

KITCASP

Key Indicators for Territorial Cohesion and Spatial Planning

Targeted Analysis 2013/2/20

Final Report | 31 October 2013

Part D | Appendix A



This report presents the final results a Targeted Analysis conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU28, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

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Appendix A:

Territorial Profiles

IRELAND

Ireland is the most Westerly country in the European Union (EU), and shares territorial boundaries with Northern Ireland (UK). The European Commission has identified a number of trans-national regions that receive support under the Territorial Cooperation Objective. The whole of Ireland is located in 'North-West Europe', the 'Atlantic Coast Regions' and part of the national territory lies within the 'Northern Periphery'.

The number of NUTS III regions in each category is given in Table 1 below for the EU as a whole and for Ireland. These figures emphasise the largely rural nature of Ireland in the European context.

<i>Table AA1: Classification Of NUTS 3 Regions According To Urban – Rural Typology For Ireland.</i>		
	EU	Ireland
Predominantly urban	444	1
Intermediate accessible	462	0
Intermediate remote	25	0
Predominantly rural accessible	270	4
Predominantly rural remote	161	3
Total	1362	8

Place

Ireland occupies a land area of 69,750 km² and shares territorial boundaries with Northern Ireland (UK) and occupying approximately four-fifths of the island of Ireland. The island was partitioned in 1921 which, together with independence from the UK and subsequent security situation in Northern Ireland, has had distinctive implications for spatial and regional development.

Located in the North Atlantic Ocean, Ireland is separated from Great Britain by the Irish Sea and from mainland Europe by the Celtic Sea. Its main geographical features include central plains surrounded by a ring of coastal uplands with a network of rivers and a number of sizeable lakes. The island is bisected by the River Shannon, the longest river in Ireland (340 km in length). The mild and damp climate together with large areas of fertile soil, particularly in the East and South, is conducive to excellent grass growth and, as a consequence, Ireland is a strong agricultural performer.

The predominant land use in Ireland is pasture (55.1%) with arable land making up a further 7.2%. Wetlands (including significant areas of peat) and water make up approximately 24% of the total land area. Less than 2% of the land area is covered by cities, towns, houses and roads. Ireland also has very low forestry cover (9.8%). Agricultural in Ireland is dominated by dairy and beef. Farms of small and medium size predominate, over half the holdings being 10-40 hectares. Farm size decreases Westwards and Northwards and poorer land quality in the West adds to the agricultural difficulties of the area.

Dublin is the dominant commercial, industrial, administrative, educational and cultural centre in the country with nearly 40% of the national population living in the Greater Dublin Area. There are larger urban areas located in Cork, Galway and Limerick. The remainder of the country is characterised by smaller towns and a scattered settlement pattern. The distribution of urban centres below 10,000 in population is evenly spread across the country, but there is a greater density of all urban settlement sizes in the East and South. Nearly half of all urban centres of 5,000 in population and over are located on or near the coast.

The spatial structure of Ireland is reflected in its population density of 65 per square kilometre compared to 116 for Europe. By way of illustration of the unique settlement structure of Ireland, Northern Ireland is characterised by a greater density of population (125 per square kilometre) and larger urban settlements than the Republic and with a less primate hierarchy.

The location and spatial characteristics of Ireland have significant implications on terms of both external and internal connectivity. The external accessibility of the country is dominated to a significant degree by air travel (22.4 million passengers in 2011). The principal international airport is Dublin Airport (18.7 million passengers) serving a wide range of European and worldwide destinations. Major airports are also located in Cork to (2.4 million) and Shannon (Limerick) to (1.6 million) with the latter having significant connectivity to North America. Smaller regional airports exist and play an important role in terms of accessibility for peripheral regions of the country.

The largest seaport in the country is also located in Dublin with other notable ports located in Rosslare, Shannon-Foynes (Limerick) and Cork. Both Dublin and Rosslare have significant sea ferry connectivity to Great Britain and are major trade arteries to the UK and mainland Europe.

In recent years Ireland has invested substantially in developing road infrastructure through upgrading national primary roads to motorway status. Notwithstanding this, significant parts of rural regions continue to experience poor accessibility and long travel times to access larger/middle-order urban centres. Significant investment has also been made in the national rail network with all of the major cities connected by rail. Transport in Ireland continues to be dominated by the private car with goods transport dominated by road freight. Ireland is amongst the most car dependent countries in Europe.

