

RCI 2019

Mapping the trends in regional competitiveness

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The fourth edition of the Index is available for all EU regions

- Measuring the major factors of competitiveness of EU regions at NUTS-2 level over past ten years
- Used in past three editions of the Cohesion Report
- Featured in the World Economic Forum Global Competitiveness Report 2013-14 and Eurostat regional yearbook 2014
- Shift and need to more evidence based policy making: monitoring and evaluation but not funds allocations
- Four points in time so far: 2010, 2013, 2016 and 2019



RCI aims at:

- Providing a comparable measure of competitiveness for all EU regions
- Helping regions to better target their development strategies and to benchmark themselves with their peers or the rest of the EU
- Facilitating exchanges between regions

by

- Summarising information into an index and its components
- Visualising the data in an interactive manner
- Providing easy access to underlying data

How is RCI constructed?

The index takes into account the economic development of a region by giving more weight to **enabling factors** of competitiveness in less-developed regions and to **cutting-edge** factors in more-developed regions

Basic group

1. Institutions
2. Macroeconomic Stability (country level)
3. Infrastructure
4. Health
5. Basic education (country level)

Efficiency group

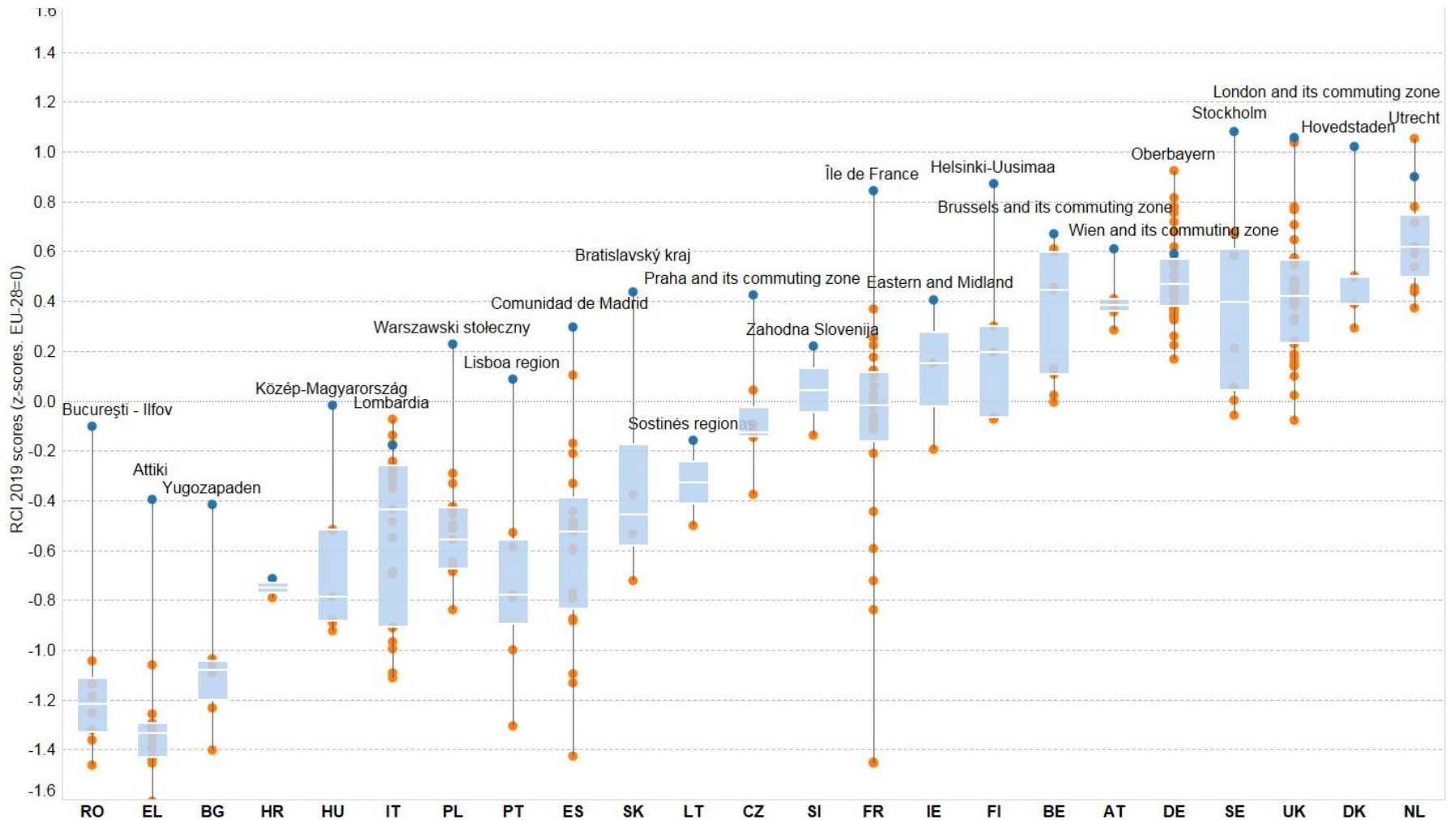
6. Higher education
7. Labour Market efficiency
8. Market size

