

# Eurostat regional yearbook 2008





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## Preface

Dear reader,

I am pleased to present the 2008 edition of the Eurostat regional yearbook, which gives an overview of the most recent developments in the regions of the European Union, with its current 27 Member States, as well as in the candidate countries and EFTA countries.

We have again selected themes that we think will show you the most interesting facets of development in the economic, social and demographic fields in Europe's regions. We are also pleased to include a contribution from our colleagues at the Commission's Directorate-General for Regional Policy for the second year running. This time the chapter is about 'Sectoral productivity' and it examines how productivity in different business sectors differs between the EU's regions.

Regional policy programmes initiated last year under the EU's new cohesion policy are now well under way and we hope that this publication will give some flavour of the progress being made in regional cohesion throughout the EU. We have also included some of the most recent results from the Urban Audit exercise, a data collection that compiles a great deal of statistical information on Europe's cities.

We are progressively developing the range of regional indicators available and will hopefully be able to include these in our choice of topics in future editions, as data availability and quality allow.

I wish you a stimulating read.



Hervé Carré  
Director-General, Eurostat



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# Introduction





## Regional statistics give more detailed information

Eurostat, the statistical office of the European Communities, collects data on a range of different statistical topics, mainly from the 27 Member States of the European Union, but also from the three candidate countries (Croatia, the former Yugoslav Republic of Macedonia, and Turkey) and from the four EFTA countries (Iceland, Liechtenstein, Norway and Switzerland). The statistical data are often only collected at national level, but very many statistical fields also have statistics at regional level, which gives us a more complete picture.

This aim of this publication, the *Eurostat regional yearbook 2008*, is to give you detailed information on life in the European regions today. Looking at the regions of Europe under the magnifying glass allows the authors of the 13 different chapters to make an in-depth analysis of a large variety of statistical domains. We very much hope you will enjoy reading it!

The first chapter is about population statistics (demography), because population data form the basis for all other statistics. Many other statistical indicators are divided by the population figures, thus resulting in data with the unit expressed in terms of 'per inhabitant'. Therefore, we start the first chapter by presenting some basic facts about how the population is spread over the regions in Europe, providing birth and death rates, migration patterns and age distribution.

The second chapter, on urban statistics, is based on the Urban Audit data collection and it presents data on a range of different topics from all European capitals and from many other large European cities. As a large proportion of EU citizens live in these cities, it should be a topic that is interesting and directly relevant for many people.

The other chapters can be divided into four different themes.

The first concerns economic or financial indicators: gross domestic product (GDP), household accounts and structural business statistics. Economic cohesion is one of the main goals in EU policy and, one might say, the engine for all other policies. In particular the chapter on GDP gives a very good idea of the situation in the European Union today.

Labour market indicators form the second group of themes in this publication, containing a basic chapter on the labour market, and also introduc-

ing two totally new subjects for the *Eurostat regional yearbook*; sectoral productivity, written by a subject specialist from the Directorate-General for Regional Policy, and labour costs, where the regional differences in labour costs per hour are analysed.

The theme for the third group of chapters is more general and concerns the everyday life of most European citizens. Transport and tourism both focus on the mobility of people, while science, technology and innovation is often seen as one of the main cornerstones in the new Lisbon strategy for growth and jobs.

Well-being in general is the theme for the last two chapters; statistics on health are a welcome reappearance this year, focusing on the main causes of death and on the density of healthcare staff in the European regions; the chapter on agriculture this year concerns animal-rearing, mainly regarding pigs, sheep and cows.

## The NUTS classification

All statistics at regional level within the EU are based on the nomenclature of territorial units for statistics (NUTS). The NUTS classification has been used for regional statistics for many decades, and has always formed the basis for regional funding policy. It was only in 2003, though, that NUTS acquired a legal basis, when the NUTS regulation was adopted by the Parliament and the Council <sup>(1)</sup>.

Whenever new Member States join the EU, the NUTS regulation is of course amended to include the regional classification in those countries. This was the case in 2004, when the EU took in 10 new Member States, and in 2007 when it expanded to include Bulgaria and Romania.

The NUTS regulation provides for a review to be conducted every three years whereby the regional classification can be changed and adapted to new administrative boundaries or economic circumstances. In 2006, this exercise took place for the first time, and the results of these changes to the NUTS classification have now been valid since 1 January 2008. Most territorial changes are at NUTS level 3, affecting 11 countries, while four countries had changes made at NUTS level 2 and only one country at NUTS level 1.

The main changes in this latest revision of the NUTS classification are the following: Denmark introduced new NUTS 2 regions and revised the existing NUTS 3 regions following a substantial

<sup>(1)</sup> More information on the NUTS classification can be found on the Internet ([http://ec.europa.eu/eurostat/ramon/nuts/splash\\_regions.html](http://ec.europa.eu/eurostat/ramon/nuts/splash_regions.html)).



administrative regional reform. In one German region, Sachsen-Anhalt, three different NUTS 2 regions were merged into just one NUTS 2 region. Slovenia introduced two new NUTS 2 regions where it had only one previously. In the United Kingdom, more specifically in north-eastern Scotland, a boundary shift at both NUTS 2 and 3 levels had the effect of creating new regions. Sweden introduced NUTS 1 regions for the first time due to the size of the country. For more detailed information on the most recent NUTS changes, please consult the Eurostat website.

Since these NUTS changes were introduced only on 1 January 2008 and the statistical data for all the chapters had already been extracted by the beginning of this year, you will find that regional data, especially for Denmark and Slovenia, are missing or have been replaced with national values on many of the statistical maps. The regional data availability for these two countries will have hopefully improved for next year's publication.

As a rule regional data by NUTS 2 regions are displayed and analysed in the *Eurostat regional yearbook 2008*, but there is one exception. Regarding labour costs, Eurostat only collects data at NUTS level 1 and therefore in that chapter the data are based on NUTS 1 regions instead.

Please note that some of the Member States have a relatively small population and they are therefore not divided into more than one NUTS 2 region. Thus, for these countries the NUTS 2 value is exactly the same as the national value. Following the latest revision of the NUTS classification this now applies to six Member States (Estonia, Cyprus, Latvia, Lithuania, Luxembourg and Malta), one candidate country (the former Yugoslav Republic of Macedonia), and two EFTA countries (Iceland and Liechtenstein): in all these cases the whole country consists of one single NUTS 2 region.

A folding map accompanies this publication on the inside of the cover and it shows all the regions at NUTS level 2 in the 27 Member States of the European Union (EU-27) and the corresponding statistical regions at level 2 in the candidate and EFTA countries. In the annex you will find the

full list of codes and names of these regions. This will help you to locate a specific region geographically on the map.