During the early-to-mid 2000s Ireland experienced a significant 'property bubble' as a consequence of the country's entry in to the Euro, pro-cyclical monetary policies and weak financial regulation. Following years of very strong economic growth, with the onset of the global financial crisis Ireland has experienced a severe economic downturn and a collapse of the construction/property sector. In 2010 Ireland was provided emergency financial assistance through an EU-IMF-ECB programme and the subsequent fiscal consolidation measures have affected the country greatly, particularly outside of Dublin. However, Ireland remains a very strong performer in ICT, pharma and agri-business and reported a significant trade surplus equivalent to €3.5 billion in 2012. The European Union is by far its largest trading

partner, accounting for about 74% of exports and 60% of imports. Despite this the country has a current unemployment rate of 15%.

People

The population of Ireland in the last Census 2011 was recorded at 4.58 million – an 8.2% increase in 2006. The increase in population was primarily as a result of a high birth rate and a high inward migration. Ireland has the highest birth rate in Europe with 365,000 births since 2006. Population increase has been moderated somewhat in recent years with higher out migration since 2008.

62% of the population live in urban areas as compared with 46.4% fifty years ago with the trends towards urbanisation accelerating. In 2011 the number of people living in urban areas surpassed 2.8 million for the first time representing an increase of 10.6% since 2006. Rural Ireland experienced a lower rate of growth between 2006 and 2011 growing by 76,000 persons or 4.6%, from 1,665,535 in 2006 to 1,741,363 in 2011.

People in Ireland are living longer with those aged over 65 increasing 14.4% since 2006. The average age of the population stood at 36.1 years in 2011 and the age profile of the population continues to increase. However, the population is characterised by a relatively young population with the main cohort between 24 and 44 years old.

Immigration has increased rapidly over the past ten years with 12% of the population now non-Irish nationals. Between 2006 and 2011 the number of non-Irish nationals increased by 124,000 persons, or 30%, mostly driven by strong in migration from Eastern Europe.

Government

Ireland (Republic of) is an independent republic while Northern Ireland is part of the United Kingdom with a devolved administration. Ireland has a highly centralised system of government and local governments have generally weak administrative and devolved powers.

One of the key powers of local government in Ireland is spatial planning. There are 34 city and councils with responsibilities for spatial planning. There are also a further 54 town and urban district councils with some responsibility for spatial planning functions. The highly fragmented system of spatial planning governance has led to significant criticism of the lack of a 'joined-up' approach to strategic land-use management. It has also led to strong competitive pressures between local authorities.

SCOTLAND

Scotland is the northern most nation in the United Kingdom and is located in the north-eastern periphery of the European Union (EU) between the North Sea and the Atlantic Ocean. In terms of latitude Scotland is as far north as Denmark, the Baltic States and southern parts of Norway and Sweden. The European Commission has identified a number of trans-national regions that receive support under the Territorial Co-operation Objective. The whole of Scotland lies within North-west Europe and parts fall within the North Sea Region and the Atlantic Region. In addition parts of the north and west of the country fall within the Northern Periphery co-operation zone.

The number of NUTS 3 regions in each category is given in Table A2 below for the EU as a whole, for the UK and for Scotland. The values emphasise the rural nature of Scotland both in the European and particularly in the UK context with 22% of the NUTS 3 regions in Scotland classified in the most rural category compared to 12% in Europe and only 5% in the UK.

Table AA2: Classification Of NUTS 3 Regions According To Urban – Rural Typology For Scotland.			
	EU	UK	SCOTLAND
Predominantly urban	444	82	8
Intermediate accessible	462	38	7
Intermediate remote	25	2	1
Predominantly rural accessible	270	5	2
Predominantly rural remote	161	6	5
Total	1362	133	23

The structural typology classifies the non-urban regions according to the structure of their economies as either: agrarian economy, consumption countryside, diversified economy with strong secondary sector or diversified economy with strong market sector. An analysis of the table below reveals that over half of the non-urban regions in Scotland are classified as consumption countryside, which is slightly above the figure for the EU and slightly below the figure for the UK. In addition, 40% of the non-urban regions are classified as having a diversified economy with a strong market sector compared to 15% in the EU and 24% in the UK.

Table AA3: Classification Of NUTS 3 Regions According To Structural Typology For Scotland.			
	EU	UK	SCOTLAND
Agrarian	278	0	0
Consumption countryside	491	35	8
Diversified with strong secondary sector	94	4	1
Diversified with strong market sector	152	12	6
Total	1015	51	15

The performance typology classifies non-urban regions according to their performance in economic and demographic terms. Regions are classified into the following categories: depleting (in terms of economic activities and population), below average performance, above average performance and accumulating (in terms of economic activities and population).

An analysis of Table A4 below reveals that over half of the NUTS 3 regions in Europe are classified as either depleting or performing below average compared with 40% for Scotland and 18% for the UK, though none of the regions in the UK are classified as depleting. This suggests that Scotland is performing relatively well in the European context but is lagging in the UK context.