Innovation group

9. Technological readiness
10. Business sophistication
11. Innovation



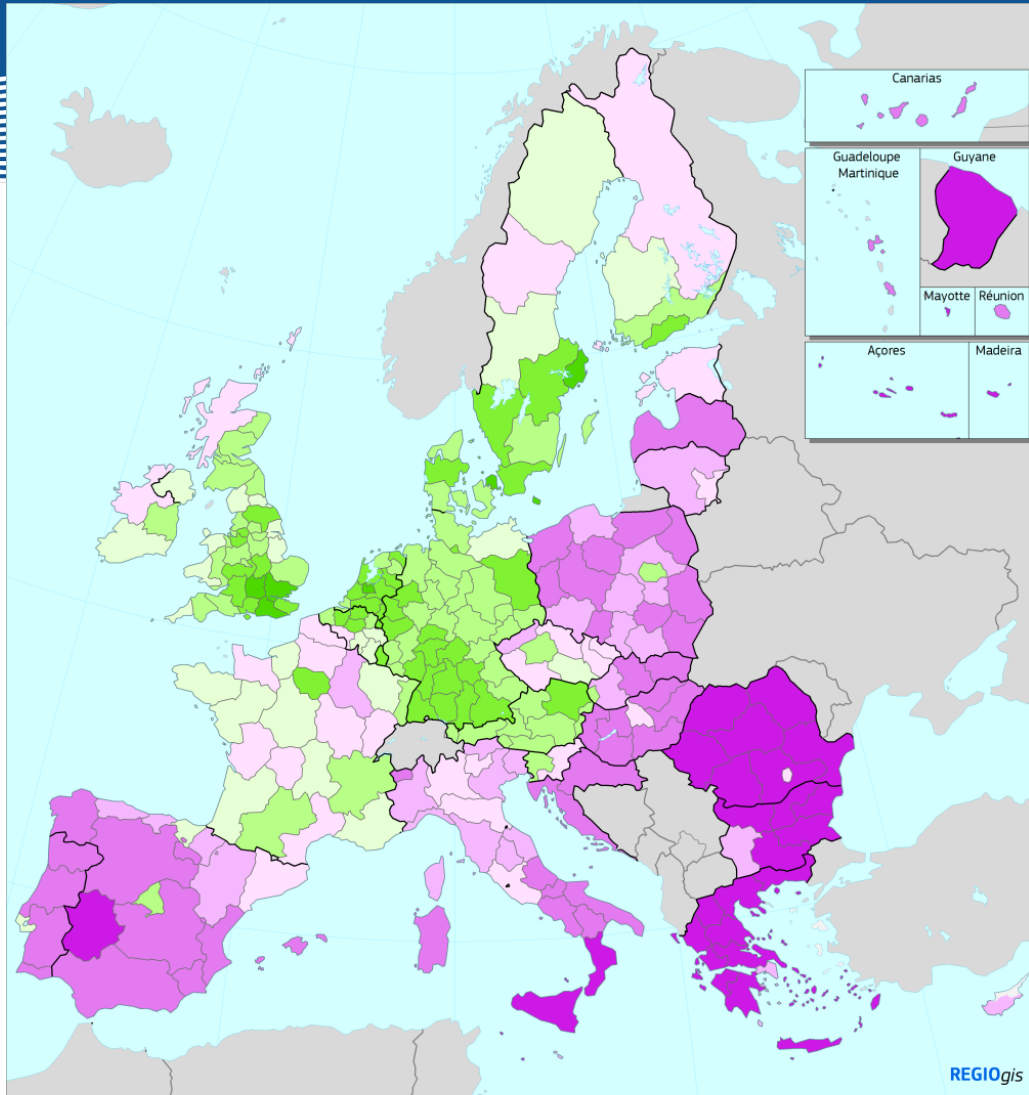
Best performers: the capital take it all



■ capital region
■ other

Countries with more than two regions only are displayed in the figure

Highly different levels of competitiveness across the EU



Regional Competitiveness Index - RCI 2019

Index: values range from low (negative) to high (positive)

< -1	0 - 0.2
-1 - -0.5	0.2 - 0.5
-0.5 - -0.2	0.5 - 1
-0.2 - 0	> 1

EU-28 = 0
Source: DG REGIO

and the winner is ...

