlands	53.8	18.4	27.8	42.8	23.8	33.4
North East	44.7	23.6	31.7	33.5	32.9	33.6
Ireland	36.0	24.6	39.4	26.3	30.6	43.1
Areas:						
Dublin	2.1	39.1	58.8			
East less Dublin	39.2	24.1	36.7			
West	61.2	12.5	26.3			

IRELAND

Table E-IR-4

Variation in employed population by sectors

Average annual rate%

Bases regions	Average annual variation rate 1961-1971 (%)			
	Sectors			
	I	II	III	Total
East	- 1.95	2.00	1.41	1.33
South East	- 2.10	2.48	0.66	- 0.22
South West	- 2.16	2.43	0.74	-
Mid West	- 2.52	4.38	1.12	0.04
West	- 2.30	2.97	1.29	- 0.89
North West	- 2.67	2.01	0.23	- 1.46
Donegal	- 2.26	3.18	0.34	- 0.65
Midlands	- 2.48	1.63	0.84	- 0.89
North East	- 2.43	3.03	0.28	- 0.03
Ireland	- 2.30	2.40	1.06	0.17
Areas:				
Dublin				
East less Dublin				
West				

IRELAND

Table E-IR-5

Working population employed and unemployed broken down into main sectors for 1970

(Estimates)[1]

Bases regions	Primary sector			Secondary sector			Tertiary sector			Total	
	'000	Country = 100	Region = 100	'000	Country = 100	Region = 100	'000	Country 100	Region 100	'000	Country = 100
East	25.8	8.8	6.6	149.2	46.5	38.4	213.5	46.8	55.0	383.5	36.3
South East	39.8	13.6	35.4	29.2	9.1	26.0	43.3	9.5	38.6	112.3	10.5
South West	49.9	17.1	30.6	48.7	15.2	29.9	64.4	14.1	39.5	163.0	15.2
Mid West	33.2	11.4	35.2	25.5	7.9	27.0	35.7	7.8	27.8	94.4	8.8
West	51.1	17.5	53.6	14.6	4.5	15.3	29.6	6.5	31.1	95.3	8.9
North West	15.4	5.3	52.6	4.9	1.5	16.7	9.0	2.0	30.7	29.3	2.7
Donegal	17.3	5.9	45.2	9.0	2.8	23.5	12.0	2.6	31.3	38.3	3.6
Midlands	36.6	12.6	44.1	19.2	6.0	23.1	27.2	6.0	32.8	83.0	7.8
North East	22.5	7.7	34.7	20.7	6.4	31.9	21.7	4.8	33.4	64.9	6.1
Ireland	291.6	100.0	87.3	321.0	100.0	30.0	456.4	100.0	42.7	1 069.0	100.0

[1] Commission estimates

Table E-IR-6

Average unemployment %

Regions	1961	1971*
East	3.2	5.1
South East	2.9	4.9
South West	3.9	5.2
Mid West		5.7
West	7.5	7.4
North West	6.2	5.6
Donegal	11.3	13.8
Midlands	2.9	4.9
North East	3.8	5.6
Ireland	4.2	5.5
Areas:		
Dublin		
East less Dublin		
West		

*Figures not entirely comparable with 1961.

DENMARK

Table E-D-1

Development in working population, employed and unemployed

Bases regions	1960 '000	1960 Share % of each region	Bases regions	1970 '000	1970 Share % of each region	Variation '000	1960–1970 Average annual rate %
1. Sjaelland and other islands east of Great Belt (1)	1 042.2	50.5	1. Sjaelland and other islands east of Great Belt (4)	1 173.7	49.1	131.5	1.20
2. Fyn (2)	180.8	8.8	2. Fyn (5)	195.9	8.2	15.1	0.81
3. Jylland (3)	840.6	40.7	3. Jylland (6)	1 020.2	42.7	179.6	1.96
Denmark	2 063.6	100	Denmark	2 389.8	100	326.2	1.48

(1) Includes North East Zeeland and Hollack, Sorø, Praestø, Maribo, Bornholm counties

(2) Includes Svendborg, Odense and Assens counties

(3) Rest of Denmark

(4) Includes North East Zeeland and counties West of Zeeland, Storstrøm and Bornholm

(5) Includes Fyn county

(6) Rest of Denmark

DENMARK

Table E-D-2

Breakdown by sectors of the working population employed and unemployed

Absolute figures ('000)

Bases Regions	1960				Bases Regions	1970			
	Sectors			Total		Sectors			Total
	I	II	III			I	II	III	
1. Sjaelland and other islands east of Great Belt (1)	94.5	410.5	537.2	1 042.2	1. Sjaelland and other islands east of Great Belt (4)	52.0	444.1	667.6	1 173.7
2. Fyn (2)	40.6	70.0	70.2	180.8	2. Fyn (5)	27.1	83.0	85.8	195.9
3. Jylland (3)	231.3	283.0	326.3	840.6	3. Jylland (6)	176.4	379.8	464.0	1 020.2
Denmark	366.4	763.5	933.7	2 063.6	Denmark	265.5	906.9	1 217.4	2 389.8

(1))
(2))
(3))
(4)) See Table E-D-1
(5))
(6))

DENMARK

Table E-D-3

Breakdown by sectors of the working population employed and unemployed

Regions (the three sectors together) = 100

Bases Regions	1960 Sectors I	1960 Sectors II	1960 Sectors III	Bases Regions	1970 Sectors I	1970 Sectors II	1970 Sectors III
1. Sjaelland and other islands east of Great Belt (1)	9.1	39.4	51.5	1. Sjaelland and other islands east of Great Belt (4)	5.3	37.8	56.9
2. Fyn (2)	22.5	38.7	38.8	2. Fyn (5)	13.8	42.4	43.8
3. Jylland (3)	27.5	33.7	38.8	3. Jylland (6)	17.3	37.2	45.5
Denmark	17.8	37.0	45.2	Denmark	11.1	38.0	50.9

(1)
(2)
(3)
(4)
(5)
(6) } See Table E-D-1

Variation in population, employed and unemployed, by sector

Average annual rate %

Bases regions	Average annual variation rate % 1960-1970			
	Sectors			Total
	I	II	III	
1. Saelland and other islands east of the Great Belt (1)	- 3.00	0.79	2.20	1.20
2. Fyn (1)	- 2.91	1.72	2.03	0.81
3. Jylland (1)	- 2.15	2.99	3.59	1.96
Denmark	2.46	1.74	2.69	1.48

(1) For regional demarcation 1960-1970 see notes, Table E-D-1

DENMARK

Table E-D-5

Working population employed, broken down into sectors for 1970 (Estimates)(1)

Bases Regions	Primary sector			Secondary sector			Tertiary sector			Total	
	'000	Country = 100	Region = 100	'000	Country = 100	Region = 100	'000	Country = 100	Region = 100	'000	Country = 100
1. Sjaelland and other islands east of Great Belt (4)	61.7	23.3	5.3	438.6	49.0	37.5	665.7	54.8	57.2	1 160.0	49.1
2. Fyn (5)	27.0	10.2	13.8	82.0	9.2	42.1	85.5	7.1	44.1	194.5	8.2
3. Jylland (6)	175.7	66.5	17.3	375.1	41.8	36.9	462.7	38.1	45.8	1 013.5	42.7
Denmark	264.4	100	11.1	895.7	100	37.7	1 213.9	100	51.2	2 374.0	100

(1) Commission estimates

(4), (5), (6) See Table E-D-1

DENMARK

Average annual unemployment

Table E-D-6

Bases regions	1962 %	1970 %
Sjaelland and other islands east of Great Belt	1.9	2.1
Fyn	2.2	3.4
Jylland	4.7	4.0
Denmark	3.0	2.9

Table R-UK-1

Gross domestic product at factors' costs

1961						1964			1969(1)	
	Overall GIP		GIP per head			GIP per head			GIP at market prices	
	Million £	Share of each region	£	Index UK = 100		£	Index UK = 100	Index 1961 = 100	£	Index UK = 100
1. London and S.Eastern					1. South East				950	117
2. Eastern and Southern					2. East Anglia				704	87
1 + 2	3 893	37.0	503	111	1 + 2	599	113	119	928	114
3. South West	1 365	5.7	400	88	3. South West	463	83	116	746	92
4. Midland Region	2 336	9.8	489	108	4. West Midlands	573	109	117	813	100
5. North Midland	1 693	7.1	463	102	5. East Midlands	515	98	–	800	99
6. East and West Ridings	1 885	7.9	452	100	6. Yorkshire and Humberside	525	99	–	725	89
4 + 5 + 6	5 914	24.8	468	103	4 + 5 + 6	541	102	116	778	96
7. North West	2 951	12.3	449	99	7. North West	515	98	115	804	99
8. North	1 323	5.6	410	90	8. North	446	85	109	650	80
9. Scotland	2 031	8.5	392	86	9. Scotland	456	86	116	763	94
10. Wales	1 054	4.4	401	88	10. Wales	459	88	114	663	82
Great Britain	23 541	98.3	459	101	Great Britain	534	101	116	817	101
11. Northern Ireland	414	1.7	289	64	11. Northern Ireland	346	66	120	692(2)	85(2)
United Kingdom	23 955	100	454	100	United Kingdom	528	100	116	813	100
Areas:					Areas:					
South East	16 172	67.5	479	106	South East	564	107	118	854	105
North West	7 783	32.5	409	90	North West	467	88	114	738	91

(1) First attempted estimate. Methods used cause rise in figures for Northern Ireland.

(2) See note (1)

Sources: 1961 and 1964 National Institute for Economic and Social Research: V.H. Woodward - Regional Social Accounts for the United Kingdom (information received from the British Government).

(e)

UNITED KINGDOM

Table R-UK-2

Gross domestic product at factors' costs for some regions

	1965				1970				
	Overall GDP		GDP per head		Overall GDP		GDP per head		
	Million £	Share of the region	£	Index UK = 100	Million £	Share of the region	£	Index UK = 100	Index 1965 = 100
Scotland	2 658	8.6	510	89.0	3 609	8.5	694	913	136
Wales	1 332	4.3	495	86.9	1 769	4.2	647	85.4	131
Northern Ireland	551	1.8	375	65.8	835	2.0	549	72.4	149
United Kingdom	30 972	100	570	100	42 229	100	758	100	133

Personal income per region

	1959/1960			
	Mass of personal income		Income for each case	
	Million £	Share % of each region	£	Index UK = 100
1. London and South Eastern	3 892.7	27.0	812	111
2. Eastern and Southern	1 620.8	11.2	723	99
1 + 2	5 513.5	38.2	784	107
3. South West	745.1	5.2	691	94
4. Midland Region	1 402.0	9.7	752	103
5. North Midlands	967.0	6.7	718	98
6. East and West Ridings	1 137.3	7.9	712	97
4 + 5 + 6	3 506.3	24.3	729	100
7. North West	1 769.2	12.3	709	97
8. North	776.3	5.4	686	94
9. Scotland	1 257.7	8.7	674	92
10. Wales	608.5	4.2	678	93
Great Britain (1)	14 176.6	98.3	734	100
11. Northern Ireland	294.4	1.7	600	82
United Kingdom (1)	14 426.0	100.0	731	100
Major zones;				
South East	9 764.9	67.7	755	103
North West	4 661.1	32.3	685	93

(1) Less Government Departments, H.M. Forces and Merchant Navy

Personal income per region

	1964/1965					1968/1969				
	Mass of personal income		Income per region			Mass of personal income		Income per region		
	Millions £	Share % of each region	£	Index UK = 100	Index 1959/60 = 100	Million £	Share % of each region	£	Index UK = 100	Index 1959/60 = 100
1. South East	7 176.4	36.1	1 085	108	–	10 207.6	38.6	1 326	108	–
2. East Anglia	492.5	2.5	951	95	–	709.0	2.7	1 211	98	–
1 + 2	7 668.9	–	1 075	107	137	10 916.6	–	1 317	107	168
3. South West	1 197.7	6.0	968	96	140	1 636.1	6.2	1 197	97	173
4. West Midlands	1 974.0	9.9	1 024	102	136	2 542.6	9.6	1 251	102	166
5. East Midlands	1 135.4	5.7	980	98	–	1 514.5	5.7	1 212	98	–
6. Yorkshire and Humberside	1 710.1	8.6	962	96	–	2 146.7	8.1	1 186	96	–
4 + 5 + 6	4 819.5	24.2	989	99	136	6 203.8	23.4	1 219	99	167
7. North West	2 354.3	11.9	960	96	135	2 974.6	11.2	1 157	94	165
8. North	987.8	5.0	927	92	135	1 284.9	4.9	1 137	92	166
9. Scotland	1 671.2	8.4	937	93	139	1 985.5	7.5	1 137	92	169
10. Wales	823.0	4.1	933	93	138	999.5	3.8	1 137	92	168
Great Britain (1)	19 522.4	98.3	1 005	100	137	26 001.0	98.2	1 235	100	168
11. Northern Ireland	341.1	1.7	821	82	137	474.7	1.8	1 022	83	170
United Kingdom (1)	19 863.5	100.0	1 004	100	137	26 475.7	100.0	1 231	100	168
Main zones:										
South East	13 686.1	68.9	1 034	103	137	18 756.5	70.8	1 272	103	168
North West	6 177.4	31.1	936	93	137	7 719.2	29.2	1 140	93	166

(1) Less Government Departments, H.M. Forces and Merchant Navy

Table R-IR-1

Personal income

Basic Regions	1960				1965					1969				
	Mass of personal income		Income per head		Mass of personal income		Income per head			Mass of personal income		Income per head		
	Million £	Share % of each region	£	Index country = 100	Million £	Share % of each region	£	Index country = 100	Index 1960 = 100	Million £	Share % of each region	£	Index country = 100	Index 1960 = 100
East	222.5	39.6	246	124	354.7	42.2	359	123	147	533.2	43.3	517	123	210
South East	60.2	10.7	188	94	86.2	10.2	270	92	144	123.2	10.0	380	91	202
South West	87.0	15.5	195	98	129.4	15.4	286	98	147	188.1	15.3	409	97	210
Mid West	49.0	8.7	188	94	73.4	8.7	277	95	147	104.5	8.5	391	93	208
West	42.6	7.6	156	78	59.0	7.0	223	76	143	84.4	6.8	324	77	208
North West	13.3	2.4	153	77	18.0	2.1	219	75	143	25.2	2.0	316	75	206
Donegal	17.1	3.0	150	75	23.3	2.8	215	74	143	33.1	2.7	305	73	204
Midlands	40.3	7.2	169	85	54.1	6.4	231	79	137	75.8	6.1	325	77	192
North East	30.1	5.4	176	88	43.9	5.2	259	89	147	65.3	5.3	380	91	216
Ireland	562.[illegible]	100	199	100	841.8	100	292	100	147	1 232.8	100	420	100	211
West	140.3	25.0	170	85	195.1	23.2	245	84	144	280.4	22.8			
East less Dublin	235.8	41.9	185	93	343.7	40.8	266	91	144	495.2	40.2			
Dublin	186.2	33.1	259	130	303.0	36.0	381	130	147	457.2	37.0			

DENMARK

Table R-D-1

Personal income

Bases / Regions	1960 Mass of personal income: Thousand million Dkr	1960 Mass of personal income: Share % of each region	1960 Income per head: Dkr	1960 Income per head: Index country = 100	1970 Mass of personal income: Thousand million Dkr	1970 Mass of personal income: Share % of each region	1970 Income per head: Dkr	1970 Income per head: Index country = 100
Sjaelland and other islands East of Great Belt	9.69	57	4 500	121	31 034	56	13 476	119
Fyn	1.37	8	3 310	89	4 236	7.5	9 830	87
Jylland	6.03	35	2 989	80	20 284	36.5	9 263	82
Denmark	17.09	100	3 730	100	55 556	100	11 290	100

CHAPTER TWO

DEGREE AND CHARACTER OF THE PRINCIPAL FORMS OF DISEQUILIBRIUM IN REGIONS

CHAPTER 2. DEGREE AND CHARACTER OF THE PRINCIPAL FORMS OF DISEQUILIBRIUM IN REGIONS

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4. Negative levels of migration

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   (a) Low productivity of the sector

   (b) Under-employment

   (c) Decline in agricultural employment

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   (c) The part of industry

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CHAPTER 2. DEGREE AND CHARACTER OF THE PRINCIPAL FORMS OF DISEQUILIBRIUM IN REGIONS

Introduction: Indicators used

The trends affecting regional changes within the Community, concerned with population, employment, production and the interconnection of all three have been analysed in Chapter 1.

Chapter 2 will first give a short synthesis of the principal regional disequilibria and the forms in which they most evidently appear. It will then deal with the above-mentioned analysis in depth and, in particular, links between the forms of disequilibrium and their sectors of origin, i.e., agricultural and industrial.

The following parameters (constants) are used to represent regional disequilibria:

- in the economic sector, product per inhabitant (^{P}) and for productivity, i.e., product per person in active employment ($\frac{P}{H}$);

- in the employment sector, the rate of unemployment ($1 - \frac{E}{H1}$) to indicate a principal form of current under-employment;

- in the population sector, migration.

To consider the connection between disequilibria by sectors of origin, the following parameters are used:

- trends in employment by sectors;

- the part of the sector in total employment (the part of agriculture: $\frac{Ea}{E}$, the part of industry: $\frac{Ei}{E}$, other: $\frac{Es}{E}$);

- productivity by sectors ($\frac{Pa}{Ea}$, $\frac{Pi}{Ei}$, $\frac{Ps}{Es}$). (1)

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(1) All these respective parameters, excluding migration, are linked as appears from the following two equations:

$$\frac{P}{H} = \frac{P}{E} \cdot \frac{E}{F1} \cdot \frac{F1}{H1} \cdot \frac{H1}{H} \qquad \frac{P}{H} = \left(\frac{Pa}{Ea} \cdot \frac{Ea}{E}\right) + \left(\frac{Pi}{Ei} \cdot \frac{Ei}{E}\right) + \left(\frac{Ps}{Es} \cdot \frac{Es}{E}\right)$$

Structural under-employment can only be studied in connection with relative unemployment and the level of specific activity, i.e., the relationship between the labour force and the population of working age $(\frac{F1}{H1})$. In the absence of adequate data, the same applied to consideration of the most important constant for a regional policy designed to counter disequilibrium namely the foreseeable lack of jobs by regions. The study in question had to start with estimated availability of labour which is as much a consequence of the variant between the advent on thelabour market of young people and the departure of the old as it is of changes in employment between economic sectors and branches. By comparing supply with a foreseeable demand for labour, it is possible to estimate the lack of jobs available.

From the foregoing it will be clear that the analysis which follows will be unable to comply entirely with the mandate received from the Summit Conference and will be somewhat exploratory in character and more concerned with working methods.

I. Overall view of the most evident forms of regional disequilibria

1. Incomes

In the economic sector, production or income per head of population is taken to be the most suitable denominator for understanding the stage of development achieved by a region and for grasping current disparity both inside the country in question and in the Community. The previous chapter on regional production and incomes dealt with the respective problems here involved The graph (see below) is restricted to a resume of this analysis, emphasizing the differences between the regions referred to by comparison with national and Community resources. This graph is subject to all the reservations already made with regard to the lack of uniform character in the data which have been used and which have to be applied to the concept of production itself and to the size of the regions selected[1] and criteria concerning delimitation. This last reservation applies especially to the United Kingdom where consideration was given to 11 regions.

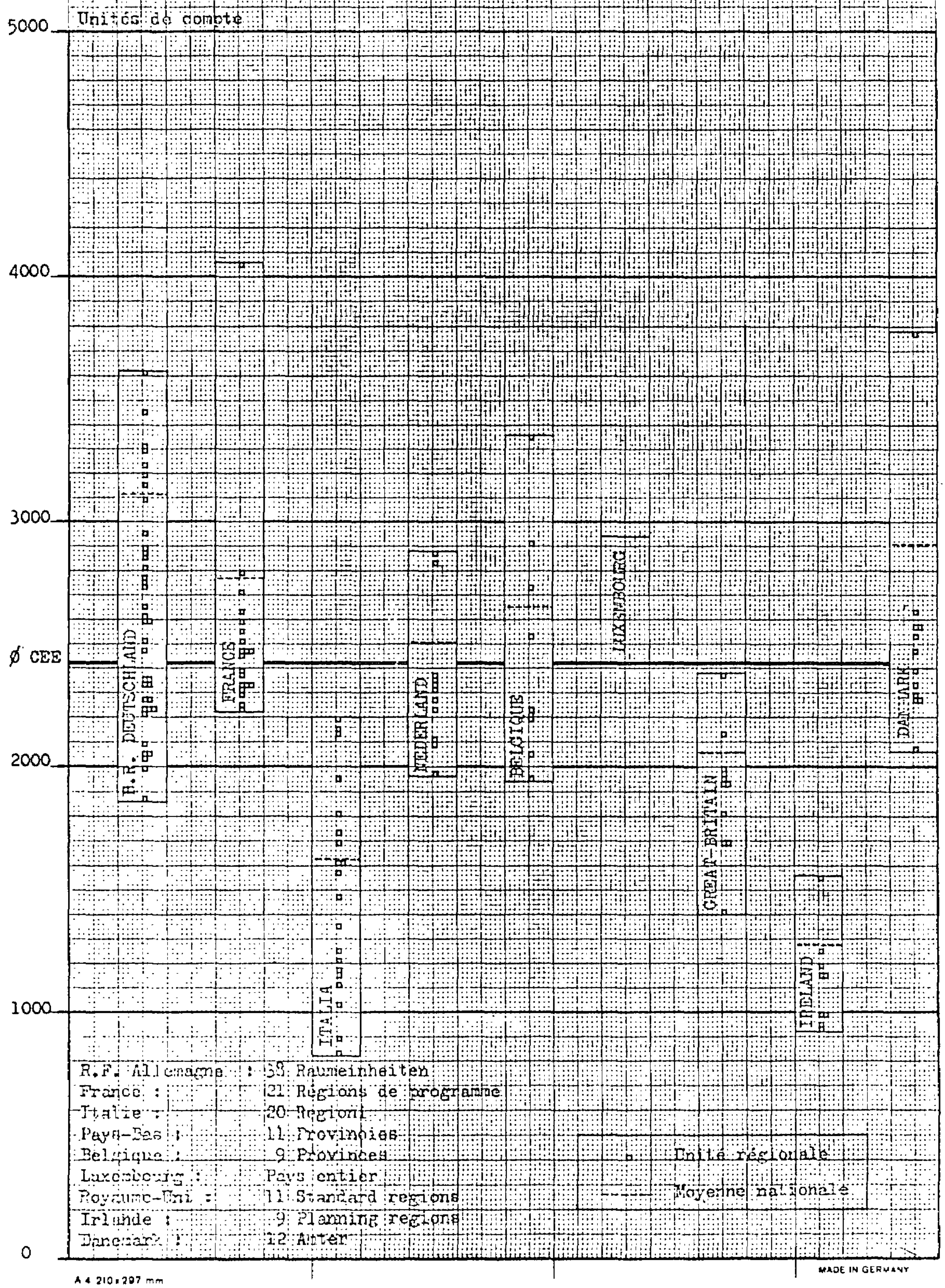
Taking account of these qualifying remarks, graph No 1 attached shows regions within each country by category according to product. It indicates that, in two countries, Ireland and Denmark and marginally in France, there is only one region above the national average; as a general rule this includes the capital of the country. In contrast, all other regions of the country are below that average.

Seen from the angle of the Community, the graph illustrates in particular that in the case of three countries, Italy, the United Kingdom and Ireland, not only the national average but also the averages of all regions are below the Community average. In contrast, the national average of the other countries is above the Community average and only a few regions of those countries are below.

(1) Regions selected do not coincide with regions in receipt of once for all aid.

Graphique n° 1

SITUATION DES REVENUS DANS LES REGIONS DE LA C.E.E.



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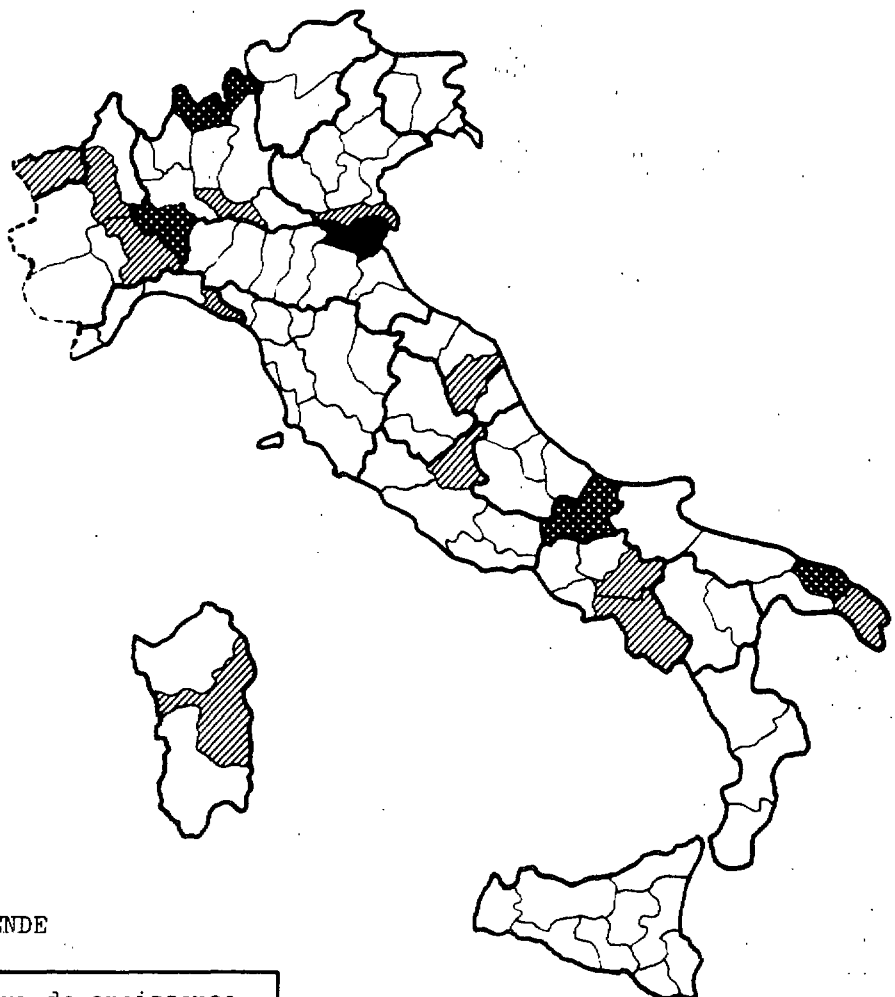
MADE IN GERMANY

CARTE 1

REGIONS OU LE TAUX D'ACCROISSEMENT DU PRODUIT GLOBAL EST INFERIEUR D'AU MOINS 20 % A LA MOYENNE NATIONALE



LEGENDE

Taux de croissance inférieur de	
(noir)	40 % ⩽
(pointillé)	30 % ⩽ < 40 %
(hachuré)	20 % ⩽ < 30 %

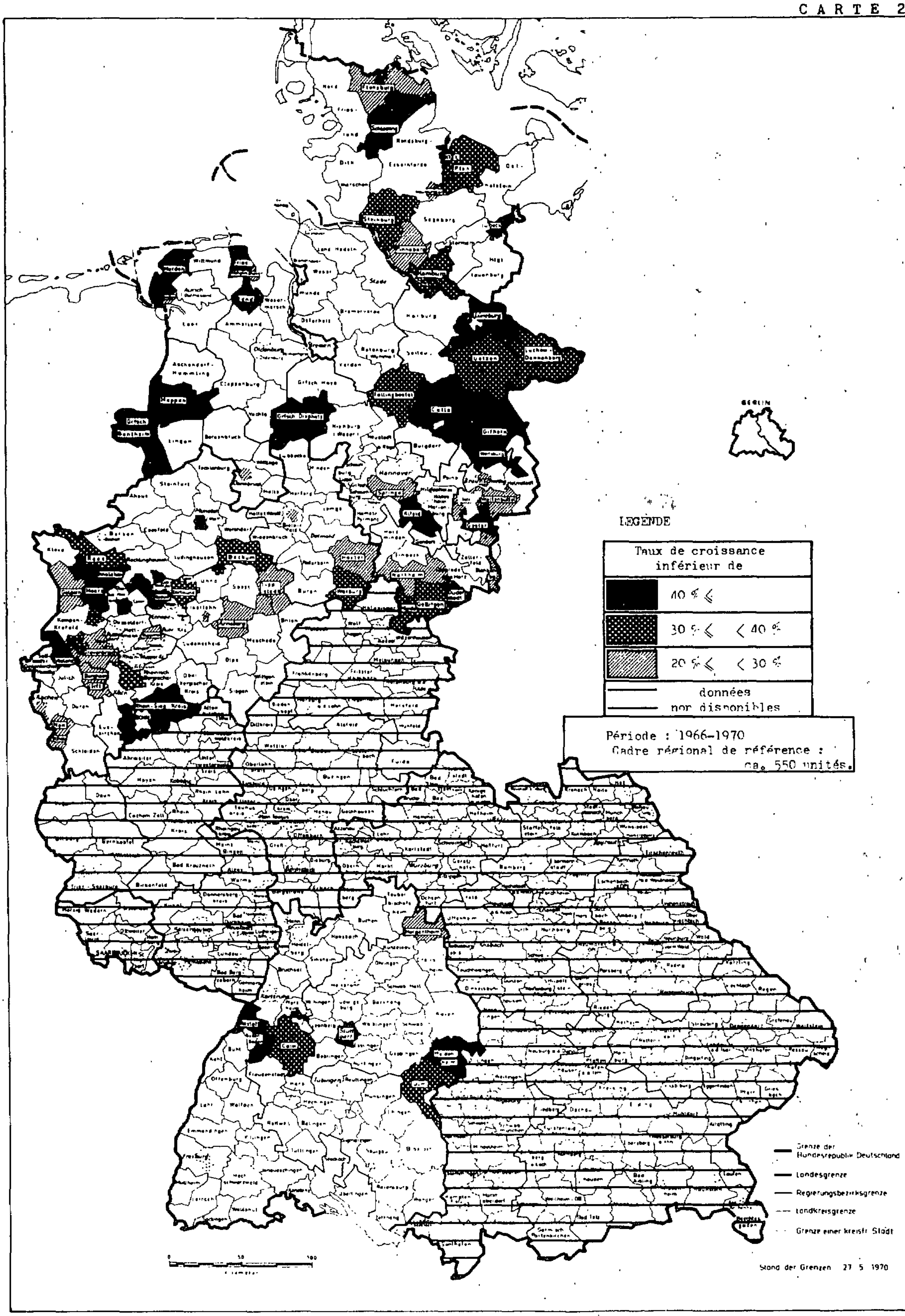
Période 1966-1970

Cadre régional de référence : 92 unités

REGIONS OU LE TAUX D'ACCROISSEMENT DU PRODUIT GLOBAL EST INFERIEUR D'AU MOINS 20 %

A LA MOYENNE NATIONALE

CARTE 2



Kartengrundlage Institut fur Raumordnung

Kartographie und Druck Bundesminister des Innern Ref. R 3

2. Stagnation and run-down

The growth rate of regional production illustrates the rate of regional economic development and shows in particular what regions are stationary or running down.

By a strict process of definition, only those regions may be considered as stationary where the growth rate at constant prices stands at nought and as running down where there is no growth rate at all.

Statistics, which are only available for two countries - Italy and part of Germany - only give regional growth rates at current prices. These are clearly influenced by inflationary movements from which they cannot be separated in the absence of regional price figures.

Confronted with this situation, one can do little more than refer to those growths levels at current prices which are positive for all the regions concerned, and moving away from the strict definition above-mentioned, consider, as being either stationary or running down those regions where the growth level of production is manifestly below the national average.

In the adjoining Maps 1 and 2 and List No. 1 contained in the Annex those regions are shown where the rate of growth was respectively 20, 30 and 40% below the national average over a long period of time.

The first map illustrates the slow rate of growth in Italian provinces. It shows that the phenomenon of "a relative stationary position" is as frequent in the northern part of the country as it is in the south. In the north, those provinces which are most affected by this phenomenon are Ferrara, Sondrio and Pavia.

The second map illustrates growth disparities within four lands of the Federal Republic of Germany: North Rhine-Westphalia, Lower Saxony, Schleswig-Holstein and Baden-Wurttemburg. By means of a regrouping of Districts (Kreise) it is possible to indicate certain zones, some at frontiers, some in the Ruhr where delayed growth is ascertainable.