## Coverage

The *Eurostat regional yearbook 2008* mainly contains statistics from the 27 Member States of the European Union, but when available also from the three candidate countries: Croatia, the former Yugoslav Republic of Macedonia, and Turkey; and from the four EFTA countries: Iceland, Liechtenstein, Norway and Switzerland.

Regions in the candidate countries and the EFTA countries are called statistical regions and they follow the same rules as the NUTS regions in the European Union, except that there is no legal base. Data from the candidate and EFTA countries are not yet available in the Eurostat database for some policy areas, but the data availability situation is constantly improving, and we hope to have even better coverage in the near future.

## More regional information

Under the theme 'General and regional statistics' on the Eurostat website you will find tables with statistics on both 'Regions' and the 'Urban Audit' with more detailed time series (some of them going back as far as 1970) and with more detailed statistics than contained in this yearbook. You will also find a number of indicators at NUTS level 3 (such as area, demography, gross domestic product and labour market data). This is important since some of the countries covered are not divided into NUTS 2 regions, as mentioned above.

For more detailed information on the contents of the regional and urban databases please consult the Eurostat publication *European regional and urban statistics — Reference guide — 2008 edition*, which you can download free of charge from the Eurostat website. The specific data used for producing the maps and other illustrations in this publication can also be found as Excel tables on the Eurostat website.

# Labour market



## Regional labour market cohesion

There are marked differences in regional labour markets. Some regions have low unemployment rates and high employment and activity rates, and they perform well for young people. That is the case of almost every region in the United Kingdom, the Netherlands and Austria. Other regions tend to show significant differences in gender participation in the labour market and perform less well for young people. That is the case for the regions of Greece, southern Italy and southern Spain.

The eastern regions of both Germany and Slovakia have high unemployment rates but no big gap between male and female participation in the labour market.

Swedish, Portuguese, Czech and west German regions show relatively high employment and activity rates, especially for older workers. Regions in France, Poland, Hungary and Romania have some difficulties with the participation of young and older workers in their labour markets.

In spite of all these different characteristics — and some of them may be caused by different cultural environments — the European social cohesion objective implies that disparities in regional labour markets should be as small as possible.

This chapter focuses mainly on the overall employment and unemployment rates, how they are developing over time and the implications of this development for regional cohesion. Does good labour market performance necessarily benefit all regions? Or are there regions that are being left behind?

## Employment

In 2006, the EU-27 made its best progress ever towards the overall employment target set by the Lisbon Council in 2000, though the employment rate of 64.3 % is still 5.7 percentage points below target.

The other main employment targets are also closer to being achieved. The female employment rate stood at 57.1 % in 2006, which is 2.9 percentage points below the target, and for people aged from 55 to 64 the employment rate was 43.4 %, still 6.6 percentage points below target.

Improvements were made in 2006 but significantly better performance is needed to accomplish the objectives set.

Beyond the employment targets, one must not forget that social cohesion is itself an important issue, being one of the three main objectives set by the Lisbon Council. National objectives should not be met at the cost of leaving some regions lagging behind.

Map 6.1 shows the distribution of employment rates, with the NUTS 2 regions that have already achieved the Lisbon employment targets shown in the darkest colour.

Right in the centre there are a set of regions in the intersection of Germany, Austria and the Czech Republic that have relatively high employment rates, as do regions in the northern countries and almost all regions in the United Kingdom and the Netherlands.

Regions with relatively low employment rates tend to be located mainly in two parts of EU: in southern Spain, France, Italy and Greece and in eastern Hungary and the Czech Republic. Polish regions also have relatively low employment rates, as do two Belgian regions, Région de Bruxelles-Capitale Brussels Hoofdstedelijk Gewest and Prov. Hainaut, as well as the overseas regions of France.

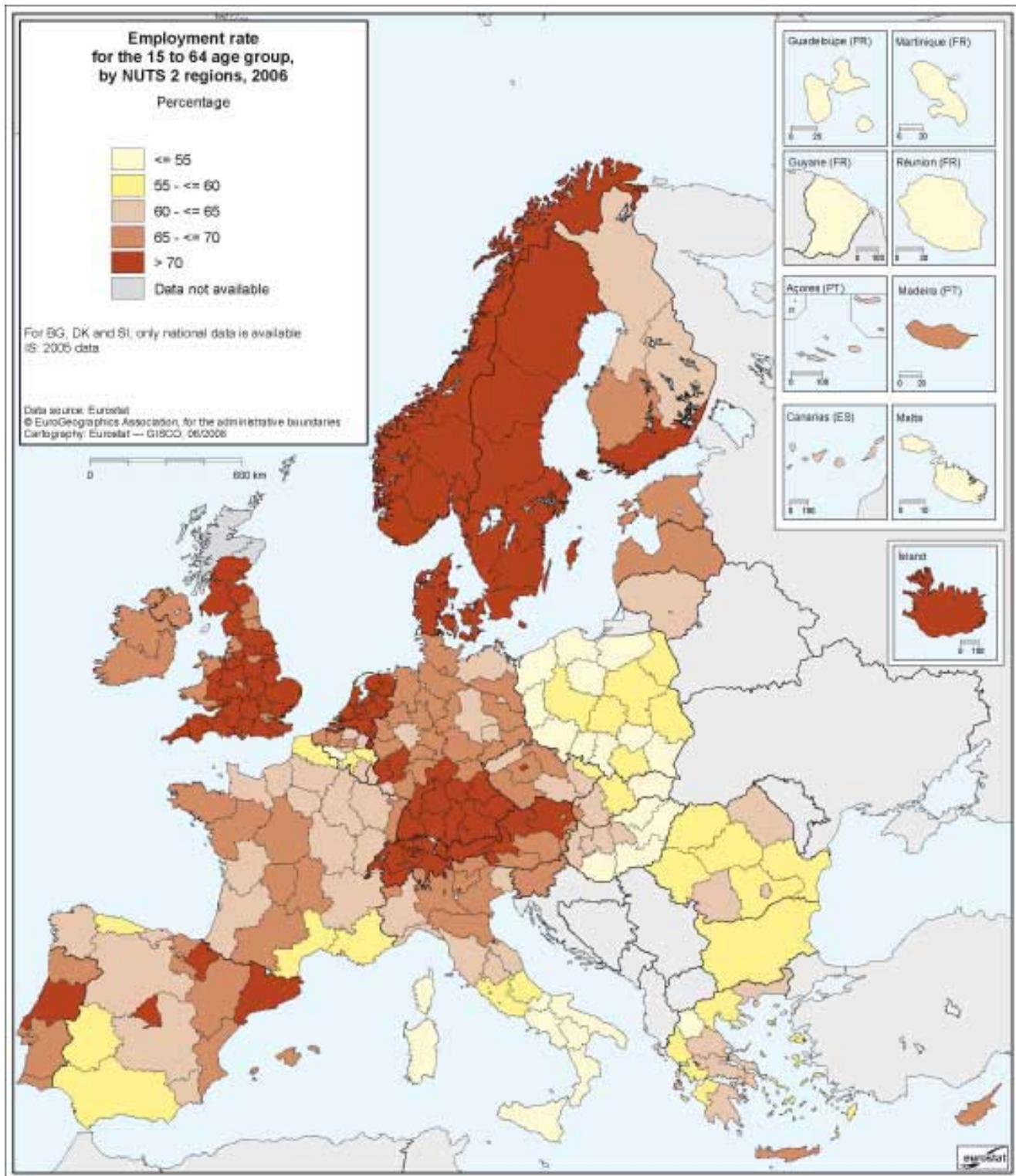
The range between the lowest and highest regional employment rate was still significant in 2006. The rates ranged from 41.7 % in Guyane, an overseas region of France, to 78.7 % in Berkshire, Buckinghamshire and Oxfordshire, in the United Kingdom.