Table AA4: Classification Of NUTS 3 Regions According To Performance Typology For Scotland.			
	EU	UK	SCOTLAND
Depleting	248	0	0
Below average	259	9	6
Above average	293	17	5
Accumulating	186	25	4
Total	986	51	15

Place

Scotland borders on England in the south, the Atlantic Ocean in the west and the North Sea in the north and east. The nation has a land area of 78,000km², a coastline of over 10,000km and approximately 100 inhabited islands (Scottish Executive, 2004). Scotland is divided into four broad natural zones: the Northern Highlands and Islands, the Central Highlands, the Lowlands and the Southern Uplands. The three highland and upland areas share some key characteristics in terms of low population density, dispersed settlement patterns and valuable natural heritage and cultural resources (Scottish Executive, 2004).

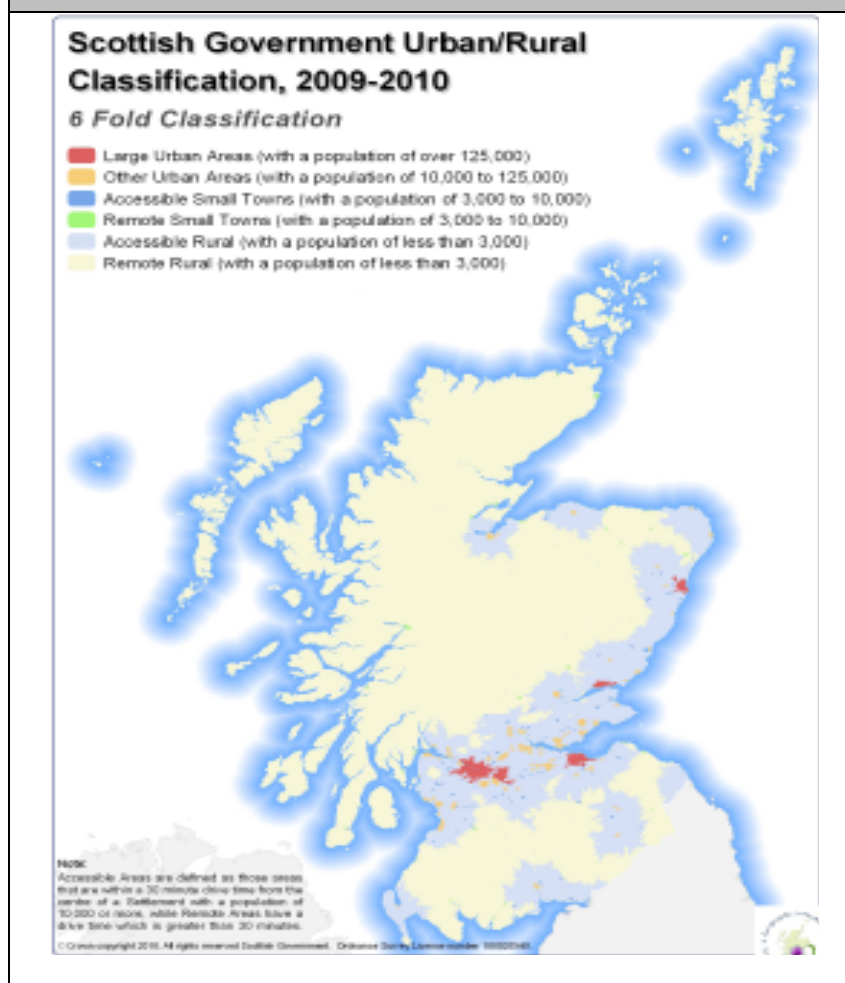
The vast majority of the land surface of Scotland (98%) is classified as rural with only 2% of the land area is classified as urban. Despite these extensive rural areas only a small amount (6%) is classified as prime agricultural land (Scottish Executive 2004). This provides insights into some of the key characteristics of Scotland where the spatial structure is characterised by a central belt of urban areas, with dispersed urban centres in coastal areas (primarily on the east coast) and extensive rural areas. The limited extent of agricultural areas is due to the climate and topography of the country and the environmental quality of the rural areas is emphasised by the fact that over a quarter of the land surface is covered by natural heritage designations.

The Scottish Government published the most recent urban – rural classification in August 2010 (Scottish Government, 2010a). The large urban areas are located in the central belt dominated by Glasgow and Edinburgh and the cities of Dundee and Aberdeen on the east coast. The centres in the other urban areas category generally follow a similar pattern through the central belt and up the east coast with the accessible rural areas in a broader band

surrounding these zones. The southern, northern and western parts of the country are dominated by remote rural areas with a limited number of highly dispersed small towns. The spatial structure of Scotland is reflected by the population density of 67 people per square km compared to 116 for Europe and 254 for the UK. Population density is highest in West Central Scotland (175 per square kilometre) and lowest in the Highlands and Islands (11 per square kilometre).

