

Regional differentiation

Generally economical level of the region is interpreted on the base of the GDP (absolute number or GDP per inhabitant). When it is not possible to gain the exact numbers for the individual regions are used the indicators such as: total income from the salaries in the region, average income rate on the inhabitant, total income from direct taxes, unemployment rate, etc.

Economical level of the region is not stabile; it is changing with the time. The changes are connected with political influences; international economic changes; economical and political changes in the neighbourhood regions or states; demographic changes; etc.

Phases of the development of regions*

- **growth (quantity changes)** increase of employment and jobs, growth of number of technical infrastructure, communal equipment, civic amenities (občanská vybavenost)

- **development (quality changes)** growth of qualification of the employees, growth of income, high standard of the traffic infrastructure, improving of the natural conditions,

- **stagnation (stable econ. level, no response to the negative events)**
bankrupted firms are not replaced by the new ones, no expansion of the firms, growth of salaries, decrease of the productivity, no investment into the infrastructure and its getting obsolete,

- **declination (economy slowdown, unemployment grows)**

the neighbourhood regions are growing faster, seats of the firms is moving outside this regions,

*could be displayed as S-curve, X-axe time, Y-axe economical level of the region

Basic factors of regional differentiation:

Geographical factors:

- location, total area
- distance to centre
- traffic connection
- climate, natural conditions
- natural environment,

Demographical factors:

- number of people
- inhabitants density
- age and sex structure of inhabitants
- birth-rate, mortality
- qualification (education),

Economic factors: (also connected with the political factors)

- employment structure (primary sector, secondary sector, services,..)
- seat of firms
- intensity of the interaction within the region
- number of SME's (Small and Medium sized Enterprises)
- macroeconomic policy,.....

Some reasons of regional differentiation in the Czech Republic

- a) Drop down of the production and employment in the heavy industry
- b) Decrease of the employment rate in the agricultural
- c) Differential development of the services sector
- d) Differential development of the small and medium private enterprises
- e) Low interregional mobility of the employees
- f) Differential conditions of the natural environment

Ministry for Regional Development have set two types of the regions with the special approach:

- 1. Structural afflicted regions** - regions with the high concentration of the industry under conversion, high rate of unemployment, mostly urban areas (some regions in south-west bohemia and in Moravian-Silesian region: Most, Karviná, Teplice, Chomutov, Děčín, Kladno, Ostrava-city, Přerov, Louny, Frýdek-Místek).

- 2. Economic weak regions** - regions with poor living standards, high employment in the primary sector, typically rural areas with low density of inhabitants and high rate of unemployment, generally positive condition of natural environment (Bruntál, Jeseník, Znojmo, Třebíč, Český Krumlov, Louny, Tachov, Hodonín, Prachatice, Břeclav, Svitavy).

Literature:

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