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## Analysis of Wellbeing of the Population in the Metropolitan Region Rhein-Neckar (Germany)

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#### Abstract

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The Metropole Regions of Germany create economic and social environment for continuous improvement of wellbeing of an older generation. Rapid pace of innovation and economic development provide the target living standards. The final objective of economic modernization and scientific and technical transformation is functioning of an innovation region. Economic potential of a well-functioning innovation region contributes to improvement of leaving conditions and healthcare of population. The concept of the Metropole Regions in Germany appeared in the end of 80s. Economic development of Germany required focusing on centers of urban agglomeration. The areas with a high concentration of population, administrative and educational institutions, banks, enterprises, etc. influenced the economic policy of a country. Far-reaching potential of new economy required the right political decisions from the government.

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### 1. Introduction

In the XXI century the most significant way to achieve high economic results was to use knowledge in form of know-how, high technologies and information. Production process in "new economy" goes beyond its traditional boundaries and begins with the stage of basic and applied research, including infrastructure of intellectual activity and production infrastructure (Camisón, & Villar-López, 2012). Economic growth today is related to scientific and technological process and to intellectualization of production. From 75% to 100% of industrial growth in industrially developed countries is achieved due to the implementation of innovations (Ludwig, Mandel, Schwieger, & Terizakis, 2009).

Creation of Special Economic Zones (SEZ) is a breakthrough in the economy of a country which insures technological modernization of economy and enhancement of its competitiveness on the base



of advanced technologies and scientific capacity which becomes one of the main resources for sustainable economic growth. Creation of a special economic zone Metropolitan Region Rhein-Neckar in Germany can be also called a breakthrough (Aring, 2009). This paper outlines the characteristics of the Metropolitan Regions in Germany, particularly the Metropol Region Rhein-Neckar (MRN), and its impact on social wellbeing of population.

A sustainable institutional framework of scientific-educational and industrial networks of the region Rhein-Neckar has been developed long ago. In the moment of opening of SEZ in MRN there were already several high-tech centers and industrial corporations of world importance, such as BASF and SAP. Today scientists and entrepreneurs of the region are concerned with development of mechanisms for the efficient functioning of SEZ.

Along with engineering infrastructure on the territory of MRN in the period of 2005-2015 there has been created a range of additional innovative scientific and industrial structures (Bege, 2010). Their main task is to provide a wide range of services, including informational and educational ones, for already existing and established today innovative companies. There also appeared clusters with wide range of functions. In order to provide easy access to the diverse innovative infrastructure of SEZ and to reduce administrative burden on the resident organizations, a "one window" mechanism was involved which means that investor (entrepreneur) in all cases applies to the special administrative authority of the special economic zone.

In the course of study the following scientific methods were used: analysis and synthesis, comparisons and confrontations, detection of interrelations between the whole and its parts, of the general and the particular, as well as cooperation of economy and social sphere.

A number of theses were proposed and improved concerning the formation strategy of the modern innovative infrastructure and innovative clusters as a basis of MRN economic development which is aimed at the growth in prosperity and wellbeing of the citizens (Müller, 2012).

This paper can be practically implemented in frames of improvement of innovation functioning methods and social and economic development of a local region.

#### 1.1. Innovation and economic model of the Metropolitan Region Rhein-Neckar (MRN)

In the beginning of the 21st century Germany faced an innovative breakthrough in national economics due to the range of innovative changes, improvement of financial system, preferential tax treatment, establishment of venture and consulting companies, business incubators, scientific parks and innovative economic zones. The formation of innovative infrastructure encouraged connection of research and production capacity in recordingly short time by means of technology transfer. This was realised in the concept of the Metropolitan Regions in Germany at the federal as well as regional level (in individual states). The Metropolitan Regions was formed on the area basis (Blotevogel, & Schmitt, 2006). 11 european Metropolitan Regions were recognised in Germany based on the different criteria and taking into account according efforts of the Metropolitan Regions. Today there are: Berlin-Brandenburg to the north-west of Germany, Frankfurt am Rhein/Main, Hansestadt Hamburg, Hannover-Braunschweig-Göttingen, Munich, Nuremberg, Rhein-Neckar, Rhein-Ruhr, Central German Metropolitan Region and Stuttgart (Blotevogel, Spiekermann, & Wegener, 2013).

In April 2005 the south-western territory of Germany located between Rhein and Neckar, including such cities as Ludwigshafen, Mannheim, Heidelberg, Weinheim and others, has become a status of innovative economic zone called "Europäische Metropolregion" (Metropolregion Rhein-Neckar. 24 Studen, 100 Prozent, 2008).

Three states of Germany, Baden-Württemberg, Rheinland-Pfalz and Hessen, have signed a state contract to provide extensive freedom of action to the parts and to organize the work of the region. After the singning of the contract a board of executives was established which acts in favor of Baden-Württemberg, Rheinland-Pfalz and Hessen (BBSR, 2009).