Figure AA1: Urban – Rural Classification Of Scotland.

Source: Scottish Government (2010a).



People

The population of Scotland was estimated at 5.2 million in mid 2010 and increased by 3% between 2002 and 2010 (Eurostat). Recent years have displayed positive migration trends fuelled primarily by immigration from other parts of Europe. The city of Edinburgh has the largest percentage increases in population between 2009 and 2010 (almost 2%) and Argyll and Bute had the largest percentage decrease (-1%). The most significant areas of population decline between 2000 and 2010 were in the west of Scotland, both on the

mainland and on the islands. The population increased most in the accessible rural areas of Scotland between 2001 and 2009 with an increase of 11% compared to 6% in remote rural areas and just over 1% in the rest of Scotland (Scottish Government, 2011b).

The population of Scotland is projected to increase to 5.49m by 2020 and further to 5.76m by 2035. Within Scotland the population is projected to increase most significantly in Eastern and Central Scotland though parts of the Highlands and Islands have reversed generations of population decline in recent years and this is expected to continue. As with Europe generally the population of Scotland is ageing and the number of people over the age of 75 is projected to increase by 81% between 2006 and 2031 (Scottish Government, 2009).

Government

Scotland is a nation within the United Kingdom. Devolved government was established in Scotland, Wales and Northern Ireland in 1999. The Scottish Government has the greatest devolved powers of the three. The UK Government in London remains responsible for national policy on all matters that have not been devolved, including foreign affairs, defence, social security, macro-economic management and trade. Scotland has a unitary system of local government with 32 local authorities with a range of mandatory powers (such as education and social work), permissive powers (such as economic development and recreation) and regulatory powers (such as trading standards and environmental health).

THE BASQUE COUNTRY

The Basque Country is located in the North of Spain, on the South-Western periphery of the European Union at the Western edge of the Pyrenees. It borders marginally with France to the North-East and with the Southern limits of the Bay of Biscay (Cantabrian Sea) to the North. Otherwise it adjoins the other Spanish "regions" of Navarra, La Rioja, Castilla y León and Cantabria. The European Commission has identified a number of trans-national regions that receive support under the Territorial Cooperation Objective. Part of the Basque Country lies within the Spain-France-Andorra cross border cooperation area, while the whole of the Basque Country lies within the two Atlantic Coast and South West Europe *transnational cooperation* areas.

Place

The Basque Country borders with France to the North-East, the Cantabrian Sea to the North and other Spanish regions on the remains of its periphery. It has a total land area of some 7,235 km², representing just 1.4% of the area of Spain, with a coastline of 246 km. Only some 8% of the Basque territory is classified as urban land. Almost 30% of the land cover is forested and over 20% of the territory is designated for environmental protection.

From a purely geographical perspective the Basque Country can be divided into two great watersheds: the Atlantic and the Mediterranean. The mountain chains formed by the Pyrenees, Aralar, Aizkorri and Gorbeia extending from the East to the West all form a clear dividing line between the two watersheds. This North-South physical division is reflected in the functional characteristics of the Basque Country as well. The majority of the population and economic activity is found in the Northern Atlantic watershed, in broad terms Gipuzkoa and Bizkaia, and more specifically within the wider urban areas of both Bilbao and Donostia-San Sebastian. By contrast the Mediterranean watershed, bordered to the South by the Ebro River, corresponding broadly to Araba/Álava, is more agricultural and has smaller cities and towns though here the majority of the population is concentrated within the urban area of Vitoria-Gasteiz.

In terms of accessibility and connectivity the principal international airport of the Basque Country is that of Bilbao serving a wide range of European destinations; both Donostia-San Sebastian and Vitoria-Gasteiz have airports - in the case of the former for cargo and domestics flights (with Madrid and Barcelona) and in the latter solely for freight related flights. Concerning maritime connectivity the two major Port Authorities of the Basque Country are located in Bilbao and Pasaia – the latter is of the two is purely for freight traffic, while Bilbao is served by both passenger and freight connections. The Basque Country is well linked into the Spanish road network and motorway system, though in terms of rail connections, to date it is a territory not served by the limited Spanish high speed train network.

People

The Basque Country has a population of just under 2.2 million inhabitants (2011), representing 4.63% of the population of Spain, distributed between the three NUTS3 regions (and Provinces) of Bizkaia (1.16 million inhabitants), Gipuzkoa (709,607 inhabitants) and Araba/Álava (319,227 inhabitants). Over the period 2001-2011 the population of the Basque Country increased by 4.9%, well under the corresponding increase of 15.5% experienced in Spain as a whole. In the case of Álava more than 75% of the population is located within Vitoria-Gasteiz, capital of both the Province and the entire Basque Country. By contrast less than a third of the population of both Bizkaia and Gipuzkoa is located within the corresponding capitals – Bilbao and Donostia-San Sebastian. Having said that, both Bilbao and Donostia-San Sebastian form the central cities of much wider urban areas.

