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SOCIO-ECONOMIC DIFFERENCES OF REGIONS IN LITHUANIA

Abstract:

Regional development differences in Lithuania are the result of various factors such as available natural resources, human capital, access to transport, public services etc.

The aim of this paper is to assess socio-economic development of regions in Lithuania over the 2011-2016. The research has been focused on both aspects - regional differences and changes over time. The research was based on the data of the Statistics Lithuania (http://www.stat.gov.lt). Study uses ten regional indicators which represent Lithuanian counties classified by NUTS 3 administrative unit. Kruskal-Wallis test (K-W) was used to determine if there are statistically significant differences among counties and years. The conducted analysis showed, that there was a statistically significant difference of the activity rate, the average disposable income and the number of households that have internet access, comparing by years. During the analysed period, these indices were increasing in all of the counties. It is possible to conclude that regional contrasts in Lithuania are still strong. Summing up the results of the analysis, there is a clear predominance of three regions - Kaunas, Klaipėda and Vilnius counties. The highest GDP is in Vilnius County. The highest number of investments was in Vilnius and Klaipėda counties. The activity rate increased the most in Telšiai County. The disposable income was growing unevenly in the counties. Comparing 2016 and 2011 years, the difference between the highest disposable income of Vilnius County and the lowest disposable income of another county has doubled. The research on regional differences in Lithuania has shown that present regional policy should be revised. The disparities in the level of regions contrasts in the population living standards can lead to social tension.

Keywords:

Regions, Regional Development, Differences, Lithuania

JEL Classification: A19, I31