Working Party on Territorial Indicators

SUMMARY RECORD

8th Session of the Working Party on Territorial Indicators held on 31st May - 1st June 2004

This document is submitted to delegates for APPROVAL at the 9th Session of the Working Party on Territorial Indicators on 8 December 2004.

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8TH SESSION OF THE WORKING PARTY ON TERRITORIAL INDICATORS
31ST MAY – 1ST JUNE 2004

SUMMARY RECORD

Item 1. Adoption of the agenda
1. The agenda was approved

Item 2. Summary record of the 7th session
2. The summary record of the 7th session was approved.

Item 3. TDPC Mandate 2005-09 and Programme of Work 2005-06
3. The Chairman, Mr. Ray Bollman presented the TDPC Mandate 2005-09 and the draft Programme of Work 2005-06. He highlighted three main features of the new programme: the shift from activities to output; the higher integration between the TDPC and its Working Parties; and the strong focus on regional competitiveness. Further to a proposal by the delegates from the Netherlands and the UK, the discussion of these two documents was postponed to the following day (1st of June 2004).

Item 4. “OECD Regions at a Glance”: Table of Content and Extracts
4. The Secretariat presented the revised table of content and selected extracts of the forthcoming publication “OECD Regions at a Glance”. The delegates expressed strong interest in the publication commenting on its utility for policy makers. The Netherlands and France suggested that the publication should consider more explicitly the effects of the selected time periods on the result of the analysis, while Austria, Netherlands, Sweden, Greece and the UK underlined the importance of including more indicators and the necessity to interpret them carefully. Finally, the Netherlands requested a clearer distinction between urban and rural regions for some indicators. The Chairman summarised the discussion by inviting the secretariat to consider the suggestions and to submit a draft of the publication before the December meeting.

Item 5. Regional Disparities within EU countries, (Presentation by Guido Pellegrini) Italy
5. The Delegate from Italy presented the main findings of his research. He pointed out that regional disparities in per capita income have increased between countries and that these disparities mainly reflect differences in productivity. Education, infrastructure and agglomeration may also have a role in explaining productivity differentials. The delegates expressed strong interest in the paper. In particular, the U.S. pointed out that disparities among regions of the same country may continue to increase as a result of higher international trade openness. Greece suggested that an additional variable should be added in to the model in order to take into account the EU regional policies, which are orientated towards lagging regions. The U.K. expressed concerns about the use of GDP as an income indicator, while France pointed out the conflict...
between productivity and employment growth as welfare targets. Finally, Portugal inquired about the impact that the business cycle may have on the findings, considering that the period of the analysis (1996-2001) is an expansionary period.

**Item 6. Quality of Life Indicators: The Urban Observatory in Spain (Presentation by José Manuel Rodríguez Alvarez) Spain**

6. The Delegate from Spain presented the background research carried out on quality of life indicators by the Ministry for Public Administration in view of creating an Urban Observatory in Spain. The presentation attracted considerable interest from the delegates. In particular the U.K. and Portugal inquired whether data from the urban audit carried out by the Eurostat have been used in this work. Greece and Mexico inquired how the Spanish experts identified the appropriate indicators to be collected.

**Item 7. Differences between employment rates in OECD Regions (Presentation by Mika Honkanen) Finland**

7. The Delegate from Finland presented the results of his study indicating that about one third of unemployed people in OECD countries live in regions with low employment rates. Switzerland highlighted the importance of decomposing these results by age, while Austria inquired about the effect of education. Spain commented on the importance of investigating the quality of employment. The Chairman summarised these points by asking whether the Territorial Database could be expanded in this direction. The Secretariat responded that regional data on employment quality are available only for very few OECD countries.

**Item 8. Comparative Analysis of leading and lagging regions in the 1980s and 1990s (Presentation by Ida Terluin, Ray Bollman) Netherlands, Canada**

8. The delegates presented the results of their study, showing that employment growth in the 1990s was higher in leading rural regions than in urban regions. Furthermore, about 60 per cent of the leading/lagging regions in the 1980s continued to be leading/lagging regions in the 1990s, indicating that there is no common trend towards convergence or divergence of regional employment growth rates. The delegates expressed strong interest in this research. The U.S, in particular, raised the point of the role of subsidies in slowing down the growth of lagging regions.