For spatial planning purposes the Basque Country is divided into a series of 15 functional areas. The three functional areas (f.a.) focused upon the provincial capitals collectively account for 72.5% of the Basque population, distributed between the Bilbao Metropolitano f.a. (43%), Donostia-San Sebastian f.a. (18.5%) and Álava Central (12%).

The population density of the Basque Country is 309 inhabitants/km², compared to 93 inhab./km² for Spain. However these figures misrepresent the densities of the three principal concentrations of urban activity in and around Bilbao (2071 inhab./km²), Donostia-San Sebastian (1072 inhab./km²) and Vitoria-Gasteiz (865 inhab./km²).

The ever-increasingly aging population in Spain in general means that there will be a natural decrease in population as of 2020, and in this case the Basque Country is no exception. Short-term projections situate the combined population of the three NUTS3 regions in 2021 to be 5.5% lower than the population actual.

Government

The 1978 Constitution provided for the creation of a quasi-federal system of government in Spain with 17 Autonomous Regions corresponding to the EU's NUTS2 classification, each with its own parliament and government. The Basque Country was one of the first of the Spanish Regions to claim self-determination in 1979 with support from 54% of the population. It enjoys legislative powers (through the parliament); executive powers (through the government); and judicial powers (through the courts). Article 148.1 of the Constitution specifies some 22 areas of public policy in which the Regions claiming their self-determination are free to assume responsibility. Article 148.1.3 makes specific reference to the area of spatial planning, urbanism and housing, leaving the Regions free to legislate on such issues.

LATVIA

Latvia is located in North-Eastern Europe on the East coast of the Baltic Sea. Latvia's strategic location has made it into international crossroad for trade, commerce and cultural exchange since ancient times. Vikings followed the 'Amber Road' through Latvian territory along the Daugava River to reach Byzantium and the Mediterranean Sea. The country has well-developed transportation infrastructure especially air transportation infrastructure with 78 world destinations, and well developed communication infrastructure with one of the highest internet speeds in Europe. The area of Latvia is 64.6 thousand km². The size of the population is 2.07 million people (2011). Nine largest cities of Latvia are Rīga (capital), Daugavpils, Liepāja, Jelgava, Jūrmala, Ventspils, Rēzekne, Valmiera and Jēkabpils. Latvia consists of four historical regions: Kurzeme, Zemgale, Vidzeme and Latgale.

Because of large internal disparities between metropolitan regions and rural regions, analysis on NUTS 3 is required to examine the trends of territorial cohesion.

Table AA5: Classification Of NUTS 3 Regions According To Urban – Rural Typology For Latvia.

	EU	Latvia		Name of the region	
<i>Urban-rural typology</i>	<i>No. regions</i>	<i>%</i>	<i>No. regions</i>	<i>%</i>	
Predominantly urban	444	33	1	17	Rīga
Intermediate accessible	462	34	1	17	Latgale
Intermediate remote	25	2	1	17	Kurzeme
Predominantly rural accessible	270	20	2	33	Pierīga, Zemgale
Predominantly rural remote	161	12	1	17	Vidzeme
Total	1362	100	6	100	

Table AA6: Classification Of NUTS 3 Regions According To Structural Typology For Latvia.

	EU		Latvia		Region
<i>Structural typology of economy</i>	<i>No. regions</i>	<i>%</i>	<i>No. regions</i>	<i>%</i>	
Agrarian	278	27	4	80	Kurzeme, Latgale, Vidzeme, Zemgale
Consumption countryside	491	48	1	20	Pierīga
Diversified with strong secondary sector	94	9	0	0	
Diversified with strong market sector	152	15	0	0	
Total	1015	100	5	100	

Table AA7: Classification Of NUTS 3 Regions According To Performance Typology For Latvia.