3. Unemployment

Map No. 3 annexed and the annexed List No. 2 indicate disparities in rates of unemployment[1] in Community regions in the light of available national figures. The categories in question show levels respectively of 2%, 4% and 6%.

In order not to over-rate the influence on the above short term industrial unemployment of a transient character, average rates have been calculated in general over a four-year period.

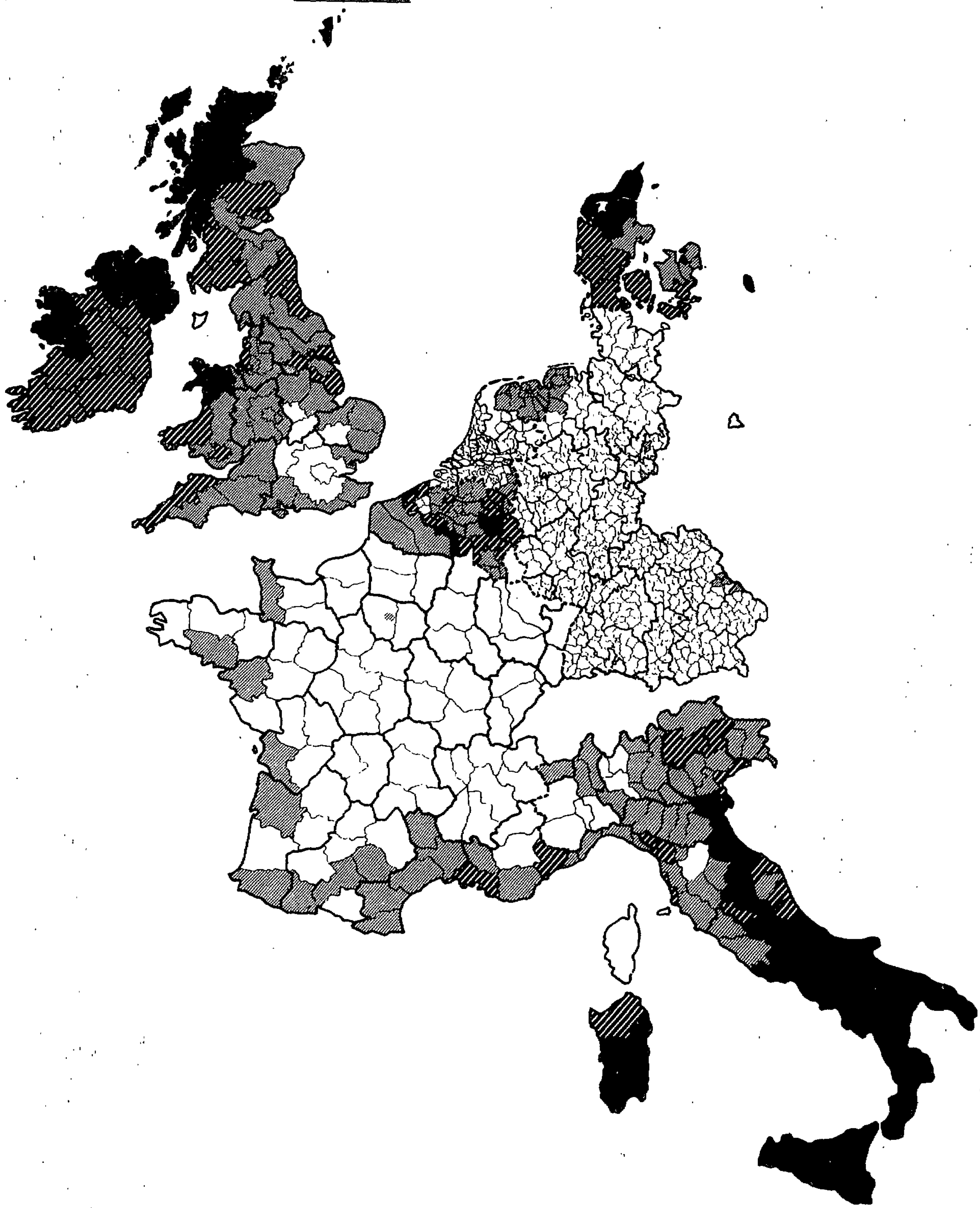
Since national statistics vary considerably, this map must be treated with certain reservations; it will be recognised that those parts of the report indicating rates of unemployment vary greatly from one country to another. The numerator whereby one may generally learn the numbers of those registered at unemployment exchanges may apply to real figures which differ considerably in accordance with social security systems and the economic and social structure of the country and of the region under review (viz, the ratio between dependent and independent wage earners, young people seeking first employment, persons who have been already regularly at work, etc. ..).[2] The denominator may represent the total population at work or wage earners, or alternatively, wage earners or only those registered for Social Insurance, etc. .. Generally speaking, the differences between countries are more noticeable in the context of the denominator than they are for the numerator.

(1) Total unemployment is meant here, i.e., no difference between male and female workers.

(2) Certain statistics indicate that in 1971 the connection between those registered at labour exchanges and the total number of persons unemployed was of the order of 72.9% for Germany, 50.2% for France, 39.6 for Italy (see OECD Social Statistics, 3 - 1972).

CARTE 3

TAUX DE CHOMAGE
(moyenne de plusieurs années)
Sources : données nationales.



LEGENDE	
(noir)	6% ≤
(hachuré)	4% ≤ < 6 %
(grisé)	2% ≤ < 4 %

CADRE REGIONAL DE REFERENCE

R.F.Allemagne	:	ca 550 unités
Belgique	:	43 unités
Danemark	:	12 unités
France	:	95 unités
Royaume-Uni	:	11 unités
Irlande	:	9 unités
Italie	:	94 unités
Luxembourg	:	données non reprises
Pays-Bas	:	11 unités

It is clear from the foregoing that a serious effort to achieve some measure of harmonization is required so that the Community may benefit from more uniform statistics at its own level.

Account being taken of this reservation, Map No. 3 allows one to draw the following conclusions:

- Regions with a high absolute rate of unemployment (more than 4%), are relatively speaking concentrated in four territorial areas, of which three are on the geographical periphery of the Community.

  The first includes all nine regions of Ireland and 17 sub-divisions situated in the main, in the north and east of the British Isles. These are zones of high unemployment and give figures of 56,000 for Ireland (1971) and nearly 330,000 for the United Kingdom (1972).

  A second very concentrated area includes the mainland and islands of Southern Italy and extends to the centre of the peninsular; in all, 51 provinces with an unemployment figure of nearly 725,000 in 1972.

  The third high unemployment zone includes nine Danish administrative districts with 23,000 unemployed.

  The last geographical area includes a number of Belgian administrative districts (arrondissements) 22, where, in 1970 there were nearly 40,000 unemployed. Available indicators show that this figure was higher in previous years.

It is emphasized that in no region of the Federal Republic nor of Luxembourg did the rate of unemployment reach 4 . This figure was only recorded for two departments of France.

- However, if a rate of unemployment below 2% is taken then the foregoing areas of unemployment are greater.
Thus, the first three areas referred to cover all Denmark and ractically all Italy (excluding eight provinces) and Great Britain (excluding six subdivisions).

The central area which covers Belgium also comprises practically all the national territory (excluding three administrative districts) and also covers two French departments.

If one takes 2% as the yardstick, unemployment in France is then greater and takes the form of a practically continuous strip stretching from Italy to Brittany running along the Mediterranean and Atlantic seaboard and the Spanish frontier. This zone covers 17 departments with a figure for 1971 of 165,000 unemployed.

- It should be recalled that since 1968 the Statistical Office of the European Communities undertook test surveys for the six Member States of the Community as originally constituted and revealed unemployment figures which conformed in principle to the level estimated by the Community. In the future, the survey will include the three new countries.

As the level of testing was low, the data is only reliable for the larger regions. Since the figures employed in this analysis referred generally to persons registered with a labour exchange or in receipt of allowances under national assistance schemes, an unemployed person, in the context of the Community survey, may be any one member of a household who, during the week of the survey, was unemployed and looking for paid employment. Map No 3 attached illustrates the results of these surveys for the period 1969-1971. From this it appears that the unemployment level noted in the Community survey is lower than that which appears in national statistics. Comparison is difficult, there being no basis for estimating differences between the two series. However, assessment spacing used in both Maps 3 and 3a is broad enough to present an adequate picture of the serious nature of unemployment, particularly as noted on Community peripheries.

4. Negative levels of migration

In questions of population, the negative level of migration is a most important indicator of regional disequilibria. Map No 4 attached(1) and list No 3 annexed give an overall view of the different levels recorded for this phenomenon in Community regions.

Six large net emigration areas are revealed; these are situated on the periphery of the Community. Two more are located towards its centre.

The major net emigration zones on the periphery are:

- south and south-central Italy (excluding the provinces of Rome and Latium) where the emigration phenomenon is constant and far the most serious in the Community, both as regards depth and extent. This area covers 45 provinces: 17 show an annual negative rate of more than 15%. The annual drain of population is approximately 260,000 a year.

- the north and north-west of the United Kingdom with a negative level of migration up to 62% in Scotland. The drain of population here is approximately 71,000 a year.

- the eastern zone of the Federal Republic which includes a number of small regions with a negative migration rate up to 10%. The population drain is 16,000.

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(1) The map takes into account net rates of total migration (including migration within a country and abroad in relation to the average population of the region). These data are not strictly comparable from one country to another.

- Ireland excluding the region around Dublin. Out of 8 regions. 4 have a negative rate between 10 and 15% and 3 a negative rate between 5 and 10%. The population drain is of the order of of 13,000 a year.

- north-west France. Rates in this zone are not so high as in the preceding zones; in round figures the population drain nonetheless is of the order of 17,000 a year.

- Denmark, excluding the north-east of the country. Generally speaking, the emigration is no higher than 5%. The population drain is of the order of 4-5,000 a year.

Two further major zones of net emigration should be added to the major peripheral zones above mentioned:

- an area from the north-east of Italy to the Gulf of Genoa with a net annual emigration of 26,000 a year;

- the frontier zone of Belgium, France and Germany. The population drain here is of the order of 36,000 a year, of which 25,000 from France, 6,000 from Germany and 5,000 from Belgium.

II. Regional disequilibria arising from a predominant position of agriculture

1. The characteristics of the predominant position of agriculture where they occur within the Community

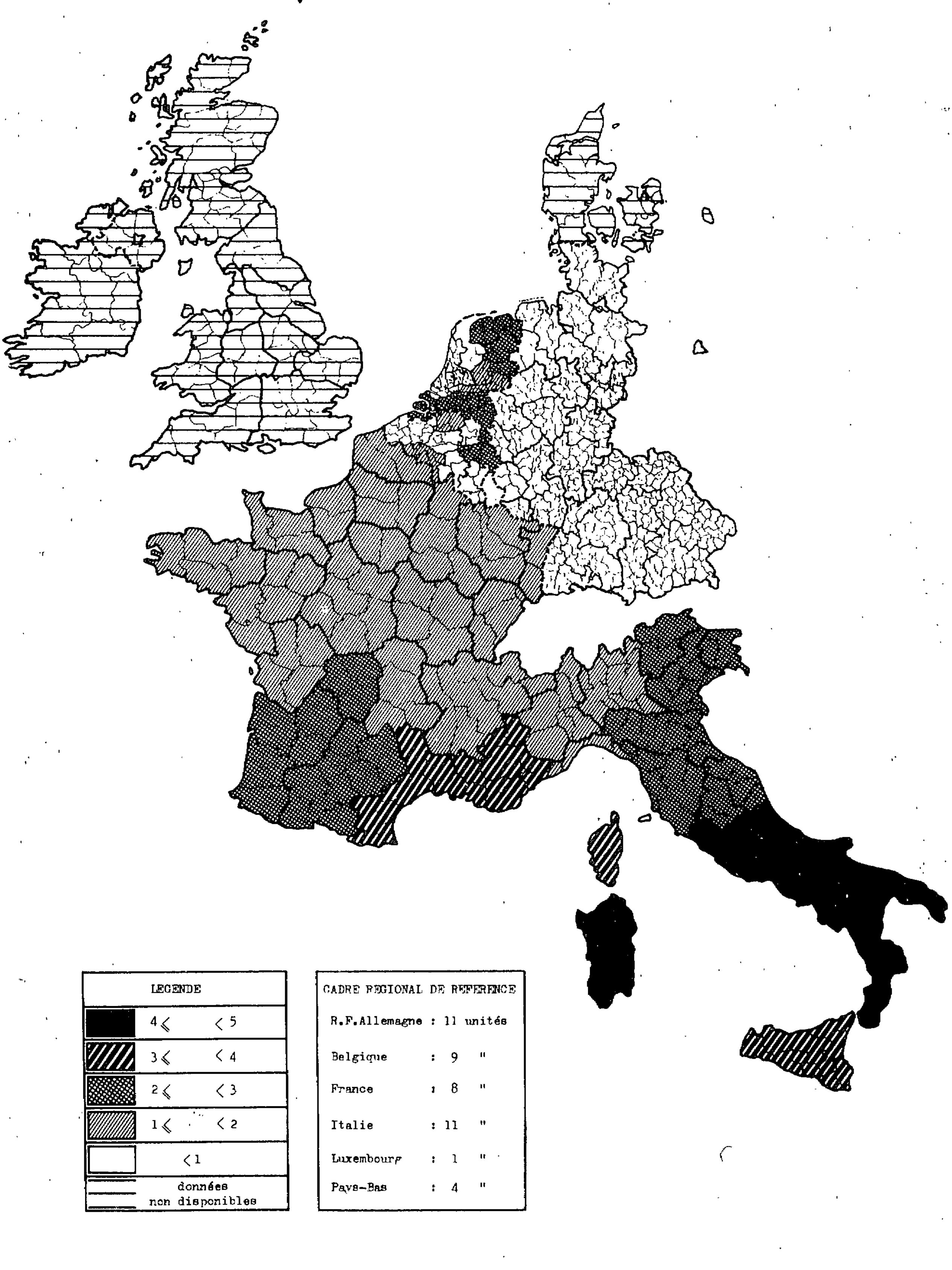
Among regional problems those arising from a predominant position of agriculture are sufficiently clear in their social-economic context and relatively easy to grasp with the assistance of statistical indicators.

CHOMAGE EN % DES FORCES DE TRAVAIL

CARTE 3a

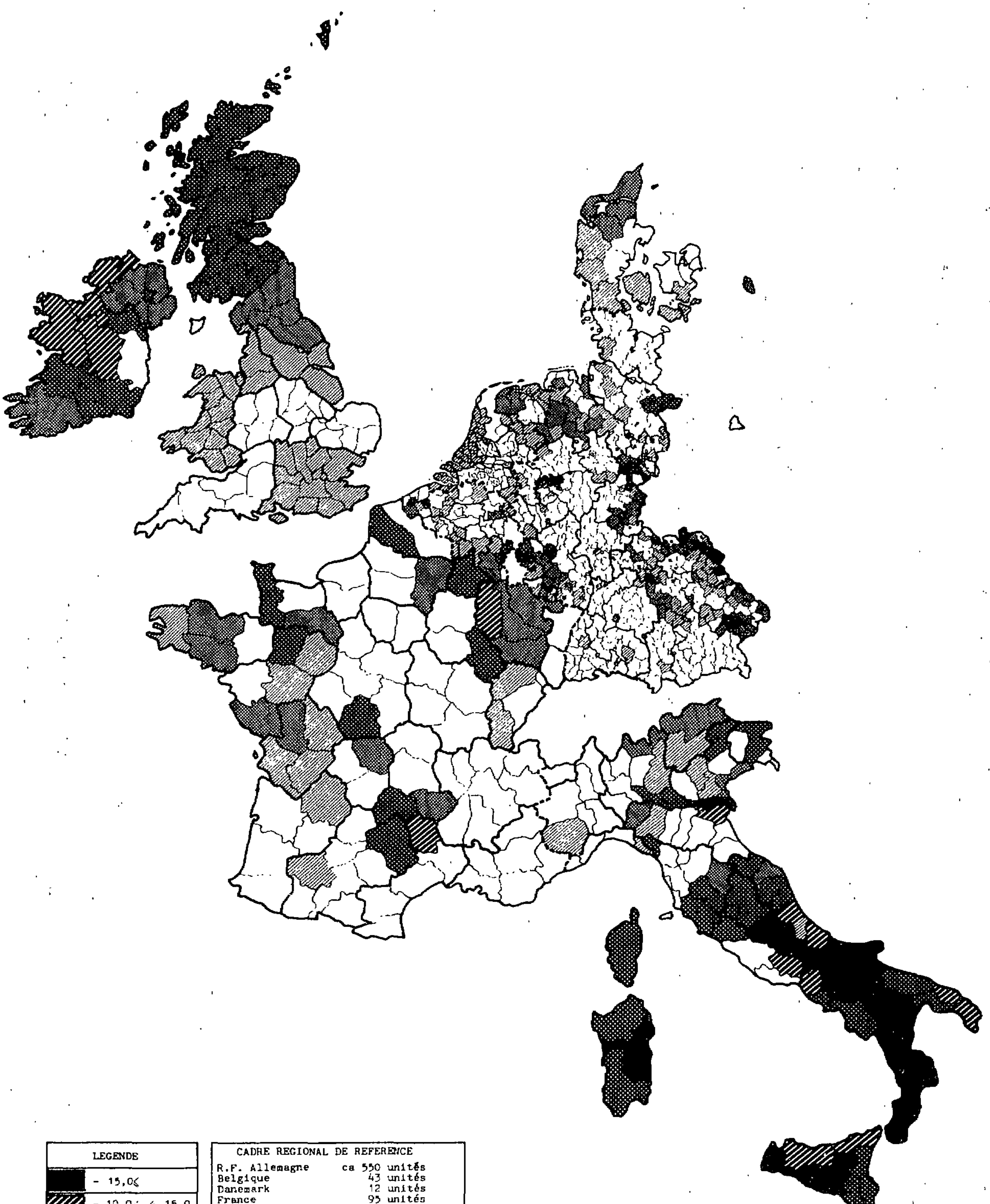
(moyenne de plusieurs années *

Source : enquête communautaire sur les forces de travail.



TAUX ANNUEL DE MIGRATION
DANS LES REGIONS DE LA C.E.E. en o/oo

CARTE 4



LEGENDE
- 15,0 ⩽
- 10,0 ⩽ ← 15,0
- 5,0 ⩽ ← 10,0
- 2,5 ⩽ ← 5,0
0 ⩽ ← 2,5

CADRE REGIONAL DE REFERENCE	
R.F. Allemagne	ca 550 unités
Belgique	43 unités
Danemark	12 unités
France	95 unités
Royaume-Uni	11 unités
Irlande	9 unités
Italie	94 unités
Luxembourg	données non reprises
Pays-Bas	11 unités

A characteristic of traditional agriculture, considered as a sector of activity, is a relatively low degree of productivity accompanied by a high rate of under-employment. The need for this sector to modernize in order to integrate with an economy of high productivity and growth means that surplus manpower will be laid off and that there will be a continuous reduction in employment.

(a) Low productivity of the sector

In the context of productivity, the following table, although it should be treated with reservations (1), shows that with the exception of the United Kingdom, there is in all countries and throughout the whole Community a net lag between agriculture and other sectors. This lag shows in the relative disproportion of agriculture in employment and agriculture in production - a feature which tends to disappear within each country as employment in agriculture diminishes. A predominant position of agriculture is, therefore, chiefly recognisable in the field of employment.

(b) Under-employment

Agricultural under-employment is more difficult to establish. Generally it does not appear in unemployment statistics nor does it appear in levels of activity which are often high in agricultural regions since all who form part of agricultural establishments are considered as working population and are registered as such even if their activity on the economic plane is of a reduced character.

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(1) These reservations are notably concerned with the fact that data on agricultural employment is not uniform as between countries. In certain countries employment is expressed in man-years while in others the census figures are used and they usually include part time work.

	Gross Domestic Product – at Market Prices[1]						Agriculture %			
	Total		Industry		Agriculture		of total production		of total employment	
	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970
Federal Republic of Germany	100,0	100,0	114	113	42	35	5.72	3.14	13.73	8.87
France	100,0	100,0	126	121	45	45	9.30	5.87	20.60	13.13
Italy	100,0	100,0	115	103	41	47	13.08	8.86	31.83	18.72
Netherlands	100,0	100,0	108	107[2]	80	83[2]	8.94	6.39[2]	11.12	7.72[2]
Belgium	100,00	100,0	89	92	75	81	6.39	3.89	8.59	4.78
Luxembourg[3]	100,0	100,0	126	124	47	41	7.63	4.42	16.38	10.84
United Kingdom[3]-[4]	100,0	100,0	100	96	96	104	3.90	2.94	4.05	2.82
Denmark[3]-[4]	100,0	100,0	121	124	90	80	16.08	8.92	17.81	11.17
Ireland[3]-[4]	100,0	100,0	126	119[5]	68	63[5]	25.04	17.84[5]	36.97	28.24[5]

[1] Source: SOEC (national accounts)

[2] Year 1968

[3] At factor cost

[4] Source: OECD (national accounts, statistics on active population 59 – 70)

[5] Year 1969

The result of this situation is that in the course of industrialization the number of persons employed in agriculture who are usually so employed declines and this decline is often accompanied by a complementary decline in the marginally agricultural population. When agricultural regions are industrialized, this causes a reduction in the rate of employment but one should not however draw negative conclusions therefrom as to the economic and social drain in the region.

In order to assess agricultural under-employment, the surplus of agricultural manpower must be calculated for all regions. This calculation must take into account both the respective position for each region and the targets of agriculture in the light of market development. In the absence of such assessment at Community level, the part of agriculture in total employment would seem to be a valid indicator of agricultural under-employment.

(c) <u>Decline in agricultural employment</u>

With regard to the evolution of agricultural employment the studies undertaken by the Commission revealed that between 1950 and 1970 the percentage which it represents in the total working population of each Member State has fallen by at least half. In the Federal Republic of Germany it has fallen from 22 to 8%; in France from 27 to 12%; in Italy from 44 to 19%; in the Netherlands from 15 to 18%; in Belgium from 13 to 5% and in Luxembourg from 26 to 12%. In the three new Member States the proportion fell during the same period from 6 to 3% in the United Kingdom; from 27 to 11% in Denmark and from 41 to 25% in Ireland.

Although starting from very different levels all regions of the Community have had a similar experience; it has followed that maximum value from agriculture in regional employment has known a sharp reduction. In Italy it declined from 73 to 45%, in France and the Federal Republic from 55 to 35% approximately, in Ireland from 71 to 54% and in the United Kingdom to 11% while in Denmark it fell from 55 to 29%.

Although the depth recorded in the decline of agricultural employment has been noted within relatively narrow limits, it has hardly affected the relative importance of regions classified according to their importance for agriculture. Thus, most of the regions with a low percentage of agricultural employment remain in the central region of the Community and more especially in the United Kingdom and in the major zone of north-west Europe.

In contrast essentially agricultural regions are always found with rare exceptions in a few areas situated on the periphery of the Community. In 1970 the regions in which agriculture was still over 20% were situated almost entirely in the four major zones of western France (8 regions), southern and eastern Italy, 11 regions, on the periphery of the Federal Republic of Germany (2 regions) and in Ireland (8 regions).

Particular attention should be given to the major agricultural zone of Italy because nearly 2.2 million persons were employed in agriculture there in 1971. Additionally, the proportion of agricultural workers vis-a-vis total employment in certain regions (Calabria, ouilles, Molisa and Basilicata) were more than 30% in 1971.

Although in absolute values the major agricultural zone in Ireland only employed 256,000 in 1971, it covered nearly the whole country. At that date and in four regions (west, north-west,, Donegal and Midlands), agriculture was more than 40% of total employment. In the major French zone nearly 1,300,000 were working in agriculture in 1970; the proportion of agricultural workers to total employment was however less; it was only more than 30% in one region only, Limousin.

2. Connection between the predominant position of agriculture and regional disequilibria

The negative factors, which are characteristic of traditional agriculture - low productivity and under-employment - which have been described and which are evidently more noticeable in the light of the importance of this activity, may set up regional disequilibria taking the following forms:

- low productivity of the sector tends to lower regional production and income per inhabitant.
- the permanent decline of agricultural employment tends to set up a current of emigration which, when it is quantitatively important and involving young and active people, may lead to a social decline of the region.

(a) Low degree of regional productivity

It may, therefore, be confirmed that product per inhabitant is very much lower in the agricultural regions of the various countries than the product per inhabitant of other regions as the following examples show:

	Product per Inhabitant		
	National Average	Average of Agricultural regions	Average of other regions
Federal Republic of Germany (1966)	100	68	102
Italy	100	78	114
Belgium	100	80	101

(b) Negative migration balances

The studies of the Commission have shown with regard to migration that the proportion of regions of an agricultural character with a balance of emigration, are the highest in the agricultural group as a whole; approximately 66%. A comparable figure for semi-industrialized and industrialized regions is one-third and 28% respectively.

The influence of emigration on the population of agricultural regions is clear in the light of calculations, for each of these three types of region, of the average rato[1] of migration balance; the rate is negative for agricultural regions (-0.206) and positive for semi-industrialized regions (0.285) and industrialized regions (0.339).

Seeing that rates of natural increase, on average (1), do not differ noticeably between the three regional groups (0.716, 0.799 and 0.742), migration is therefore a cause of the most marked differences between averages respectively in the increase of total population of the groups: 0.682, 1.116 and 1.014.

This explains why between 1955 and 1969 the percentage of population in the agricultural regions in relation to the Community as a whole declined while that of the semi-industrialized or industrialised regions increased.

TOTAL POPULATION

Categories of Region	1955 %	1969 %
Agricultural regions	27.1	25.3
Semi-industrialized regions	30.8	31.3
Inudstrialized regions	42.1	43.4
Total Regions	100.0	100.0

(c) The part of industry

The degree in which traditional agriculture produces the negative effects which have just been described depends on the ability of other activities in the region to compensate these effects or even to over-compensate them. In this process, industry has a privileged role for not only is its pfoductivity generally higher but it also influences the tertiary sector. With the exception of certain special cases such as tourist regions, regions of suburban residence, etc., it is difficult to achieve the transformation of an agricultural region to a highly productive region of tertiary activity directly. Industrialization is therefore the normal form of economic development for the majority of agricultural regions.

(1) Arithmetical average unweighted.

Without neglecting the influence which specific factors may exert at a general level, it has to be admitted that the more industry in the region progresses the more it is able to absorb surplus manpower from agriculture. This basic rule is apparent also in Commission studies, which confirm that, in each of the two periods 1950-60 and 1960-70, the proportion of regions where a decline in agricultural employment has been more than compensated by an increase in industrial employment was higher in the case of industrialised regions. It was also relatively high notably in the second period under consideration, for semi-industrialised regions. Cases of over compensation were, however, rare in agricultural regions.

Rate of Compensation more than 1 (1)	of 31 regions - agriculture	of 33 regions - Semi-industrialised	of 36 regions - industrialised
period 1950-60	0 regions= 0%	8 regions = 24%	27 regions = 75%
- 1960-70	3 regions= 10%	9 regions = 27%	10 regions = 28%

3. <u>Priority regions concerned with agriculture within the Community</u>

The preceding analysis shows that regional disequilibria arising from a predominance of agriculture may be the more easily overcome if industry in the region is substantial and product per inhabitant high.

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(1) rate of compensation $\frac{\Delta I}{\Delta A}$ or

Δ I = increase in industrial employment

Δ A = decrease in agricultural employment

The Commission took this inter-relationship into consideration in its draft regulation[1] designed to implement the means for establishment of permanent non-agricultural jobs which might be filled by persons leaving their agricultural employment and by their children within the framework of development programmes in agricultural regions having priority.

On the basis of the three criteria proposed[2] and taking account of the need for an effective, whereby is meant concentrated, implementation of available financial means for regional policy, it has been possible to make a first assessment of agricultural regions having priority which might benefit from this joint action.

The regions would include:

- in the Federal Republic of Germany 23.8% employed in agriculture and 8.5% of the total population living on 22.6% of the territory;

- in Belgium, 17.8% of those employed in agriculture of 6.7% of the total population living on 27.8% of the territory.

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[1] Proposal for a regulation of the Council on the financing by the European Agricultural Guidance and Guarantee Fund, Guidance Section, of schemes listed in the framework of development programmes in agricultural regions having priority.

[2] Percentage of the working population employed in agriculture which is higher than the Community average; gross internal product per inhabitant at factor cost which is lower than the Community average; percentage of the working population employed in industry which is lower than the Community average.

- in France 52.1% of those employed in agriculture and 27.9% of the total population living on 43.3% of the territory;

- in Italy 61.1% of those employed in agriculture and 40.7% of the total population living on 51.5% of the territory;

- in the Netherlands 23.5% of those employed in agriculture and 12.3% of the total population living on 24.1% on the territory;

- in Luxembourg 40% of those employed in agriculture and 11% of the total population living on 37% of the territory;

For the three new Member countries of the Community the same criteria and principles are being applied now to assess the agricultural regions having priority and which could benefit from the proposed financial contribution.

III. Regional disequilibria arising from industrial change

Marginal comments

By comparison with agriculture where trends and repercussions are evident, changes in the industrial sector and the regional disequilibria which they provoke are harder to analyse economically and to set out with figures.

a) From the angle of economic analysis, the main difficulty in assessment arises from the very varied way in which regional industry evolves and it is not always possible to estimate both in respect of industry as a whole and its respective branches the size and character of its particular degree of variation. This may either be the reflection of change at national, Community, or even world level or it may be specifically regional in character; additionally, it may be short term or structural. While a variation coming from short term influences will be emphemeral and responsible authorities may reduce its effects or even avoid it altogether by applying the right policy at national or Community level, a variation deriving from structural change is usually inevitable and may even become a condition of economic growth at a later date.

In fully developed economies the growth process usually coincides with relative or absolute contraction in the sector of secondary industry to the benefit of tertiary industry, which in itself is no indication of weakness. A rundown of manpower in the less productive forms of industry, when coinciding with increase in the more productive, benefits the growth of the overal economy: it even becomes indispensable when the labour potential in an economy is used up.

Structural changes are normal in an economy which, like that of the Community, tends to integrate industries of Member States within the Community while opening them further to the outside world and thereby, in one aspect, to allow underdeveloped countries to have a greater share in economic and social advance. With this situation in mind, the role of regional policy is to watch lest the change should affect both the substance and the forward march of the economy in question.

b) From the angle of statistics, the information available does not permit an easy grasp of the real problem of the industrial sector.

This situation may more especially be explained by the fact that basic figures in industrial statistics are usually related to branches or sub-branches of industry with fundamentally different characteristics. It is clear that the greater the foregoing degree of division, the more difficult it will be to assess the special differences of each group.

The difficulty is especially marked at regional level where these divisions are necessary to the maintenance of statistical secrecy; clearly, the more the geographical area is restricted, the greater this requirement will be.

It is furthermore a fact that industrial change usually causes regional problems in these geographically restricted areas.

The analysis is additionally complicated by the fact that well related statistics for regions are not available at Community level.

In the light of the foregoing, the analysis has usually had to employ national statistics despite the sometimes substantial differences between them, more especially with regard to branches and sub-branches of industry.

1) Industrial changes within the Community and Member countries

Although the industry of a region and its different component parts have their own characteristics, industrial changes causing regional disequilibria are most often the reflection of important variations experienced by certain branches at the national, Community or even worldllevels. Moreover, it is at national level that statistics best allow comprehension of the evolution of different industrial branches. The following analysis deals first of all with variationss in industrial sectors in the Member States and in the Community.

a) Overall evolution in industry

The annexed statistical tables and graphs give a first glimpse of the evolution of industrial employment in the different Community countries.

Graph No. 2 annexed shows that in five of the nine countries, the share of industry has continued to grow although at different tempos. In Belgium, the Netherlands and the Federal Republic of Germany, however, the share has stabilised; in the United Kingdom it is in net recession.

Graph No. 3 illustrates the evolution of this sector in absolute figures. It shows that the number of people employed shows a distinct drop in the period under consideration in one country only: the United Kingdom, while stabilising in certain other countries such as Belgium, Germany and the Netherlands. The map also shows the business cycle variations noticeable in all the countries but which are particularly strong in Italy, Germany and Luxemburg.

b) Changes within industry

Available employment statistics for the member countries and for the Community highlight the important variations which have been characteristic of the different branches during the past decades.