The map also shows that in some countries every, or almost every, region is in the same class, meaning that regional employment rates are very similar, for example in the Netherlands and Sweden. In other countries, like Italy or Slovakia, the distribution of employment rates is more heterogeneous. Measuring these disparities between regional employment rates is a way to measure labour market cohesion. These disparity measures will be analysed further on in the text.

The best way to overcome the disparities in regional labour markets is for regions that have relatively low employment rates to raise them faster than other regions. Map 6.2 shows the change in percentage points in regional employment rates over the last five years.

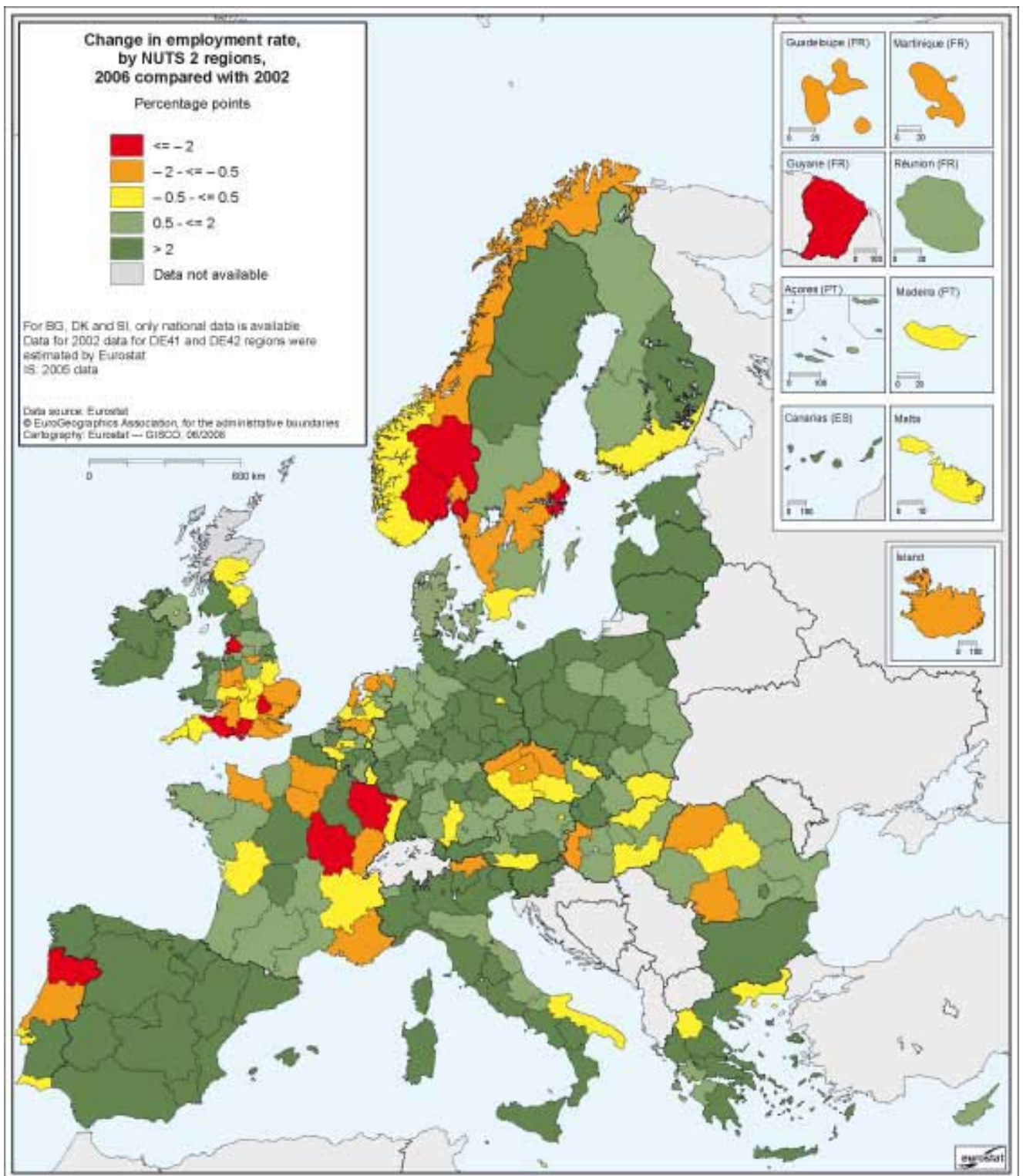
In the last five years the employment rate has risen in almost 80 % of EU-27 regions; only nine regions, of the 259 for which data are available, have seen their employment rate fall by more than 2 percentage points.

**Map 6.1:** Employment rate for the 15 to 64 age group, by NUTS 2 regions, 2006  
Percentage





**Map 6.2:** Change in employment rate, by NUTS 2 regions, 2006 compared with 2002  
Percentage points



There is a negative correlation, not too strong but significant, between employment rates in 2002 and the change in the employment rate over the next five years: in general, there was a tendency for regions with low employment rates in 2002 to grow faster in this period than other regions.

This is one sign that the regional disparity in employment rates has decreased over the last five years.

In the EFTA countries, all regional employment rates were above 70 %, with the sole exception of Ticino, in Switzerland.