	EU		Latvia		Region
<i>Performance typology</i>	<i>No. regions</i>	<i>%</i>	<i>No. regions</i>	<i>%</i>	
Depleting	248	25	3	60	Latgale, Vidzeme, Zemgale
Below average	259	26	1	20	Kurzeme
Above average	293	30	1	20	Pierīga
Accumulating	186	19	0	0	
Total	986	100	5	100	

Place

Latvia is situated along Eastern border of European Union. It borders with Estonia to the North, Russia to the East, Belorussia to the South-east, Lithuania to the South and the Baltic Sea to the West. In European context Latvia has lots of open spaces and low population densities. Being a country with one of the highest forest coverage (44 %), a vast network of free flowing rivers and thousands of lakes, hundreds of kilometres of virgin seashore lined by pine growth, dunes and white sandy beaches, Latvia is one of Europe's best preserved havens for a wide variety of wildlife. Over 27 thousand species of flora and fauna thrive in natural settings that are still relatively undisturbed by man. Due to the climatic position, Latvia has four typical seasons – summer, autumn, winter, and spring. Climate change assessment predicts that in future Latvia will experience stronger increases in annual temperature and mean precipitation. There are going to be more days with heavy rainfall, more evaporation, but strong decrease in frost and snow cover. This increases prospects for agriculture. However, more precipitation and heavy rainfalls might increase the risks of river flooding. Sea levels in coastal areas are also likely to rise during storms in the future.

Main economic sectors of Latvia are timber and construction, chemical and pharmaceutical industries, electronics, mechanical engineering, food processing, textiles, Information technologies, fishery, and agriculture. High share of energy is generated from renewable sources (mainly water). The country has considerable biomass potential, solar and wind energy potential. Small scale agriculture has potential of delivering niche high quality food products. Road infrastructure is important for the economy not only for commuting residents and tourists, but also for supporting traditional local industries in the region, such as forestry and agriculture. Therefore national economy is also rather vulnerable to growing energy prices. Among EU member states Latvia experienced the heaviest decrease of its' GDP by 18% reaching the level of 2005, and massive a surge in unemployment. Because of structural reforms, drastic austerity measures the country experienced internal devaluation which allowed the country to stabilize financial markets and regain competitiveness.

In territorial development Latvia is strongly dominated by the capital city of Riga and surrounding areas. As a result Latvia has pronounced regional disparities compared with other EU countries. This is evident in measure of the dispersion of regional GDP per inhabitant.¹ The indicators for population growth, non-financial investment, income tax, employment are significantly higher in Riga city and Riga Planning Region than in other Latvia's Regions, especially Latgale region. Most importantly, the differences among Riga have not decreased in last planning period.

People

Indigenous people of Latvia are Latvians, and the Finno-Ugric Livs (or Livonians) which is the only indigenous minority. In terms of ethnic minorities Latvian population is heterogeneous country. 62.1% of population are ethnic Latvians, Russians - 26.91%, Byelorussians - 3.3%, Ukrainians - 2.21%, Polish 2.17%, Lithuanian 1.18%, other nationalities 2.13%. Latvia's ethnic heterogeneity is largely a result of massive post-war immigration, which resulted in a decline in ethnic Latvians from 77% in 1935 to 52% in 1989. The proportion of Latvians is increasing during recent years, although the integration of large ethnic Russian population has created political tensions in society.

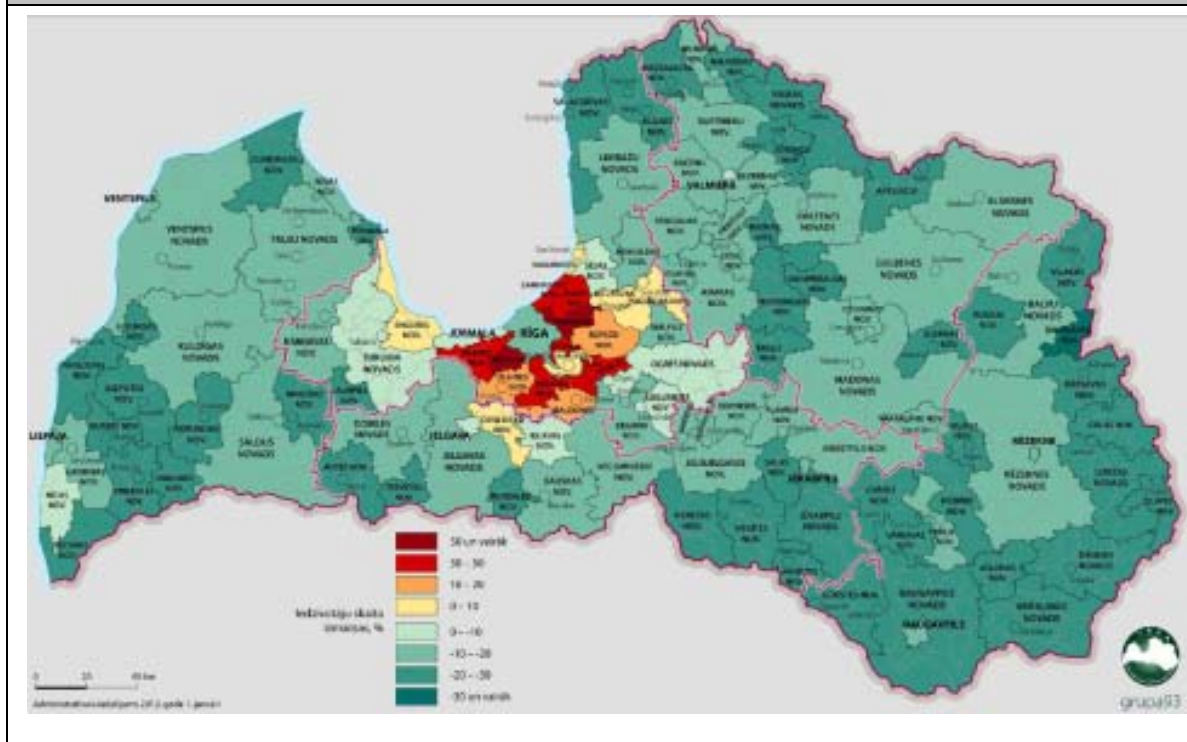
In 2011 68% of population was urban, 32% - rural. The average population density in the country is 34.5 people/km², though in rural regions population density can be 4 to 7 times lower than in Pierīga region which in 2011 had average density of 104,4 people/km². In European context Latvia is experiencing rapid depopulation, increased poverty risk and social inequality.