TOP 10

country	region code	region name	RCI 2019 score (0-100)	rank*
SE	SE11	Stockholm	100.0	1
UK	UK00	Inner London West & Inner London East & Outer London East-North-East & Outer London South & Outer London West North West & Bedfordshire/Hertfordshire & Essex	99.1	2
NL	NL31	Utrecht	99.0	2
UK	UKJ1	Berkshire, Buckinghamshire and Oxfordshire	98.6	4
UK	UKJ2	Surrey, East and West Sussex	98.4	5
DK	DK01	Hovedstaden	97.8	6
LU	LU00	Luxembourg	94.4	7
DE	DE21	Oberbayern	94.2	8
NL	NL00	Flevoland & Noord-Holland	93.2	9
FI	FI1B	Helsinki-Uusimaa	92.3	10

- Most include capitals and world class universities
- Good connections
- Close to markets

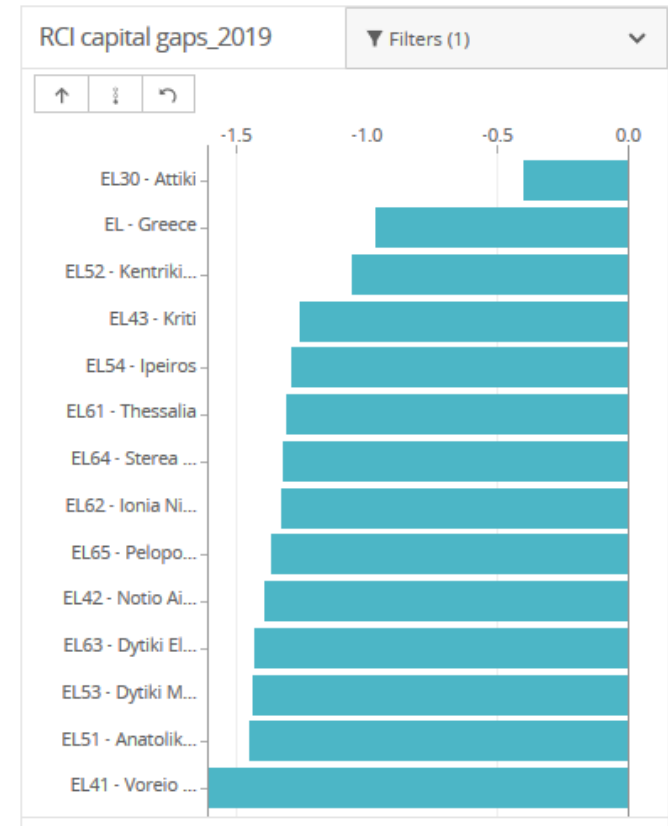
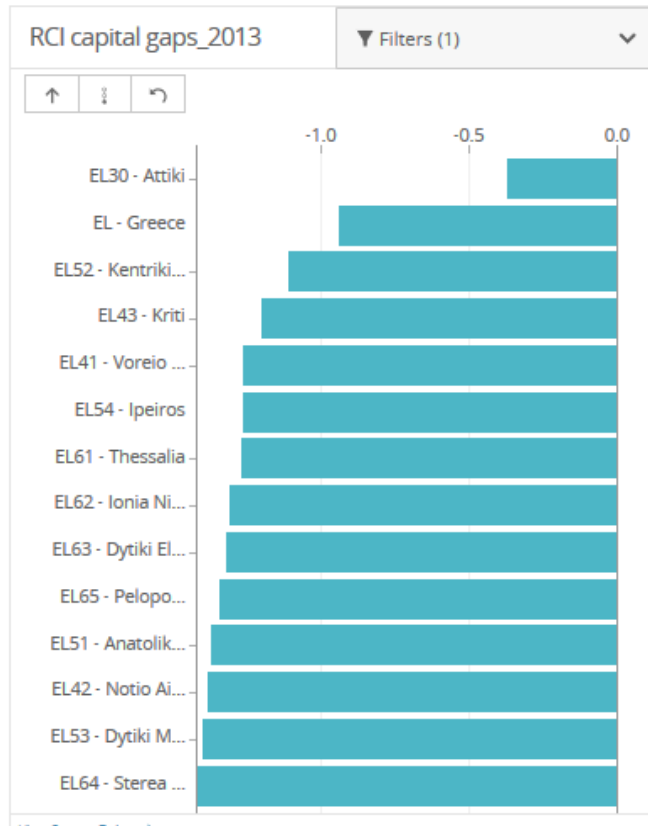
* Equal rank is assigned to regions whose score difference on the 0-100 scale is below or equal to 0.1