This region typifies such phenomena as innovative economy, innovative research and high level of life quality that indicates the targeted improvement of wellbeing of population. Due to this fact, in 2003 Eggert Voscherau, Deputy Chairman of BASF, formed the initiative "Zukunft Rhein-Neckar-Dreieck" ("Future Rhein-Neckar Triangle") working in three directions: economy, science and quality of life. About 10 years ago Rhein-Neckar Triangle developed into Metropolitan Region Rhein-Neckar. Since that time partner companies from various economic and industrial areas have been cooperating to bring into life numerous innovative projects and to make the Metropolitan Region Rhein-Neckar by the year 2015 one of the most economically attractive and competitive European regions (S-BOX Metropolregion Rhein Neckar Performance Index. Leben in Bewegung, 2008). The government continuously supports education, healthcare, cultural advancement especially by initiating projects of a competitive basis that lead to improvement of leaving standards of population in particular older generation. The social factor of continuous increase of population wellbeing was considered in the process of creating the Metropolitan Regions. The population get older according to demografic data. The average age of working people in Germany reaches 70 years and even more (Statistisches Jahrbuch. Deutschland und Internationales, 2014).

Following principles are used to stimulate the social and cultural advance of the population in MRN:

- a necessary prerequisite for promotion of innovative activity and for attraction of investments and high qualified specialists is creation of advanced innovative infrastructure.
- formation of scientific area and network (knowledge society) by concentration and creation of cooperation as a tool for contribution to innovation process and development of regional knowledge management that ensure public healthcare and increase of wellbeing.

Today Metropolitan Region Rhein-Neckar occupies a territory of 5.637 km<sup>2</sup>, consists of 7 districts, 8 cities and has a population of 2.4 million (population density is 419 per km<sup>2</sup>).

Metropolregion Rhein-Neckar (MRN) GmbH pays great attention to such areas as labour market, health of the residents of the region, small and medium-sized enterprises, government, compatibility of family and professional life, international marketing and science.

Metropolitan Region Rhein-Neckar is an innovative economic giant that has 134 000 enterprises and 780 000 employees who have social security guarantees. Gross value added of Metropolitan Region Rhein-Neckar is 80.5 billion euro (2012) and gross domestic product is 30 000 euro per capita (federal average value comprises 27 000 euro). 10 biggest German enterprises are located in this region. The outstanding infrastructure of the region ensures quick access to global markets. Export quote of the region is more than 56% of all its production that demonstrates orientation to international markets as

well as compatibility of regional economy (IHK-Konjunkturbericht für die Metropolregion Rhein-Neckar zu Jahresbeginn, 2015).

Small and medium-sized enterprises also make the region one of the most significant economic centers of Germany. These are such famous companies as Lamy, Sigma and Weldebräu, as well as newly originated innovative enterprises as Cytonet and BRAIN AG. The Chamber of Industry and Commerce of three German states, Rheinland-Pfalz, Baden-Württemberg and Hessen, esteems small and medium-sized enterprises of the region as a "forge of innovations" in the industry of the future. Small and medium-sized enterprises represent the economic core of the region concerning economic power, purchasing and innovative capacity, as well as providing of work places. The development planned depends not only on the "global players", but also on small and medium-sized enterprises. Every entrepreneur appears to be an ambassador of our region. The sign of it is a logo "Metropolitan Region" which is used in business correspondence (of companies), on coatings of trucks, in mass media etc. (Regionales Monitoring, 2012). This increases the self-idetification of employees with their companies and accordingly their satisfaction. People feel involved in the social and economic life that creates their emotional connection to the region and their emotional wellbeing. This is of particular emportance for an older generation that is more sensitive to social changes (Gehrlein, 2012).

#### 2. Conclusion

The results of conducted research show that Metropolitan Region Rhein-Neckar is already today a prosperous industrial and manufacturing and tourist-recreational economic area with developed innovative structure.

Metropolitan Region Rhein-Neckar is one of the world's leaders in innovative business which includes: nanotechnologies, biotechnologies and information technologies. The development of special economic areas in Germany on the whole should enhance the process of innovative economy creation and increasing of population wellbeing. Its administrative and legal orientations encourage rapid innovative development of the economy of the Rhein-Neckar region (Basten, 2009).

The German Government invested about 500 million Euro (\$ 632,4 million) in 20013 for IT sector within the frames of its stimulating package which comprises 81 billion Euro.

On the opening of the European biggest technological trade fair CeBIT in Hannover German Councellor Angela Merkel called the companies to spend more money to innovations.

Building and functioning of the technology innovative zone Rhein-Neckar have achieved significant success since its foundation in April 2005. Principle reasons for its innovative and economic success are:

- close relations between scientific and technological complex and industrial companies;
- functioning of higher-education institutions and scientific organizations on the territory of the region, who conduct scientific researches and developments according to the profile of the innovative economic zone;
- developed innovative cluster infrastructure;
- prosperity of small and medium-sized innovative enterprises;
- developed system of international cooperation;

- economical and cultural traditions of the region;
- creating attractive conditions for the employees by ensuring social security (Küpper, 2008).

All these actions positively impact on working and leaving in the region. The economic wellbeing is certanly of great importance. As the average person is not only "homo economicus" ("economic human") there are other factors that influence his life like social security, support from the state, healthcare (Jenewein, & Brösamle, 2012). These benefits are more important for the older generation and their emotional comfort.

The Metropolitan Regions as agglomerations with developed infrastructure and wide range of social services care for wellbeing of people who are involved in the process of adding value as well as wellbeing of not working senior citizens.

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