## Unemployment

In 2006 there was also a substantial decline in unemployment in the EU-27, the biggest since 2000. The unemployment rate fell from 9.0 % in 2005 to 8.2 % in 2006. The gender gap between unemployment rates stood at 1.4 percentage points, with unemployment rates at 7.6 % for men and 9.0 % for women.

At country level, there were still big differences in unemployment rates. There were six countries with unemployment rates below 5 %: Denmark and the Netherlands (both with 3.9 %), Ireland (4.4 %), Cyprus (4.5 %) and Austria and Luxembourg (both with 4.7 %). Three countries had unemployment rates above 10 %: Germany (10.2 %), Slovakia (13.4 %) and Poland (13.9 %). While Slovakia and Poland have reduced their unemployment rates over the last five years by 5.3 and 6.0 percentage points, respectively, Germany's has actually increased by 1.7 percentage points.

High unemployment is mainly located in north-eastern regions, in Poland, eastern Germany and eastern Slovakia (Map 6.3). The French overseas departments, the region of Extremadura in Spain and the southern regions of Italy also had high unemployment rates.

As with the distribution of employment rates, one can see from Map 6.3 that some countries have unemployment rates similar to those of their regions — e.g. Poland or Sweden — while others show marked differences, e.g. Italy, where it is possible to see a clear north–south division.

If regions with a relatively high unemployment rate tend to decrease that rate at a faster pace than other regions, not only would the national figure be lower, but there would also be greater cohesion.

The change in regional unemployment rates over the last five years is shown in Map 6.4.

There is a significant negative correlation between unemployment rates in 2002 and the change in those rates over the next five years, which means that, in general, regions with higher unemployment rates tended to reduce them faster than other regions.

One can see from Map 6.4 that, despite remaining high, unemployment rates fell significantly over the last five years in the Polish and south European regions, while they rose in the Portuguese and west German regions. For instance, in the Norte region of Portugal and the Bremen region of Germany, unemployment rates have increased by more than 4.0 percentage points since 2002.

The Polish region of Lubuskie, the Italian region Calabria and three Bulgarian regions, Severozapaden, Yugoiztochen and Severoiztochen, have shown remarkable reductions in their unemployment rates of more than 10 percentage points.

Although differences between regional unemployment rates across the EU-27 are still big, they are gradually becoming smaller.

Regional unemployment in the EFTA countries is relatively small. The Région lémanique, in Switzerland, is the only region with an unemployment rate above 5 %.

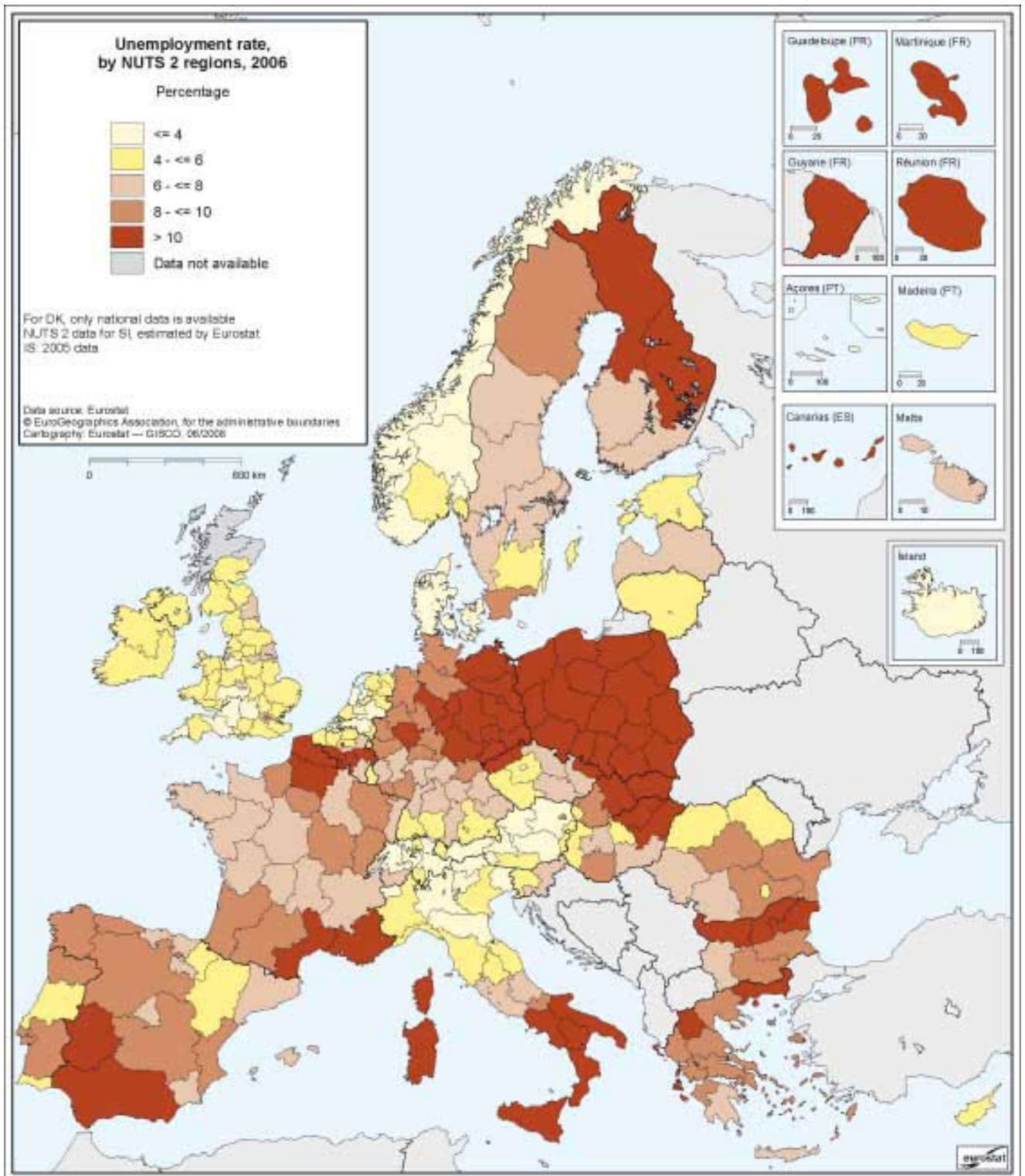
## Long-term unemployment

Long-term unemployment has significant effects on people's lives and is an indicator of how difficult it is to put people seeking a job back into work. The long-term unemployment share, i.e. the percentage of total unemployed persons seeking a job for longer than one year, was 45.8 % in 2006. This long-term unemployment share in the EU-27 has not shown a significant trend in the last five years.