Click on a country to see the RCI scores of all its regions in 2013 or click on the upward arrow to show all the countries

Click on a country to see the RCI scores of all its regions in 2019 or click on the upward arrow to show all the countries

Capital gaps: shrinking or diverging?





Time evolution



Region's "fact-sheet"

European

Greece **Attiki** **EL30**

RCI 2019	Score	Score 0-100	Rank*	GDP per head PPS - EU28=100	Value	Rank	Stage of development (1 = Lowest; 5 = Highest)	4
	-0.40	44.97	180/268		92	122/268		

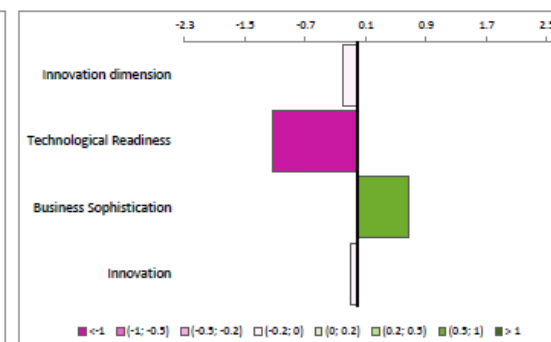
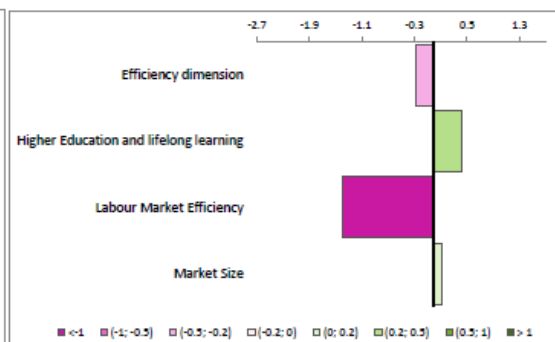
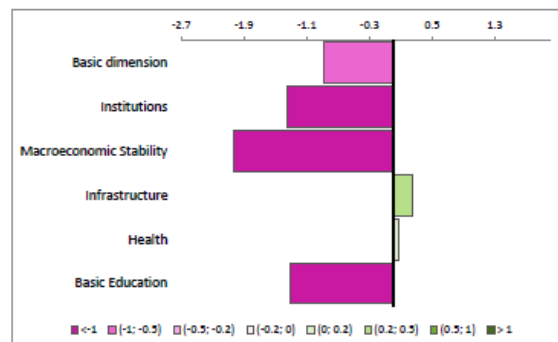
Peer Regions: West Central Scotland; Greater Manchester; Aquitaine; Marche; Cumbria; North Yorkshire; Burgenland; Pays de la Loire; West Yorkshire; Thüringen; Leicestershire, Rutland and Northamptonshire; Haute-Normandie; Pohjois- ja Itä-Suomi; East Wales and Dresden

	score (EU28=0)	peers comparison
Basic dimension	-0.87	🔴
Institutions	-1.35	🔴
Macroeconomic Stability	-2.02	🔴
Infrastructure	0.25	🟡
Health	0.08	🟡
Basic Education	-1.31	🔴

	score (EU28=0)	peers comparison
Efficiency dimension	-0.28	🔴
Higher Education and lifelong learning	0.42	🟡
Labour Market Efficiency	-1.38	🔴
Market Size	0.13	🟡

	score (EU28=0)	peers comparison
Innovation dimension	-0.19	🔴
Technological Readiness	-1.14	🔴
Business Sophistication	0.66	🟡
Innovation	-0.11	🟡

- 🟢 Overperforming with respect to its peers
- 🟡 Similar to peers
- 🔴 Underperforming with respect to its peers