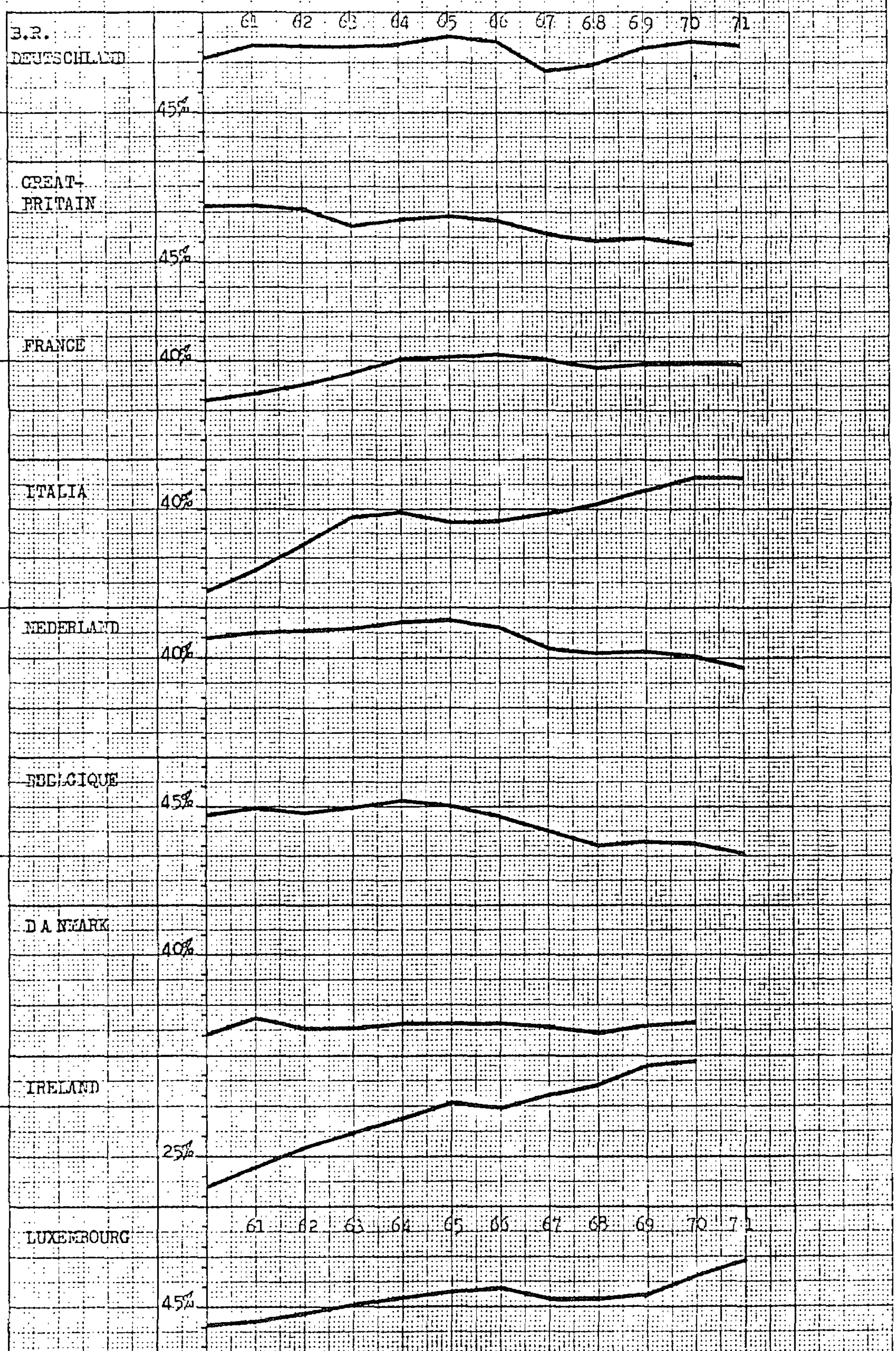
1) In four sub-sectors (mining and quarrying, water-gas-electricity, manufacturing, building and construction) for which statistics are available for the 1960-1971 period[1] the common phenomenon in all countries except Ireland is the decline in mining and quarrying (graph No. 4).

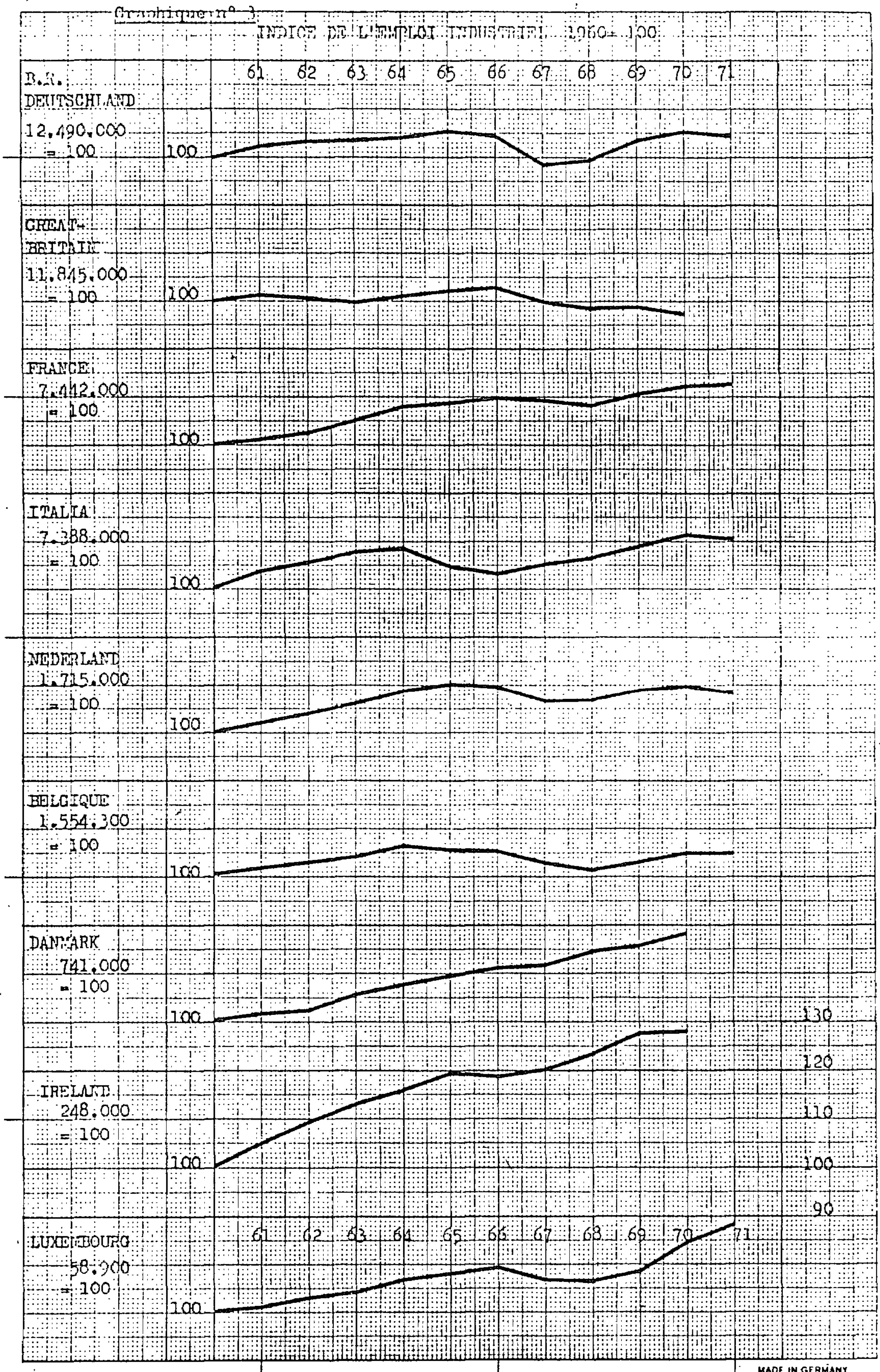
The evolution is, on the other hand, very different according to countries in the case of manufacturing industry which the statistics show to be very sensitive to business cycle fluctuations. Nevertheless, in all countries except the United Kingdom, where it has been stagnant, employment in absolute terms has risen during the period under consideration (Graph 5).

[1] SOEC figures for the 6
OECD figures for the 3

Graphique n° 2

EVOLUTION DE LA PART INDUSTRIELLE DANS L'EMPLOI TOTAL





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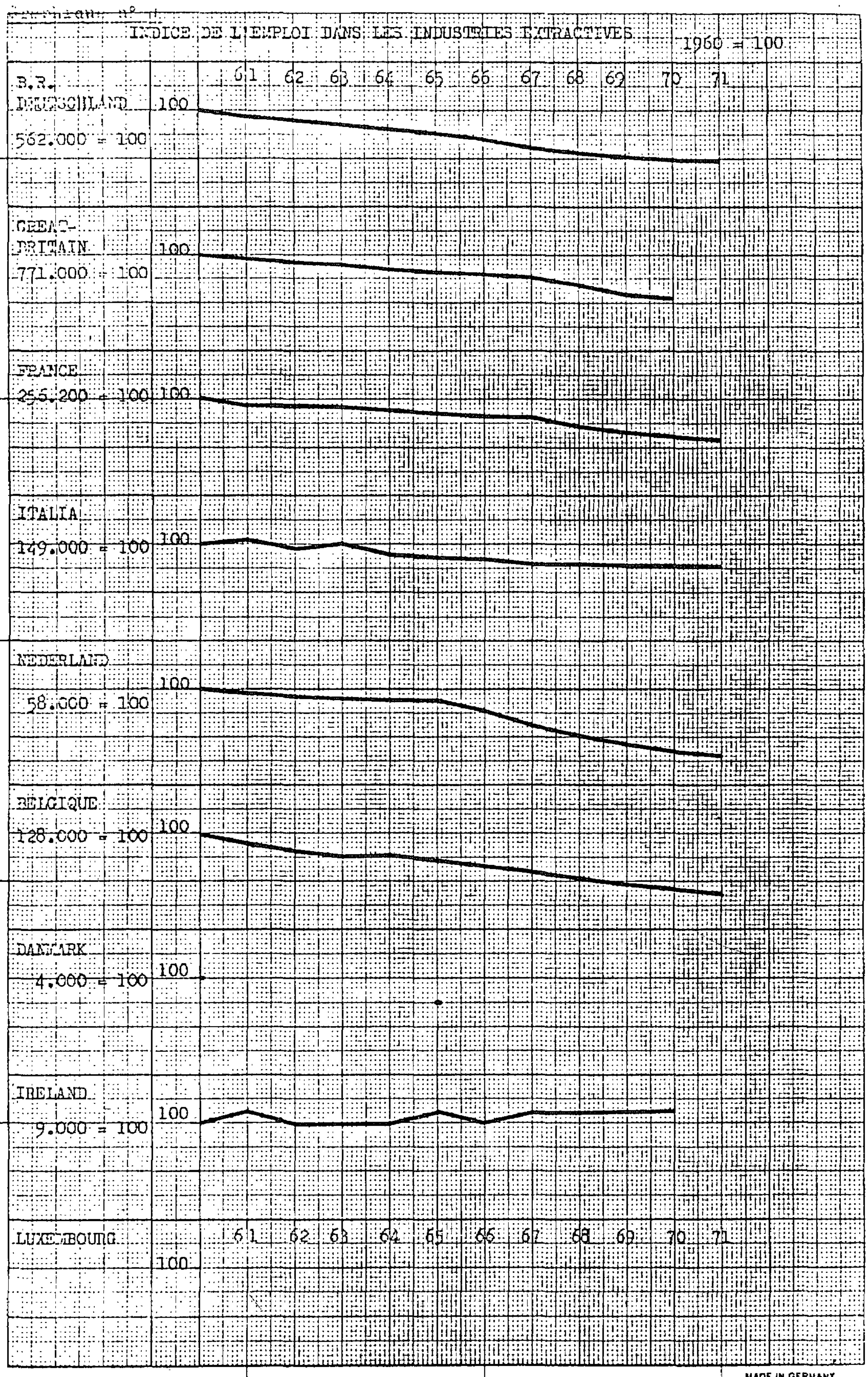
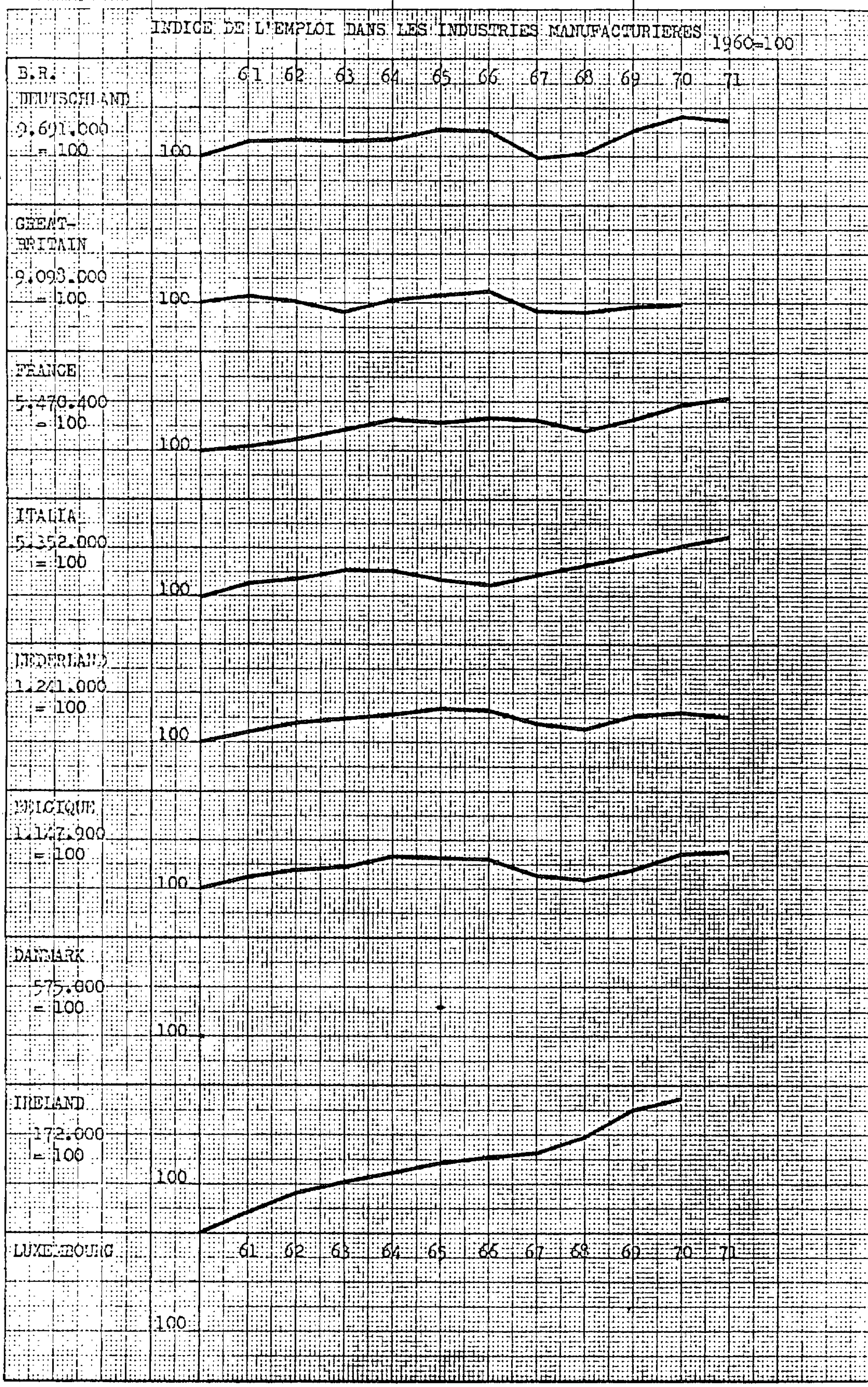
MADE IN GERMANY



Graphique n° 1
INDICE DE L'EMPLOI DANS LES INDUSTRIES EXTRACTIVES
1960 = 100
61 62 63 64 65 66 67 68 69 70 71
B.R. DEUTSCHLAND
562.000 = 100
100
GREAT-BRITAIN
771.000 = 100
100
FRANCE
255.200 = 100
100
ITALIA
149.000 = 100
100
NEDERLAND
58.000 = 100
100
BELGIQUE
128.000 = 100
100
DANMARK
4.000 = 100
100
IRELAND
9.000 = 100
100
LUXEMBOURG
100
61 62 63 64 65 66 67 68 69 70 71

Graphique n° 5



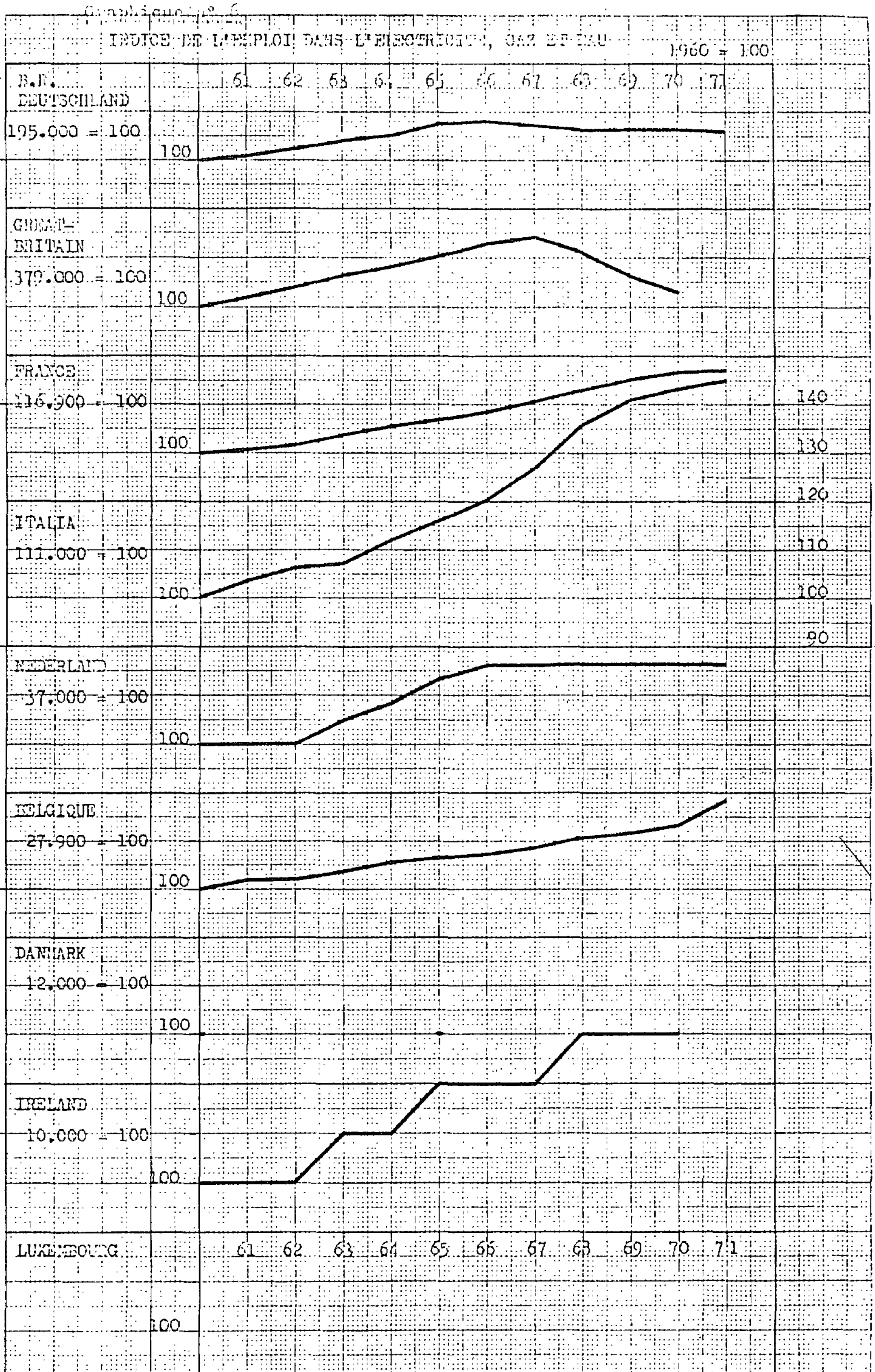
The sector water-gas-electricity is also characterised by fairly differentiated evolutions which have nevertheless determined the level of employment according to countries (see Graph No. 6).

The sub-sector building and construction, which is not really part of industry in the proper sense, has also been subject to very different variations. Although to a large extent, these differences have generally been determined by business cycle movements, three countries (Denmark, Belgium and Ireland) have registered a very strong tendency to increase in employment (see Graph 7).

ii) If, from the analysis at the level of the four sub-sectors, one can conclude that there is a general decrease in employment in mining and quarrying, only a much closer analysis at a more detailed level will enable one to see the evolution of the various branches and in particular the regression of certain branches among the other sub-sectors.

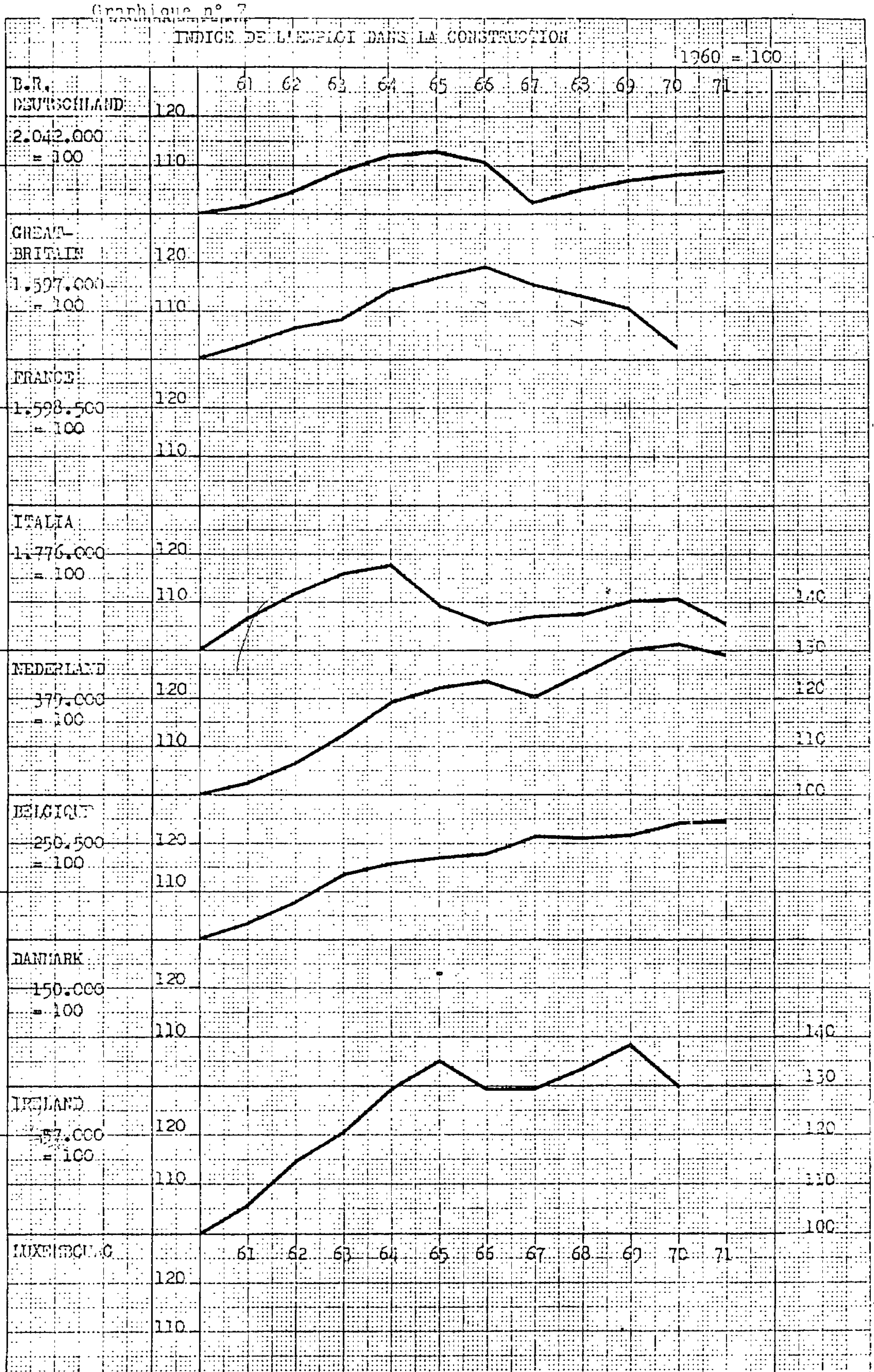
Although the absence of Community statistics prevents exact comparison, the annexed tables which illustrate the evolution of industrial employment in the Member Countries enables us nonetheless to discern certain important characteristics.(1)

(1) It should be noted that the number of and the definition of the branches, as well as the choice of the period under consideration can influence the results of this examination. Where the period under consideration is is concerned, it can increase or reduce the degree of change shown in the statistics, depending on whether or not it coincides with a period of regression into the branch. In addition, the choice of two fairly widely separated dates does not always allow us to grasp the trend changes which have come about during the last years of the period under consideration.



1960 = 100
B.R. DEUTSCHLAND
195.000 = 100
61
62
65
67
70
100
BRITAIN
100
FRANCE
100
140
130
120
110
100
90
ITALIA
111.000 = 100
100
37.000 = 100
100
BELGIQUE
27.900 = 100
100
DANMARK
12.000 = 100
100
IRELAND
10.000 = 100
100
LUXEMBOURG
61
62
63
64
65
66
67
69
70
100

Graphique n° 7



Thus, during the first decade, certain branches experienced a common movement of either regression or increase in all the Community Member countries. Those in regression everywhere were mining and quarrying (particularly coal) and textiles, while the branches that were expanding everywhere werewere the chemical and mechanical industries.

In other branches movements were different according to the country. Hence, steel dropped in Germany and in the United Kingdom while increasing in France and Italy. The leather industry also fell in most Member States, although it increased in Italy. This different evolution, according to the countries partly reflects geographical reorientation of industrial production brought about by new factors of localisation as a consequence of the creation of the common market.

iii) The rates of variation reproduced in the following table reflect only the speed or regression or expansion in the branches under consideration. To grasp the impact of these movements on the economy, account must be taken of the share of each of these branches of total employment. Thus, for example, in economies where coal still occupies an important place, even a relatively weak ratio of regression corresponds to a fairly considerable drop in overall employed. By contrast, a high rate of regression in the leather industry, given its very small share of all industry, involves only a moderate drop in absolute figures.

One indicator, which sums up the action of these two factors, is given by the annual regression of the branch expressed as o/oo of overall industrial employment. Column 3 of the annexed tables indicates these rates by branch and for each of the member countries.

It shows on the one hand that in all countries the mining and quarrying sector occupies the first place with a figure of about 3 o/oo. In Belgium, more than 5 o/oo, this figure is exceptionally high and is the highest rate reached in all branches and in the Community.

On the other hand, one sees that the textile sector generally occupies the second place. It is in the first place in those countries (Italy and Denmark, for example) where traditional mining and quarrying activities play no role.

As for the third place, there are quite sharp differences between the countries. Whereas in certain countries this is held by initial processing industries, in the United Kingdom it is held by the motor industry.

iv) Interesting results appear when for each country one links up the drop in employment in all branches in regression with the sum total of industrial employment. This link-up, expressed in o/oo gives [illegible] overall view of the relative importance of "sectoral decline" in a country.

Comparison with industrial evolution would seem to indicate that this amount per mil. is that much lower to the degree that the industrial sector as a whole is evolving, and inversely. It can be seen in fact that the countries where the industrial share of overall employment has expanded most strongly (Ireland and Italy) have experienced proportionally the least acute regressions. On the other

FEDERAL REPUBLIC OF GERMANY

EMPLOYMENT IN INDUSTRY[1]

Branches	Period Changes: In absolute figures (1)	Period Changes: % of 1962 (2)	Period Changes: o/oo of 1970 (3)	Situation in 1970: In absolute figures (4)	Situation in 1970: % (5)
Mining, coal	- 28.385	- 5,3	- 3,27	313.166	3,6
Textiles	- 10.045	- 1,7	- 1,16	499.502	5,7
Quarrying	- 3.958	- 1,5	- 0,46	240.321	2,7
Iron forging	- 3.368	- 0,9	- 0,39	336.908	3,8
Steel and light metal	- 2.852	- 1,2	- 0,24	205.709	2,3
Tobacco	- 2.102	- 4,4	- 0,23	30.682	0,3
Leather	- 1.998	- 6,7		14.051	0,1
Saw milling and timber	- 1.982	- 2,3	- 0,23	70.195	0,8
Shipbuilding	- 1.737	- 1,9	- 0,20	77.216	0,9
Boots and shoes	- 1.647	- 1,6	- 0,19	88.136	1,0
Foundries	- 1.281	- 0,8	- 0,15	159.100	1,8
Ceramics	- 1.051	- 1,2	- 0,12	79.254	0,9
Wood pulp, cellulose, paper and paste works	- 677	- 0,8	- 0,08	76.894	0,9
Clothing	- 641	- 0,2	- 0,08	378.670	4,3
Drawing and cold rolling mills	3			72.088	0,8
Processed leather goods	11			39.905	0,5
Musical instruments, games, jewelry and sports equipment	171	0,3	0,01	60.136	0,7
Mineral oils and coal products	304	0,8	0,04	39.484	0,7
Woodwork	430	0,2	0,05	225.157	2,6
Glass	520	0,6	0,06	96.028	1,1
Food Industry	713	0,1	0,08	481.217	5,5
Non-ferrous metals	1.130	1,4	0,13	91.544	1,1
Ductile steels	1.338	1,0	0,15	150.377	1,7
Precision and optical instruments, clocks and watches	2.097	1,4	0,24	170.276	2,0

Source: Federal Statistical Office, Wiesbaden, Series D. Industry and manufactures, Section 4. Special sections on industrial statistics; regional distribution of industries by branches - September extracts 1962 and 1970

(1) Figures only of undertakings with ten or more employees.

FEDERAL REPUBLIC OF GERMANY

EMPLOYMENT IN INDUSTRY

Branches	Period Changes			Situation in 1970	
	In absolute figures (1)	% of 1962 (2)	o/oo of 1970 (3)	In absolute figures (4)	% (5)
Paper and paste processing	- 2.818	2,5	0,33	137.122	1,6
Printing and reproduction	3.022	1,5	0,35	226.824	2,6
Rubber and asbestos	3.671	3,3	0,42	142.122	1,6
Iron, metal sheets and metal goods	3.692	0,9	0,43	419.101	4,8
Processed plastics	8.480	8,3	0,98	169.405	2,0
Machine Engineering	8.765	0,8	1,01	1.129.730	13,0
Chemicals	13.142	2,6	1,52	603.788	7,0
Vehicles and aircraft	20.745	4.2	2,39	658.405	7,6
Electronics: computers, data processing machines and equipment	32.594	3,5	3,76	1.188.390	13,7
	40.458	0,5	4,67	8.671.903	100,0

FRANCE

EMPLOYMENT IN INDUSTRY

Branches	Period Changes (1962-1971)(o) In absolute figures (1)	% of 1962 (2)	o/oo of 1971 (3)	Situation in 1971 In absolute figures (4)	% (5)
Textiles	- 12.044	- 2,3	- 1,98	425.700	7,0
Coal	- 8.755	- 4,4	- 1,44	121.300	2,0
Clothing	- 5.866	- 1,6	- 0,97	332.900	5,5
Extraction: Iron ore, Iron-smelting	- 4.844	- 2,0	- 0,80	195.800	3,2
Leather	- 4.077	- 2,1	- 0,67	155.600	2,6
Timber	- 1.655	- 0,6	- 0,27	270.700	4,5
Non-ferrous metals: ore extraction, smelting	+ 177	0,6	+ 0,03	31.400	0,5
Glass	+ 1.144	1,9	+ 0,19	69.800	1,2
Naval and marine construction aircraft	+ 1.200	0,6	+ 0,20	201.300	3,3
Paper	+ 1.433	1,2	+ 0,24	135.800	2,2
Electricity, gas, water: production and distribution of	+ 1.966	1,3	+ 0,32	164.400	2,7
Extraction and manufacture of building materials and ceramics	+ 2.211	1,1	+ 0,36	215.100	3,5
Agriculture and food	+ 2.455	0,4	+ 0,40	652.700	10,7
Petroleum refining and distribution	+ 2.533	3,1	+ 0,42	104.500	1,7
Initial processing of metal work	+ 2.888	0,7	+ 0,48	443.000	7,3
Processing of plastics; industries, various	+ 5.288	3,0	+ 0,78	223.400	3,7
Printing, newspapers, publishing	+ 7.733	3,8	+ 1,27	275.700	4,5
Chemicals and rubber	+ 8.922	2,4	+ 1,47	453.300	7,5
Motor vehicles	+ 11.033	3,6	+ 1,82	407.700	6,7
Electrical and electronic engineering	+ 11.388	3,5	+ 1,87	429.100	7,1
Mechanical industry	+ 13.144	2,0	+ 1,87	767.100	12,6
Total (Industry in the restricted sense)	36.274	0,6	+ 5,97	6.076.300	100,0

(o) until 1.1.71

Source: Numbers calculated by sectors - R.F. 68(1/4) - final figures (000's) - INSEE (Employment Division), 16.11.1971.