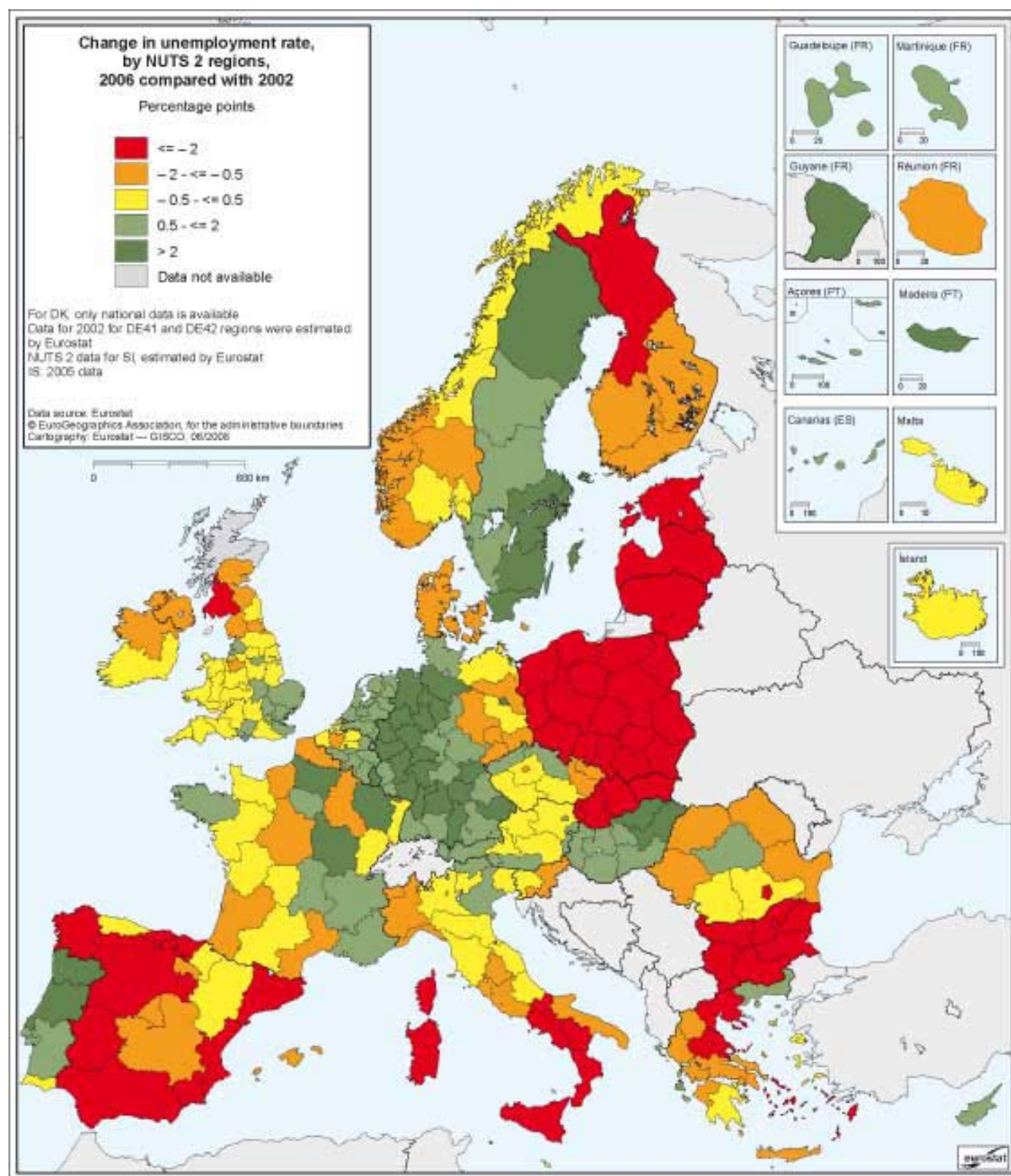
Bulgaria, Romania and Italy have reduced their long-term unemployment share, but in Bulgaria more than half of all unemployed persons had been seeking a job for more than one year in 2006. In Spain and Sweden, less than 30 % of job seekers took more than one year to find a job and there have been significant improvements in long-term unemployment in the last five years.

One can easily see from Map 6.5 that, with the exception of Italy, regional long-term unemployment

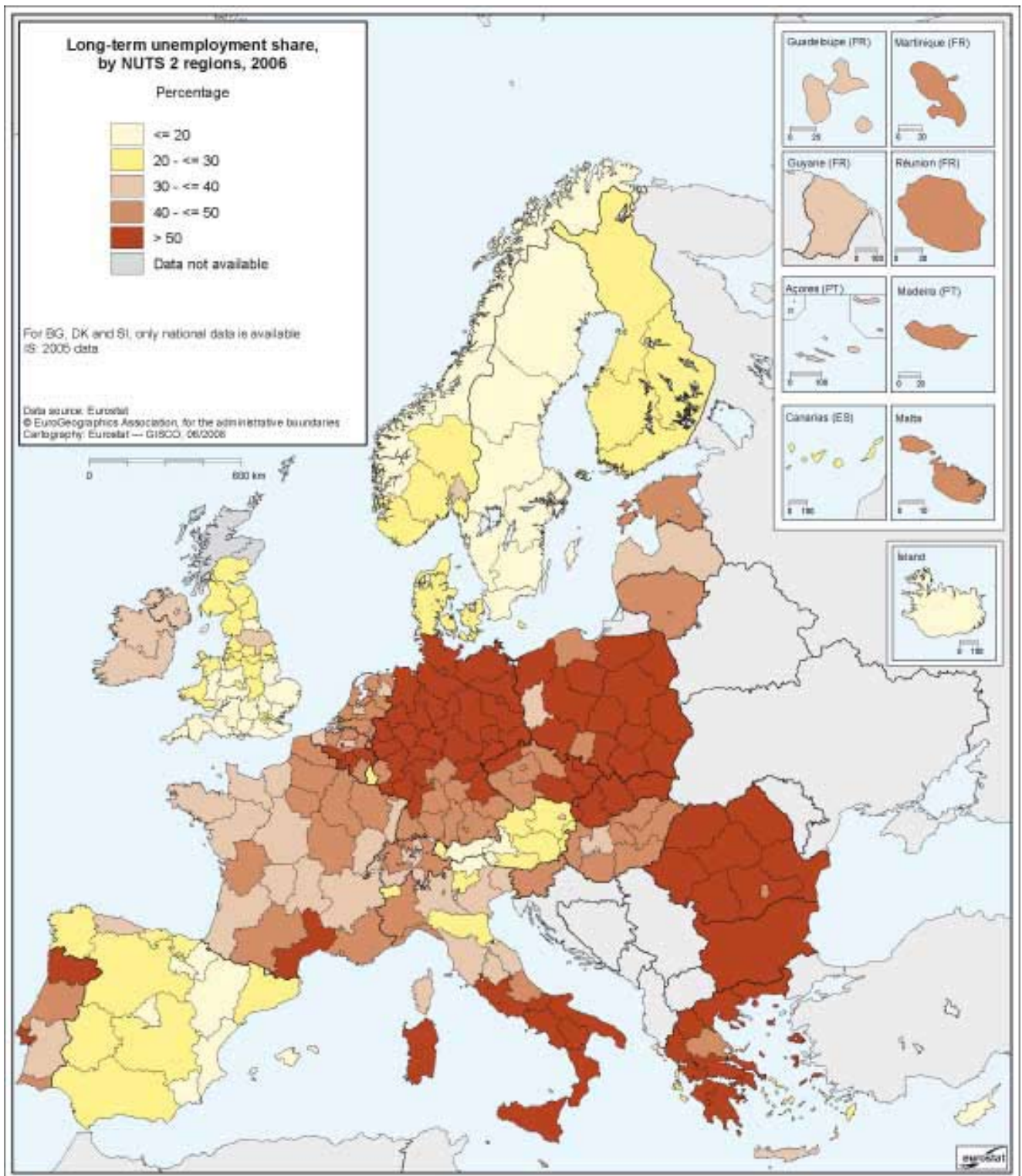
**Map 6.3:** Unemployment rate, by NUTS 2 regions, 2006  
Percentage