**Item 9. Regional Effects of the EU enlargement (Presentation by Giovanni Barbieri) Italy**

9. The Delegate of Italy presented the results of his study based on the comparison between the social and economic structure of Italian objective-1 regions and that of the regions of the new EU member states. The findings indicated that some southern Italian regions are weaker than some regions of the new EU member countries and this feature is not captured by GDP per capita.

**Item 10. Different Lines of Development in Rural Regions (Presentation by Antonia Milbert) Germany.**

10. The Delegate of Germany presented the results of her study about the development of rural regions in OECD countries. The findings indicated that in many countries rural regions with
structural weaknesses tend to be on a slow development path. The delegates expressed strong interest in these results. The Netherlands raised the point of whether there is circularity in the argument about structural weakness and rural type. The U.S. welcomed the research as a novel approach of thinking about rural areas; however, he questioned how a structural weak region should be defined from a policy perspective and how this condition can be reversed. Greece inquired whether the current state of the Common Agricultural Policy was taken into account in the analysis. The delegate from Switzerland welcomed the research, but he suggested that non-European countries should be included in the analysis as well. Moreover, he raised the question of how density, rurality, and accessibility can be used to explain these findings. The Delegate from France informed that his country is undertaking a similar research with a view to introducing policies for rural areas. Furthermore, Netherlands and France inquired whether the presenter had tried to identify the determinants of growth for rural regions that are not dependent on an urban centre and are following an endogenous development path. Portugal inquired how rurality is measured and whether it is linked with agricultural policy.

Item 11. Globalisation and Regional Performances: The Effect of International Trade (Note by the Secretariat)

11. The Secretariat presented the results of a research on the impact of trade openness on regional performances, which incorporated the suggestions made by the delegates in the previous session of the WPTI. The delegates expressed interest for the new results and invited the Secretariat to continue this research. Switzerland and the Netherlands inquired about the underlining causes of the asymmetric territorial effects of trade openness in Germany. Canada requested for a more detailed presentation of the theoretical framework, while Portugal inquired about the likely effects of the business cycle on the results. The Chairman summarised the discussion by inviting the Secretariat to implement these suggestions and present a revised draft of the paper in the forthcoming session of the WPTI.

1st June 2004

Item 12. Population Trends in OECD Regions (Presentation by Mototsugu Ochiai) Japan

12. The Delegate of Japan presented a paper analysing population trends and age structure in OECD member countries, with a focus on Japan. The paper was received with interest. Canada raised the question of whether territorial policies are necessary in order to prevent depopulation in regions suffering from this symptom. Switzerland inquired about immigration policies in Japan and the location of immigrants in that country.

Item 13. Education and Rural Development Strategies an Analysis of OECD Regions (Presentation by the Secretariat)

13. The Secretariat presented the results of a research on the role of education in rural development strategies. The results show that although there is agreement on the relevance of human capital for rural development, the effective contribution of education to a successful rural development strategy is still controversial. The delegates expressed interest in the results of the research. In particular, Canada inquired about the difference in dispersion of third level education between macro regions. The U.S. raised the point that in their country the institutional framework, which ensures that differences in the educational levels of urban and rural regions remain
minimal, has become a victim of its own success, i.e.: it has failed to adjust to the new educational demand driven by the changes in economy.

**Item 14. Rural Areas and Border Regions (Presentation by Roberto Sancho Hazak) Spain**

14. The Delegate of Spain presented a paper on the variation of population trends between border regions and other regional types in Spain. Germany pointed out that it is possible to distinguish between different regional types by examining smaller territorial units. However, the disaggregation of regional typologies is not helpful to understand major issues, if it is at the expense of international comparability.

**Item 15. Regional Statistics for Economic Policymaking (Presentation by Dev Virdee) U.K.**

15. The Delegate of the U.K. reported the results of a recent assessment carried out by the UK Office of National Statistics (ONS) on the production of regional statistics for economic policymaking. The delegates expressed interest in the UK practices. In particular, France inquired whether in the UK regional indicators are constructed with a view of meeting the policy objectives and strategies of the Regional Development Agencies. Netherlands raised the general point of where should statistical offices start in order to make improvements on regional data. Finally, Turkey inquired about the policies of the ONS in ensuring the confidentiality of the regional survey data.