UNITED KINGDOM

Branches	Period Changes (1960–1971)			Situation in 1971	
	In absolute figures (thousands)	% of 1960	% of 1971 Total	In absolute figures (thousands)	%
	(1)	(2)	(3)	(4)	(5)
Coal mining	– 30,5	– 4,3	– 3,1	368,2	3,8
Textiles	– 21,5	– 2,3	– 2,2	680,7	7,0
Vehicles	– 7,6	– 0,8	– 1,0	840,0	8,7
Shipbuilding & Marine engineering	– 7,3	– 2,5	– 1,0	211,0	2,2
Clothing	– 6,2	– 1,3	– 1,0	410,8	4,2
Metal manufacture	– 4,1	– 0,7	– 0,4	577,3	6,0
Footwear	– 1,6	– 1,4	– 0,2	99,7	1,0
Other mining & quarrying	– 1,4	– 1,9	– 0,1	57,7	0,6
Leather, leather goods & fur	– 0,9	– 1,4	– 0,1	54,3	0,6
Coal & petroleum products	– 0,9	– 1,3	– 0,1	59,3	0,6
Paper	– 0,8	– 0,4	– 0,1	219,2	2,3
Bricks, pottery, glass, cement, etc.	– 0,3	– 0,1	..	340,6	3,5
Tobacco	– 0,1	– 0,3	..	47,5	0,5
Timber, furniture	+ 0,2	+ 0,3	..	307,5	3,2
Gas, electricity & water	+ 0,5	+ 0,1	+ 0,1	385,7	4,0
Instrument engineering	+ 1,8	+ 1,3	+ 0,2	162,0	1,7
Chemicals & allied industries	+ 1,9	+ 0,4	+ 0,2	487,6	5,0
Printing & Publishing	+ 3,7	+ 1,0	+ 0,4	418,3	4,3
Other manufacturing industries	+ 5,3	+ 1,7	+ 0,5	363,7	3,8
Food & Drink	+ 5,3	+ 0,7	+ 0,5	837,4	8,7
Mechanical engineering	+ 5,3	+ 0,5	+ 0,5	1.191,4	12,3
Metal goods not elsewhere specified	+ 8,1	+ 1,5	+ 0,8	640,0	6,6
Electrical engineering	+ 11,3	+ 1,4	+ 1,2	913,3	9,4
Total (industrie au sens restreint)	– 38,9	– 0,4	– 4,0	9.673,2	100,0

1) Estimated numbers of employees (employed and unemployed)

Source: Ministry of Labour Gazette, February 1961
Department of Employment Gazette, March 1972

ITALY

EMPLOYMENT IN INDUSTRY[1]

Branches	Period changes (1961-1971) In absolute figures (1)	% of 1961 (2)	o/oo of 1971 Total (3)	Situation in 1971 In absolute figures (4)	% (5)
Textiles	- 5,491	- 0,9	- 1,0	542.908	9,8
Mining, other than metals	- 2,062	- 2,5	- 0,4	62.718	1,1
Timber	1.997	- 0,8	- 0,4	224.367	4,1
Food and food products	1.790	- 0,4	- 0,3	380.761	6,9
Mining, metals	- 968	- 4,9	- 0,2	9.964	0,2
Tobacco	- 512	- 1,9	- 0.1	21.445	0,4
Footwear	- 254	- 0,1	- ..	171.764	3,1
Gas; production and distribution	+ 127	+ 0,8	..	17.098	0,3
Photography and Cinematography	+ 127	+ 0,6	..	22.942	0,4
Water works	+ 237	+ 1,2	..	21.738	0,4
Processing of non-metallic minerals	+ 487	+ 0,1	+ 0,1	324.345	5,9
Skins and hides	+ 686	+ 1,4	+ 0,1	56.940	1,0
Cellulose for use with textiles & chemical fibres	+ 832	+ 2,4	+ 0,1	42.410	0,8
Paper and paper products	+ 1.032	+ 1,2	+ 0,2	94.524	1,7
Various manufactures	+ 1.724	+ 2,9	+ 0,3	76.343	1,4
Printing, publishing, and the like	+ 2.886	+ 2,6	+ 0,5	138.874	2.5
Rubber	+ 3.207	+ 6,1	+ 0,6	84.522	1,5
Chemicals; petroleum and coal products	+ 3.364	+ 1,4	+ 0,6	268.151	4,9
Furniture and wood furnishings	+ 3.495	+ 2,5	+ 0,6	171.863	3,1
Electrical power; production, supply and distribution; steam heat: production and distribution	+ 3.615	+ 4,7	+ 0,7	113.438	2,1
Metal industry	+ 3.895	+ 1,9	+ 0,7	241.754	4.4
Plastics	+ 5.852	+ 13,2	+ 1,1	102.736	1,9
Clothing and stuffs (furnishings)	+ 7.712	+ 2,3	+ 1,4	416.202	7,5
Construction of vehicles and related work	+ 9.668	+ 4,1	+ 1,7	334.659	6,1
Mechanical industry	+ 44.474	+ 3,9	+ 8,1	1.569.173	28,56
TOTAL (in the restricted sense)	+ 80.326	+ 1,7	+ 14.6	5.511.639	100,0

(1) Figures from local authorities

Source: Istat, Vth General Census of Industry and Trade; provisional figures 1973.

BELGIUM

EMPLOYMENT IN INDUSTRY

Branches	Period changes (1961-1971) In absolute figures (1)	% of 1961 (2)	o/oo of 1971 Total (3)	Situation in 1971 In absolute figures (4)	% (5)
Extraction industry	- 6.240	- 5,6	- 5,15	48.409	4,0
Textiles	- 2,504	- 1,7	- 2,06	121.558	10,0
Non-metallic ores	- 463	- 0,6	- 0,38	67.170	5,5
Drink	- 335	- 1,2	- 0,28	24.048	2,0
Hides and skins	- 181	- 1,7	- 0,15	8.639	0,7
Tobacco	- 122	- 1,3	- 0,10	8.264	0,7
Oils and fats	- 113	- 2,2	- 0,09	4.048	0,3
Other manufactures	- 1	- 0,0	- 0,00	3.587	0,3
Mineral fuel derivatives	+ 63	+ 0,6	+ 0,05	11.579	1,0
Rubber	+ 89	+ 1,0	+ 0,07	9.533	0,8
Precision instruments	+ 100	+ 0,7	+ 0,08	16.252	1,3
Metal smelting, founding, rolling, forging, drawing	+ 171	+ 0,1	+ 0,14	125.918	10,4
Clothing	+ 193	+ 0,2	+ 0,16	89.085	7,3
Electricity, gas, heating, water supply	+ 290	+ 1,5	+ 0,24	22.665	1,9
Paper	+ 425	+ 1,9	+ 0,35	27.138	2,2
Timber and cork	+ 679	+ 1,5	+ 0,56	51.981	4,3
Books and photography	+ 859	+ 2,6	+ 0,71	41.251	3,4
Ironmongery	+ 904	+ 1,6	+ 0,75	66.208	5,5
Chemicals	+ 1.013	+ 1,8	+ 0,84	67.178	5,5
Food	+ 1.076	+ 1,5	+ 0,89	83.179	6,9
Manufactures, various	+ 1.121	+18,3	+ 0,92	17.349	1,4
Machines, electrical equipment, vehicles, shipping, aircraft	+ 8.146	+ 3,8	+ 6,72	297.216	24,5
Total (Industry in the restricted sense)	+ 5.171	+ 0,4	+ 4,27	1.212.255	100,0

Source: National Social Security Office - Annual Reports 1961 and 1971. Position - 30 June 1961 and 1971

Table "Manual and intellectual workers (male and female)".

NETHERLANDS

EMPLOYMENT IN INDUSTRY[1]

Branches	Period changes (1961-1971)			Situation in 1971	
	In absolute figures	% of 1961	o/oo of 1971 Total	In absolute figures	%
	(1)	(2)	(3)	(4)	(5)
Textiles	- 4.434	- 3,66	- 4,00	76.639	6,91
Mining	- 3.728	- 6,81	- 3,36	17.480	1,57
Clothing	- 1,768	- 2,51	- 1,59	52.850	4,76
Leather, rubber	- 1.255	- 3,00	- 1,13	29.303	2,64
Pottery, glass, chalk, bricks	- 280	- 0,58	- 0,25	45.539	4,10
Cleaning	- 262	- 1,83	- 0,24	11.698	1,05
Food and luxuries	- 256	- 0,15	- 0,23	157.193	14,18
Paper and paper products	- 2	- 0,01	- 0,00	30.788	2,77
Timber, straw	+ 36	+ 0,08	+ 0,03	42.354	3,82
Printing	+ 720	+ 1,64	+ 0,65	51.061	4,60
Public utilities	+ 1.679	+ 6,21	+ 1,51	43.823	3,95
Chemicals	+ 2.970	+ 4,06	+ 2,68	102.812	9,27
Metal industry: shipbuilding	+ 5,493	+ 1,40	+ 4,96	446.703	40,30
Total (industry in the restricted sense)	+ 1.251	+ 0,11	- 1,13	1.108.243	100,0

(1) Source:
Monthly Industrial Statistics
Situation September 1961 and September 1971.
Undertakings of 10 or more persons.

DENMARK

EMPLOYMENT IN INDUSTRY[1]

Branches	Period Changes: In absolute figures (1)	Period Changes: % of 1965 (2)	Period Changes: o/oo of 1970 Total (3)	Situation in 1970: In absolute figures (4)	Situation in 1970: % (5)	
Food and clothing industry	- 1.253	- 4,1	- 3,07	24.027	5,9	Source:
Tobacco	- 597	- 6,8	- 1,46	5.848	1,4	
Vehicles	- 532	- 1,5	- 1,30	32.743	8,1	Denmark statistics:
Textiles	- 510	- 2,2	- 1,25	20.187	5,0	Statistical Information -
Paper and paper products	- 168	- 1,4	- 0,41	10.883	2,7	62. 1970. Nos 48 and
Rubber Industry	- 99	- 2,3	- 0,24	3.727	0,9	64. 1972. No. 55.
Timber	- 95	- 0,8	- 0,23	11.476	2,8	
Leather	- 56	- 2,3	- 0,13	2.112	0,5	
Iron and metal goods	- 34	- 0,1	- 0,08	31.512	7,7	(1) Figures only of
Electrical	- 17	- 0,1	- 0,04	33.111	8,1	undertakings with
Extraction, raw materials	- 11	- 0,8	- 0,02	1.306	0,3	ten or more employees.
Petroleum and coal products	13	- 0,6	0,03	2.405	0,6	
Iron and metal work	47	0,6	0,11	8.172	2,0	
Furniture	61	0,5	0,14	12.665	3,1	
Stonework and glass	158	0,7	0,38	24.469	6,0	
Printing	165	1,5	0,40	11.901	2,9	
Food processing	306	0,6	0,75	50.337	12,4	
Chemicals	323	1,6	0,79	22.341	5,4	
Graphic Industry	440	1,7	1,08	27.379	6,7	
Other Industry	814	5,4	2,00	19.290	4,7	
Mechanical Engineering	841	1,8	2,06	51.018	12,5	
Total (Industry in the restricted sense)	- 204	- 0,05	- 0,50	406.713	100,0	

IRELAND

EMPLOYMENT IN INDUSTRY[1]

Branches	Period Changes (1953-1969) In absolute figures (1)	% of 1953 (2)	o oo of 1969 Total (3)	Situation in 1969 In absolute figures (4)	% (5)
Manufacture of railroad equipment	- 91	- 2,5	- 0,4	2.160	1,0
Bread, biscuit and flour confectionery	- 55	- 0,5	- 0,2	9.806	4,5
Manufacture of wood and cork, except furniture	- 49	- 1,1	- 0,2	3.782	1,7
Manufacture of sugar, cocoa, chocolate and sugar confectionery	- 45	- 0,6	- 0,2	6.950	3,2
Coal	- 40	- 2,9	- 0,2	730	0,3
Gas works undertakings	- 28	- 1,3	- 0,1	1.734	0,8
Tobacco	- 26	- 0,9	- 0,1	2,350	1,1
Clothing Men's and boys'	- 18	- 0,3	- 0,1	5.160	2,3
Boot and shoe (wholesale factory)	- 17	- 0,3	- 0,1	6,150	2,8
Distilling	- 11	- 1,2	- ..	690	0,3
Malting	- 9	- 1,1	..	650	0,3
Fellmongery, tanning and dressing of leather	- 2	- 0,1	..	1,550	0,7
Grain milling and animal feeding stuffs	- 2	..	..	4,900	2,2
Manufacture of furniture and fixtures; brushes and brooms	+ 4	+ 0,1	..	4.190	1,9
Butter blending, margarine and compound cooking fat	+ 4	+ 1,0	..	460	0,2
Clothing miscellaneous	+ 7	+ 0,7	..	1.120	0,5
Waterworks undertakings	+ 10	+ 0,8	..	1.491	0,7
Soap, detergents and candles	+ 11	+ 1,6	..	810	0,4
Oils, paints, inks and polishes	+ 15	+ 1,3	+ 0,1	1.405	0,6
Aerated and mineral waters	+ 15	+ 1,0	+ 0,1	1.820	0,8
Manuf. of leather and leather substitutes except footwear and other wearing apparel	+ 17	+ 3,0	+ 0,1	840	0,4
Manufacture of made-up textile goods except apparel	+ 26	+ 5,6	+ 0,1	890	0,4
Assembly, construction and repair of vehicle, other than mechanically propelled road and land vehicles	+ 37	+ 4,0	+ 0,2	1.520	0,7
Brewing	+ 37	+ 0,8	+ 0,2	5.150	2,3
Turf production and bog development	+ 38	+ 0,9	+ 0,2	4.371	2,2

IRELAND

EMPLOYMENT IN INDUSTRY

Branches	Period changes (1953-1969) In absolute figures (1)	% of 1953 (2)	o/oo of 1969 Total (3)	Situation in 1969 In absolute figures (4)	% (5)
Ship and boat. building and repair	+ 45	+ 6,6	+ 0,2	1.410	0,6
Linen and cotton spinning, weaving and manufactures	+ 50	+ 1,8	+ 0,2	3,530	1,6
Clothing shirtmaking	+ 50	+ 2,5	+ 0,2	2.810	1,3
Miscellaneous	+ 55	+15,8	+ 0,2	1.220	0,6
Miscellaneous food preparations	+ 57	+16,7	+ 0,3	1.260	0,6
Bacon factories	+ 60	+ 1,7	+ 0,3	4.580	2,1
Fertilisers	+ 74	+ 7,0	+ 0,3	2.230	1,0
Manufacture and assembly of machinery except electrical equipment	+ 81	+ 5,1	+ 0,4	2.860	1,3
Glass and glassware, pottery, china and earthenware	+ 88	+ 4,1	+ 0,4	3.550	1,6
Manufacture of paper and paper products	+ 94	+ 2,3	+ 0,4	5.570	2,5
Jute, canvas, rayon, nylon, cordage and miscellaneous textile manufacture	+ 96	+ 3,4	+ 0,4	4.310	2,0
Canning of fruit and vegetables and manuf. of preserves, jams, jellies	+ 114	+ 5,0	+ 0,5	4.130	1,9
Printing, publishing and allied trades	+ 114	+ 1,3	+ 0,5	10.420	4,7
Chemicals and drugs	+ 128	+10,0	+ 0,6	3.330	1,5
Stone, slate, sand and gravel	+ 131	+ 7,1	+ 0,6	3.920	1,8
Clothing, women's and girls'	+ 136	+ 2,0	+ 0,6	9.000	4,1
Structural clay products, asbestos goods, plaster, gypsum and concrete products, slate, dressed stone and cement	+ 142	+ 4,4	+ 0,6	5.490	2,5
Woollen and worsted (-clothing)	+ 146	+ 2,6	+ 0,7	7.950	3,6
Slaughtering, preparation and preserving of meat (- bacon factories)	+ 147	+11,3	+ 0,7	3.650	1,7
Creamery butter, cheese, condensed milk, chocolate crumb, ice cream + milk products	+ 152	+ 3,5	+ 0,7	6.760	3,1
Assembly, construction and repair of mechanically propelled road and land vehicles	+ 179	+ 4,1	+ 0,8	7.190	3,3
Hosiery	+ 219	+ 3,7	+ 1,0	9.460	4,3
Electricity undertakings	+ 219	+ 2,8	+ 1,0	11.305	5,1
Miscellaneous manufacturing industr.	+ 351	+ 7,9	+ 1,6	10.080	4,6
Metal trades (-machinery & transport equipment)	+ 368	+ 5,8	+1,7	12.230	5,6

IRELAND

EMPLOYMENT IN INDUSTRY[1]

Branches	Period changes (1953-1969)			Situation in 1969	
	In absolute figures (1)	% of 1953 (2)	o/oo of 1969 Total (3)	In absolute figures (4)	% (5)
Manufacture of electrical machinery, apparatus and appliances	+ 485	+ 18,5	+ 2,2	10.390	4,7
Total (industrie au sens restreint)	+ 3.609	+ 2.2	+16.4	219.674	100,0

(1) Figures deal with undertakings employing an average of more than three persons throughout the year.

Source: Census of Industrial Production 1953, 1969
Irish Statistical Bulletin

hand, countries where the share of industry has stagnated or even diminished, have experienced markedly higher levels of regression.

The comparison of this amount per mil. with indices relating to the evolution of the national economy shows on the other hand that there are no fixed correlations between them.

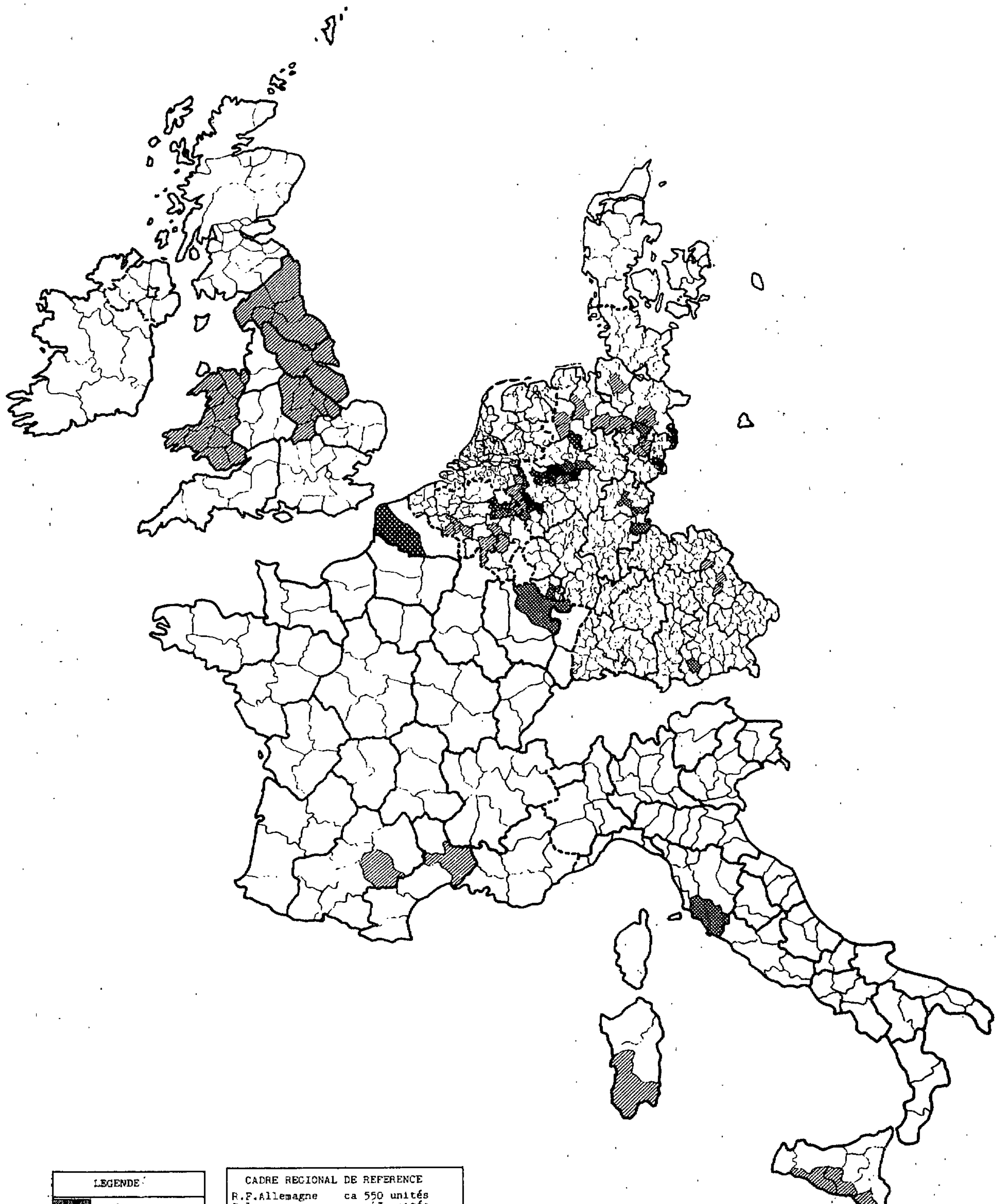
	EMPLOYMENT			G.D.P. - 1960 - 70	
	Share of Industrial employment (excl. construction) in total employment) 1960	1970	Annual diminution of all industrial branches in regression as % of industrial employment	Annual GDP growth (excl. construction at constant prices)	Overall GDP growth rate at Market prices (at constant prices)
	%	%		%	%
Germany (F.R.)	40.05	40.57	7.1	5.8	4.9
France	29.81	29.95	6.1	6.4	5.8
Italy	27.20	31.68	2.4	7.6	5.6
Netherlands	31.95	29.50	10.8	6.8	5.2
Belgium	37.46	34.86	8.0	5.9	4.9
Luxembourg	44.05	46.70*	-	3.7	3.4
United Kingdom	41.36	39.32	9.0	2.8	2.7
Denmark	36.07	36.59*	8.0	6.1	4.9
Eire	18.10	22.79	1.6	6.8	4.0

Sources: National Accounts SOEC 1960-1970 *incl. construction
National Accounts OECD 1960-1970

Thus, the example of Germany shows that important regressions (7.1% in toto) do not prevent a country from having a positive evolution and high growth. It therefore seems that the main thing is to create favourable conditions to ensure that movements in declining industrial branches are compensated and over-compensated by expansion of branches in other sectors.

CARTE 5

PART DE LA BRANCHE INDUSTRIES EXTRACTIVES
DANS L'EMPLOI INDUSTRIEL TOTAL

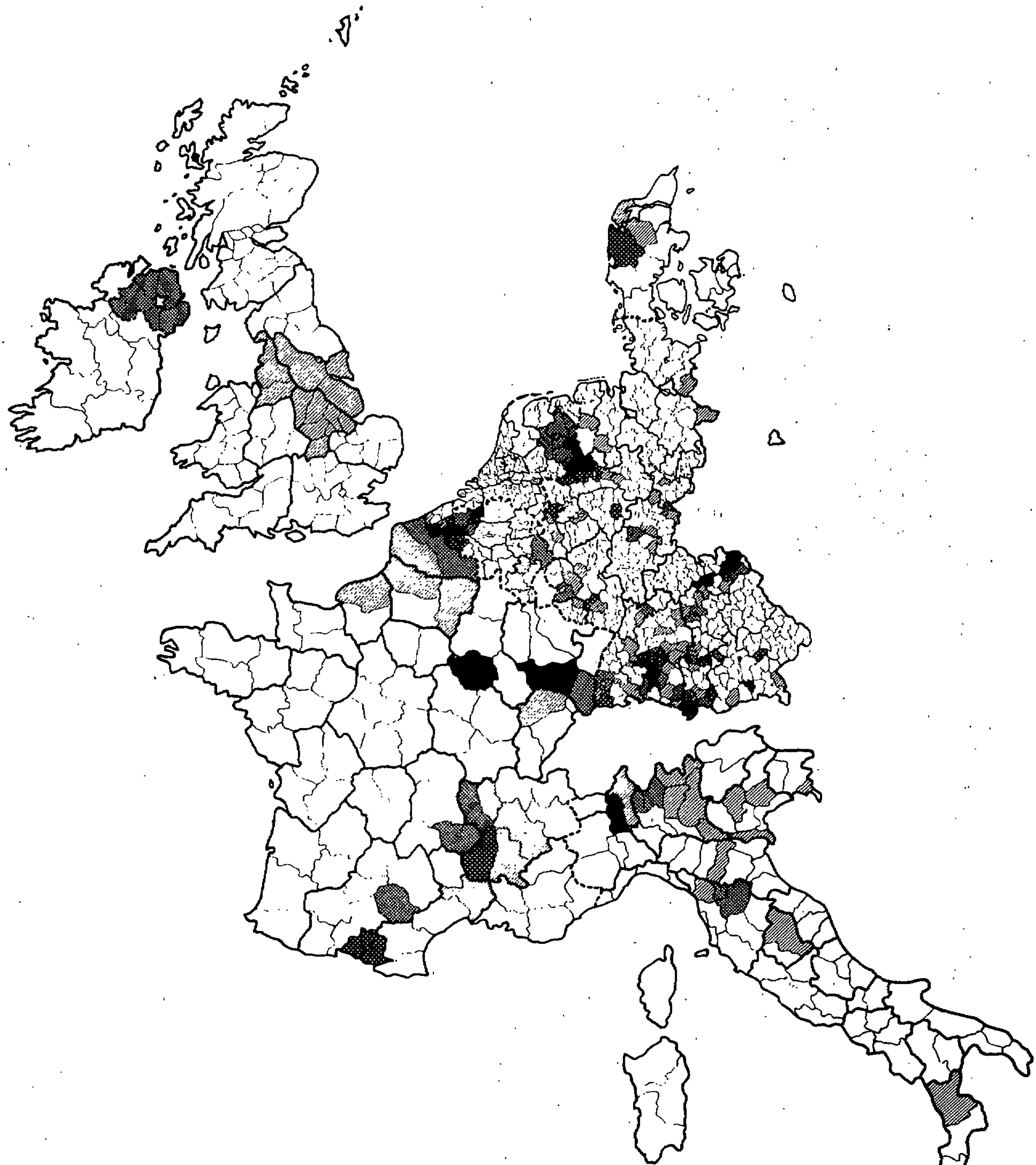


LEGENDE	
40% ≤	
30% ≤	< [illegible] %
20% ≤	< 30 %
10% ≤	< 20 %

CADRE REGIONAL DE REFERENCE

R.F.Allemagne	ca 550 unités
Belgique	43 unités
Danemark	12 unités
France	95 unités
Royaume-Uni	11 unités
Irlande	données non reprises
Italie	94 unités
Luxembourg	données non reprises
Pays-Bas	11 unités

PART DE LA BRANCHE TEXTILE DANS L'EMPLOI INDUSTRIEL TOTAL



LEGENDE	
40% ≤	
30% ≤	< 40 %
20% ≤	< 30 %
10% ≤	< 20 %

CADRE REGIONAL DE REFERENCE

R.F.Allemagne *)	ca 550 unités
Belgique	43 unités
Danemark	12 unités
France	95 unités
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Irlande	données non reprises
Italie	94 unités
Luxembourg	données non reprises
Pays-Bas	11 unités

* Données incomplètes (secret statistique)

2) Industrial changes in the regions

Industrial variations in the regions are often the reflection of the big movements which have just been sketched at national and Community levels. The regional distribution of the branches which are in regression at these levels provides therefore a first indication of probable industrial changes in the regions.

a) Geographical distribution at national level of particular industries in recession

Certain branches and particularly those linked to the exploitation of natural resources (such as coal) are geographically concentrated. For this reason, the problem of a branch may be by and large identified with the problem of one or some regions only. Other industrial branches on the other hand are spread out between all the regions of a country or of the Community. For this reason, even the very serious difficulties which they may experience can only have a very reduced incidence at regional level. As long as the evolution of the branch is identical in all the regions, these difficulties are in proportion to the share that this branch has of regional employment.

The maps Nos 5 and 6 illustrate this share for the two main branches which are in regression in all countries of the Community, namely, mining, quarrying and textiles. They are deficient since the territorial units differ.

b) Particular industries in recession at regional level

At regional level there can be changes which do not show up in statistics established at the national level. This is the case when the variation of a branch in a region is compensated for by its expansion in another or when activities are shifted between regions. For disfavoured regions the problems posed by this sort of regression differ in no way at all from those caused by regressions at national level.

Various factors which determine sectoral productivity such as the characteristics of location, machinery and equipment, quality of management, etc., make it so that the regional evolution of one branch can be rather different from the evolution noted at the national level. The scope of these differences often depends on the nature of the branches. It would seem that in manufacturing branches the influence of the factors just mentioned can be the cause of rather big differences, while in industries linked to exploitation of natural resources, given their geographical concentration, regional evolution is necessarily closer to national evolution.

It may be concluded that if the evolution of branches at the national level or the Community level can indeed supply very useful indications about general trends, it does not permit definitive statements about their evolution at regional level.

Available statistics and time have not allowed variations and branch regressions to be defined for all regions. Examples confirm as might be thought that maximum rate of particular annual decline is higher for regions than for countries. The Belgian rate is 23% for districts, 8% for the country.

(1) In this respect the definition of regions to be taken into account poses particular problems.

3. Industrial change and regional disequilibria

(a) Definition of industrial change

Change may not be equated with every negative indication that appears in industry. In the first instance, the recession in question must be structural in character which means that it must have lasted a long time and is irreversible.

Furthermore, the fact that the change is a cause of regional disequilibrium implies that the recession under consideration was substantial and affected a branch of industry with an important situation in the region.[1] These two indications – recession in depth and the importance of the industrial branch affected – may be noted at regional level, as they have already been noted at national level[2] by estimating the decline of the branch per/mil of total industry. The ratio may be called "coefficient of sector change"; it may be calculated both according to product and to output [3].

---

(1) Strictly speaking, any recession should be excluded which arises from an accumulation of minor variations appearing at the same time in a large number of industrial branches.

(2) $c^S = \frac{E^B}{E^S} \cdot 1\,000$ or $E^B = (E^B_t - E^B_t - 1)$ is equal to the differences in the level of employment in a branch of industry between two dates t an and t–1.

(3) E^B and E^S is equal to the level of employment at the middle of the period (t – t–1) under construction.

The coefficients of change established in this way are independent from the importance which industry may represent in total regional employment. In a region where industry is of small importance, the coefficient of change gives a better view of the part which industrial change may play in overall employment.

To take account of these differences and allow for a comparison with changes in the other sectors, it appears useful to relate the industrial changes in question to total employment in the region rather than employment in industry alone. Depending as to whether one or more branches of industry are taken into consideration, two further coefficients apply.(1)

Clearly certain problems occur in practice when the criteria, just explained, are applied. The implementation of an active regional policy cannot always wait until a particular trend shows itself to be irreversible. It should occur when the trend appears sufficiently actual or foreseeable to react upon the region as a whole and cause disequilibria.

It is, therefore more important to take account of future trends in branches of industry than to be aware of their past history. For this reason coefficients of change should be formed on regional forecasts which are in accord with national and Community forecasts.

In the absence of this information, the part, which branches of industry, which are in recession nationally, represent in industrial and total employment in the region in question, may supply valid information of possible industrial change.

(1) Which may be called: c^T and c^T_{cum}.

(b) Method of determining main regional disequilibria arising from industrial change

Having regard to the current lack of statistics and concepts, there is substantial difficulty in determining regional disequilibria which are attributable to industrial change at the present time.

In the first place there are no past nor foreseeable data required to calculate the coefficients of change, defined above, for all Community regions.

