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COMMISSION STAFF WORKING PAPER

[\[...\]](#)

Accompanying the document

Seventh Progress Report on economic, social and territorial cohesion

{COM(2011) 776 final}

8. Unemployment rate, 2010

This indicator measures the number of people aged 15-74 who are without work but looking for work and available for work, divided by the number of people aged 15-74 and active in the labour market, i.e. those employed and unemployed.

Why does this matter?

High unemployment is a threat to social cohesion leading to poverty and social exclusion and it is one of the most important incentives for people to leave their regions.

	Convergence	Transition	RCE	EU
Unemployment rate, 2010	11.9	14.8	7.9	9.7
Change in unemployment rate, 2007 - 2010 in pp	2.8	6.4	1.8	2.5

Convergence regions are faced with high

unemployment rates due to low levels of economic activity and skills mismatch due to restructuring and the reduction of employment in agriculture. The Transition regions have an even higher unemployment rate. They were hit particularly hard by the crisis with an increase in unemployment of 6 percentage points between 2007 and 2010. Competitiveness regions have a slightly lower unemployment rate, but they were still confronted with an increase of almost 2 percentage points between 2007 and 2010.

How do the EU regions score?

Regional disparities among the EU-27 regions remain high. One region in three has an unemployment rate above 10%.

The highest rates are registered in the French overseas departments, which face specific challenges, and many Spanish regions. Most of the 26 regions with unemployment rates over 15% can be found in these two, as well as in Slovakia and in the Baltic States. In contrast, 34 regions mainly located in Austria, Germany, northern Italy and the Netherlands have rates below 5%.

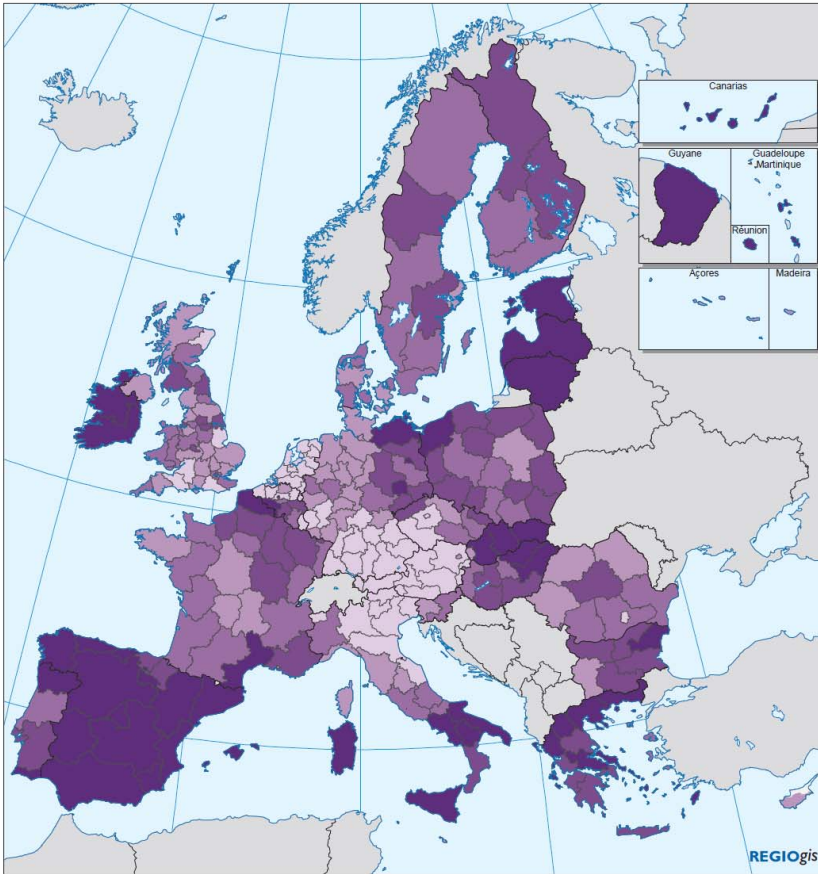
This table shows the ten regions with the highest rate of unemployment in 2010		
MS	Region	Unemployment rate, %
FR	Réunion	29
ES	Canarias	29
ES	Andalucía	28
ES	Ciudad Autónoma de Ceuta	24
FR	Guadeloupe	24
ES	Ciudad Autónoma de Melilla	24
ES	Región de Murcia	23
ES	Comunidad Valenciana	23
ES	Extremadura	23
FR	Martinique	21

This table shows the regions in which unemployment rate decreased the fastest between 2007 and 2010 in percentage points		
MS	Region	Change in unemployment rate, in pp
FR	Thüringen	-5.1
ES	Corse	-5.0
ES	Mecklenburg-Vorpommern	-5.0
ES	Leipzig	-4.8
FR	Sachsen-Anhalt	-4.3
ES	Brandenburg - Nordost	-3.9
ES	Brandenburg - Südwest	-3.9
ES	Bremen	-3.8
ES	Berlin	-3.1
FR	Dresden	-2.9

The ten top movers between 2007 and 2010 are, with the exception of Corse, German Landers, where labour mobility (from East to West Germany) can explain part of this performance. Unemployment rates dropped also in some regions of France, Poland, Austria and UK. On the other side, several regions in Spain, Ireland, Baltic States and Greece witnessed a substantial increase in the unemployment rates.