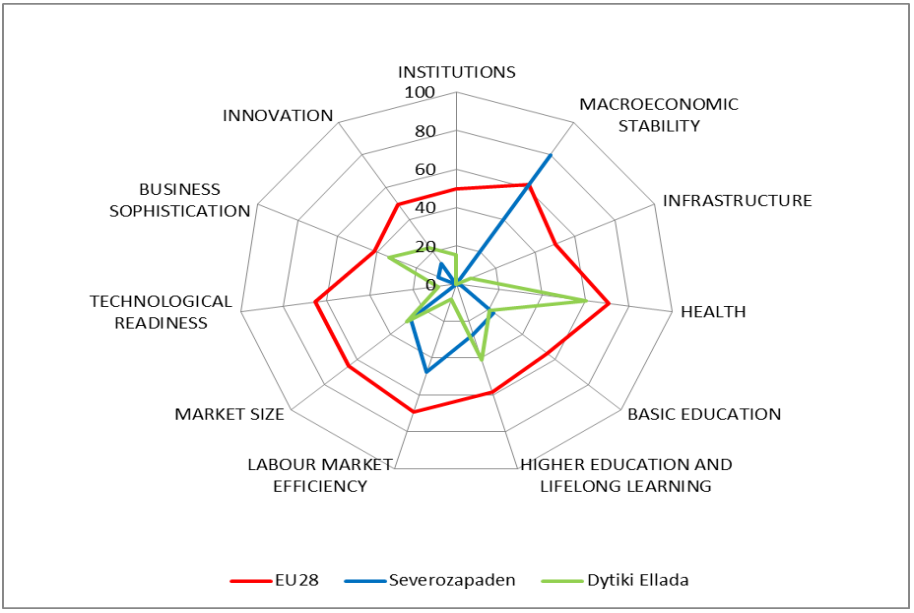
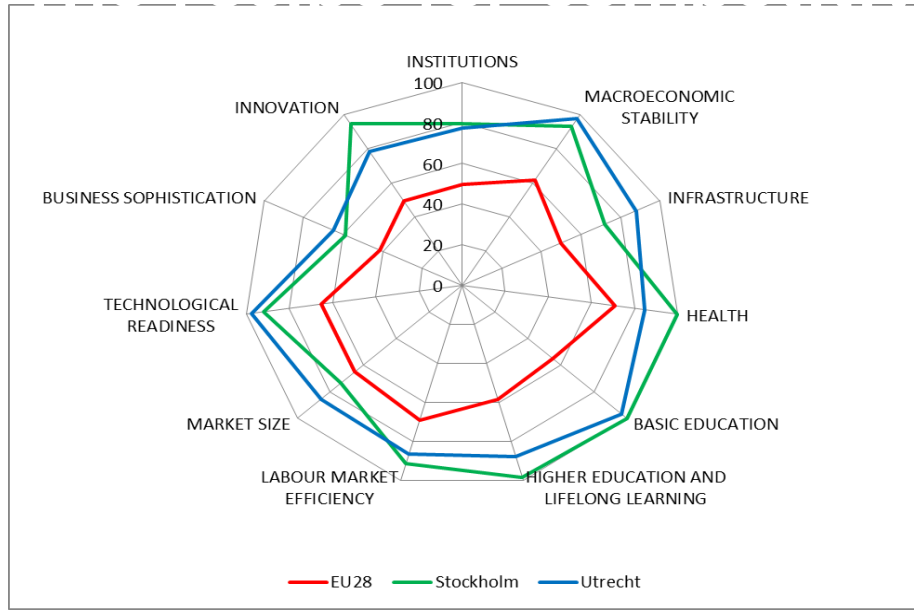


* Equal ranking is assigned if the difference in score is equal or below 0.1 on the 0-100 scale