Moreover, available statistics only disclose the most evident and actual signs of disequilibria such as unemployment in the social field and the position of incomes and recession in the economic field.

The causal connection between industrial change and various forms of disequilibria, is by the nature of things, difficult to establish. This may be presumed when a parallel connection exists between these two phenomena and if unemployment, migration, a stationary condition or regression appear in those branches of industry which are in decline or in the industrial sector itself. It is difficult to establish, particularly in an advanced stage of recession, when industrial change extends in effect to other sectors and signs of disequilibria become general throughout the region. While input-output models allow repercussions to be quantified, there are considerable difficulties in applying these models in practice.

In the light of these difficulties a simplified method is suggested in order to fix, insofar as the required regional statistics are available, regional disequilibria arising from industrial change.

It would seem that a distinction should be drawn between regions where these disequilibria are actual and those where they are foreseeable.

Regions belonging to the first group will be decided on the basis of indicators to show that regional disequilibria and industrial change are present at the same time. Regional disequilibria would be confirmed in particular on the basis of the abovementioned indicators, that is to say, unemployment, migration, a stationary position or recession. Industrial change would be determined on the basis of coefficients of change established as previously indicated or, in the absence of this information, by utilising that proportion of branches of industry which were in recession at the national level and the part they occupy in industrial employment and total employment of the region in question. Since there would in any case be proof of regional disequilibrium, the coefficient of change or that part of the branches of industry in recession need not be of a high degree.

With regard to regions belonging to the second group. i.e. that dealing with foreseeable disequilibria, deficiencies in foreseeable jobs should be the principal indicator. It should thereby be possible to prove that this lack of jobs arises in essence from recession in branches of industry.

However, since forecasts on regional disequilibria as on industrial recession are rarely available, a simplified solution would consist in referring again to that part which branches of industry in recession actually represent in industrial employment and in total employment in the region. However, since there is no clear proof of regional disequilibria this proportion should be sufficiently high to establish that industrial change will very probably cause regional disequilibria.

IV. Structural under-employment

1. Different forms of structural under-employment

In the more general sense "structural under-employment" indicates standing under-utilization of the factors of production, and in particular of labour, either in some sectors or in the economy as a whole. This under-utilization may be attributed either to a smaller degree of employment of available manpower on a time basis or of a lesser degree of productivity of employed labour, or the cumulative effect of the two. A lesser employment of available manpower on a time basis is particularly clear in the case of unemployment. This, however, is more concerned with labour that has been employed and registered and for the time being unemployed than manpower, in particular young people, looking for a first job.

A lesser degree of employment on a time basis may also appear in the level of activity and more particularly in the level of specific activity (ratio between the labour force and population of working age) which eliminates the main job distinctions which are due to different age levels. This indicator which should also distinguish between male and female levels involves however certain problems of interpretation.

In terms of productivity, under-utilization may be measured through the gap in productivity of manpower in employment compared with the maximum or optimum value selected.

The following analysis will only apply to under-employment in the two forms above mentioned; the level of specific activity and relative unemployment.

2. Specific level of activity

The specific level of activity links the labour force and the population of working age. It avoids mistakes which occur in interpreting simple levels of activity due to the different proportions of the younger and older age groups of the population.

It would seem that a low specific level might indicate under-utilisation of available manpower. In reality this could also be attributable as much to a lack of possibilities for employment as to a lack of intention to work. In this way it may be just as much a sign of poverty as of well being.

For these reasons a meaningful comparison of levels of activity between regions of different countries (and sometimes too between regions of one country) should always contain an analysis of reasons for abstention from work seen from the economic and social angle of a particular region in question.

Certain reasons for abstention from work (length of time taken in education, decision by potential female labour to abstain from employed work, or advanced age) have quite a different implication in a region where there is balance than a region where the lack of proportion between demand and supply of jobs is of a nature to create discouragement from the start in looking for first or further employment. A great part of the different levels of activity in the regions of Europe is due to the varying degree of participation by the female population in the labour force. Any study in depth of this indicator should therefore draw a distinction between male and female working age groups.

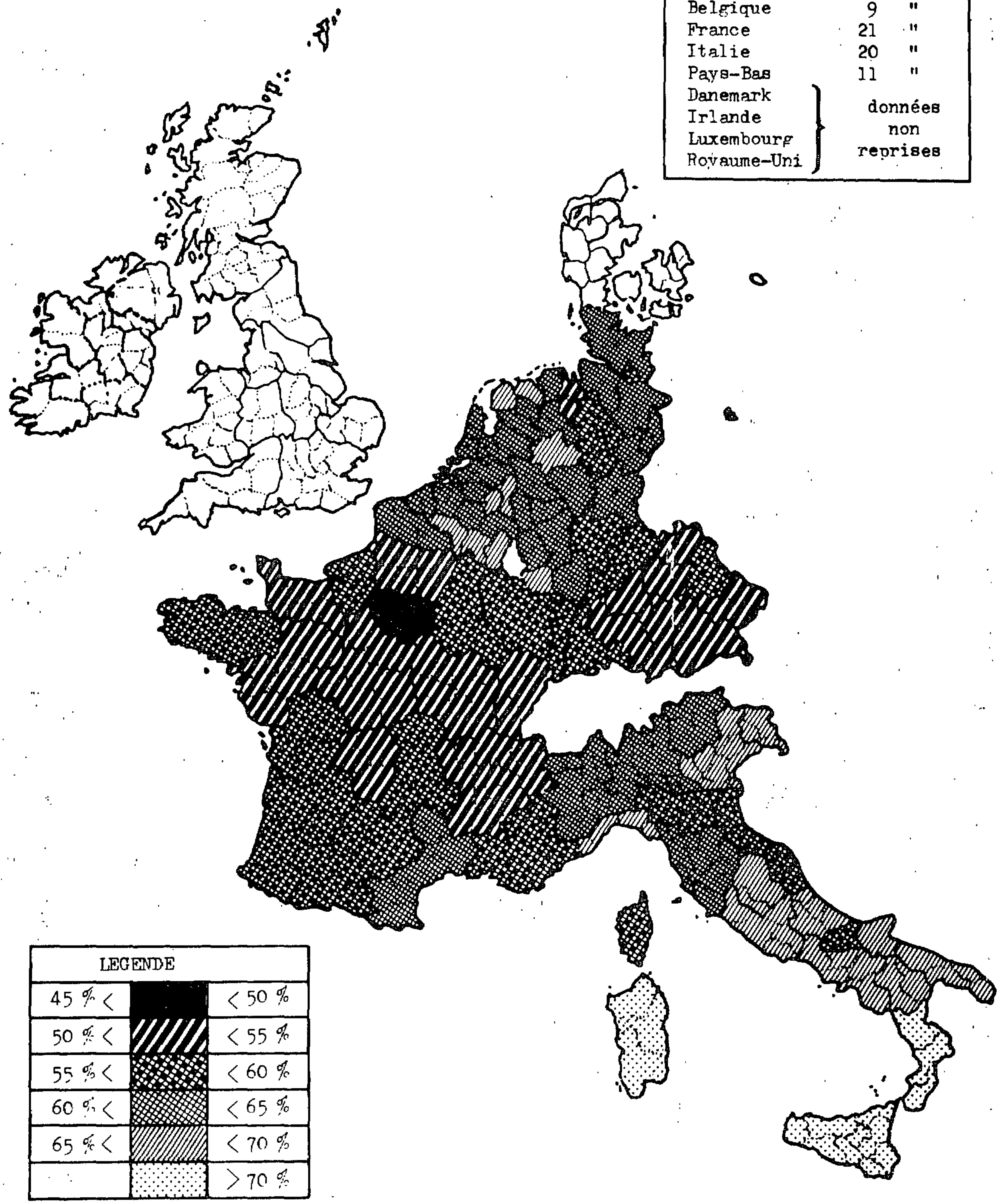
With this reserve the following Map No 7 gives an overall view of the levels of the specific activity in basic regions of the Six. This is based on the survey with regard to the labour force made by the Statistical Office of the Communities (year 1970 for 5 countries, year 1968 for the Netherlands). Comparable figures are not yet available for the 3 new countries.

TAUX SPECIFIQUE D'ACTIVITE

CARTE 7

rapport en % de la force de travail à la population d'âge actif (14 - 64 ans). Année 1970.

Cadre régional de référence	
R.F. Allemagne	35 unités
Belgique	9 "
France	21 "
Italie	20 "
Pays-Bas	11 "
Danemark Irlande Luxembourg Royaume-Uni	données non reprises



This map illustrates especially low rates of activity in southern and some central and north-east regions of Italy. A relatively low level indicates the more central regions of the Community and in particular Belgium and the Netherlands. High levels indicate, in a general way, regions of France, with the exception of the north and Languedoc and the southern part of the Federal Republic of Germany. It would seem that in France these results are due in large measure to high levels of female employment.

3. Relative unemployment

In a more restricted sense, structural under-employment applies to specific forms of unemployment, such as unemployment of long duration of certain persons difficult to place or a generalized and particularly serious persistent unemployment in certain geographical areas (unemployment pockets).

This last phenomenon of relative unemployment will be considered below.

Map No. 8, attached, which is established on the basis of list No. 5 annexed, indicates regions where the unemployment level is respectively 1.20, 1.50, 1.75 and 2.0 times the national average. It is evident that unemployment disappears when this index is applied, independently from its importance as an absolute level, when it is applied uniformly to the whole territory of a country. However, it illustrates in each country characteristic "pockets of unemployment".

This map taken overall confirms:

1. that regional unemployment both with regard to depth (in relation to the national level) and to number of regions is clearly concentrated in areas on the periphery of the Community, and this quite independently of their structural activity. Those concerned are the highly populated agricultural regions of Italy, the strongly industrialised regions of the United Kingdom, regions both agricultural and industrial in Germany and in France regions of tertiary activity.

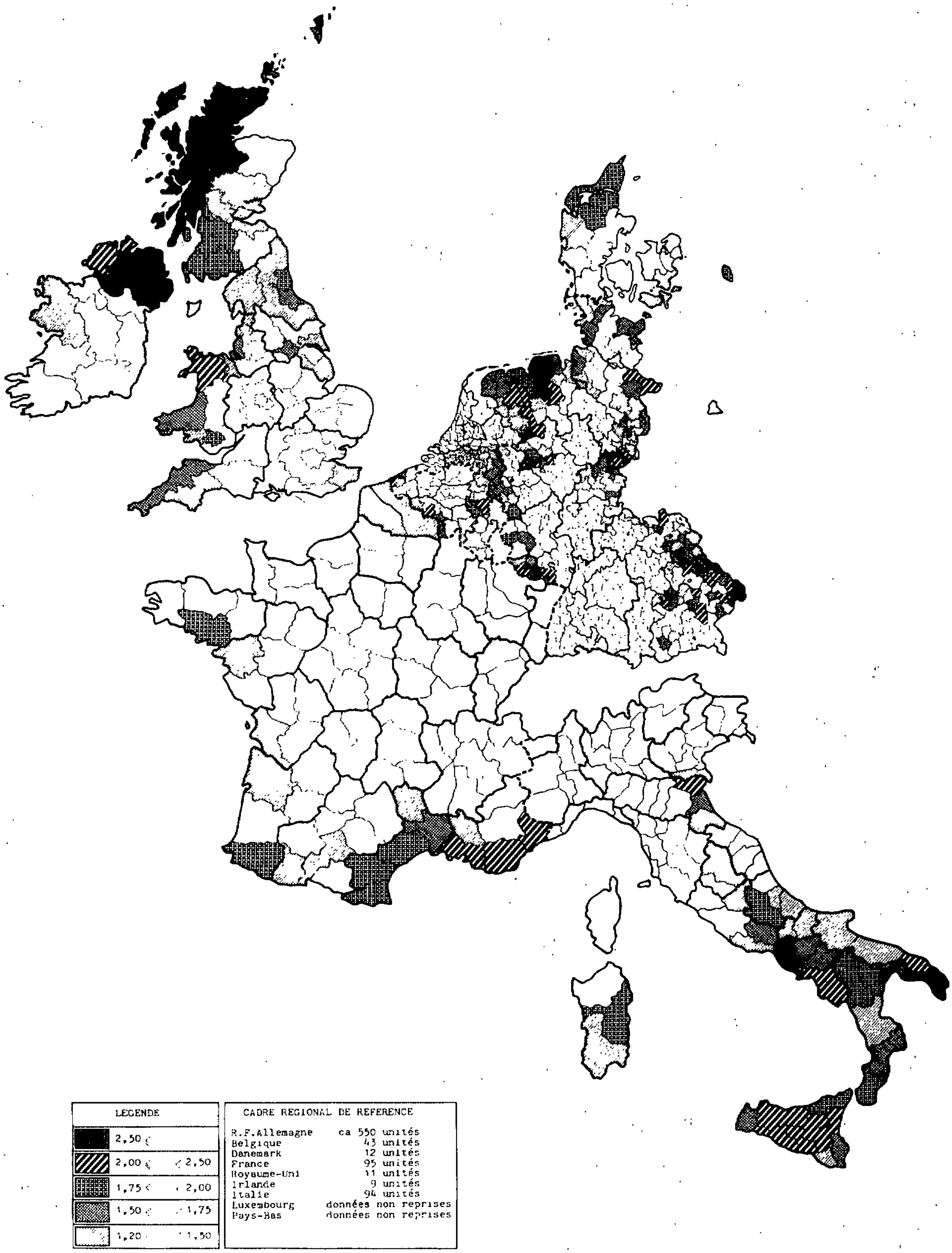
2. a second concentration of unemployment in depth is found on a strip of territory formed by the semi-industrialised regions more or less adjacent to the national frontiers of Benelux, France and Germany. These regions were, before the establishment of the Common Market, the frontiers of Member countries.

3. by contrast, industrialised regions at the Community's centre are generally little affected by this unemployment in depth; exceptions are one zone in the Ruhr, another in the Saar and certain Belgian arrondissements.

CARTE 6

CHOMAGE RELATIF

Indice du taux de chômage régional par rapport
à la moyenne nationale = 1



CADRE REGIONAL DE REFERENCE

R.F.Allemagne	ca 550 unités
Belgique	43 unités
Danemark	12 unités
France	95 unités
Royaume-Uni	11 unités
Irlande	9 unités
Italie	94 unités
Luxembourg	données non reprises
Pays-Bas	données non reprises

CHAPTER 2

DEGREE AND CHARACTER OF THE PRINCIPAL FORMS OF DISEQUILIBRIUM IN REGIONS

STATISTICAL ANNEXES

LIST NO. 1

Regions where the growth rates of gross domestic production were ......%
lower than the national average.

FEDERAL REPUBLIC OF GERMANY

List of Kreise (Federal lands only; Hamburg, Lower Saxony, Bremen, North Rhine-Westphalia and Baden-Wurttemburg) where the growth rate of the global product was .... % lower than the national average[1] (period: 1966-1970)

20% to 30%	30% to 40%	More than 40%
Flensburg	Plon	Flensburg-St.
Neumunster St.	Steinburg	Schleswig
Pinneberg	Hamburg	Kiel-St.
Wilhelsmhaven St.	Fallingbostel	Lubeck-St.
Osnabruck-St.	Luchow-Dannenberg	Celle
Emden St.	Uelzen	Luneburg
Bielefeld	Warburg	Friesland
Hoxter	Gottingen	Grafschaft Bentheim
Springe	Munden	Meppen
Braunschweig-St.	Beckum	Norden
Blankenburg	Dortmund-St.	Bocholt-St.
Wolfenbuttel	Hamm-St.	Munster St.
Northeim	Rees	Grfsch. Diepholz
Iserlohn-St.	Gladbeck-St.	Alfeld
Arnsberg	Wattenscheid-St.	Gifhorn
Lippstadt	Krefeld-St.	Goslar
Geldern	Monchengladbach-St.	Duderstadt
Neuss-St.	Rheydt-St.	Mulheim-St.
Wuppertal-St.	Koln-St.	Dinslaken
Grevenbroich	Calw	Moers
Aachen-St.	Ulm	Bettrop-St.
Monschau		Gelsenkirchen-St.
Bergheim		Recklinghausen-St.
Mergentheim		Bochum-St.
		Erkelenz
		Rhein-Sieg-Kreis
		Pforzheim-St.
		Rastatt
		Stuttgart-St.
		Heidenheim

[1] Provisional figures. The calculations must be treated with reservation in the light of revised methods of collating statistics and some changes in regional boundaries.

ITALY

List of regional units[1] where the growth rates of gross domestic product at factor cost was .... % lower than the national average. (period 1966-1970)

20% to 30%	30% to 40%	More than 40%
Vercelli	Sondrio	Ferrara
Alessandria	Pavia	
Valle d'Aosta	Molise	
Cremona	Brindisi	
Rovigo		
La Spezia		
Macerata		
Rieti		
Avellino		
Salerno		
Lecce		
Nuoro		

(1) The regional units correspond to "provinces" except in the case of Val d'Aosta (which is not so divided) and Molisa (due to lack of statistical information on two provinces: Campobasso and Isernia).

LIST NO. 2

Depth of regional unemployment[1]. (Unemployment over 2%)

[1] According to national statistics.

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions (Kreise)	Average Rate (3) (1968-1971) (2)	Number of Unemployed (1)
FEDERAL RPUBLIC OF GERMANY 1968 - 1970 (2)		0,6	147.467
	Wittmund	3,3	532
	Duderstadt	3,2	372
	Oberviechtach	2,8	131
	Aurich	2,6	606
	Neuburg a.D.-S	2,4	292
	Salzgitter	2,4	1.243
	Kotzing	2,3	276
	Waldmunchen	2,1	114
	Aschendorg-Hummling	2,0	471
	Leer	2,0	966
	Norden	2,0	622
	Gelsenkirchen S.	2,0	6.013
	Gladbech S.	2,0	1.043
	Neunburg v.W.	2,0	102
			12.783 = 8,7% of the total

(1) Year with highest unemployment in the period considered (1968).

(2) Annual end September figures.

(3) Proportion of unemployed as % of wage earners (calculated on the basis of the proportion of wage earners to total population)

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions	Rate	Number of Unemployed (1)
BELGIUM 1968 - 1971 1970		3,8	71.261
	Mons	9,0	4.642
	Liege	8,6	12.564
	Veurne	8,5	482
	Huy	6,6	1.105
	Oostende	6,2	1.132
	Thuin	6,1	1.374
	Waremme	6,0	623
	Diksmuide	5,3	365
	Maaseik	5,1	1.335
	Dinant	5,1	601
	Verviers	5,0	2.377
	Hasselt	4,9	2.674
	Tournai	4,7	1.237
	Alost	4,5	2.689
	Philippeville	4,5	369
	Tongeren	4,4	1.241
	Ath	4,3	517
	Brugge	4,2	1.610
	Ieper	4,2	759
	Dendermonde	4,2	1.423
	Bastogne	4,2	150
	Marche en Famenne	4,2	180

(1) Year with highest unemployment in the period considered for which regional evaluation is available (1970).

	Regions	Rate	Number of Unemployed
	Charleroi	3,7	3.248
	Mouscron	3,7	696
	Namur	3,6	1.436
	Soignies	3,5	1.181
	Leuven	3,4	2.183
	Turnhout	3,4	2.435
	Eeklo	3,3	504
	Virton	3,3	183
	Mechelen	3,2	1.729
	Neufchateau	3,1	197
	Antwerpen	2,7	5.317
	Gent	2,7	2.259
	Sint-Niklaas	2,7	1.074
	Arlon	2,2	145
	Oudenaarde	2,2	604
	Nivelles	2,1	856
	Bruxelles (+ Hal, Vilvorde)	2,1	7.060

70.256 = 98.6% of the total

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions	Rate	Number of Unemployed (1)
DENMARK 1968 - 1971 (2)		3,85	38.656
	Nordjylland	7,4	6.193
	Bornholm	7,1	561
	Viborg	6,8	2.234
	Ringkøbing	5,0	1.819
	Ribe	4,8	1.533
	Storstrøm	4,6	2.031
	Fyn	4,3	4.010
	Vejle	4,1	3.405
	Sonderjyllands	4,0	1.801
	Vestsjaelland	3,9	1.734
	Arhus	3,8	3.580
	Hovedstadsregionen (København, Frederiksborg, København amt. Roskilde amt.)	2,3	9.755
			38.656 = 100% of the total

(1) Year with highest unemployment in the period considered (1968).

(2) Averages based on weekly markings. Work regions (Kontoromraded) are grouped under administrative regions (Amter).

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions (Planning Regions)	Rate	Number of Unemployed (1)
FRANCE 1968 - 1971		1,72	338.159
	Bouches du Rhone	4,09	19.230
	Alpes Maritimes	4,04	10.313
	Var	3,79	6.955
	Pyrenees Orientales	3,42	3.133
	Herault	3,09	5.697
	Morbilhan	3,07	4.427
	Aude	3,06	2.143
	Basses Pyrenees	3,01	5.452
	Gard	2,92	4.827
	Loire Atlantique	2,57	8.190
	Gironde	2,48	10.105
	Paris	2,47	36.901
	Pas-de-Calais	2,33	10.262
	Haute Garonne	2,24	5.757
	Vaucluse	2,23	2.359
	Hautes-Pyrenees	2,20	1.638
	Charente Maritime	2,18	3.672
	Lozere	2.11	537
	Nord	2.10	17.332
	Manche	2,03	2.613
	Allier	2,01	2.674
			164.217 = 48.6% of the total

(1) Year with highest unemployment in the period considered (1971)

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

Country	Regions (Planning regions)	Average rate (2) (1966 and 1971)	Number of unemployed (1)
IRELAND		5.0	55.569
	Donegal	11.8	5.082
	West	6.6	7.019
	North West	5.6	1.739
	North East	5.3	3.813
	Mid West	5.1	4.745
	South West	4.6	6.987
	East	4.3	16.787
	Midlands	4.3	3.871
	South East	4.3	5.464
			55.504 = 100% of the total

(1) Year with highest unemployment in the period considered (1971). Figures of registered unemployed (total live registers) are not available for every region; estimates in absolute figures are therefore calculated on persons out of work at the time of the census. The calculation is therefore under-estimated by comparison with other countries.

(2) Number of registered unemployed (total live registers) as proportion of working population.

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions (Provinces)	Rate	Number of Unemployed (1)
ITALY - 1970, 1971, 1972		5,2	990.515
	Lecce	16,5	35.824
	Caserta	13,4	30.796
	Napoli	13,2	97.145
	Salerno	12,6	40.552
	Caltanissetta	12,5	8.479
	Catania	11,6	35.044
	Brindisi	11,6	17.097
	Agrigento	11,5	15.040
	Palermo	11,4	33.969
	Enna	11,2	6.219
	Ferrara	10,5	15.127
	Nuoro	10,2	8.241
	Reggio Calabria	9,9	21.397
	Potenza	9,8	13.863
	Matera	9,6	6.234
	L'Aquila	9,5	8.182
	Messina	9,2	18.877
	Catanzaro	8,9	18.038
	Ravenna	8,7	13.222
	Taranto	8,7	12.700
	Trapani	8,3	9.355
	Avellino	8,3	11.678
	Frosinone	8,3	11.708
	Benevento	8,2	8.472
	Siracusa	7,9	8.147
	Rieti	7,8	3.732

(1) Year with highest unemployment in the period considered (1972)

COUNTRY Period of Reference Year of Reference	Regions (Provinces)	Rate	Number of Unemployed
	Cosenza	7,7	15.600
	Forli	7,6	17.272
	Rovigo	7,4	7.132
	Perugia	7,2	13.650
	Bari	6,9	26.869
	Isernia	6,6	2,231
	Cagliari	6,6	15.291
	Foggia	6,6	13.449
	Ragusa	6,5	4.572
	Latina	6,5	8.020
	Pescara	6,4	5.567
	Campobasso	6,4	5.279
	Chieti	6,3	7.865
	Pesaro-Urbino	6,0	6.987
	Sassari	5,9	6.729
	Terni	5,4	4.152
	Trento	5,1	7.204
	Massa Carrara	4,9	3.357
	Teramo	4,9	4.794
	Ancona	4,9	7.983
	Ascoli Piceno	4,3	6.343
	Lucca	4,3	5.613
	Livorno	4,2	4.506
	Belluno	4,2	2.564
	Venezia	4,0	10.064

COUNTRY Period of Reference Year of Reference	Regions (Provinces)	Rate	Number of Unemployment
	Pordenone	3,9	3.652
	Viterbo	3,9	2.847
	Bologna	3,8	12.417
	Gorizia	3,6	1.805
	La Spezia	3,6	3.692
	Modena	3,6	7.785
	Padova	3,6	8.508
	Treviso	3,6	8.091
	Brescia	3,5	12.363
	Sondrio	3,5	1.939
	Arezzo	3,5	4.408
	Grosseto	3,4	2.414
	Udine	3,3	5.631
	Vicenza	3,2	6.967
	Siena	3,2	3.181
	Verona	3,1	7.271
	Macerata	3,0	3.337
	Roma	2,7	34.493
	Pisa	2,7	3.378
	Imperia	2,7	2.479
	Parma	2,6	4.233
	Pistoia	2,5	2.245
	Bergamo	2,5	7.620
	Trieste	2,4	2.426
	Piacenza	2,4	2.606
	Val d'Aosta	2,4	1.013
	Reggio Emilia	2,4	3.893
	Cremona	2,3	3.029
	Novara	2,3	4.851
	Mantova	2,2	3.013
	Savona	2,1	2.389

COUNTRY Period of Reference Year of Reference	Regions (Provinces)	Rate	Number of Unemployed
	Genova	2,1	7.966
	Bolzano	2,1	2.839
	Vercelli	2,1	4.036
	Pavia	2,1	4.197
			915.245 = 92.4% of the total

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions (Sub-divisions)	Rate	Number of Unemployed (1)
UNITED KINGDOM - 1967, 1968, 1971, 1972		2,9	889.780
	Northern Ireland N.I.	7,5	41.837
	Highland S	7,4	6.877
	North West Remainder Wa.	6,5	4.925
	South West S.	5,8	3.312
	Ind. South: C and E Valleys W.a.	5,7	14.439
	Glasgow S.	5,6	80.889
	Ind. North East: North N.	5,3	45.682
	Ind. North East: South N.	5,0	25.662
	Western S.W.	4.8	8.081
	North West: North Coast Wa	4,6	2.041
	Merseyside N.W.	4,5	51.802
	South West Wales Wa.	4,5	2.675
	Yorkshire Coalfield Y.H.	4,4	18.455
	Fylde N.W.	4,3	4.644
	South Lindsey Y.H.	4,2	1.737
	Rural North East: North N.	4,1	2.163
	Tayside S.	4,1	10.874
	North Humberside Y.H.	4,0	10.315
	Southern S.W.	3,9	12.502
	Falkirk/Stirling S.	3,9	5.595
	Edinburgh S.	3,9	23.059
	Outer South East: Kent S.E.	3,8	8.850

(1) Year with highest unemployment in the period considered (1972)

COUNTRY Period of Reference Year of Reference	Regions (Sub-divisions)	Rate	Number of Unemployed
	Lancaster N.W.	3,7	2.336
	North East Wales Wa.	3,6	3,803
	Ind. South Wales: West South Wa.	3,6	8.453
	Cumberland and Westmoreland N.	3,6	5.836
	Rural North East: South N.	3,5	3.021
	Ind. South Wales: Coastal Belt Wa.	3,5	12.584
	North East S.	3,4	6.747
	South Humberside Y.H.	3,3	5.441
	Central Wales Wa.	3,1	814
	Eastern Lowlands E.M.	3,1	6.707
	North West E.A.	3,0	4.679
	Rural West W.M.	2,9	4.088
	North East E.A.	2,8	8.183
	Sussex Coast S.E.	2,7	9.131
	Solent S.E.	2,7	19.049
	Coventry Belt W.M.	2,7	11.436
	South Yorkshire, Y.H.	2,7	14.665
	South Lancashire, N.W.	2,7	10.615
	Furness N.W.	2,7	1.411
	Essex S.E.	2,6	3.933
	Nottingham/Derbys E.M.	2,6	25.997
	Manchester N.W.	2,6	44.971
	South East E.A.	2,5	4.342
	North East Lancashire N.W.	2,5	6.965
	Mid-Yorkshire Y.H.	2,4	4.636
	Mid-Lancashire N.W.	2,4	4.898
	Northern S.W.	2,4	21.345

COUNTRY Period of Reference Year of Reserence	Regions (Sub-divisions)	Rate	Number of Unemployed
	Conurbation W.M.	2,4	46.011
	Central S.W.	2,3	6.661
	S. Cheshire (H.Peak) N.W.	2,3	6.373
	West Yorkshire Y.H.	2,3	28.096
	North Staffs W.M.	2,2	6.940
	Border S.	2,1	1.056
	Central W.M.	2,0	13.461
			751.100 = 84.4% of the total

DEPTH OF REGIONAL UNEMPLOYMENT

(Unemployment over 2%)

COUNTRY Period of Reference Year of Reference	Regions (Provinces)	Rate	Number of Unemployed (1)
NETHERLANDS 1968-1971 1968		1,5	84.300
	Drenthe	3,0	4.693
	Groningen	2,8	5.887
	Limburg	2,3	12.591
	Friesland	2,2	4.185
			27.356 = 32.4% of the total

(1) Year with highest unemployment in the period considered (1968).

LIST NO. 3

Regions with negative levels of migration.

LIST OF REGIONS WITH NEGATIVE LEVELS OF MIGRATION

Annual Migration Levels

COUNTRY	Reference Period	from 0 to – 2,5 o/oo	from – 2,5 o/oo to – 5,0 o/oo	from – 5,0 o/oo to –10,0 o/oo	from – 10,0 o/oo to – 15,0 o/oo	Over – 15,0 o/oo
IRELAND	(1961–1971)		South West –4,4	Mid West –5,8	Midlands –11,2	
				South East –7,2	West –12,1	
				North East –7,2	North West –12,6	
					Donegal –11,0	
ITALY	(1961–1971)	Cuneo –0,3	Sondrio –4.9	Cremona –6,3	Ferrara –10,0	Rovigo –15,4
		Brescia –0,7	Bolzano –3,7	Mantova –5,7	Frosinone –12,0	Rieti –16,5
		Trento –2,5	Venezia –2,9	Belluno –9,7	Teramo –10,8	L'Aquila –15,7
		Vicenza –0,1	Piacenza –3,8	Udine –6,0	Chieti –14,0	Isernia –20,6
		Padova –1,4	Arezzo –4,5	Massa-Carrara –6,1	Caserta –12,3	Campobasso –17,4
		La Spezia –0,7	Ancona –3,1	Siena –5,6	Brindisi –10,9	Benevento –19,6
		Parma –0,5		Grosseto –5,1	Lecce –12,3	Avellino –19,9
		Pescara –1,3		Perugia –8,3	Palermo –11,9	Foggia –17,6
				Terni –5,3	Messina –12,9	Potenza –21,3
				Pesaro-Urbino –6,0		Matera –17,2
				Macerata –6,7		Cosenza –15,8
				Ascoli Piceno –5,3		Catanzaro –19,6
				Viterbo –7,6		Reggio C –19,5
				Napoli –5,9		Trapani –15,7
				Salerno –9,8		Agrigento –19,0
				Bari –8,8		Caltanii-ssetta –22,7
				Taranto –6,6		Enna –24,0
				Catania –9,0		Nuoro –17,6
				Ragusa –9,5		
				Siracusa –8,0		
				Sassari –8,4		
				Cagliari –9,2		
UNITED KINGDOM	(1961–1971)	Yorkshire and Humberside –1,4	North –3,2	Scotland –6,2		
		South East –0,2	Northern Ireland –4,7			
		West Midlands –0,[illegible]				
		North West –1,7				
		Wales –0,[illegible]				

COUNTRY	Reference Period	from 0 to – 2,5 o/oo	from – 2,5 o/oo to – 5,0 o/oo	from – 5,0 o/oo to – 10,0 o/oo	from – 10,0 o/oo to – 15,0 o/oo	Over – 15,0 o/oo
BELGIUM	(1962–1970)	Charleroi –1,8 Roeselare –1,6 Oudenaarde –2,2 Aalst –1,3 Ath –1,6 Mouscron-Comines –0,6 Thuin –1,1 Philippeville –0,8 Dinant –2,4 Marche en Famenne –1,0 Turnhout –0,9 Dendermonde –1,3 Sint-Niklaas –0,4	Ieper –4,3 Neufchateau –4,0 Virton –2,8 Tongeren –4,1	Tielt –5,5 Diksmuide –7,7 Bastogne –8,3		
FRANCE	(1962–1968)	Jura – .. Gers –0,8 Finistere –0,8 Dordogne –1,0 Charente Maritime –1,2 Hautd Saone –1,3 Maine et Loire –1,7 Vienne –1,7 Sarthe –2,0 Charente –2,0	Cotes-du-nord –2,7 Haute Loire –2,7 Vendee –2,8 Morbilhan –3,0 Creuse –3,0 Orne –3,2 Meurthe et Moselle –4,2 Vosges –4,3 Deux Sevres –4,3 Moselle –4,3 Aisne –4,3	Haute Marne –5,0 Mayenne –5,2 Aveyron –5,3 Ardennes –5,3 Indre –5,7 Pas de Calais –6,0 Cantal –6,3 Manche –6,5	Lozere –10,7 Meuse –14,3 Ville de Paris –16,5	
DENMARK	(1966–1970)	Storstrøm –1,5 Fionie –0,9 Ribe –0,5 Ringkøbing –1,0 Sudjutland –1,5	Nord Jutland –4,0 Viborg –3,6	Bornholms –9,2		

COUNTRY	Reference Period	from 0 to – 2,5 o/oo	from – 2,5 o/oo to – 5,0 o/oo	from – 5,0 o/oo to –10,0 o/oo	from – 10,0 o/oo to – 15,0 o/oo	Over – 15,0 o/oo
NETHERLANDS	(1960–1969)	Overijssel –0,1 Noord-Holland –0,7 Zuid-Holland –1,0 Limburg –1,0 Groningen –1,7 Zeeland –1,8	Friesland –3,8			

LIST NO. 4

Regional units in which "Extractive Industries" and Textiles account for more than 10% of employment in industry.