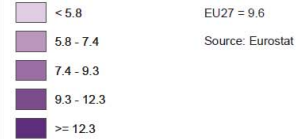
In most cases, reductions in unemployment rates are correlated with increased levels of GDP per capita

and lower levels of poverty. Conversely, regions growing unemployment tend to have lower levels of economic growth and higher levels of poverty.



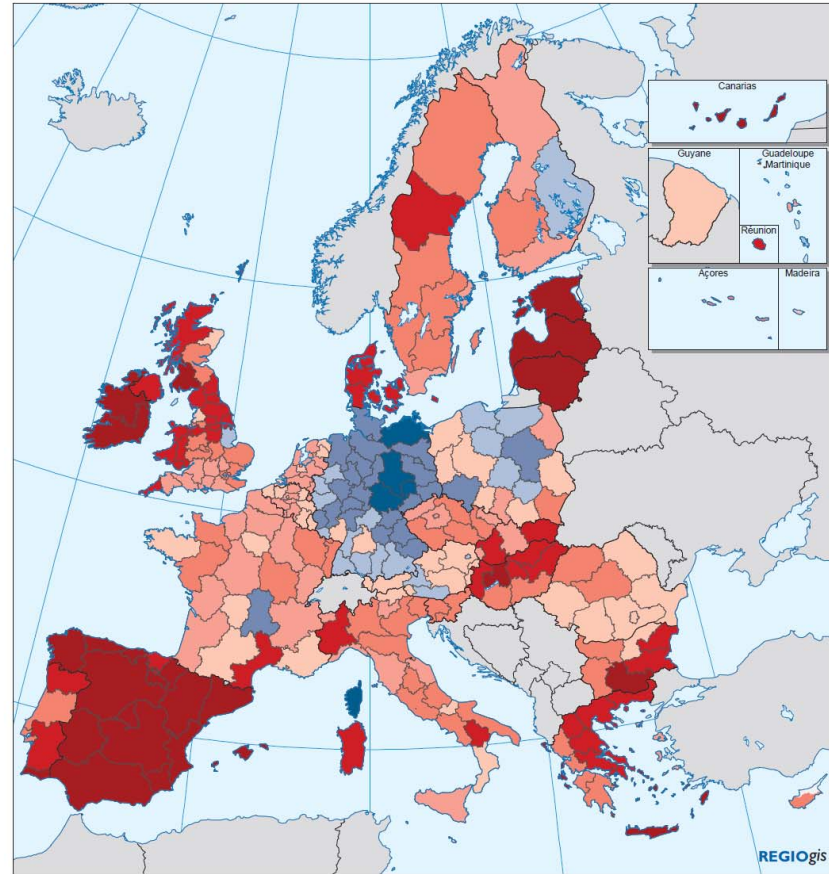
8.1 Unemployment rate, 2010

% of labour force



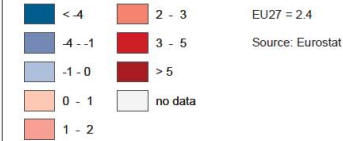
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8.2 Change in unemployment rate, 2007-2010

Percentage points change



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9. At risk of poverty or exclusion rate, 2009

This indicator is the share of people who are (1) at-risk-of-poverty and/or (2) severely materially deprived and/or (3) living in households with very low work intensity.

- (1) At risk-of-poverty means having an income below 60% of the national median equivalised disposable income after social transfers.
- (2) Severe material deprivation means experiencing at least 4 out of 9 situations of financial strain or enforced lack of durables.
- (3) People living in households with very low work intensity are people aged 0-59 living in households where the adults work less than 20% of their total work potential during the past year.

The national targets based on national reform programmes and Commission calculations. They vary from a reduction by 0.3 pp in the Czech Republic to 6.6 pp in Bulgaria.

Why does this matter?

The Europe 2020 strategy aims to reduce the number of people at risk of poverty or exclusion in the EU with 20 million by 2020. Reaching this target may require depending on the country income and employment growth, adjusting the welfare and/or tax system.

How do the EU regions score?

The ten regions with the lowest at-risk-of-poverty-or-exclusion rate are surprisingly diverse. They contain regions from the North and the South, from the East and the West, capitals and more rural regions.