Note: Macroeconomic Stability and Basic Education at the country level



The Anna Karenina's principle in practice



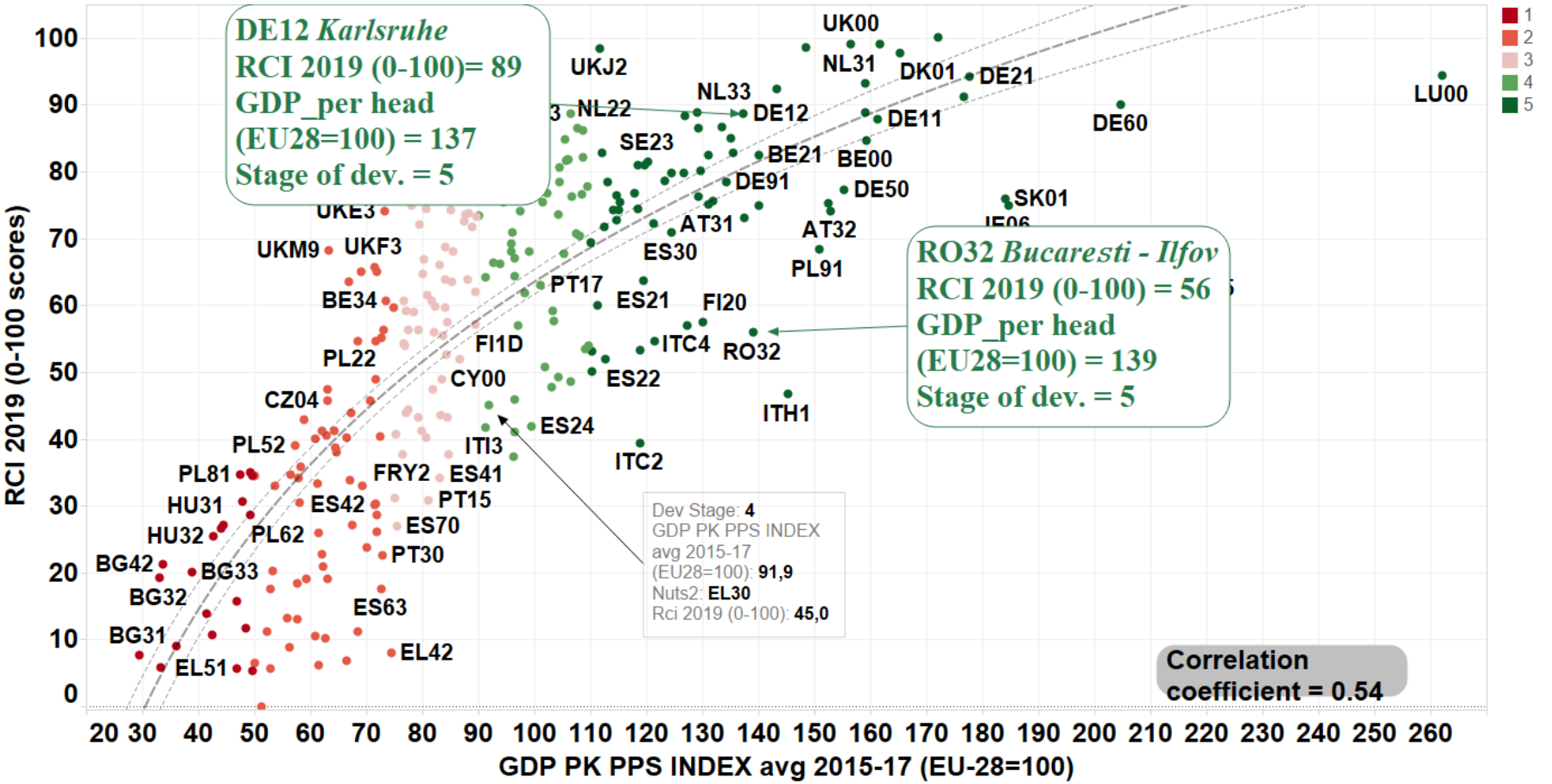
Success stories are those featuring a uniform good performance across all the factors of competitiveness Policy synergies are crucial

Being a good performer in only one or few factors of competitiveness is not the way to reach competitiveness

"All happy families are alike; each unhappy family is unhappy in its own way"
 (Anna Karenina by L.N. Tolstoy)