Latvia's decisive austerity policies stabilised economy and stimulated growth. But they also increased social and economic pressure on population. Although social security net was able to withstand immediate pressure of crisis, bridging social inequalities in Latvian society remains a challenge. The extent of income inequality is considerable as reflected in high GINI index values, and the extent of social exclusion has increased during economic recession. This is supported by growing youth unemployment, population at poverty risk and poor healthcare statistics.

Since 1990 Latvian population has been declining due to natural causes and out-migration. According to National Census of 2000, Latvia experienced population decline by 10,9% in a decade, but ten years later already by 13%. ESPON DEMIFER scenarios suggest that by 2050 Latvia's population will decrease by 20-50%. At the moment all regions outside the metropolitan region of Pierīga are experiencing population decline. The loss of human capital has profound effects on purchasing power, income-tax base, available services and other aspects of territorial development. In addition to population decline, Latvia's society is ageing rapidly, and the ageing index and old age-dependency ratio is above European average.

¹ According to Eurostat the dispersion of regional GDP in 2009 exceeded 40% in 4 EU countries - Bulgaria, Hungary, Estonia and Latvia.

Figure AA2: Changes In Population Between 2011 And 2000 (%) Show That Population In Latvia Has Decreased By 13% Or 309.5 Thousand. Only Regions In Riga Planning Region Has Gained Population. Source Of Data: Central Bureau Of Statistics.



Nevertheless, there are also considerable human and social capital potentials in Latvia. Latvia has one of the highest per capita ratio of students in the world. The state guarantees free primary and secondary school education and offers scholarships for higher education. Currently education sector is undergoing considerable structural reforms. Dance and song activities are very well developed in all country. In 2010 the Latvian Youth Song and Dance Celebration was included into the list of anniversaries of UNESCO.

Government

Latvia is a democratic, parliamentary republic. Legislative power is in the hands of the single chamber Parliament - Saeima, which has 100 members of parliament. Parliamentary elections are held every 4 years. Latvia is a member of European Union (2004), NATO (2004), United Nations Organisation, Council of Europe, World Trade Organisation (1998), Organisation for Security and Co-operation in Europe, Council of the Baltic Sea States, and others Latvia is participating in EU funded programmes as ERDF, ESF, Cohesion Fund, initiatives as Interreg, Leader, Lifelong learning and others.

There is unitary system of local governments with 119 municipalities in Latvia including 9 Republican Cities. In 2009 Latvia reformed it's administrative division of municipalities by reducing the number of local municipalities from 522 to 119. The reform was aimed towards consolidating resources and development capacities of individual municipalities. In some cases reform lead

to decreasing access to services in some areas, fragmentation of power and dissolution of knowledge networks.

Planning is undertaken by central level and by local municipalities. Planning regions have little administrative power. They mainly perform coordination of activities of local governments, mostly in the field of development planning and elaboration of joint projects. Although current Law also envisages strengthening of the role of planning regions as administrative territories of the state, political choice about the future of regional governance has yet to be made. Currently planning regions operate as coordination and cooperation institutions. The uncertainty about the role of regional governance structures does not provide clear and stable context for effective policy implementation. In more general terms, the uncertainty in policy making is also magnified by frequent changes in Latvian multiparty governments and changing priorities of individual ministers.

ICELAND

Iceland is a member of the European Economic Area (EEA) and is not a member of the EU, and is located on Europe's North-Western edge.