**Map 6.4:** Change in unemployment rate, by NUTS 2 regions, 2006 compared with 2002  
 Percentage points



**Map 6.5:** Long-term unemployment share, by NUTS 2 regions, 2006  
Percentage



shares tend to be more similar within each country than employment or unemployment rates. Since there are no big differences between regions belonging to the same country, the long-term unemployment share is mainly a country-level phenomenon.

Another thing that can be seen from Map 6.5 is that countries fall into three groups in terms of long-term unemployment shares. Countries like Spain, Luxembourg, Austria and Denmark have relatively low long-term unemployment shares, while Romania, Poland or Germany have relatively high shares. The third group, including France, Hungary and Latvia, have medium long-term unemployment shares.

Long-term unemployment is especially high in the overseas regions of France and in all regions of Slovakia (with the exception of Bratislavský kraj), where more than 70 % of unemployed persons have been looking for a job for 12 months or more.

As with regional employment and unemployment rates, the difference between the north and south of Italy is quite marked, the southern regions being those with the highest levels of long-term unemployment.

In EFTA regions the long-term unemployment share is relatively low as compared with the majority of the EU-27 regions. Only three regions of Switzerland had a little more than 40 % of the unemployed persons looking for a job for more than one year in 2006.

## Disparities in regional labour markets

It is fairly simple to check whether the employment targets set by the Lisbon Council in 2000 are going to be achieved or not, since they are very easy to understand. It is just a matter of checking whether a certain labour market indicator is above a certain threshold. But analysing only these indicators does not tell us whether regional cohesion is being achieved or not in meeting those targets.

To analyse how much regions differ from each other within a country or the whole EU we need another kind of indicator, called indicators of labour market disparities. The dispersion of employment and unemployment rates measures the spread of regional rates in a country or in the

EU-27, which gives an idea of how much regional rates differ from each other. Because of the nature of these indicators, a decrease in the dispersion of rates corresponds to an increase in labour market cohesion.

Table 6.1 shows the dispersion of employment and unemployment rates.

European regions are becoming less different in terms of labour markets. In the EU-27, the dispersion of employment and unemployment rates fell 1.8 and 16.8 percentage points, respectively.

This is because, generally, lower-performing regions, especially the regions belonging to the new Member States, are catching up, and so regional differences are being attenuated.

Almost all countries have reduced their regional disparities over the last five years. There are two exceptions, Belgium and Slovakia, where dispersion increased both for employment and unemployment. The country with the highest dispersion was Italy, with 16.0 % for employment and 57.1 % for unemployment. In this country there was a marked north-south difference in regional labour market performance, already shown on Maps 6.1 and 6.3. This north-south division was smaller in 2006 than five years ago, since Italy also recorded the highest decrease in the dispersion of unemployment rates.

Poland was the country in which regional unemployment rates were most similar and the Netherlands had the lowest dispersion of employment rates.

Another way to measure regional disparities is to calculate the index of underperforming regions (UPR). A region is 'underperforming' if its employment rate is relatively low compared with the national employment rate (below 90 % of the national figure) or if its unemployment rate is relatively high compared with the national rate (above 150 % of the national figure).

Table 6.2 shows the index of UPR results for employment.

In 2006, the number of underperforming regions did not decrease much. There were 51 underperforming regions in the EU-27, one less than five years ago. These regions accounted for 20.6 % of the population. This means that one in every five people in the EU-27 lives in a region where the employment rate is relatively low compared with other European regions.

At country level, the biggest decreases in the number of UPRs in terms of employment in the last five years were in the United Kingdom and Poland, with a decrease of three regions each. As a result, Poland actually had no UPR in 2006. Finland had also no UPR in 2006, whereas five years ago the Itä-Suomi region was underperforming in terms of employment.

In Belgium, Germany, Greece and Italy, the number of underperforming regions has increased by one in the last five years. Five years ago, neither Germany nor Greece had UPRs but in 2006 both the Berlin region in Germany and

Dytiki Makedonia in Greece were underperforming in terms of employment.

Italy recorded the highest proportion of people living in underperforming regions: one in every three Italians was living in a region where the employment rate was relatively low compared with the rest of the country in 2006. Hungary, Belgium and Spain also showed a significant proportion of people living in regions with relatively low employment levels.