**Item 16 Measuring Regional Competitiveness (Presentation by Mark Drabenstott) U.S.**

16. The Delegate of the U.S. made a survey of the new developments in the measurement of regional competitiveness in the U.S. The main aim of these efforts is to enlarge the set of the indexes by which regions measure their success and to assist regions to identify their development strategies. The delegates expressed strong interest for this presentation. Portugal, France and the Netherlands inquired about the definition of informational capacity, the ongoing work on new regional indicators and regional analytical models. Mexico raised the point of whether collaboration among regions can be perceived as an ability to exchange information, while Italy draws on its own experience in measuring the impact of regional policies.

**Item 17. TDPC Mandate 2005-09 and Programme of Work 2005-06**

17. The following points were raised in the discussion of the TDPC Mandate and Programme of Work. Netherlands pointed out the necessity for stronger cooperation between the three Working Parties (WPs) of the TDPC. The Chairman proposed to invite the Chairmen of the other WPs for a twenty-minute briefing presentation at the next WPTI. The UK, Greece and Portugal raised the point of the representation of National Statistical Institutions to the WPTI. The Chairman and the Secretariat reminded that member countries have the exclusive right to appoint their representatives to the WPTI. France pointed out that a thorough discussion about regional competitiveness should precede the development of regional competitiveness indicators. Netherlands supported the idea of developing synthetic regional competitiveness indicators. The Secretariat responded that the construction of a real competitive index (single score index) is a time consuming process and requires an agreement about the appropriate weighting of the components, agreement which may be difficult to achieve.
18. In relation to the discussion on the different components of competitiveness, the Chairman inquired about the progress made regarding the environmental questionnaire. The Secretariat responded that the information received for non-EU countries was limited, while data for most of the indicators were available at Territorial Level 2 only.

19. Finally, the Secretariat asked the delegates to indicate whether they supported the Austrian proposal to enlarge the Territorial Database with data at a Territorial Level lower than 3. The Chairman responded that no such action was required, as the focus of the WPTI is on regional and not local issues.

**Item 18. Mapping Regional Development: A Critical Assessment of Indicator-based Exercises (Presentation by Thomas Dax) Austria**

20. The Delegate of Austria presented the results of a critical assessment of indicator-based exercises in Austria. He pointed out that sub-urbanisation processes overlap regional types, while small size towns play an active role in employment creation in the rural parts of the country. Furthermore, employment growth is limited mostly to women without affecting gender gaps, while long distance commuting plays an active role in rural population change. The delegates expressed their interest for the results. Germany inquired about the kind of jobs that were created for women, while Portugal raised the point of whether commuting is important for rural development in other OECD countries too.

**Item 19. An Analysis of OECD Countries Based on Regional Development Policies in Poland (Presentation by Grzegorz Kozmin) Poland**

21. The Delegate of Poland presented the results of an application of the Polish Regional Development Policies regarding the financial support of lagging regions to other OECD countries. The delegates expressed interest in this exercise. In particular, the Netherlands and Portugal inquired whether the Community Support Framework was included in the analysis and the year to which the adopted financial allocation referred to. As some of the conclusions of this research could not be generalised to non-EU countries due to data limitation, the Chairman summarised the discussion by requesting the Secretariat to collect this missing information from member countries.

**Item 20. Regional Disparities and Territorial Indicators in Turkey (Presentation by Bülent Dincer and Metin Özalan) Turkey**

22. The Delegates of Turkey presented a ranking of provinces and regions in Turkey, based on a composite index of socioeconomic development (SEDI) composed of 58 variables. The findings highlighted differences in regional rankings according to the purpose of the exercise (educational, health, or industrial analysis). Furthermore, the general SEDI index was found to be highly correlated with the GDP per capita. The Delegates expressed strong interest in the results. In particular, Portugal pointed out that a comparison of the SEDI index is impossible between two different years. Greece inquired about the inclusion of variables in the analysis that take into account regional geophysical elements, while Switzerland raised the general point about the most appropriate spatial level for carrying out this type of analysis.
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8TH SESSION OF THE WORKING PARTY ON TERRITORIAL INDICATORS
8ÈME SESSION DU GROUPE DE TRAVAIL SUR LES INDICATEURS TERRITORIAUX

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