Place

Due to its North-Western location in the Atlantic Ocean (approx. 63-66 °N), Iceland holds a special position in the European context. Furthermore, the country is relatively large (i.e. 103,000 Km²), but only a small part is lowland (around 25% is less than 200 m above sea level² and vegetated). Some 65,000 km² are considered wasteland, which mainly comprise the highland interior. The size of the exclusive fisheries zone is 758,000 km² with a coastline of 6,088 km. Greenland is closest to Iceland; 287 km and 420 km to the Faroe Islands. Scotland is 798 km away, and Norway 970 km.

Iceland's location makes accessibility expensive and somehow a challenge. However, air transportation is advanced; the hub and spoke system that has been developed is part of it, Keflavík airport being the hub and connecting to many cities in Europe and North America through direct flights. Flying time to London is around 3 hours, and 5 hours to New York. The domestic airline Icelandair has the densest network; however, many other airlines fly direct to Iceland especially during the tourist season.

The country has relatively rich natural resources including large fish stocks around the country and abundant geothermal and hydropower resources. The primary energy use in 2010 was approximately 750 GJ per capita, which is among the highest in the world. The predominant reason is the proportion of large industries using electricity. Around 85% of the primary energy used in Iceland is produced domestically (hydropower and geothermal). These resources are very important to the future economic development of the country. How to exploit these resources is to a large degree one of the key challenges that the Icelandic National land use planning is facing.

Iceland was one of the first countries to be hit by the credit crisis in 2008, but since then the country's economic profile has been developing positively. Unemployment rate was around 4.8% in June 2012, but peaked at 9.3% in March 2010. Since 2008, there has been positive balance of trade in goods and services, not least due to a huge devaluation of the Icelandic krona which coincided with the credit crunch.

Due to the low population density of 3.2 inhabitants per square kilometre, and the fact that a large part of the country is not inhabited, large areas of land, especially the highland and numerous isolated fjords are largely untouched by human activity. Due to volcanism and its Northern location, the Icelandic landscape types found are unique in Europe. This makes the country an important tourist destination. Places where renewable energy is at hand are among the most popular tourist hot spots, such as geothermal areas with

²There are inhabited agricultural areas up to around 300 m above sea level.

geysers, hot springs and waterfalls. Energy intensive industry and tourism thus compete over the land use in these locations and this is yet another key challenge for land use planning in Iceland.

People

Population information is very accessible in Iceland. There is long tradition to gather and distribute demographic information; the first census was performed in 1703. Furthermore, data on health issues and education appear to be rather advanced. Most of this data is collected and published by Statistics Iceland.

Reykjavík and adjacent towns together form a capital region of 200,000 inhabitants or 63% of the islanders. Another 45,000 live in a commuting area of around 45 Km driving distance from the capital region and, together with the capital region, they represent around three quarters of the total inhabitants. There has been much migration to the capital region from other regions, taking off around World War II. As a result, some regions of the country have become very thinly populated and their age and sex distribution has become very unfavourable, challenging the future development of these regions and the capacity to maintain services of general interest. The North-Western and North-Eastern parts of the country face most difficulties in this sense, especially areas located far away from centres of population and services. Despite of this, there is a high level of urbanisation; there are 61 urban settlements with more than 200 inhabitants, and a total of 298,813 inhabitants (or 93.5% of the inhabitants) lived in urban settlements as of January 2012.

Before the credit crisis of 2008, there was a significant annual population increase, peaking at 2.62% in 2006. A major cause for that was labour immigration, connected to high activity in the construction and housing businesses. However, in 2009 this turned around and there was a population decrease of 0.54%, with small upwards trends of 0.26% in 2010 and 0.35% in 2011. After 2008 there has been net emigration every year, mostly to Norway, other Scandinavian countries and Poland³. Natural population increase has amounted to around 0.9% during the past years. Live expectancy in 2011 for males was 79.9 years, and 83.6 years for females. Young dependency ratio is 47.1% and old dependency ratio is 21.2% as of January 2012.

Government

Iceland is a constitutional republic with a multi-party system. The head of state is the President, and executive power is exercised by the Government. The Parliament, Althingi was established in 930, making Iceland the world's oldest parliamentary democracy. Legislative power is vested in the Parliament and the President. The judiciary is independent of the executive and the legislature. Every fourth year the electorate chooses, by secret ballot, 63 representatives to sit in Althingi.

³Returning migrants.

The other government level in Iceland is the 75 municipalities (LAU 2 units). Their number has gradually been decreasing due to municipal mergers in recent years⁴. The role of the local authorities has changed in recent years and new duties have been taken over from the State, such as the primary schools and social services.

⁴ The highest number of municipalities was 229 í 1950 and in 1992 they were still 200.

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