RCI is not GDP

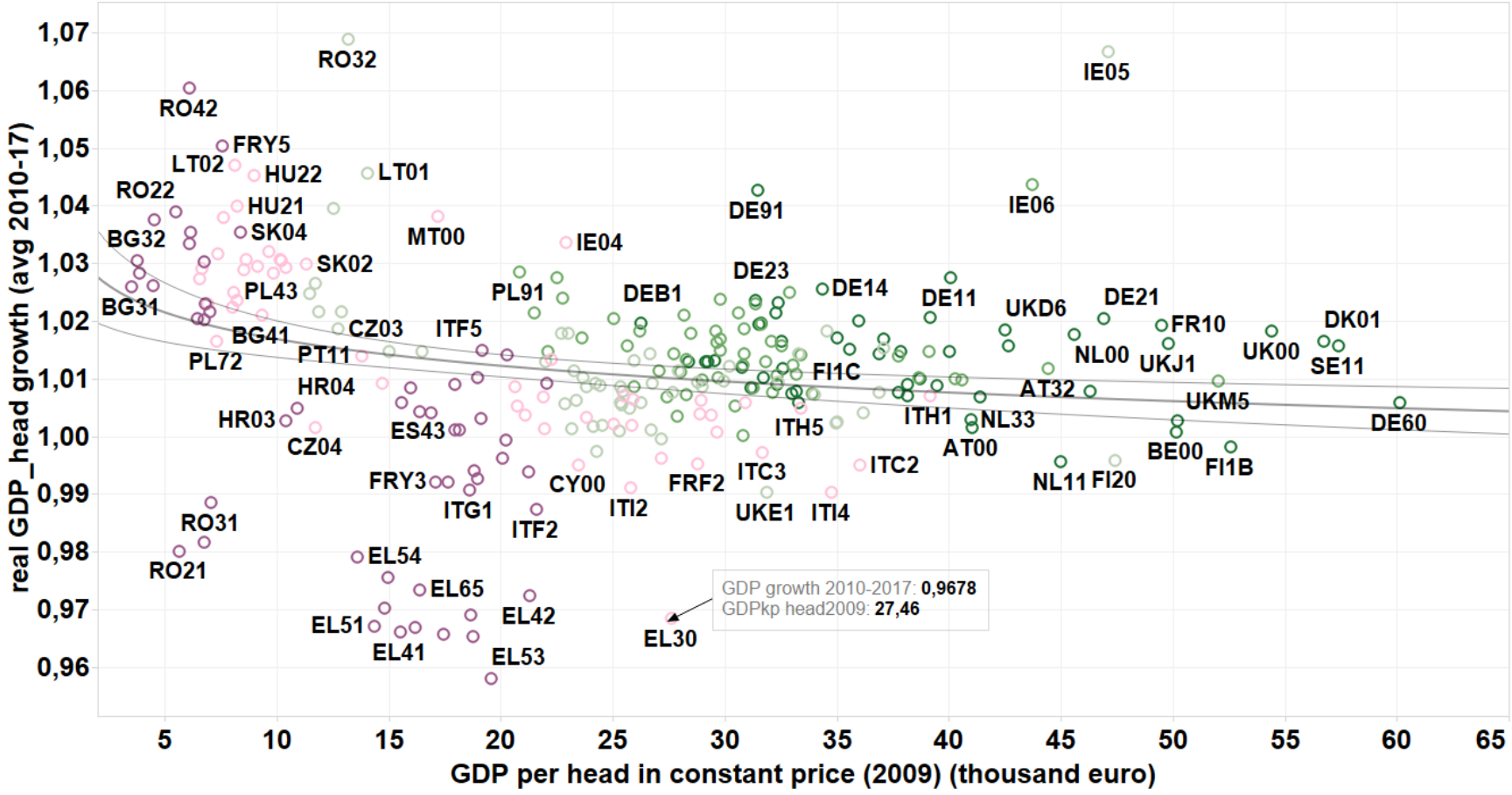




... but it helps it grow

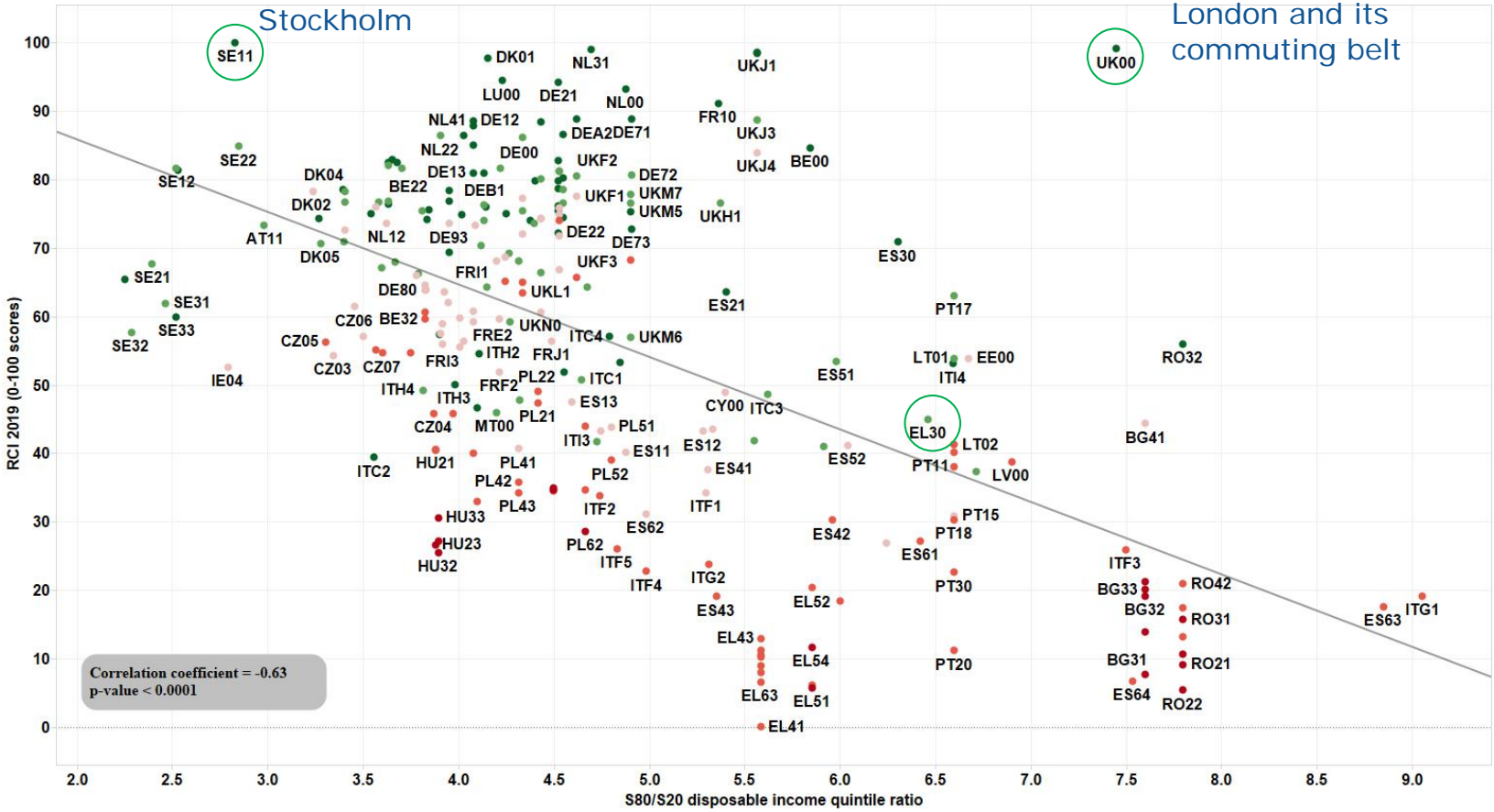
RCI level:

- very low
- low
- medium
- high
- very high





Low competitiveness translates into higher income inequality



- Dev Stage
- 1
- 2
- 3
- 4
- 5

Less unequal

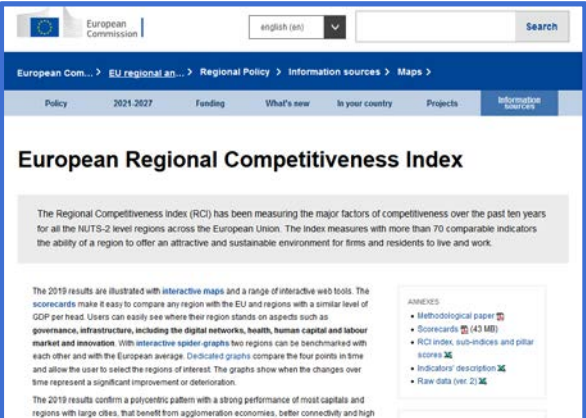
More unequal



More information

RCI DG REGIO webpage:

https://ec.europa.eu/regional_policy/en/information/maps/regional_competitiveness/



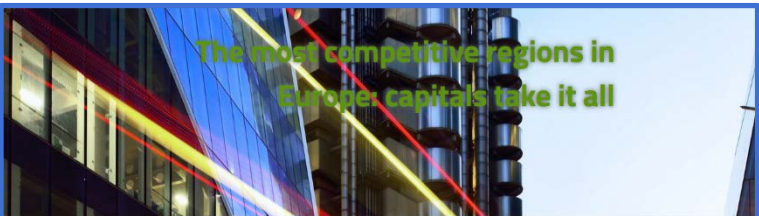
RCI on the ESIF Open Data Platform:

<https://cohesiondata.ec.europa.eu/stories/s/363v-4uq6>



The most competitive regions in Europe: capitals take it all

<https://cohesiondata.ec.europa.eu/stories/s/RCI-capital-gaps/yt77-f74u>



Different levels of competitiveness across European regions

Over the past 10 years, the Regional Competitiveness Index (RCI) has been measuring the major factors of competitiveness in all the regions across the European Union (EU). Comprising 11 different components, it captures concepts that are relevant to sustainable development, productivity and well-being. These components are classified into 3 groups: from the Basic group, including enabling aspects of competitiveness, to the Efficiency, including Intermediate aspects, and Innovation, describing the most cutting-edge factors of competitiveness.