The results in Table 6.2 show that regional cohesion in terms of employment did not significantly

**Table 6.1:** Dispersion of employment and unemployment rates, NUTS level 2

|       | Dispersion of employment rates |      |      |      |      | Dispersion of unemployment rates |      |      |      |      |
|-------|--------------------------------|------|------|------|------|----------------------------------|------|------|------|------|
|       | 2002                           | 2003 | 2004 | 2005 | 2006 | 2002                             | 2003 | 2004 | 2005 | 2006 |
| EU-27 | 13.2                           | 12.8 | 12.1 | 11.9 | 11.4 | 62.8                             | 58.3 | 54.1 | 50.9 | 45.6 |
| BE    | 8.0                            | 7.7  | 8.7  | 8.4  | 8.7  | 48.3                             | 43.5 | 48.1 | 48.4 | 55.1 |
| BG    | :                              | :    | :    | :    | :    | 19.1                             | 22.0 | 21.5 | 20.6 | 26.3 |
| CZ    | 5.6                            | 5.8  | 5.6  | 5.5  | 5.2  | 43.6                             | 41.9 | 41.6 | 45.8 | 44.6 |
| DK    | :                              | :    | :    | :    | :    | :                                | :    | :    | :    | :    |
| DE    | 5.7                            | 5.9  | 6.0  | 5.6  | 5.2  | 54.7                             | 45.8 | 44.6 | 39.6 | 39.2 |
| EE    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| IE    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| EL    | 3.8                            | 3.2  | 4.1  | 4.3  | 3.7  | 14.7                             | 15.9 | 18.4 | 18.3 | 14.0 |
| ES    | 9.3                            | 9.0  | 8.7  | 8.3  | 7.8  | 36.9                             | 32.3 | 31.7 | 30.2 | 29.1 |
| FR    | 8.0                            | 7.2  | 7.1  | 7.3  | 7.5  | 37.4                             | 34.8 | 34.6 | 33.6 | 34.6 |
| IT    | 16.7                           | 17.0 | 15.6 | 16.0 | 16.0 | 77.5                             | 78.1 | 61.8 | 59.9 | 57.1 |
| CY    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| LV    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| LT    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| LU    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| HU    | 9.4                            | 8.5  | 9.4  | 9.9  | 9.1  | 32.1                             | 32.6 | 27.6 | 26.9 | 31.8 |
| MT    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| NL    | 2.2                            | 2.3  | 2.3  | 2.0  | 2.2  | 16.1                             | 10.7 | 12.2 | 15.1 | 14.8 |
| AT    | 2.5                            | 3.0  | 3.5  | 4.1  | 3.4  | 42.8                             | 42.3 | 40.6 | 39.6 | 44.2 |
| PL    | 7.3                            | 7.2  | 6.4  | 5.6  | 5.1  | 16.5                             | 15.8 | 15.9 | 14.6 | 12.1 |
| PT    | 3.8                            | 3.9  | 3.5  | 3.3  | 3.1  | 30.7                             | 29.6 | 25.1 | 22.3 | 21.0 |
| RO    | 3.2                            | 3.5  | 4.9  | 4.5  | 3.6  | 14.6                             | 13.9 | 17.6 | 17.3 | 22.7 |
| SI    | -                              | -    | -    | -    | -    | -                                | -    | -    | -    | -    |
| SK    | 7.3                            | 7.6  | 9.0  | 9.8  | 8.6  | 22.9                             | 26.7 | 30.8 | 36.7 | 37.8 |
| FI    | 6.7                            | 6.1  | 5.5  | 5.5  | 5.4  | 28.1                             | 22.0 | 21.3 | 21.9 | 23.9 |
| SE    | 4.6                            | 4.3  | 4.4  | 3.0  | 2.9  | 17.3                             | 15.8 | 13.0 | 12.5 | 11.9 |
| UK    | 6.6                            | 6.1  | 5.9  | 5.7  | 5.5  | 29.7                             | 30.5 | 31.5 | 26.4 | 25.8 |

Notes: : NUTS level 2 employment data not available for BG and DK

: NUTS level 2 unemployment data not available for DK

- Not applicable — EE, IE, CY, LV, LT, LU, MT and SI comprise only one or two NUTS level 2 regions

improve over the last five years. But regarding unemployment the results were a little better and are shown in Table 6.3.

In 2006 there were 43 underperforming regions in the EU-27, three fewer than five years ago. These regions have 16.1 % of the European active population, 2.3 percentage points less than five years ago.

In Bulgaria, Germany, Greece and Spain the number of underperforming regions in terms of unemployment has increased. Of these countries, Bulgaria and Greece had no UPR five years ago, but while in Bulgaria the UPR is Severen

tsentralen, which represents 11.9 % of the country's active population, the Greek UPR is Dytiki Makedonia, which accounts for only 2.5 % of the active population.

Spain had one more UPR in 2006 than five years ago, but the UPRs changed: while in 2002 the population living in UPRs represented 19.0 % of the country's active population, but now the Spanish UPR make up only 2.4 % of the active population.

In Germany, the gain of two underperforming regions over the last five years increased the German active population living in underper-

**Table 6.2:** Index of underperforming regions (UPR) in terms of employment, at NUTS level 2

| Number of UPR |      |        | % of UPR |      |        | % of population living in UPR |      |        |       |
|---------------|------|--------|----------|------|--------|-------------------------------|------|--------|-------|
| 2002          | 2006 | change | 2002     | 2006 | change | 2002                          | 2006 | change |       |
| 52            | 51   | -1     | 20.3     | 19.9 | -0.4   | 20.8                          | 20.6 | -0.2   | EU-27 |
| 1             | 2    | 1      | 9.1      | 18.2 | 9.1    | 12.3                          | 22.0 | 9.8    | BE    |
| :             | :    | :      | :        | :    | :      | :                             | :    | :      | BG    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | CZ    |
| :             | :    | :      | :        | :    | :      | :                             | :    | :      | DK    |
| 0             | 1    | 1      | 0.0      | 2.6  | 2.6    | 0.0                           | 4.4  | 4.4    | DE    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | EE    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | IE    |
| 0             | 1    | 1      | 0.0      | 7.7  | 7.7    | 0.0                           | 2.6  | 2.6    | EL    |
| 5             | 4    | -1     | 26.3     | 21.1 | -5.3   | 23.2                          | 20.5 | -2.7   | ES    |
| 7             | 6    | -1     | 26.9     | 23.1 | -3.8   | 13.9                          | 6.9  | -7.0   | FR    |
| 6             | 7    | 1      | 28.6     | 33.3 | 4.8    | 33.0                          | 33.5 | 0.5    | IT    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | CY    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | LV    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | LT    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | LU    |
| 2             | 2    | 0      | 28.6     | 28.6 | 0.0    | 27.6                          | 27.4 | -0.2   | HU    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | MT    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | NL    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | AT    |
| 3             | 0    | -3     | 18.8     | 0.0  | -18.8  | 11.2                          | 0.0  | -11.2  | PL    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | PT    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | RO    |
| -             | -    | -      | -        | -    | -      | -                             | -    | -      | SI    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | SK    |
| 1             | 0    | -1     | 20.0     | 0.0  | -20.0  | 12.6                          | 0.0  | -12.6  | FI    |
| 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                           | 0.0  | 0.0    | SE    |
| 4             | 1    | -3     | 11.4     | 2.9  | -8.6   | 12.4                          | 5.2  | -7.2   | UK    |

Notes: : NUTS level 2 employment data not available for BG and DK

- Not applicable — EE, IE, CY, LV, LT, LU, MT and SI comprise only one or two NUTS level 2 regions



forming regions by only 2.9 percentage points to 18.2 % in 2006.