Branch: EXTRACTIVE INDUSTRIES

	Part: Industrial Employment	Number of Jobs
GREAT BRITAIN (1971)		
North	11,6	63.800
Wales	11,8	48.400
East Midlands	10,8	77,000
Yorks and Humberside	9,4	89.400
ITALY (1971)		
Grosetto	20,6	2.554
Cagliari	18,6	6.895
Agrigento	13,6	1.633
Caltanisetta	10,2	1.056
DENMARK (1969)		
–		
FRANCE (1968)		
Pas-de-Calais	30,5	56.556
Moselle	21,2	30.916
Gard	19,0	7.624
Tarn	12,7	4.796
BELGIUM (1971)		
Hasselt	31,1	15.819
Tongres	25,6	3.094
Soignies	15,1	2.970
Huy	14,3	954
Dinant	13,2	513
Marche	12,5	242
Charleroi	10,6	8.774
Mons	10,5	2.644

Branch: Extractive Industries

FEDERAL REPUBLIC OF GERMANY (1970) (concerns employing ten or more persons)	Part: Industrial Employment	Number of Jobs (Absolute figures)
Grfsch. Diepholz	19,7	1.132
Neustadt a.R.	11,3	634
Nienburg	12,5	1.171
Hildesheim-Marienburg	15,8	1.749
Zellerfeld	36,6	887
Burgdorf	22,2	1.717
Celle	17,9	2.057
Bremervorde	10,5	317
Lingen[1)]	18,7	979
Meppen	18,5	822
Helmstedt	36,0	3.415
Cloppenburg	11,2	688
Essen-St.	24,0	20.872
Oberhausen-St.	24,0	9.953
Dinslaken	38,6	9.082
Moers	39,3	21.665
Bergheim	49.9	5.186
Koln	42,4	4.671
Aachen	20,0	7.851
Erkelenz[1)]	40,0	4.931
Julich[1)]	38,4	4.289
Selfkantkreis-Geilen-Kirchen-Heinsberg	15,1	2.152
Bottrop-St.	67,0	7.493
Gelsenkirchen-St.[1)]	27,4	15.431
Recklinghausen-St.	64,5	11.618
Beckum	23,2	6.905
Ludinghausen	26,3	4.441
Recklinghausen	48,5	28.702
Tecklenburg	32,6	5.246
Bochum-St.	10,2	6.847
Castrop-Rauxel-St.	55,9	7.756
Dortmund-St.	21,3	20.859
Herne-St.	25,6	3.512
Gladbeck	30,4	3.125

Branch: Extractive Industries

	Part: Industrial Employment	Number of Jobs (Absolute figures)
Wanne-Eickel-St.	23,2	2.273
Lunen-St.	37,0	3.204
Wattenscheid-St.[1)]	29,9	2.946
Unna	40,9	14.980
Ottweiler	25,8	5.157
Saarbrucken	29,0	14.946
Saarlouis	11,3	3,538
Fritzlar-Homburg	25,2	1.102
Hersfeld[1)]	29,5	3.611
Fulda[1)]	20,6	928
Eschenbach[1)]	10,4	341
Wabburg[1)]	13,6	649
Burglengenfeld[1)]	17,8	1.475
Weilheim[1)]	20,8	1.463
Mullheim	15,4	722

1) Figures are taken from "Arbeitsstattenzahlung 1970", which are usually lower than those in "Industriestatistik 1970".

NETHERLANDS

Limburg	12,5	12.457

Branch: TEXTILES

	Part: Industrial Employment	Number of Jobs
ITALY (1971)		
Vercelli	58,3	48.284
Firenze	28,6	51.415
Varese	27,6	47.849
Como	23,8	34.024
Pistoia	20,1	7.137
Bergamo	19,5	27.648
Vicenza	18,6	22.214
Gorizia	18,6	3.567
Novora	16,7	14.512
Treviso	16,1	15.588
Sondrio	15,9	2.066
Lucca	15,3	7.137
Isernia	15,2	398
Madena	14,9	13.605
Mantova	13,0	6.021
Brescia	12,6	19,441
Perugia	11,8	5.634
Cozensa	11,4	1.823
Rovigo	10,1	2,308
UNITED KINGDOM (1971)		
Northern Ireland	23,2	44,200
East Midlands	16,9	114.100
Yorks. and Humberside	14,4	136.200
Northern West	12,6	164.700
Scotland	9,9	76.600
DENMARK (1969) (concerns employing ten or more persons)		
Ringkøbing	31,9	5.834
Viberg	10,2	1.032

Branch: TEXTILES

	Part: Industrial Employment	Number of Jobs
FRANCE (1968)		
Aube	47,4	22.888
Vosges	43,3	30.248
Ariege	31,6	3.972
Ardeche	31,5	9.464
Tarn	29,1	10.956
Haut-Rhin	24,7	23.584
Nord	24,4	95.640
Loire	23,1	30.956
Haute-Loire	22,8	4.608
Somme	18,8	11.772
Haute-Saone	16,6	5.304
Isere	14,7	18.092
Rhone	14,2	30.804
Pas-de-Calais	13,7	25.336
Aisne	13,2	9.268
Drome	11,6	4.572
Seine Maritime	10,1	14.500
Gard	10.1	4.048
BELGIUM (1971)		
Mouscron-Comines	77,1	9.686
Audenarde	53,9	9.213
Saint-Nicolas	43,4	11.890
Courtrai	42,0	22.048
Termonde	38,8	8.252
Tielt	35,9	3.439
Ath	34,6	1.720
Tournai	32,8	5.237
Alost	29,2	7.725
Verviers	27,0	7.197
Eeklo	26,8	1.636
Gand	21,3	14.408
Roulers	13,7	3.406
Marche	13,0	264
Furnes	11,7	262

Branch: TEXTILES

Part: Industrial Employment

Number of Jobs (Absolute figures)

FEDERAL REPUBLIC OF GERMANY[1)]

(only undertakings employing 10 or more persons)

Neumunster	14,3	1.603
Hzgt. Lauenburg	13,9	1.304
Hameln-St.	19,3	2.088
Einbeck	18,4	1.260
Luchow-Dannenberg	10,3	294
Aschendorf-Hummling	11,1	594
Bersenbruck	12,4	912
Grafschaft Bentheim	69,8	11.099
Delmenhorst-St.	26,8	1.937
Wilhelmshaven-St.	13,2	1.026
Krefeld-St.	11,9	6.857
Monchengladbach-St.	32,0	8.057
Rheydt-St.	31,8	6.366
Wuppertal-St.	15,1	13.345
Kempen-Krefeld	33,9	12.488
Rhein-Wupper-Kreis	10,6	3.815
Duren	13,0	3.268
Erkelenz	10,2	1.259
Bocholt-St.	37,6	5.172
Ahaus	47,7	7.379
Borken	36,0	2.796
Coesfeld	33,5	2.715
Munster	31,6	2.935
Steinfurt	70,5	20.915
Warendorf	18,2	1.776
Wiedenbruck	14,5	4.709
Meschede	35,1	3.094
Lauterbach	16,5	895
Fulda-St.	40,7	5.526
Eschwege	15,6	1.523
Hofgeismar	12,3	343
Marburg	22,8	3.079

1) Figures are incomplete. Information for certain Kreise is not disclosed by the authorities.

Branch: TEXTILES

	Part: Industrial Employment	Number of Jobs (Absolute figures)
Witzenhausen	28,1	1.276
Ziegenhain	14,5	517
Cochem-Zell	11,6	373
Bernkastel-Wittlich	10,6	413
Trier-Saarburg	24,4	1.790
Kaiserslautern-St.	14,4	2.157
Kaiserslautern	16,9	683
Kusel	33,5	1.792
Backnang	16,2	2.847
Crailsheim	14,2	930
Goppingen	15,0	7.891
Heidenheim	12,8	4.212
Nurtingen	21,6	7.578
Ulm	17,9	1.383
Mosbach	21,0	2.052
Sinsheim	10,5	1.165
Donaueschingen	17,5	2.169
Emmendingen	22,0	3.807
Freiburg	23,6	1.171
Konstanz	13,8	4.525
Lorrach	37,9	10.049
Mullheim	10,5	494
Sackingen	32,8	4.898
Stockach	28,0	1.510
Balingen	46,9	14.792
Calw	10,4	1.764
Ehingen	17,2	995
Hechingen	60,2	6.769
Horb	15,0	956
Munsingen	35,0	1.390
Ravensberg	11,1	1.772
Reutlingen	24,6	11.019
Saulgau	21,3	1.882
Sigmaringen	42,7	3.253
Tubingen	30,1	6.226
Wangen	25,1	2.603

Branch: TEXTILES

	Part: Industrial Employment	Number of Jobs (Absolute figures)
Freising-St.	10,2	328
Traunstein-St.	15,1	116
Aichach	23,4	634
Bad Aibling	45,8	2.539
Bad Tolz	11,2	245
Laufen	19,6	958
Schongau	36,4	1.829
Deggendorf-St.	39,3	1.258
Vilsbiburg	32,6	1.113
Bamberg-St.	10,5	1.506
Bayreuth-St.	31,2	3.084
Hof-St.	54,5	5.234
Kulmbach-St.	38,2	2.785
Bamberg	40,3	2.194
Bayreuth	23,3	1.269
Hechstadt a.d.A	13,2	1.232
Hof	43,4	1.830
Kulmbach	58,9	2.028
Munchberg	70,7	6.276
Naila	37,0	3.080
Pegnitz	12,6	611
Stadtsteinach	21,6	486
Wunsiedel	20,1	2.343
Eichstatt-St.	11,7	159
Ansbach	29,3	797
Feuchtwangen	21,5	515
Neustadt a.d.A.	10,1	354
Rothenburg o.T.	13,0	55
Augsburg-St.	22,7	13.408
Gunzburg-St.	13,9	410
Lindau-St.	15,8	851
Memmingen-St.	10,6	639
Nordlingen-St.	14,1	547
Augsburg	33,3	4.581
Dillingen	17,4	968
Fussen	29,5	990

Branch: TEXTILES

	Part: Industrial Employment	Number of Jobs (Absolute figures)
Gunzburg	25,4	1.122
Kempten	29,3	1.606
Krumbach	13,4	515
Lindau	14,8	746
Marktoberdorf	11,9	694
Sonthofen	40,1	3.608
Sankt Wendel	14,9	1.048

NETHERLANDS

Drenthe	22,1	6.602
Overijssel	22,0	20.641

LIST NO. 5

Relativd unemployment[1] (index according to national average = 100).

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[1] National Statistics.

UNITED KINGDOM

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
Kent S.E. Southern S.W. South Lindsey Y.H. North Humberside Y.H. Fylde N.W. Lancaster N.W. Rural North-East:North N Rural North-East:South N Cumberland and Westmore-land N. Industrial South Wales: Coastal Belt W.a. North East Wales W.a. Edinburgh S. Falkirk/Sterling S. Tayside S.	Western S.W. Yorkshire Coalfield Y.H. Merseyside N.W. Industrial North-East: South N. N.W. Wales: North Coast W.a. South West Wales W.a.	Industrial North-East : North N. Industrial South-Wales: C & E Valleys, W.a. Glasgow S. South West S.	N.W. Wales: Remainder W.a.	Highland S. Northern Ireland N.I.

BELGIUM

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250
Diksmuide	Oostende	Huy	Mons
Dinant	Thuin		Liege
Maaseik	Waremme		Veurne
Verviers			
Hasselt			
Tournai			

FRANCE

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 te 150	From 150 to 175	From 175 to 200	From 200 to 250
Loire Atlantique	Gard	Pyrenees Orientales	Bouches du Rhone
Gironde		Herault	Alpes Maritimes
Paris		Morbilhan	Var
Pas-de-Calais		Aude	
Hautes Pyrenees		Pyrenees Atlantiques	
Vaucluse			
Haute Garonne			
Charente Maritime			
Lozere			
Nord			

IRELAND

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
West			Donegal	

DENMARK

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 tc 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
Storstrøm		Bornholm		
Ribe		Viborg		
Ringkøbing		Nordjylland		

FEDERAL REPUBLIC OF GERMANY

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
Flensburg	Dithmarschen	Flensburg-St.	Cloppenburg	Aschendorf-Hummling
Lubeck-St.	Kiel-St.	Helmstedt	Delmenhorst-St.	Aurich
Nordfriesland	Neumunster-St.	Castrop-Rauxel	Gottingen	Duderstadt
Ammerland	Ostholstein	Dortmund-St.	Grfsch.Bentheim	Emden-St.
Celle	Plon	Essen-St.	Luchow-Dannenberg	Leer
Cuxhaven-St.	Schleswig	Mulheim-St.	Luneburg-St.	Norden
Gifhorn	Friesland	Recklinghausen	Luneburg	Northeim
Goslar-St.	Peine	Schleiden	Munden	Salzgitter
Goslar	Uelzen	Wanne-Eickel-St.	Osterode	Wittmund
Hildesheim-St.	Wesermunde	Pirmasens-St.	Wilhelmshaven-St.	Bremerhaven
Hildesheim-Marienburg	Aachen-St.	Bitburg	Bocholt-St.	Ahaus
Land Hadeln	Duisburg-St.	Homburg	Bochum-St.	Gelsenkirchen-St.
Meppen	Julich	Bayreuth-St.	Bottrop-St.	Gladbeck-St.
Osterholz	Lunen	Ingolstadt	Herne	Zweibrucken-St.
Verden	Selfkantkreis	Landshut	Oberhausen-St.	Ottweiler
Wesermarsch	Hersfeld	Marktredwitz-St.	Recklinghausen-St.	Amberg-St.
Wolfenbuttel	Hofgeismar	Neustadt W.	Steinfurt	Amberg
Zellerfeld	Witzenhausen	Rosenheim-St.	Unna	Cham
Bremen	Wolfhagen		Wattenscheid-St.	Ingolstadt-St.
Aachen	Bernkastel-Wittlich		Pirmasens	Ketzing
Borken	St. Ingbert		Zweibrucken	Neuburg a.D.-St.
Duren	St. Wendel		Saarbrucken-St.	Neunburg v.W.
Hagen-St.	Kemnath		Saarbrucken	Oberviechtach
Hamm	Landau		Saarlouis	Passau
Kleve	Lichtensfels		Bogen	Regnitz
Ludinghausen	Matburg		Burglengenfeld	Roding
Monchengladbach-St.	Pfaffenhofen		Grafenau	Sulzbach-Rosenberg
Monschau	Pfarrkirchen		Kronach	Waldmunchen
Rheydt-St.	Regen		Landshut-St.	Wegscheid
Frankenberg	Schwandorf-St.		Mallersdorf	Wolfstein
Fritzlar-Homburg	Weilheim		Muhldorf	[illegible]
Fulda-St.			Passau-St.	

FEDERAL REPUBLIC OF GERMANY

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE) (Continued)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
Giessen-St.			Schrobenhausen	
Hanau-St.			Viechtach	
Hunfeld			Vilsbiburg	
Kassel-St.			Vilshofen	
Schluchtern			Weiden-St.	
Waldeck				
Wetzlar				
Kaiserslautern-St.				
Speyer				
Merzig-Wadern				
Bad Neustadt				
Bayreuth				
Dinkelsbuhl				
Erding				
Eschenbach				
Gemunden				
Griesbach				
Hof				
Kelheim				
Konigshofen				
Mainburg				
Munchberg				
Neuburg a.D.				
Neumarkt-St.				
Regensburg-St.				
Schweinfurt-St.				
Staffelstein				
Tirschenreuth				
Vohenstrauss				
Wolfratshausen				
Wunsiedel				

ITALY

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
Rovigo	Ravenna	L'Aquila	Ferrara	Caserta
Forli	Frosinone	Potenza	Salerno	Napoli
Perugia	Benevento	Matera	Brindisi	Lecce
Rieti	Avellino	Reggio di Calabria	Palermo	
Latina	Taranto	Messina	Agrigento	
Pescara	Catanzaro	Nuoro	Caltanissetta	
Chieti	Trapani		Enna	
Isernia	Siracusa		Catania	
Campobasso				
Foggia				
Bari				
Cosenza				
Ragusa				

NETHERLANDS

LEVEL OF UNEMPLOYMENT INDEX (ACCORDING TO THE NATIONAL AVERAGE)

From 120 to 150	From 150 to 175	From 175 to 200	From 200 to 250	Over 250
Overijssel Noord Brabant	Limburg Friesland	Groningen	Drenthe	

CHAPTER THREE

Aims and Instruments of Regional Policies in Member States

The following is an analysis, for each country of the Community, of aims, means and results of national authorities' policies to face development problems at regional level.

BELGIUM

1. AIMS

Economic expansion and establishment of new industries was covered by the Law of 17 July 1959 passed to alleviate a period of fairly sharp recession. Regional policy was laid down by the Law of 18 July 1959 and dealt with 15 "development regions" containing 18.2% of the Belgian population and covering 322 communes. It applied to limited and dispersed geographical areas of which the characteristic structure was dependence on mining or industry in regression and a relative lack of industrial employment.

Due to the worsening coal crisis, the Law of 1966 was strengthened and it extended specific regional aid to 679 communes comprising 35.3% of the Belgian population and over 25% of the territory, i.e., all the coal mining regions and new regions "faced with urgent and acute problems".

The Law of 30 December 1970 on economic expansion replaced the earlier legislation of 1959 and 1966. It reinforced and extended the range of encouragement to regional development. Its geographical extent - it is confined to a maximum of 20% of the Belgian population - has not yet been established. The grant of regional aid must be confined to the regions and areas laid down in Article 1 of the Commission's Decision of 26 April 1972.

Apart from legislation on regional policy, Belgium has acquired a new regional organization. In accordance with the Law of 15 July 1970 on the organization of planning and economic decentralization and with Article 107 quart of the amended Constitution of 24 December 1970, Belgium consists of three regions: Flanders, Wallonia, and the Brussels region.

2. MEANS

(a) The institutional framework

The Ministry of Economic Affairs is the chief organ of regional policy, both as regards planning and application.

State Secretariats for regional economy and for the environment help the Minister for Economic Affairs in implementing regional policy.

Three Regional Economic Councils (for Flanders, Wallonia, and the province of Brabant) must be consulted by the Government on all measures concerning the development of their region.

Regional development companies are in process of establishment (one for Brussels, one for Wallonia, one for each Flemish province); they will be enabled to take shares in undertakings within their territory.

Regional intercommunal equipment companies handle industrial installation in various regions of the country and in the relevant areas.

Apart from these institutions abovementioned reference should be made to the National Investment Company, the Economic Expansion and Regional Conversion Company, the National Solidarity Fund, and the Industrial Promotion Office, all of which may contribute respectively to regional development.

(b) Encouragement measures

Encouragement measures stipulated by the Law of 30 December 1970 included, on the one hand, "typical" means of regional aid i.e. interest rebates, capital subsidies, employment subsidies, tax advantages, State guarantees, infrastructure equipment, etc. and, on the other hand, new means of financing with, as a common denominator, the grant of contracts with the

State requiring on the part of interested enterprises an expansion of their activities in accordance with the scheme's objectives.

(i) Typical measures are:

- regional aid for development areas, granted for establishing, extending and modernizing industrial undertakings or crafts, the public services or the services sector.

  Outside development areas, aid is available to "sectoral or technological activities offering a particular interest";

- additional regional aid, granted by Royal Decree if "economic circumstances make it desirable".

Interest rebates can reach 5 points over 5 years with a ceiling of 75% of fixed investments and are applied to loans from approved credit institutions and for ordinary and convertible bonds under certain conditions. These 5 points can be raised to 6 in the case of investments in advanced technology and to 7 if economic conditions make it desirable. There are variations according to the categories of development areas concerned (categories 1 and 2); exemptions from repayment may be allowed up to a maximum of 3 years.

State guarantees, if credit guarantees are insufficient, related to the repayment in capital, interests and other items on loans and limited to 75% if the loan is not made by a public credit institution.

Part of the aid in question may, instead, take the form of employment subsidies in order to encourage investment creative of employment.

Tax concessions are allowed in the form of tax reduction on plus-values, tax exemption over five years on buildings, land and equipment having benefited from State aid, exemption at time of registration of the proportional duty of 2.5% on capital contribution by a company setting up in development areas, authorization to amortize at twice the normal annual rate during a maximum of three assessable periods, exemption over five years of communal and provincial taxes on employment and on installed power.

In matters of purchase and preparation of land for industrial purposes or for crafts and the services sector, there may be special facilities for the purchase or removal of infrastructures by public organizations; possibilities of leasing or selling land and buildings at reduced rates to investors; special aid by the Council of Ministers to subsidize water purification plants.

(ii) Introduction of new contractual measures would seem to be inspired by the following objectives:

- application of an active industrial policy;
- concentration of public effort on existing and potential strong points of the economy;
- promotion of industrial activities technologically advanced; in practice, these are often of foreign origin;
- integration of the tertiary sector amongst factors for smooth development, adapted to Belgian trade.

Under the description of "progress contracts" measures are applied to conventions signed between the State and enterprises which, over a period of several years, undertake to carry out projects of technical improvement and industrial or commercial development which meet the Government's economic planning aims and its scientific programmes.

Apart from the new measures of progress contracts, employment subsidies were introduced which partly replace certain "typical" aids and consist of non-repayable subsidies over 5 years; the amount per new job varies with the type (quality) of the new employment and the area concerned; this subsidy may be doubled when the enterprise helps in creating industrial expansion or technological promotion.

3. RESULTS

Appreciation of results obtained by the Belgian regional policy meets with a basic difficulty owing to the absence of individual statistics on development areas; data available concerns mainly the provinces. This is attributable to the fact that provinces, areas, and new regions have never coincided and that since 1959, these areas have been substantially modified.

It is also difficult to dissociate in the results, influences of the economic expansion policy for the whole territory from those of regional policy which has practically the same instruments except for those of specific degrees which apply to development areas.

One is therefore compelled to limit the analysis of results to laws on economic expansion as a whole.

(a) Investments

The distribution of the means applied by major regions and their development are shown in the following tables.

TABLE I

Cost of regional policy

(BFrs '000)

	Walloon	Flanders	Brussels	Totals
1962	579 188	371 728	16 897	967 813
1963	235 793	705 408	20 348	961 549
1964	154 635	1 108 804	-	1 335 439
1965	284 650	276 142	2 100	562 892
1966	105 191	540 502	5 948	651 641
1967	1 248 816	1 074 428	3 153	2 326 397
1968	1 423 512	1 511 836	6 937	3 042 285
1962 to 1968 Total	4 031 785	5 700 843	55 383	9 848 016
1969	2 271 000	2 063 000	1 200	4 335 200
1970	4 542 000	3 186 000	59 000	7 787 000
1971	2 935 000	5 162 000	82 000	8 179 000
1969 to 1971 Total	9 748 000	10 401 000	142 200	20 291 200

TABLE II

Investments in million BFrs

	New Factories		Investments within existing factories	Total	%
	Foreign or mixed investments	Belgian investments			
Antwerp	26 794	10 142	50 824	87 760	22.3
West Flanders	1 797	2 942	19 816	24 555	6.2
East Flanders	28 379	6 883	3[illegible] 113	72 375	18.4
Limburg	17 507	3 866	16 239	37 612	9.6
Flemish Brabant	2 364	1 117	1 895	15 376	3.9
Flanders	76 841	24 950	135 886	237 677	60.4
Hainaut	20 092	11 305	38 776	70 173	17.8
Liege	5 002	10 287	37 449	52 738	13.4
Luxemburg	850	169	2 850	3 869	1.0
Namur	337	3 020	5 099	8 456	2.1
Walloon Braba.	390	250	12 261	12 901	3.3
Wallonia	26 671	25 031	96 436	148 138	37.6
Brussels Capital	816	187	6 634	7 637	2.0
GRAND TOTAL	104 328	50 168	238 956	393 452	100.0

This table shows sharply the importance of new foreign or mixed ventures compared with national ones.

(b). Employment

The following table compares distribution of population with employments created through aided investments from 1959 to 1970:

TABLE III

Population and new employments by regions

	% of total population 1970	New employments through aided investments from 1959 to 1970	
		Numbers	% by province
Antwerp	16	56 582	20.20
West Flanders	11.1	38 633	13.79
East Flanders	13.8	46 567	16.63
Limburg	6.8	34 859	12.44
Flemish Brabant	8.6	14 440	5.16
Flanders	56.3	191 086	68.22
Hainaut	13.9	43 055	15.37
Liege	10.4	27 291	9.74
Luxemburg	2.4	1 591	0.57
Namur	4	5 210	1.86
Walloon Brabant	2.2	5 159	1.84
Wallonia	32.9	82 306	29.38
Brussels Capital	10.8	6 721	2.40
GRAND TOTAL	100.0	280 113	100.0

The cost of aid from public funds in 1971 per new job created was BFrs 124 000 in Flanders and BFrs 199 000 in Wallonia.

DENMARK

1. AIMS

Pursuant to the Law of 1972 on regional development the aim of regional policy is to promote development of industry and other economic activity in the country's less favoured regions where this development may be thought indispensible to allow the people to receive their fair share of the national economic, social, and cultural growth.

Denmark consists of three regions: Jutland which is part of the mainland and two islands, Zeeland and Funen. There are also the Faroe Islands and Greenland. There are important disequilibria in the population distribution of the three regions. This is accounted for by migration principally towards Copenhagen; the only region which has not suffered from this trend is Aarhus, second town of Denmark, and the neighbouring region. In consequence, Zeeland which is the province including Copenhagen and which accounts for 22% of the territory also accounts for 46% of the population of Denmark.(1)

In Denmark there are three categories of regional problem:

- the problems of rural regions, principally in the north west of Jutland where agriculture still accounts for 20 and 30% of employment (17% in Jutland and 11% overall in Denmark) and which are concerned with sizeable emigration, have an unemployment rate which is three times that of the national average and an income per inhabitant some 30% lower than the national average;

- the problems of regions concerned with fisheries which are to be found on the west coast of Jutland and above all in the Faroe Islands and Greenland. In these regions fishing is not only the chief activity but equally other activities do not develop very fast, for instance agriculture in Jutland, sheep rearing in the Faroes and mining in Greenland;

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(1) Figures refer to year 1970.

- problems due to population concentration in Copenhagen. The Zeeland region accounts for 49% of industrial employment and 55% of tertiary employment in Denmark. The north east of Zeeland, which corresponds in the main to the Copenhagen agglomeration, is the only region where income per inhabitant is more than the national average.

2. MEANS

(a) The institutional framework

Regional policy falls within the competence of the Minister of Trade (Mr Jensen - Social-democrat) who makes policy decisions and appoints the Chairman of the Council for Regional Development. The Minister of Trade also decides, after seeking the opinion of this Council, which regions of the country shall receive the aid for which the law makes provision.

The Council for Regional Development is the institution responsible for applying the law of regional development. Apart from its Chairman, who is appointed by the Minister of Trade, it consists of representatives:

- of the Ministries of Trade, of the Economy and of the Budget, of Labour, of Housing, and of the Interior;

- of the Federation of Danish Industries;

- of the Economic Council of the Danish Labour Movement;

- of the National Association of Municipalities and of the union of County Councils.

The day to day management of the Council is in the hands of the Directorate for Regional Development of the Ministry of Trade.

(b) Measures of encouragement

On the basis of a certain number of criteria (extent of urbanization. extent of industrialization, level of income, level of unemployment, emigration) those regions which are eligible for regional aid have been classified in two categories according to the seriousness of regional problems.

- Development regions of a general character which may receive loans and some grants in aid and which are:
  - the central and western part of Jutland;
  - the north east part of Aarhus county.
- Special regions for development which may receive in particular grants up to the level of 25% of investment cost and which are:
  - all North-Jutland county;
  - the north west of Viborg county;
  - the north west of Ringkobing county;
  - the south west of South-Jutland county;
  - Lolland, Falster, Bornholm and Samso islands.

In all, total regions for development cover 56% of the territory and account for 31% of the population, which is divided in approximately equal measure between the special and the general regions.

The three principle forms of aid which the law of 1969 provided were:

- a State guarantee for loans to industrial undertakings and for servicing investment costs;

- the grant of loans by the State to local authorities at rates of interest which are fixed by the Minister who is responsible for the finance of industrial buildings for sale or to let;

- subsidies to investment up to 25% designed to reduce investment costs.

In previous years there has clearly been greater interest in State loans to local authorities and subsidies to investors. In contrast, guarantees were very little used. The reason for this was that while the State deposit meant that there was no risk to the lender, the borrower had nevertheless to pay market rates of interest. The conclusion was that State guarantees for loans was neither appropriate nor effective.

For this reason these guarantees were replaced in the new law of 1972 by direct State loans. These loans are granted at a rate of interest fixed by the Minister of Trade at a level lower to some extent than that of the market level (for the moment this is 7.5% a year, whereas market rates are between 10 and 11%).

3. RESULTS

Subsidies to investment which were introduced with the 1969 legislation rose between that year and 1971 to 4.1 millions of units of account for 51 individual cases.

From 1963 to 1971 115 loans were granted for a total amount of 15 millions of units of account.

The Minister of Trade considers that as a consequence Danish regional policy has contributed to the creation of approximately 11 000 jobs.

FEDERAL REPUBLIC OF GERMANY

1. AIM

The aim of the regional policy is to set up the best regional economic structure and to see that unused or misused production in all regions is mobilized so as to encourage general economic growth. Regional policy musttend to increase the economic capacity of regions having a weak structure and to offer better employment prospects and better wages.

During the 1972 to 1975 planning period, in regions to be developed, it is expected that some 460 000 new employments will be made available whilst maintaining about 240 000 employments already existing. To achieve this, about 14.7 thousand million DM will be spent to encourage industrial investments. Also, 2.2 thousand million DM are earmarked for infrastructures connected with industry.

Objectives concerning employment and the level of anticipated expenditure are given in detail in each of the 21 schemes of regional action.

By creating ar.. protecting employment in regions to be developed, the Federal Government and the Länder tend, in the context of the law on common powers "improvement of the economic structure of regions", 6 October 1969[(1)], to contribute efficiently to the setting up of a most favourable regional economic structure and to encourage general economic growth by calling on production factors little used or unused, particularly labour.

A diagramatic plan gives details of the so-called stagnating regions. These include economically weak agricultural regions and critical industrial regions where the situation is critical and the structure is inadequate. The development of specific regions such as the eastern border area is included in the system of common action.

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(1) Gesetz über die Gemeinschaftsaufgabe "Verbesserung der regionalen Wirtschaftsstruktur" – Bundesgesetzblatt I. p. 1861.

All stagnating regions are grouped into 21 units to which regional action schemes[1] apply.

This is the system for which the diagramatic plan, described in detail below, makes provision. The federal law on environment 8 April 1965[2] also sets a series of special targets for different regions.