In Hungary, the Netherlands and United Kingdom the number of UPRs has fallen in the last five years. Due to this reduction, the United Kingdom reduced the percentage of the active population living in UPRs by 3.5 percentage points and both Hungary and the Netherlands had no underperforming regions in 2006.

### Conclusion

The results presented in this chapter show that 2006 was a year with good performances on em-

ployment and unemployment, but they have to be significantly enhanced in the coming years to meet the employment targets set by the Lisbon Council.

At the same time that labour market indicators are approaching the employment objectives for 2010, disparities between European regions are generally and gradually decreasing.

The effort to meet the employment targets must be increased but the latest results show that there is regional convergence towards those targets and, with just a few exceptions, labour market performance is strengthening regional labour market cohesion.

**Table 6.3:** Index of underperforming regions (UPR) in terms of unemployment, at NUTS level 2

|       | Number of UPR |      |        | % of UPR |      |        | % of active population living in UPR |      |        |
|-------|---------------|------|--------|----------|------|--------|--------------------------------------|------|--------|
|       | 2002          | 2006 | change | 2002     | 2006 | change | 2002                                 | 2006 | change |
| EU-27 | 46            | 43   | -3     | 17.8     | 16.5 | -1.3   | 18.4                                 | 16.1 | -2.3   |
| BE    | 2             | 2    | 0      | 18.2     | 18.2 | 0.0    | 20.6                                 | 20.8 | 0.1    |
| BG    | 0             | 1    | 1      | 0.0      | 16.7 | 16.7   | 0.0                                  | 11.9 | 11.9   |
| CZ    | 2             | 2    | 0      | 25.0     | 25.0 | 0.0    | 23.1                                 | 22.9 | -0.2   |
| DK    | :             | :    | :      | :        | :    | :      | :                                    | :    | :      |
| DE    | 6             | 8    | 2      | 16.7     | 21.1 | 4.4    | 15.3                                 | 18.2 | 3.0    |
| EE    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| IE    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| EL    | 0             | 1    | 1      | 0.0      | 7.7  | 7.7    | 0.0                                  | 2.5  | 2.5    |
| ES    | 2             | 3    | 1      | 10.5     | 15.8 | 5.3    | 19.0                                 | 2.4  | -16.6  |
| FR    | 4             | 4    | 0      | 15.4     | 15.4 | 0.0    | 2.5                                  | 2.5  | -0.0   |
| IT    | 6             | 6    | 0      | 28.6     | 28.6 | 0.0    | 29.0                                 | 27.5 | -1.5   |
| CY    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| LV    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| LT    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| LU    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| HU    | 1             | 0    | -1     | 14.3     | 0.0  | -14.3  | 11.5                                 | 0.0  | -11.5  |
| MT    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| NL    | 1             | 0    | -1     | 8.3      | 0.0  | -8.3   | 3.5                                  | 0.0  | -3.5   |
| AT    | 1             | 1    | 0      | 11.1     | 11.1 | 0.0    | 19.8                                 | 20.2 | 0.4    |
| PL    | 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                                  | 0.0  | 0.0    |
| PT    | 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                                  | 0.0  | 0.0    |
| RO    | 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                                  | 0.0  | 0.0    |
| SI    | -             | -    | -      | -        | -    | -      | -                                    | -    | -      |
| SK    | 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                                  | 0.0  | 0.0    |
| FI    | 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                                  | 0.0  | 0.0    |
| SE    | 0             | 0    | 0      | 0.0      | 0.0  | 0.0    | 0.0                                  | 0.0  | 0.0    |
| UK    | 2             | 1    | -1     | 5.7      | 2.9  | -2.9   | 8.3                                  | 4.8  | -3.5   |

Notes: : NUTS level 2 unemployment data not available for DK

- Not applicable — EE, IE, CY, LV, LT, LU, MT and SI comprise only one or two NUTS level 2 regions

## Methodological notes

The source for regional labour market information down to NUTS level 2 is the EU labour force survey (LFS). This is a quarterly household sample survey conducted in the Member States of the European Union.

The LFS target population is made up of all members of private households aged 15 or over. The survey follows the definitions and recommendations of the International Labour Organisation (ILO). To achieve further harmonisation, the Member States also adhere to common principles of questionnaire construction.

All regional results presented here concern NUTS level 2 regions.

For further information about regional labour market statistics see the metadata on the Eurostat website (<http://epp.eurostat.ec.europa.eu>) under Data/General and Regional statistics/Regions/Regional labour market.

## Definitions

**Population** covers persons aged 15 and over, living in private households (population living in collective households, i.e. residential homes, boarding houses, hospitals, religious institutions and workers' hostels are not included). This comprises all persons living in the households surveyed during the reference week. This definition also includes persons absent from the households for short periods (but having retained a link with the private household) owing to studies, holidays, illness, business trips, etc. Persons on obligatory military service are not included.

**Employed persons** are persons aged 15 year and over (16 and over in ES, UK and SE (1995–2001); 15–74 years in DK, EE, HU, LV, FI, NO and SE (from 2001 onwards); 16–74 in IS) who during the reference week performed work, even for just one hour a week, for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, for example, illness, holidays, industrial dispute and education and training.

**Unemployed persons** are persons aged 15–74 (in ES, NO, SE (1995–2000), UK and IS 16–74) who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months.

**Employment rate** represents employed persons as a percentage of the population.

**Unemployment rate** represents unemployed persons as a percentage of the economically active population. The unemployment rate can be broken down further by age and sex. The youth unemployment rate relates to persons aged 15–24.

**Long-term unemployment share** represents long-term unemployed (12 months or longer) as a percentage of the total unemployed persons.

**Dispersion of employment (unemployment) rates** is the coefficient of variation of regional employment (unemployment) rates in a country, weighted by the absolute population (active population) of each region.

**Underperforming region** is a region with either an employment rate below 90 % of the national employment rate or an unemployment rate 150 % above the national unemployment rate. To compute the EU aggregate, the rates of all regions are compared with the EU employment and unemployment rates.