2. MEANS

(a) Institutional framework

Regional action schemes, the first was adopted in 1969 by the "Interministerial Committee for regional policy (IMNOS)", were the start of a more advanced cooperation phase on regional economic policy measures applied jointly by the Bund and the Länder without, however, interfering with the Länder who, until 1969, remained responsible for the Federal Republic's regional policy.

The fundamental Law (Grundgesetz) empowers the Bund to watch over improvement of living conditions in regions to be developed. From 1969 it strengthened its share in the joint responsibility at a time when the new advanced coordination phase found its expression in the joint decision by the Federal Government and the Länder to do all within their power to improve living conditions in economically weak regions and those with deficient structures. This is why improvement of regional economic

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(1) Scheme regions are:

Schleswig-Unterelbe - Holstein - Nordwestniedersachsen - Niedersachsisches Zonenrandgebiet - Nördliches Ruhrgebiet - Westmunsterland - Nordeifel-Grenzraum Aachen - Südwestfalen - Hessisches Fördergebiet - Mittelrhein-Lahn-Sieg - Eifel-Hunsruckgebiet - Saarland-Westpfalz - Hohenlohe-Odenwald-Gebiet - Sudlicher Oberrhein-Hochschwarzwald - Alb-Oberschwaben-Bodensee Gebiet - Unterfränkisches Fördergebiet - Oberfränkisches Fördergebiet - Westbayerisches Förderbegiet - Oberpfälzisches Fördergebiet - Ostbayerisches Fordergebiet - Oberbayerische-Schwäbisches Fördergebiet - Sudostlich-Oberbayerisches Fördergebiet.

(2) Raumordnungsgesetz des Bundes - Bundesgesetzblatt I, 306.

structure is considered as being the joint responsibility of the Federal Government and the Länder and has been included in the fundamental law under the term "joint responsibility" by the law on joint responsibility of October 1969.

In accordance with this law, the Federal Government and the Länder set up in May 1970 a Planning Committee for Regional Economic Structure consisting of the Federal Minister for Economic Affairs as Chairman and the 11 Ministers for Economic Affairs of the Länder. This Committee was responsible for preparing a diagramatic plan showing boundaries of stagnating regions, laying down the aims, the measures to be adopted and fixing conditions of aids. This plan was adopted in June 1971 for the period 1972 to 1975. It is a uniform system within which the regional economic development entrusted to the Federal Government and the Länder which until then had been fragmented in a multiplicity of schemes, of development areas and directives is now standardized.

The preparation of the diagramatic plan and its finances are the joint responsibility of the Federal Government and the Länder but its application and detailed planning will devolve only to the Länder as will also the care of the budget allocated, the use of funds available and the allocation of funds for various projects.

(b) Aids

The diagramatic plan is concerned with the development of commercial and industrial sectors likely to encourage economic growth of regions to be developed. Consequently, subsidies are given only for investments by industrial undertakings selling their products mainly outside the region and to companies working for the tourist trade. These investments open additional sources of income for the population of the regions in question.

Joint responsibility includes also aid for expansion of infrastructures connected with industry, the preparation of industrial sites, the extension of the communication network, power stations, water supply, public institutions concerned with the tourist trade and training centres.

In the 21 scheme regions, the amount of aid is fixed in such a way that the effort is concentrated on special development for neighbouring regions and the 312 main areas to be developed in the framework of the joint responsibility have been divided in

(i) 32 areas offering good prospects of development and which have considerable influence on regions have been considered as areas of major importance.

12 areas of major importance belong to the eastern border area where the cost of siting and expanding industrial installations can be financed from public funds at a rate of up to 25%.

In 20 areas of major importance outside the eastern border area finance can go up to 20%.

(ii) In 211 main areas siting and expansion of industrial installations can be subsidized at a rate of up to 15% of investment costs.

(iii) In 50 main areas a subsidy of 10% can be granted as contribution to investment costs.

(iv) 19 towns, by virtue of their strategic position in relation to the frontier area, can receive subsidies of up to 25% to encourage siting and expansion of industrial installation.

Subsidies of up to 10% can be granted for expansion of industrial installations located outside the main areas; they can reach 15% in exceptional cases if the enterprise was built prior to entry into application of the plan, i.e., prior to 1 January 1972. As a general rule, it is not possible to encourage development of industrial installations if they were erected after 1 January 1972 outside the main areas.

Subsidies for the conversion and major alterations to factories in the whole of the region to be developed may reach up to 10%.

Certain economically weak regions not adapted to industrialization nevertheless offer beautiful landscapes. They are included in the plan as tourist centres; companies concerned with the tourist trade and which set up or expand in those regions can be subsidized at a rate of up to 15%, their conversion or complete reorganization by up to 10%.

3. RESULTS

During the period 1969 to 1971, 296 000 new industrial employments were set up or programmed with the aid of public resources in regions coming under the regional action scheme. Some 2 000 new companies were installed in regions to be developed and about 5 000 existing companies expanded. About 80% of the firms which received investment bonuses are small or medium sized and represent 12% of the total investments but 34% of the new employments. Total private investments made with the aid of "Investitionszulage" amount to 1 105 million DM.

FRANCE

1. AIMS

The main objectives of territorial improvement and regional action in France are the search for a Paris-Province balance, the development of the West, South-West and Massif Central and conversion of the North and East regions.

The Paris region has already reached a degree of concentration harmful to its own vitality and, whilst moderating its demographic growth, its task is, on the one hand, to move a number of enterprises towards the east of the region and to new towns which must stop being purely dormitories and, on the other hand, to decentralize other enterprises to the provinces.

Fulfilment of the Paris-Province balance must proceed through the localization of tertiary activities; in particular education, the establishment of high level decision and service centres, more especially in balanced agglomerations and in regional chief towns, and deconcentration of management and operating services of enterprises and administrations. The provinces should set up the necessary physical and intellectual infrastructures to receive enterprises which during the five years of the VIth plan are expected to employ the best part of 250 000 industrial workers and a large share of the 750 000 workers in the tertiary sector.

The development of the West, South West and Massif Central goes hand in hand with changes in the agricultural and industrial sectors - essential because of the strong competition - and presupposes the construction of a road network, of port facilities and vocational training. In order to meet the aim of raising the share of secondary and tertiary employment from 75 to 80%, rural conversion will require a three-fold effort: modernization of agriculture, development of the tourist trade and industrialization of medium size towns; this effort must, at the same time, preserve architectural wealth and the countryside whilst strengthening tertiary activity in balanced agglomerations and medium size towns, particularly in the banking and commercial sectors.

Conversion of the North and East regions, particularly exposed to immediate competition from their neighbours, has as objective new employment in the machinery, motor car manufacturers and chemical sectors. They are to receive at least 30% of the net employment growth of the same branches for the whole of France.

Apart from these priority objectives, others concern restructuring and improvement of living and working conditions in the high density areas of the Paris region and basin. The Seine Valley, middle Loire and Oise valley are the main targets for extension and taking up the overflow.

Consolidation of economic development in the South East will be ensured through infrastructural improvements of the Lyons-Saint Etienne-Grenoble triangle and industrialization of the Mediterranean coastal strip from Fos.

A special policy is contemplated for areas of mountain economy to retain the population by adaptation of agriculture and by creating new activities based on the tourist trade and agricultural production of high quality through specific aid for equipment to reduce natural handicaps of isolation, altitude and climate.

2. MEANS

Means of the French regional policy can be classified in four categories: reform of administrative structure, improvement measures, restrictive measures and encouragement measures.

A Reform of administrative structures

This was initiated under the Decree of 14 March 1964 on organization of the State's departments in districts of regional action. It is applied through a more direct and a greater responsibility on the part of officials elected, particularly on division of powers between central authorities, regional prefects and local communities. New procedures implement the reorganization of the VIth plan; they were introduced in the following stages:

(i) exploratory stage; each region prepared a report on regional guidance for the plan's General Commissariat;

(ii) preparatory stage; each region prepared its outline of a programme in the framework of the VIth plan, showing the main features of its development and an indication of financial distribution between public utilities;

(iii) programme stage, on the one hand consisting in the preparation of regional schemes of development and equipment and, on the other hand, in setting up contract plans for the modernization and equipment of major built-up areas. These are reciprocal undertakings, over three years extendable yearly, between the State and eight areas, concerning public investments.

B Improvement measures

Major road, harbour and industrial works of modernization of French infrastructures, whilst resulting in a more rational value of the territory, frequently entail complete restructuring of the regions concerned.

The choice of priorities in setting up these major infrastructures has a strong appeal to economic development and contributes towards new balances. Projects like Fos-sur-Mer and the Channel tunnel will influence strongly the two maritime coastal strips involved and the hinterland.

C Restrictive measures

These include the prior approval required for industrial installations and tertiary activities in the Paris region which are subject to special dues and annual transport taxes, whereas removal to the provinces benefits from compensation for decentralization.

D. Encouragement measures

These measures, of varying importance, encourage economic conversion or development of regions outside the orbit of influence of the Paris Basin and that of the Lyons urban area. They were reviewed under the provisions made on 12 April 1972 and consist of financial, fiscal and local aids.

(a) Financial aids

(i) on investments

- Loans granted exceptionally by the Economical and Social Development Fund with a view to encourage industrial decentralization and reconstruction schemes;

- Allowances for regional development granted in regions of former industrialization now declining as well as in regions insufficiently developed. Ceilings are: exceptionally, 25% of the investment cost when setting up in localities or areas which are privileged development for, or which have, particular economic or social problems (20% if expansion or partial conversion is involved), 15% when setting up in eight departments of the West or South West, 12% in other allowance areas. In all areas, allowances are limited to 15 000 Frs pei employment in the case of new installations and to 12 000 Frs for expansion;

- Participation by regional development companies of up to 35% in the capital of enterprises for a maximum of 15 years;

(ii) for removal from the Paris region

- Decentralization indemnity of about 60% of the removal cost incurred by companies moving out of the Paris region or of the five cantons south of the Oise, provided they release at least 500 m.sq. of industrial building space;

- Decentralization allowances for tertiary activities transferred from the Paris region to areas benefiting from regional development allowances or to the following urban districts: Lille, Roubaix, Tourcoing, Nancy, Metz, Strasburg, Besancon, Dijon, Lyons, Grenoble, Clermont-Ferrand, Marseilles, Aix, Nice, Cannes, Montpellier and Caen; these allowances can reach rates of 10, 15 or 20% of investments according to the nature of the activities and their economic drive and strength. The allowance ceiling per employment created was raised from 13 000 Frs in 1967 to 15 000 Frs in the new system;

- Partial refund of vocational training costs incurred by companies which set up or decentralize to the provinces;

- Aids for training and vocational retraining to facilitate conversions;

- Refund of removal and resettling expenses of staff as aid to labour displacement;

- Discount on the price of certain industrial works located in areas benefiting from regional development allowances so as to reduce the price of land by a maximum of 25% of its market value;

- Discount on the cost of energy (natural gas in the south-west, electricity in Brittany).

(b) Fiscal aids

The following cumulative but not automatic advantages may be granted:

- reduction of the transfer fee or land sale tax at the time of purchasing a business or factory established at least five years; however, additional local community taxes do not benefit from a reduction;

- partial or total exemption from licence over a maximum period of five years; this is determined by the local communities;

- exceptional amortization equal to 25% of the cost of buildings;

- reduction of taxes on appreciation of land of 10 to 5% on resale of building land when the appreciation is reinvested in operations conforming to the policy of land improvement.

(c) Local aids

- aid for the purchase or preparation of sites, this is restricted to areas of regional development allowance and has a ceiling of 25% of the investment value;

- aid for the layout of buildings, by rental-purchase over a maximum period of 15 years or sale on credit terms over 15 years; allowances on the sale price of buildings sold by local communities are excluded;
- exceptionally, aid for the purchase, erection and equipment of industrial premises.

Financial means are weak: about 300 million FFr per annum whilst countries like Italy and Great Britain disburse about 2 thousand million per annum on companies forming or expanding in their aid areas. The solution to the French problem of the Paris-Province balance is not sought through financial inducement alone. Size of aid in itself is not decisive and should be coupled to similar financial efforts to set up or improve infrastructures.(1)

3. RESULTS

The last survey shows that French industry tends to move towards the West regions which are traditionally agricultural whilst the mining basins of Pas-de-Calais and Lorraine benefit from large new installations.

Apart from this observation on general development of siting activities and changes in economic structures, the impact of industrialization aid can be shown by the ratio of jobs created by companies benefiting from regional aid related to total new employments created in the regions in question. For the period 1968-1971, in the industrial sector, the ratio of aided jobs per 100 new jobs varied as follows in the aided regions:

(1) EEC. European Regions. Bulletin No 2 of May 1970 "Present Problems concerning the Improvement of the French Territory" by J. Monod.

Regions	(a) New employment under investment aid from the Fund	(b) Variations in total number of wage earners (+ or -)	(c) % a/b
Auvergne	1 332	+ 16 255	8.2
Centre	2 148	+ 23 034	9.2
Loire country	5 954	+ 26 321	22.6
Poitou-Charentes	3 489	+ 13 238	26.4
Aquitaine	4 501	+ 8 518	52.8
Midi-Pyrenees	5 138	+ 7 653	67.1
Limousin	2 163	+ 2 020	107.1 *
Lorraine	14 860	+ 8 390	177.1 *
North	13 818	- 11 946	- **
Paris region	0	+ 59 881	-

The North and Lorraine conversion regions, in absolute figures, benefit most from the larger number of aided employments; however, a distinction is to be made in view of the existence of industrial traditions and infrastructures. As regards regions with an agricultural bias, public aid has contributed to new employment in varying proportions, i.e., over 100% in Limousin, less than 10% in Auvergne; in these, other positive factors seem to have played their part. In Corsica, not a single aided new employment was created.

These observations show the efficiency - more or less measurable - of aid to industrialization as well as its limitations, particularly when there is not the minimum of infrastructure to attract investments.

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* The percentage of 100 is exceeded because the number of new employments resulting from aided investments was more important than the positive variation of the balance: new employments/employments lost.

** In spite of the number of new employments through aided investments, the overall balance of employment is negative.

The high cost of large infrastructures and the fact that they should be immediately viable linked to the assurance of their intensive activity explains their localization in the most industrialized parts of the territory. The question arises as to whether physical infrastructures of some French regions are not under-worked and cannot be considered as suitable to accept a type of development which is not necessarily industrial.

To the extent that this is the case, the strengthened provisions of the French system of aids to siting certain tertiary activities can furnish a valuable element to the rise of regions which have remained predominently agricultural. The fact remains that encouragement to decentralize the tertiary sector has given scanty results until now: since October 1967, the number of allowances granted for siting tertiary activities (from 1968 to 1970 inclusive, 19 requests for decentralization as against 1 500 from industry) was small whilst new employments in the tertiary sector are markedly higher than in industry and, in the Paris region, they are the main source of employment.

The brief experience in the application of this system, its recent review extending it more systematically to priority regions through the publicity given to allowances and their character, and the generalization of new measures such as contracts between the State and companies on localization schemes over several years should result in greater efficiency. The development of tertiary employment, estimated at 1 400 000 new jobs over the period 1965–1975 as against only 300 000 in industry, should benefit mainly the provinces. Moreover, about half the tertiary employment is in the public sector so that "the necessity of a tertiary decentralization policy requires, above all, an effort by the State".[1]

[1] Annual Report for 1972 by the Delegation on the Territorial Improvement and on Regional Action.

IRELAND

1. AIMS

Without doubt one of the main motives behind Irish policy is to put an end to the flow of emigration by offering decent and up-to-date working and living conditions on the spot. Ireland participates in international trade. The growth of prosperity calls for a wider variety of outlets of suppliers and of investors. This in turn implies a widening of economic activity in the country.

The major purpose of regional policy is to accelerate industrialization, judiciously placed geographically in a country where agriculture still accounts for more than 25% of the working population and where emigration, unemployment and under-employment are current factors. The Government has fixed 1980 as the deadline for achieving full employment and eliminating emigration as a necessary economic fact. This implies the achievement of interim aims for creating jobs in industry for which figures appear in the following table:

TABLE I

Regional targets and additional net employment in industry

Regions	Estimated increases Period 1966-71		Targets for the period 1973-1977	
	Additional employment	% of existing employment at the start of the period	Additional net employment	% of existing employment at the start of the period
Donegal	1 214	24.8	2 000	31.3
North West	633	26.7	1 300	41.9
West	1 674	27.3	4 200	48.8
Centre	1 219	15.9	2 800	30.8
South West	4 027	13.3	7 000	19.8
South East	1 948	11.0	3 200	15.9
North East	2 635	19.4	3 400	20.2
East (Dublin)	7 827	7.8	10 300	9.4
Centre West	2 446	16.4	3 800	21.2
Whole country	23 623	11.9	38 000(*)	16.7

Source: Census of population, Vol. III, 1966, IDA estimates and targets.

The number of additional industrial workers estimated per region gives a first idea of the nature of the undertakings who are going to establish themselves in different parts of the country.

The type of industry looked for in obtaining these further jobs must evidently comply not only with the Irish potential as regards labour but also with its economic fabric and available infrastructure; that is to say, a population of 3 million of weak purchasing power, relatively scattered and still little acclimatised to town life, and infrastructure potential relatively modest in view of the small quantity of human and industrial establishments and their dispersal over a comparatively wide territory.(*)

(*) The target for additional jobs is in round figures 55 000, which is an average of 11 000 a year.

The introduction of light industry, comparatively speaking, seems the most appropriate in the light of the aim to distribute activity in a balanced manner throughout the country and it also means that jobs must be accessible to places where people live. A further aim is to strengthen the urban structure of the country in order to make a counter weight to the magnetic attraction of Dublin.

As an addition to the first aim, the second sets out to control in the light of overall progress of the country, any increase in economic activity and population of the capital. The Dublin agglomeration accounts for 27% of the total population, contributes 36% to national income, offers the major harbour facilities of the country and is an inescapable junction for modern means of communication between the north and south of the country.

Control, in the light of regional requirements, of the aim of increasing industrial employment is illustrated in Table I from which it appears that from 1966 to 1971 the net growth in jobs was confined to 7.8% in the Dublin region against an average national increase of 11.9 and a growth rate up to 26.7 in the north west and 25.3 in the west. The aims established for the period 1973-77 emphasise the fact of territorial direction. This sets 48.8 and 41.9 as progress rates for the west and north west respectively, while the east and Dublin will only obtain 9.4% of additional jobs created.

The third aim, which is in fact closely linked to the achievement of the two abovementioned, is to keep people in their home areas. In Ireland this has a national meaning. The policy is to support and encourage the use of the language, or gaelic, in that part of the country where it is still spoken, the Gaeltacht, by giving those who live there the chance to find remunerative employment and to enjoy a reasonable star ard of living.(1)

(1) White Paper on the restoration of the Irish language, Dublin, January 1965, p.50

2. MEANS

(a) Planning and executive agencies

The principal agent for industrial promotion is the Industrial Development Authority (IDA). Established in 1949 as an agency of the Ministry for Economic Affairs and for Trade, the IDA became in April 1970 an automonous agency guaranteed by the State. A Committee for regional development coordinates regional policy as between Government departments.

The IDA works in close cooperation on the one hand with the Export Board, an agency with State participation for promoting foreign trade whose task is to look for new markets abroad and for potential investment. It also works with the An CO (An Chomhairle Oiliuna Industrial Training Authority) whose task is to undertake training of labour together with business undertakings.

At the level of regional administration, agents for carrying out regional policy include:

- 8 regional offices of the IDA whose task is to supply information and give guidance to undertakings establishing themselves in the regions;

- the Shannon Free Airport Development Company which is an agent of the IDA for the ninth development region and which is also responsible for environment and the management of the industrial zone comprising the free airport of Shannon;

- the Regional Development Organizations which consist of representatives of regional and local authorities of the 9 planning regions who are concerned with the Government in preparing regional programmes;

- the County Development Teams which coordinate development action in the 13 western counties by the civil service;
- 2 Government agencies have the task of promoting economic activity in Irish language regions.

(b) Measures of encouragement

Unlike certain countries which suffer exagerated overcrowding from the concentration of activities in the capital, Ireland is faced with a task of distributing new activities rather than correcting too high a degree of over-concentration. It does not therefore resort to restrictive measures but rather to distributing regional aid on a geographical pattern which is in principle open to all regions since the object is to industrialize the country throughout.

The country is divided administratively for this task into the following areas:

- indicated regions covering 55.9% of the territory and including 32.5% of the population. These are in the North West, the West and the South West of the country. These comprise the geographical focus for applying regional policy so called;
- the remainder of Ireland without Dublin;
- the Dublin region.

The indicated regions in relation to the rest of the country and to Dublin are calculated at:

- 28% of the rest of Ireland without Dublin;
- 31% of Dublin.

Industrial aid takes the following forms:

(a) Finance

(1) Capital subsidies to industry with a sound and long-term basis of investment and providing for new employment or sustaining current employment are available up to 40% for the indicated regions and 25%

for other regions with a possibility of an additional subsidy of 20% for any region when the undertaking in question complied with the following standards:

- the jobs to be created must be of particular interest and importance;
- natural local resources must be used;
- working arrangements with existing businesses or new businesses to be established must be present;
- there must be a high level of technique involved;
- the outlook for growth must be exceptionally good;

(2) Subsidies to modernise or expand current enterprises up to 35% for the indicated regions and 25% for the two other regions, the total amount per project being confined to £350 000;

(3) Rent subsidies for buildings up to the same ceiling as those allowed under point (1);

(4) Interest rebate, of unstipulated extent, available for all regions for businesses which comply with conditions listed at (a)(1);

(5) Subsidies for professional training established in the light of wages payable during training to which costs of travel and training are added; these are available in all regions;

(6) Subsidies for research for schemes involving new industrial processes up to a maximum of 50% of their cost.

(b) Banking facilities

(7) Guarantees for loans granted to businesses complying with conditions listed at (1) and available in all regions;

(8) Capital participation by way of shares in industrial undertakings which comply with the conditions at point (1).

(c) Taxation

(9) Reductions in land and building tax and on taxes on investment in equipment;

(10) Tax exemptions on exports without distinction of locality within Ireland for the industry in question.

(d) Land and Housing

(11) For installation by the State of industrial estates and the construction of buildings;

(12) For the construction of dwellings required to house technicians whose assistance is necessary;

(13) For a construction programme involving a limited number of industrial buildings to house advanced type industries. This programme is limited to £1 million for buildings hitherto untenanted.

(e) Technical working and administrative assistance

(14) By supplying investors through the IDA with technical aid and information, with assistance in concluding agreements for manufacturing under licence with foreign firms or subcontracting agreements, for encouraging mergers or associations and arrangements for making labour available, etc..

Apart from measures of encouragement of a general economic character abovementioned there should be reference to two special cases concerning the Irish language region of the Gaeltacht where an allowance is provided for children for learning gaelic and the free industrial zone of Shannon Airport where goods may be imported duty free.

3. RESULTS

(a) Investments

Results illustrated by the following table are:

TABLE II

Investment, public aid and jobs created[1]

Period 1952 1970	Financial operations (units)	Amount of fixed capital £	Amount of total investment £	Amount of aid approved £	New jobs (units)
Indicated Regions	343	50 001 440	62 793 832	26 754 580	25 304
Other regions	428	111 624 543	147 227 616	44 827 945	40 049
All Ireland	771	161 625 983	210 021 448	71 582 525	65 353

Each job created has cost the public purse in subsidies an average of £1 054 in the indicated regions against £1 119 in other regions.

[1] Source: IDA Review 1952–1970. Annual Report 1969/70. Dublin 1971.

(b) Employment

The distribution of results secured for employment gives a picture of the improved balance in activity within the country. The following Table illustrates recent trends.

TABLE III

Comparison between trends in the growth of employment between the period 1961-66 and the period 1966-71

Regions	Growth Period 1961-66		Growth estimated Period 1966-71	
	Additional jobs (net)	Increase % in industrial employment	Additional jobs (net)	Increase % in industrial employment
Indicated:				
Donegal	593	13.8	1 214	24.8
North West	180	8.2	633	25.7
West	784	13.4	1 674	25.3
Mixed:(1)				
North East	1 597	13.3	2 635	19.4
Centre	71	0.9	1 219	15.9
South West	3 190	11.7	4 027	19.8
Centre West	4 203	39.1	2 446	16.4
Outside indicated regions:				
South East	1 851	11.6	1 948	11.0
East	6 472	6.9	7 827	7.8
All Ireland	18 941	10.6	23 623	11.9

(1) The division of indicated regions is not superimposed on programme regions for which the fullest statistics are available. It has therefore been found necessary to introduce a category under the title of mixed regions drawn in part from indicated regions and in part from other regions.

The percentage increase for net industrial employment appears to have been strongest in regions which are all within the indicated areas, it is within the bracket 24.8 to 26.7%. In regions which are partially within this area the percentage varies between 16.4 and 19.4. The regions East (Dublin) and South East have, on the other hand, only sustained their growth level of 1961-66.

These facts lead to the conclusion that from the angle of improved distribution of industrial employment, regional policy in Ireland, which has been designed to encourage growth in the indicated regions and in particular those of the West and North West, has had a positive result.

However, the higher growth rates, which are a reflection of these results, apply to industrial workers of which the total is very modest in relation to the whole country which is still characterised by under-industrialization. This is illustrated by the following Table which also gives details of the trend in unemployment during the period 1966-71.

TABLE IV

Industrial workers and levels of unemployment between 1966 and 1971

Regions	Industrial workers 1971	% of industrial employment in the working population		Level of unemployment	
		1966	1971	1966	1971
Indicated:					
Donegal	6 100	19.8	24.4	9.7	13.83 +
North West	3 000	13.2	17.4	5.66	5.57 -
West	8 300	12.9	15.9	5.77	7.36 +
Mixed[1]					
North East	16 200	27.7	32.9	4.97	5.57 +
Centre	8 900	20.3	23.8	3.65	4.93 +
South West	34 400	27.1	30.5	4.10	5.19 +
Centre West	17 400	24.1	27.9	4.50	5.67 +
Outside indicated regions					
South East	19 700	23.6	26.7	3.65	4.90 +
East	108 000	37.5	38.6	3.54	5.06 +
All Ireland	222 000	27.5	30.6	4.3	5.70 +

The growth in the proportion of industrial employment is therefore greater in the indicated regions and in those entitled "mixed" than it is in the two regions, South East and East (Dublin) and this is a favourable factor.

Unfavourable, however, is the general trend of unemployment and its notable impact on the indicated regions of the West, with the exception of stable conditions noted in the North West region.

[1] See note, Table III.

(c) Income

The following Table illustrates trends in income per head of population from 1965 to 1969.

TABLE V

Average income trends per head of population

Regions	Average income per head at current prices £		Trends 1965-69	
	1965	1969	%	Absolute figures in £
Indicated:				
Donegal	215	305	41.9	+ 90
North West	219	316	44.3	+ 97
West	223	324	+ 45.3	+ 101
Mixed:				
North East	259	380	+ 46.7	+ 121
Centre				
South West	286	409	+ 43.0	+ 123
Centre West	275	391	+ 42.2	+ 116
Outside indicated regions				
South East	271	380	+ 40.2	+ 109
East	359	517	+ 44	+ 158
All Ireland	292	420	+ 43.8	+ 128

Source: M. Ross "Personal Incomes by County (1965), ESRI Paper No 49"- M. Ross "Further data on County incomes in the Sixties".

In spite of an overall growth which is more than 40% it is still in the indicated regions of the West that income per head has shown the least improvement in absolute value, while the mixed regions show a more notable increase which is nevertheless much lower than progress noted in the Dublin region.

From this varied appreciation the following points would seem to illustrate the results of regional policy in Ireland:

- although slight, positive results have been obtained in searching for a growth rhythm on behalf of regions other than Dublin;

- the fragile nature of the industrial fabric and employment structures in the indicated regions and in particular those of West and North West, make them more exposed to unemployment than the longer industrialized and less dispersed regions of the East;

- the close connection between new job creation and the grant of regional aid over the whole territory of Ireland indicates the inconclusive character of the results of guided encouragement and, insofar as no new establishment has taken place without substantial aid, the need to maintain an intensive scheme of encouragement in line with the encouragement of the industrialization of Ireland.

Without attempting to establish a positive balance either for regional policy or industrial policy it is to be noted that the economic results obtained by Ireland in diversifying production has had the effect that trade with the United Kingdom has declined from 90% of external trade in 1950 to 60% in 1971. The percentage of industrial investment obtained from abroad in relation to investment by the country has moved from 80%, 1959-67, to 70% in 1971. Decreasing order of size for non Irish companies is as follows: British, American, German, Dutch.

ITALY

Regional problems of Italy are amongst the worst of Western Europe.

All southern regions - the Mezzogiorno - represent a large area of depression which, at economic and social levels, is in opposition to the other large area of the central and northern regions. Certain agricultural areas of the centre and the north also have problems of economic development but these are relatively small compared with those of the Mezzogiorno.

Along with the problem of "weak" regions, Italy faces that of overcrowding in a number of larger cities.

In fact, the eight largest urban areas, Milan, Naples, Rome, Turin, Genoa, Florence, Palermo and Bologna, contained in 1961 14 481 000 inhabitants i.e. 28.6% of the whole population over an area representing 3.58% of the total area of the country. If this trend is not reversed, by the year 2000, there will be concentration in those areas of 29 153 000 or 44.8% of the Italian population.

1. AIMS

Italy became fully aware of the dual character of its economic development in the early Fifties; since then, a main objective has been the economic and social development of the Mezzogiorno regions.

The Mezzogiorno covers approximately 40% of the territory and contains about 36% of the nation's population. Its economic development was delayed by geographical, physical, climatical and historical factors.

Poverty, isolation and poor adaptability of its industrial infrastructure are features of the Mezzogiorno. Nowhere does average income per head exceed two-thirds of the national average: average individual income in Liguria and Lombardy is about three times that of Calabria. Over 30% of all workers are employed in agriculture in the southern regions of Apulia and Molisa, Basilicata and Calabria as against only 5.5% in the industrial region of Lombardy.

A brief study of the past 25 years shows that the period can be divided in four phases:

(i) The initial phase 1947-1957 took the form of the institutionalizing of the problem of the south.[1] The "Cassa per il Mezzogiorno" was created. This is an autonomous public body endowed with legal personality. An emergency financial plan was launched and added to further plans by the central, regional, and local authorities. From 1950 the operations involved averaged 1% to 1.5% of the national income. They were concerned principally with the establishment of infrastructures and with agricultural reform which released 700 000 hectares for redistribution.

(ii) The second phase, from 1957 to 1962, continued to deal with infrastructures and agriculture. It also dealt with the industrialization of southern regions. The aim was the direct stimulation of enterprises by supplying capital to new industries, by subsidies, by facilitating the use of credit through low interest rates, by helping undertakings to be more selective through participation in the risk, by encouraging technical and organizational progress of undertakings through training, information and assistance. Direct State interventions were seen in some of

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[1] The Mezzogiorno represents the territory of the following regions: the Abruzzi, Molisa, Campania, Basilicata, Puglia, Calabria, Sicily, Sardinia, and parts of Latium and Marche.

the areas more open to development, for instance Bari-Taranto; as well as in aid of tourism and professional training.

(iii) A feature of the next period, from 1962 to 1965, was a desire to be more articulate in presenting action undertaken in the Mezzogiorno to the public and to seek improved organization. Finance was not only confined to the least favoured regions; it spread to peripheral areas.

(iv) The present period bears on the second national programme which has as main objective the development of southern Italy. A new law was passed to this effect on 6 October 1971.

2. MEANS

(a) Reform of administrative structures

In Italy, the regional concept has its origin firstly in the very different characteristics of the people throughout the country; secondly in historical, ethnographical and geographical facts.

This meant that the 1948 Republican Constitution laid down 20 traditional regions characterized more by politico-institutional aspects rather than economic-social ones.

Of the 20 regions, five have special status: Sicily, Sardinia, Val d'Aosta, Trentino-High-Adige, Friuli-Venetia Giulia. The others have a normal status.

The five special status regions, because of their geographical position, face problems which are somewhat different from those of the rest of the national territory. As provided for in the Constitution, they received, through constitutional laws, a status appropriate to their particular situation. The autonomous powers of these regions vary with their respective geographical, economic, political and cultural characteristics. In general, they enjoy a high degree of autonomy.

Regions of "ordinary" status have an "ordinary" autonomy applied throughout under the ordinary laws which clearly stipulate the powers of these regions in relation to those of the State. A law of 1970 is relevant thereto.

The function of the region is applied at statutory, administrative and legislative levels. For regions of ordinary status, limits of regional responsibility as regards legislation are laid down in Article 117 of the Constitution and for each special status region in each of the respective statutes.

Regional structures depend on three basic institutions:

(i) a regional Council, directly elected by the people. It's main main task is legislative, it also controls the other institutions;

(ii) a regional "Giunta" (= Regional Board), elected by the Council from among its members, whose task is executive and administrative;

(iii) a President of the regional "Giunta" who represents the region and acts with regard to outside contacts.

Regions have financial independance. State contributions are assigned to regions; they are also entitled to fiscal assets. The law of 6 October 1971 has lightened the burden of administrative procedure and removed bureucratic obstacles.

(b) The environment

The first (1966-1970) and second (1971-1975) national economic programmes consider the environment from two aspects:

(i) the historical imbalance between the south and the rest of the country: "The most serious and urgent problem to be considered in the programme";

(ii) the more general scheme represented by several phenomena such as overcrowding, stagnation or the weakening of human and economic resources; these vary considerably throughout Italian territory.

The fulfilment of these aims inspired a general policy seeking to encourage the setting up of enterprises and the building of infrastructures. To this end, areas are divided in three categories:

(a) "main development areas" or industrialized areas;

(b) "areas of secondary development" i.e. semi-industrialized;

(c) "depressed areas" i.e. agricultural areas or areas where the level of development is insufficient.

The Law of 6 October 1971 transfers to the CIPE[1] all tasks previously undertaken by the former Ministerial Committee for southern Italy. The CIPE outlines the general policy to be followed in the industrial field to speed up development in southern Italy. It is the CIPE's responsibility to prepare:

(i) priority directives to ensure that industrialization penetrates to the maximum territories outside the main development areas;

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[1] CIPE = Comitato Interministeriale de Programmazione Economica (Interministerial Committee for Economic Programmes)

(ii) directives to furnish territorial equipment for industrial development and the creation of special infrastructures for industrial enterprises benefiting from a privileged position in programmed negotiations;

(iii) directives determining the loans to be made at low interest rates and the subsidies to industrial and commercial companies.

The CIPE, as the central political and economic direction, is therefore responsible for watching over a proper coordination of financial operations in southern Italy and for establishing, through authorization procedures, a better balance in the expansion of the industrial structure both geographically and by sectors of industry.

Specific laws apply to certain of the less well favoured areas of north-central Italy – notably rural and mountainous regions.

(c) Financial aids

The most important organism for aid to southern regions is the "Cassa per il Mezzogiorno" set up in 1950 to encourage modernization of infrastructures, agriculture and industry. The "Cassa" is responsible for preparing programmes, financing, establishing and executing special works to ensure economic and social progress in the Mezzogiorno. The Cassa collaborates with regions, in particular through local organizations (interest rebate consortia, agricultural cooperatives, etc.) and with credit institutions such as:

- IASM = Institute for aid to development of the Mezzogiorno;
- CFS = Information and Study Centre;
- Three institutes of medium term industrial credit for the Mezzogiorno: ISVEIMER, IRFIS and CIS;

- INSUD and FINAM = Financial companies of public utility, concerned with the Mezzogiorno;

- CIAFU = Inter company centre for industrial vocational training.

The principal means of regional aid for industrialization are:

- Capital subsidies; depending on the importance of the undertaking these vary from 15 to 50% of investments in industrial buildings and 40% of plant and equipment investments;

- Credits at reduced interest rates;

- Tax exemption and other fiscal benefits over a period of ten years for enterprises setting up in the Mezzogiorno;

- Loans at a reduced rate of interest up to 50% of sums invested;

- Allowance of 30% on social security charges.

(d) Discouragement measures

Authorization must be obtained from the CIPE, in accordance with the law of 6 October 1971, prior to establishing new industrial enterprises or expanding existing ones when this entails investments exceeding 7 thousand million lire. Those contravening this regulation have to pay 25% of the amount of the investment to the tax authorities. Discouragement measures apply throughout Italy. They are designed to discourage further investment in areas which are already overcrowded and guide it into developing regions.

3. RESULTS

(a) Investments

From 1951 to 1971 inclusive the Cassa per il Mezzogiorno raised or encouraged investments of 9 040 thousand million lire of which 2 638 were for infrastructures and 6 196 for new industries and services: 5 066 thousand million went to industry of which, approximately, 30% to the chemical industry, 14% to food industries and 12% to mechanical industries.

Investments by enterprises with State's participation and by private companies increased sharply in recent years.

In recent years, investments in the Mezzogiorno region by parastatal companies have risen from 339 thousand million in 1969 to 597 thousand million in 1970 and to 702 thousand million in 1971. The share of parastatal investments in the Mezzogiorno increased from 43% in 1969 to 52% in 1971.

In recent years average investment growth per year has been 7.8%.

According to the new law, the Cassa must invest 7 225 thousand million lire in the Mezzogiorno over the five years period 1971 to 1975.

It is estimated that finance of this order will create investment of, approximately, 10 000 thousand million lire, of which 6 000 for industry, 2 000 for infrastructure, 1 300 for agriculture, and 500 for tourism.

It should be recalled that at least 40% of investment by central public authorities and 80% of all new investment by companies with State participation (IRI, ENI) must be made in the Mezzogiorno.

Lastly, major private companies also direct an increasing part of their industrial investments to the south.

On the whole, there is a new outlook which is more favourable to investments in the south.

(b) <u>Incomes</u>

It is difficult to assess the effect of the various measures on regional problems.

It can be said, however, that regional actions since 1950 have succeeded in stabilizing the income disparity between rich and poor regions; it has not succeeded in reducing it to any large extent. The annual increase in income in the Mezzogiorno over the last 20 years has been 4.7%; net income per head has increased from 40.7 to 44.2% compared with income in northern regions of the country. Notwithstanding, emigration has continued; over the same period 1¼ million people left their homeland for other parts of Italy or for abroad.

Industrial developments drawn towards these regions were sufficient to prevent the situation from deteriorating but not to cause economic growth at a sustained economic rate enabling the less developed regions to catch up with the level of the more prosperous ones.

(c) <u>Sectors</u>

If development between 1951 and 1971 is considered, the contribution by the industrial sector to the domestic product of the Mezzogiorno has increased from 23.7 to 27.2% whilst the contribution of agriculture has decreased almost by half.

In analyzing the structure of industrial production by sectors between 1951 and 1971 we find that:

- metallurgy which represented only 5% of the country's total increased to 15%;
- the chemical industry increased from 10 to 15%;
- the rubber industry, almost non-existent originally (0.7%), reached 6.5%;
- processing of non-metallic minerals increased from 16 to 19.9%.

Traditional industries concerned with crafts, like woodworking and furniture making, declined in absolute value whilst basic industries, previously non-existent, became important.

(d) Employment

Non-agricultural employment in the Mezzogiorno increased in relation to total employment from 43.3% in 1951 to 69.1% in 1971. In absolute figures, it increased by more than 1 300 000 workers who came mostly from the countryside. Yet more than half the non-agricultural additional employment set up during this twenty year period (approximately 678 000 openings) are in the building and trade sectors which are subject to instability in employment and organization and to productivity levels similar to those of agriculture in many respects.

It should be noted that despite 50% of those employed leaving agriculture, this sector increased annual production by 2.8% (a growth in productivity of 300%).

During the past 20 years social-economic features of the Mezzogiorno have been modified, particularly as regards production.

This is no longer a vast homogeneous area of under-development as was the case during the early fifties. The Mezzogiorno has now many modern activities capable of producing effects of expansionism and interdependence over increasingly large economic and urban areas.

In conclusion, the foregoing shows that the Mezzogiorno is developing and that southern Italy can be included in the largescale European movement of economic and social growth.

GRAND DUCHY OF LUXEMBURG

1. AIMS

The aims of the laws of 1962 and 1967 are to improve the general structure, regional equilibrium of the national economy and to stimulate its expansion.

New industries set up have a dual function to:

(i) create employment in the northern half of the country where activity, hitherto, was mainly agricultural;

(ii) diversify the industrial structure which had been too heavily concentrated on the iron and steel industry.

The policy, is, therefore:

(a) to prevent an aggravation of the demographic imbalance in favour of the mines in the south, opened during the first industrial revolution, and in favour of the capital city by recent developments in the tertiary sector;

(b) to enlarge the bases of economic growth and foreign trade.

2. MEANS

(a) Interest rates, lowered by up to four points but not below 1%, for loans to finance investments in buildings and equipment, in research and improvement or for training or readapting labour.

(b) State guarantee for these loans with limits of 50% and 100 million Lux. Frs., exceptionally 200 million.

(c) Capital subsidies in the case of help from funds other than loans; they cannot exceed 15% and are remitted on completion, exceptionally by stages during the setting up of investments.

(d) Fiscal advantages, from 1967 to 1972, on income tax and communal trade tax for one quarter of the profit during eight financial years.

(e) Purchase and improvement of land including the eventual erection of industrial premises by the State or the Communes for leasing or sale to industrialists.

3. RESULTS

Between 1962 and 1972, 55 enterprises, including important foreign firms, set up industries with the assistance of the 1962 and 1967 laws; 10 000 new employments were created, 8 000 of these in hitherto industrially weak regions. The total working population of the Grand Duchy is 144 000, of whom two-thirds are employed in the regions of the capital city and of the south.

KINGDOM OF THE NETHERLANDS

1. REGIONAL POLICY AIMS

Since 1 January 1973 regional policy in the Netherlands has started a new four year phase, the normal period for which this policy is decided.

The 1973-1977 programme places new importance on elements which, since the second World War have been at the basis of Netherlands regional policy, i.e., a policy encouraging the installation of activities in backward regions in order to fight structural unemployment in these regions and a policy of decentralization for a balanced distribution of the population and prospects of income over the whole territory.

In coming years, regional policy in the Netherlands will distinguish three different areas:

(a) Regions to be encouraged: the north of the country, South Limburg and Lelystad, the new town in the dried up part of IJsselmeer;

(b) Regions to be slowed down: the provinces of southern Holland, Utrecht and northern Holland (except for the upper region);

(c) Intermediate regions: not subject to encouragement or slowing down policies.

In years ahead, based on a close study of analytical data, the Government of the Netherlands will endeavour to prepare an integrated structural plan - taking into account international and national developments in the economic and social sectors as well as in territorial improvement - showing how the various parts of the country can best be developed.

Those studies will consider, in particular, the role of the northern part of the country in the context of the decentralization policy and a detailed restructuring plan of this region will be prepared. Attention will also be given to the degree in which the number of development areas may be limited.

The aim is the creation of new employment and the improvement and modernization of the various activities and of the weaker companies in the regions in question.

2. MEANS

(a) Slowing down

(i) On 10 October 1972, the Dutch Government presented to the Second Chamber of the States General, a draft law consisting of a system for slowing down in two different ways investments by enterprises as well as the development of administrative services in the west of the country:

- in a general way, by collecting a levy (selectieve investeringsheffing - SIH - or selective levy on investments) which raises the cost of setting up or expanding companies in the western part of the country and will encourage the investor to resite elsewhere;

- where this general policy is insufficient, the establishment or expansion is subject to prior approval by the central authority. The authorization needed for erecting new buildings and installations in the region of the Rhine estuary can be refused only on criteria based on the concentration of activities and of population in the region concerned or on the economic structure or the situation of the labour market in the region.

(ii) A second set of restrictive measures seeks to slow down the growth of administrative services. As regards private offices, this slowing down must be carried out through the introduction of the selective system of investments already mentioned. As for public administration - in The Hague, the State is the largest employer in this sector - the Government has decided that between 20 000 and 25 000 jobs shall be transferred during the period 1973 to 1983 to the north of the country and southern Limburg.

(iii) An industrial company in the west of the country resiting in the north or in southern Limburg can benefit under the system of aid to investments.

(b) Encouragement measures

(i) Apart from the financial measures mentioned above, two bodies have been established: the Office for the industrialization of the North and the Foundation for the Economic Development of Limburg; both can contribute efficiently towards improvement of employment and to creating new employments.

(ii) A reduction of 3% in the rate of interest can be granted over a period of 15 years in special cases, when very important industrial concerns open in the north of the country and southern Limburg.

(iii) The rules concerning the promotion of Lelystad's development will remain in force until 31 December 1974. Companies transferring their plant to Lelystad receive 10 000 Fls per worker shifted from the west of the country. The maximum is 3 million florins and 25% of the investments in property which must be a minimum of 400 000 florins.

(iv) Investments in property (newly set up or transferred from the west) with a minimum of 400 000 Fls for new activities and 500 000 Fls for expansion can be subsidized as follows:

- new activities: 25% of investments with a maximum of 3 million florins;

- expansion: 15% of investments with a maximum of 1.8 million Fls.

At present, this system applies only to the north of the country and southern Limburg.

In the services sector, a subsidy of 25% with a maximum of 3 million florins can be granted on property investments of at least 400 000 Fls.

(v) The Dutch Government has announced a new system on migration affecting the encouragement region of the north. Under this system, an advance on removal expenses can be granted to specialized and qualified workers leaving Randstad to settle in the north with a view to accepting employment. Moreover, employers engaging unemployed aged workers difficult to place, can receive over a whole year a subsidy amounting to 35% of the wages.

(c) <u>Infrastructure measures</u>

Infrastructure, in this context, should be understood in the wider sense of the word, i.e. not limited to roads and canals but including the whole infrastructure required to create favourable living and home conditions.

(i) Starting from the principle that infrastructures constitute one of the main features which determine the climate, in the context of pluri-annual programmes, for building or improvement of features such as <u>roads</u>, <u>harbours</u>, preparation of <u>industrial estates</u>, etc. will be speeded up. For the period 1969 - 1972, 300 million Fls were earmarked to this effect.

(ii) The Minister for Housing and the Environment can provide special housing quotas for the industrial development of regions to be encouraged. In recent years these quotas varied between 1 000 and 1 500 homes per annum.

(iii) During the period 1960 - 1971, a total of 60.8 million Fls was spent on improving the infrastructure and equipment for the tourist trade in regions to be encouraged. 43% of these subsidies went to the north and 34% to the three southern provinces.

(iv) In order that these measures of encouragement for the economy be supported by provisions aimed at setting up favourable living conditions, the "special regional policy for Welfare" is applied on the basis of a four year programme. During the period 1960 to 1971, it required subsidies of 71 million Fls for such projects as playing fields, sport centres, swimming pools, social clubs, cultural centres, etc.

(v) The founding of a State university in Limburg with, as a first step, a medical faculty and university hospital at Maastricht - the first students can enrol in 1976 - is of particular importance for southern Limburg, a region of incentives.

3. RESULTS

(a) As can be seen from the table below, important credits have been used in recent years for the improvement of infrastructures.

Table 1

1959 - 1964 programme	151.3 million Fls
1965 - 1968 "	205.0 "
1969 - 1972 "	250.0 "
1967 Employment programme	66.3 "
1966 - 1970 south Limburg restructuring	62.5 "
1971 - 1974 " " "	75.0 "
Used water drainage for East Groeningen	36.9 "
	847.0 "

Of this amount, about 400 million Fls went to the southern incentive region, 137.5 million to restructuring south Limburg and 310 million to other regions to be encouraged. Budgets of other departments also make available important amounts for speeding up the work of structural improvement in regions to be encouraged. Total expenditure for improvement of infrastructures amounts to 958 million Fls of which 465.4 million is for the north, 141.3 million for south Limburg and 351.3 million for other regions to be encouraged.

(b) In the framework of the special regional policy for a good standard of living, over 700 investment schemes corresponding to subsidies of 71 million Fls were approved for the period 1960 to 1971. The breakdown of schemes between the various regions is given below:

Table 2

	North	Other regions to be encouraged	South Limburg
Meeting centres, etc.	103	79	4
Social medical premises	79	106	1
Playing fields and sports centres	100	94	3
Swimming pools	45	51	6
Social groups	6	7	1
Cultural centres	4	7	1
Miscellaneous	21	10	3

(c) The synthesis of the results obtained in incentive regions is complicated by the fact that various systems of encouragement ceased to function in the meantime. These are the BIO (Bevordering Industrialisatie Ontwikkelingskernen = Aid to the industrialization of development centres) which operated from 1959 until 1964, and the SIO (Stimulering Industrievestiging Ontwikkelingskernen = Promotion of industrialization of development centres) which operated from 1965 until 1970 and the SIOL (Stimuleringsregeling Industriele Omschakeling voor Limburg = System of aid for the industrial conversion of Limburg) which operated from 1966 until 1970.

(i) Results of these systems of aid and of the IPR (Investeringspremieregeling = System of aid to investments) now operating are shown in Table 3 and results per province in Table 4.

During the period 1959 to 1972 a total of about 102 000 employments were set up either through new enterprises or the expansion of existing ones. It should be stated, in this connection, that the IPR system of aid for expansion was introduced only on 1 January 1969.

(ii) Until 1 August 1972, the system for the so-called "motive enterprises" in the tertiary sector, was applied to eight companies giving 805 new employments (Table 5).

Table 5

System of aid to investments "Promoting, in the regions, so-called "motive enterprises" in the tertiary sector". Position on 1 August 1972.

	No	Investments (1)	Aid (1)	Employments
Groningen	1	12 000	3 000	100
Friesland	1	6 762	1 690	75
Drenthe	1	2 000	500	75
Overijssel	-	-	-	-
Tilburg	3	38 350	7 088	405
South Limburg	2	19 500	3 625	150
Total	8	76 612	15 403	805

(1) Thousand florins

Table 3

Amount of aid, employment created or to be created and assisted enterprises; breakdown related to the three systems (1959 - 30 June 1972)

	Setting up			Expansion		
	Aid (million Fls)	No of workers	No of enterprises	Aid (million Fls)	No of workers	No of enterprises
BIO	51.6	22 050	239	34.5	21 770	439
SIO/SIOL	34.3	10 800	96	3.3	1 480	32
IPR	380.9	20 890	193	303.4	24 730	487
Total	466.8	53 740	528	341.2	47 980	958

Table 4

Enterprises, expansion and number employed in incentive regions and regions being restructured resulting from BIO, SIO/SIOL, IPR.

	Setting up			Expansion			Employment		
	BIO	SIO/SIOL	IPR	BIO	SIO/SIOL	IPR	BIO	SIO/SIOL	IPR
Groningen	27	2	20	90	2	84	7 390	420	5 890
Friesland	44	9	13	98	6	59	6 870	340	2 380
Drenthe	41	10	19	79	5	46	7 010	760	3 570
Overijssel	36	19	11	38	4	37	3 520	750	2 150
Gueldre	-	-	2	-	-	-	-	-	300
South Holland	9	3	9	15	3	12	1 570	110	1 030
Zeeland	15	4	6	13	4	38	2 450	630	3 600
North Brabant	39	26	48	63	6	110	8 920	1 170	10 520
North Limburg	28	3	10	43	2	54	6 090	460	6 280
South Limburg	-	20	55	-	-	47	-	7 640	9 900
Total	239	96	193	439	32	487	43 820	12 280	45 620

(iii) Finally, as regards the development of Lelystad, the decision was implemented on 12 occasions, up to 1 August 1972. In total, over four million florins were paid as aid; total investments amount to about 19 million Fls and 433 jobs were created.

(d) Summing up

On the whole, most regions which in recent years had benefited from a system of aid reduced considerably their backwardness in relation to the national level.

Nevertheless, backwardness is still very important in the north whilst in south Limburg, a region to be restructured, a satisfactory employment structure has not been obtained so far. As from 1 January 1973, Dutch regional policy is therefore concentrated on both these regions.

As regards the east and south regions, the Dutch Government considers that the position has improved to such an extent that, through the system of selection of investments, development will continue without the central authority having to adopt measures of encouragement. It has decided, therefore, not to apply further the system of aid to investments in these regions nor to make credit available for improvement of infrastructures.

The fact that the west of the country faces increasing problems of overcrowding of dwellings, of transport, natural resources and recreational areas, of environmental pollution, tension in the labour market and inflationary pressure due to this tension, shows that the decentralization policy has not given, so far, satisfactory results in this part of the country.

This is why, through a system of selection of the investments contemplated and of resiting certain State departments, a more forceful decentralization policy will be adopted in years ahead.

- Statement of grounds: National budget 1973, Chapter XIII, session 1972-12000, no 2 (Memorie van Toelichting bij de Rijksbegroting voor 1973, Hoofdstuk XIII, Zitting 1972-12000, nr. 2).

- Report 1972 on the north of the country (Nota Noorden des Lands 1972, Zitting 1972-12010, nr. 1).

- Report 1972 on the restructuring of southern Limburg (Nota herstructurering Zuid-Limburg 1972, Zitting 1972-12016, nr. 1).

- The development of the Hague agglomeration and slowing down growth in the public service (De ontwikkeling van de Haagse agglomeratie en de afremming van de groei van de kantorensector, Zitting 1972-12043, nr.1).

UNITED KINGDOM

1. OBJECTIVES

The United Kingdom has been active in the field of regional policy longer than any other Member State of the European Community. As early as 1934 initiatives had been taken in favour of certain regions, although UK regional policy in its current conception and form dates from 1945.

The need for regional assistance in Great Britain arose primarily in areas where basic industries had developed during the industrial revolution and brought with them large concentrations of urban population. These industries, often located near the coalfields which provided their energy needs, went into decline, whilst new and more prosperous activities with alternative sources of power tended to go to other parts of the country. Coal mining, iron and steel, shipbuilding and cotton manufacture met with the difficulties experienced in all industrialized countries, but on a very large scale. Between the wars these older industrial areas suffered very severe hardship as a result of high relative unemployment brought on by the depressed state of the basic industries and the lack of alternative employment. These unemployment differentials persisted after the war and have been coupled with factors such as poor environment, slow economic growth and outward migration.

From the beginning, therefore, dealing with high relative unemployment has been one of the most essential objectives of the UK's regional policy. Almost forty years after the adoption of the first regional measures, the White Paper of March 1972 confirms: "the most serious problem is a high level of unemployment". This unemployment is heavily regionalized in the UK and is at its worst in Scotland, Northern Ireland, Wales, the North of England and Merseyside - areas where early industrialization took place. But other parts of the country also suffer from persistent unemployment differentials and from other problems e.g. in the South West, North West and Yorkshire. Table I illustrates the persistence of regional unemployment differentials in the UK over time.

As mentioned above, the UK regional problem has given rise to other difficulties in the assisted areas such as emigration of the active population, industrial dereliction, obsolescence of housing and infrastructure and slow economic growth. Table II illustrates regional disparities in terms of income per head levels.

Although the UK regional problem is predominantly industrial in nature, two other factors should be taken into account. Firstly, there is under-development of certain, sometimes mountainous, rural regions - for instance areas of low population density in Scotland, Northern Ireland, Wales and South West England. The second factor is an over-concentration of the population, and of some of the most developed economic activities, in the South East of England - particularly in the London are

To achieve a satisfactory regional balance within the UK, both the backwardness of the old industrial regions and rural areas, and the physical planning problems of large urban agglomerations must be taken into consideration. UK regional policy therefore sets out to deal with all these problems by means of a nationally coordinated strategy. The overall objective is to obtain a more balanced distribution of economic growth and employment opportunities. To this end measures are taken to diversify the industrial structure in the assisted areas by encouraging new industrial development and the modernisation of existing industry. Such areas also receive help for infrastructure, environmental improvements and employment, and their problems are taken into account in national and regional planning strategies.

Finally, mobile industrial and office developments are steered away from the non-assisted areas to the less prosperous parts of the country.

Regional policy holds an unusually important place in the UK since more than 40% of the active population live in problem areas which receive preferential treatment. It is against this background and the objectives described above that UK regional measures need to be evaluated.

2. PRIORITY AREAS

Regional measures in the UK are based on a clear structure of priority areas (see Map). The present area classifications are:

(a) Development Areas.

These areas were designed originally in 1966 as representing those parts of the country which were suffering from persistently high relative unemployment levels, poor industrial structure, outward migration and low prosperity. They have remained almost entirely unchanged since that time and cover most of Scotland, Wales and the Northern Region of England, Merseyside and parts of the South West.

(b) Special Development Areas.

In 1967 certain areas, within the Development Areas, were given this classification to take account of particularly serious problems arising from the decline of the coal mining industry. Further areas were so designed in 1971 to bring in other older industrial centres suffering from severe sectoral problems in other industries. The Special Development Areas, all of which are in Scotland, Wales and the Northern Region, cover less than 10% of the active population of Great Britain.

(c) Intermediate Areas.

These areas, which receive only a part of the regional assistance given in Development Areas, were first established in 1970 and then enlarged in 1971 and 1972. Their problems are on a smaller scale than those of the Development Areas, but certain measures were considered necessary to help economic growth. Particular difficulties were industrial obsolescence, higher than average unemployment and, in some places, a "shadow effect" arising from the proximity of Development Areas.

(d) Derelict Land Clearance Areas

The assisted areas described above receive preferential grants towards the clearance of industrially derelict land in order to clear the way for new development. These grants also apply to part of the North Midlands which has been designated a Derelict Land Clearance Area. As a two year temporary measure, grants for capital expenditure on industrial buildings are also available there until March 1974.

(e) Northern Ireland

The whole of Northern Ireland is a major regional problem area which is treated separately from the rest of the UK under parallel assistance arrangements. An Annex on this area is attached.

3. MEASURES

The measures used in UK regional policy may be classed in three categories: restrictive measures, incentive measures and regional planning, the last including environmental and infrastructure measures.

A Restrictive measures

Since 1948 British regional policy has exercised control over the location of industrial establishments, which control was extended to offices in 1965. This control consists of the obligation to obtain from the competent authorities:

(a) as regards industry: an industrial development certificate for any new industrial building or extension exceeding 1 400 sq. metres (15 000 sq. ft.) anywhere outside the Development Areas and 1 000 sq. metres (10 000 sq. ft.) in London and the South East;

(b) as regards offices: an office development permit for any new building or extension of offices exceeding 1 000 sq. metres (10 000 sq. ft.) in the South East and London.

B Incentive measures

Measures favouring development or conversion in Great Britain apply to a territorial unit comprising the Assisted Areas described in the preceding section.

The measures may be grouped into financial aid to undertakings (under the Industry Act 1972), aid to the labour force and miscellaneous. There is also a national system of accelerated depreciation allowances to encourage investment, but this is not differentiated regionally.

(a) Financial aid:

- creation of industrial estates and the construction, for sale or rent at market value, of buildings for industrial use. For manufacturing projects providing additional jobs rent may in certain circumstances be waived for two years;

- subsidies towards capital expenditure on new plant and machinery by manufacturers in Special Development and Development Areas only, at 22% and 20% of cost respectively;

- subsidies for the construction, purchase or adaptation of industrial buildings by manufacturers in the Assisted Areas (Special Development, Development and Intermediate Areas) at 20% of cost;

- selective financial assistance towards the creation or modernization of undertakings in various forms of loans, grants in aid of interest or purchase of shares;

- subsidies for the transfer of industrial undertakings to the Assisted Areas, which may amount to 80% of certain costs of the transfer.

(b) Aid to the labour force:

- regional employment premium of 150 pence per week per full-time male worker and 75 pence per week per female worker paid to manufacturing undertakings located in the Development Areas. This is to be phased out from September 1974;

- assistance to employers towards the cost of training workers for additional jobs created in Assisted Areas;

- payment of removal and installation costs of workers regarded as essential to start up new undertakings in the Assisted Areas.

(c) Miscellaneous aids:

- a degree of preference given in public sector contracts to undertakings in the Development Areas, but not involving any price preference.

C Planning measures

Under this heading, the UK Government's policy on public works and infrastructure - including housing and communications - takes account of regional needs. Two other aspects in this field are worthy of mention: measures to improve the environment of the Assisted Areas and the establishment of New Towns.

On the first, there are serious gaps in the environment of the assisted regions due both to the age and type of their industrial structure where obsolete nineteenth century development has led to industrial dereliction of land. These environmental scars can inhibit new industrial development and regional policy must therefore aim to remove them. There are, therefore, subsidies to encourage the removal of dereliction by local authorities in these areas and the improvement of public services generally.

New Towns are the subject of a series of laws which have led to the establishment of some 28 New Towns since 1946. Originally, these were intended to help with urban modernization in Britain as a whole and to decentralize the London Conurbation. They have, however, had a favourable impact on the assisted regions and the public authorities are continuing to give priority to the New Town programme.

These activities are devised within a comprehensive regional planning structure involving the preparation of long and short term strategy plans at the local and regional level. Each planning region has an Economic Planning Council, representing local interest and expertise, which plays a major role in this work. Planning strategy is coordinated at both Central and local government level with industrial development policies.

4. RESULTS

Against a background of both declining and expanding industries in the UK assisted regions, it is difficult to assess quantitatively the results of UK regional policy - particularly since the measures employed have undergone a number of changes since the war. Certain estimates can, however, be made. For instance employment in manufacturing plants in the present assisted regions, which have been established since the war by firms originally located outside those regions, now numbers almost 600 000. Also it has been estimated that employment in plants "native" to the assisted regions held up during 1966/70 by 40 000 more than would have been expected if regional policy had not existed. Altogether, therefore, it may be that UK regional policy has added some 30-40 000 manufacturing jobs each year to employment in the Development Areas and Northern Ireland.

But this figure represents only the primary employment effect. Account should also be taken of directly created employment in the service sector and the general multiplier effect. Overall it is likely that regional policy has created at least 40 000 regional jobs each year in the short-term, and perhaps as many as 60 000 a year when the multiplier effects have had time to work through.

Other indicators of the effects of UK regional policy exist.

From 1960 to 1969, in terms of estimated additional employment, 47% of the industrial development certificate approvals were located in Development Areas.

Between 1945 and 1965 inclusive, half the industrial jobs transferred from one region of the UK (or from abroad) to another region went to the Development Areas.

Despite these achievements, regional disparities in unemployment rates persist, although not at the levels experienced before the war. As Table I shows, unemployment in the Development Areas and Northern Ireland in 1972 was 4½ to 8%, as compared with only 2.7% in the non-assisted areas.

ANNEX

NORTHERN IRELAND

It is usual to consider the regional development of Northern Ireland separately from Great Britain for two reasons:

(a) the constitutional difference: the legal framework on which regional assistance operates has been established by a separate provincial legislature with its own industrial development powers;

(b) the nature of the Northern Ireland regional problem is in many ways distinct: the province suffers from extreme geographical isolation, involving a sea crossing to the mainland; and unemployment has been exacerbated both by the drift from the land and the shedding of labour, either through the modernization or decline, of traditional industries, particularly textiles.

The forms of regional assistance which have evolved in Northern Ireland have generally followed the pattern set out earlier in this paper for the rest of the United Kingdom. Selective assistance to encourage industrial expansion is provided under the Industries Development Acts (NI) 1966 and 1971 in the form of, mainly, capital grants and loans and factory premises on concession terms. More general aid towards capital expenditure by industry is provided in the form of capital grants and modernization loans under the Industrial Investment (General Assistance) Acts (NI) 1966-71. The Acts referred to are Acts of the Parliament of Northern Ireland.

There are also certain special measures in force which reflect the different circumstances of Northern Ireland.

TABLE I - UK UNEMPLOYMENT RATES 1962-72

(% wholly unemployed, male and female)

	June 1962	June 1965	June 1968	June 1972
Development Areas:				
S. Western	2.1	2.5	3.4	4.5
Merseyside	3.9	2.4	3.0	6.5
Northern	3.0	2.1	4.2	5.6
Welsc	2.9	2.5	4.1	4.9
Scottish	3.3	2.6	3.6	6.2
All Development Areas:	3.2	2.4	3.8	5.9
Northern Ireland	6.9	5.7	6.9	7.5
Intermediate Areas:				
North West	-	1.0	1.9	3.7
Yorkshire/Humberside	-	0.9	2.4	3.8
UK excluding DA's	1.2	0.8	1.8	2.7
UK as a whole	1.7	1.2	2.3	3.5

TABLE II - PROVISIONAL ESTIMATES OF UK INCOME PER HEAD 1969

Region	Population 000's	GDP per capita at factor cost $
North	3 346	1 395
Yorkshire and Humberside	4 810	1 591
East Midlands	3 349	1 629
East Anglia	1 657	1 531
South East	17 295	1 938
South West	3 730	1 448
Wales	2 724	1 388
West Midlands	5 145	1 760
North West	6 770	1 614
Scotland	5 195	1 528
Northern Ireland	1 512	1 131
United Kingdom	55 534	1 669

NOTES: 1. Exchange rate £1.00 sterling = $2.40

2. These estimates are tentative and have been based on a number of assumptions which are particularly arbitary in relation to the allocation of rents and profits among regions.