This table shows the ten regions with the lowest at-risk-of-poverty-or-exclusion rate in 2009

MS	Region	At-risk-of-poverty-or-exclusion rate 2009, in %
FI	Åland	5
IT	Provincia Autonoma Trento	9
ES	Comunidad Foral de Navarra	10
CZ	Praha	10
CZ	Střední Čechy	11
CZ	Severovýchod	12
IT	Provincia Autonoma Bolzano/Bozen	13
CZ	Jihozápad	13
ES	País Vasco	13
CZ	Jihovýchod	13

Note: For DE, FR, NL, RO and UK only national level data was available. For BE, EL, HU and PT only NUTS1. AT and BE is average 2007-2009

The regional breakdowns often reveal substantial internal variation. For example, Spain, Italy and Belgium all three have a strong North-South divide. In Bulgaria, Hungary, Poland, Slovakia and the Czech Republic the capital region has the lowest rate, while in Austria, Belgium the opposite is true. Overall there is a link to GDP per head, with the highest rates in Bulgaria, Romania. This is particularly due to their high rates of severe material deprivation.

The ten regions which are most distant to their national 2020 target are located in southern Italy (four regions), Spain (four regions) and one region in Bulgaria and one in Belgium.

This table shows the ten regions that are the most distant to their national 2020 at-risk-of-poverty-or-exclusion target in 2009 in percentage points

MS	Region	Distance to national 2020 at-risk-of-poverty or-exclusion target in pp
IT	Sicilia	28
IT	Campania	22
IT	Calabria	21
IT	Basilicata	21
ES	Melilla	20
BE	Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest *	19
ES	Extremadura	18
ES	Ceuta	18
BG	Severen tsentralen	17
ES	Canarias	15

* Average 2007-2009

Note: For DE, FR, NL, RO and UK only national level data was available. For BE, EL, HU and PT only NUTS1. AT and BE is average 2007-2009

The combination of a high GDP per head and relatively high at-risk-of-poverty-or-exclusion rate in Brussels highlights the juxtaposition of high income and high poverty. The southern Italian regions show that low employment rates and low growth rates tend to exacerbate poverty and exclusion.

Germany, France, the Netherlands, the UK and ~~Romania-Portugal~~ could not provide ~~not~~ regional figures, which may influence the regions in the two tables.

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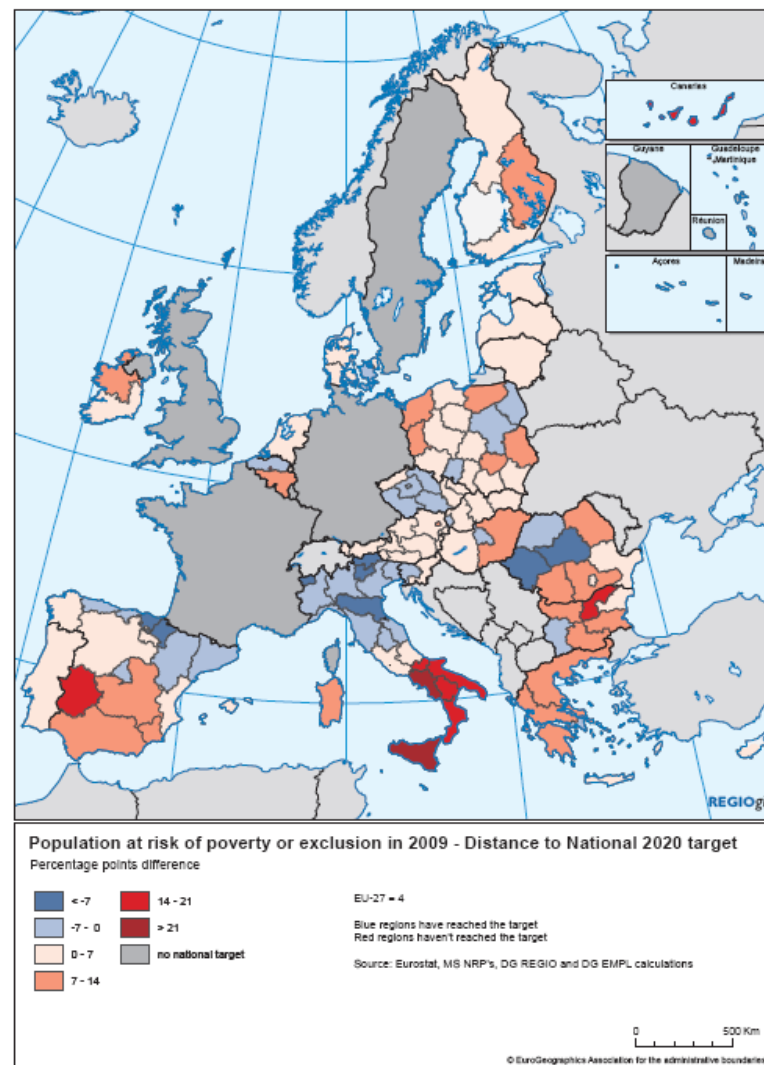
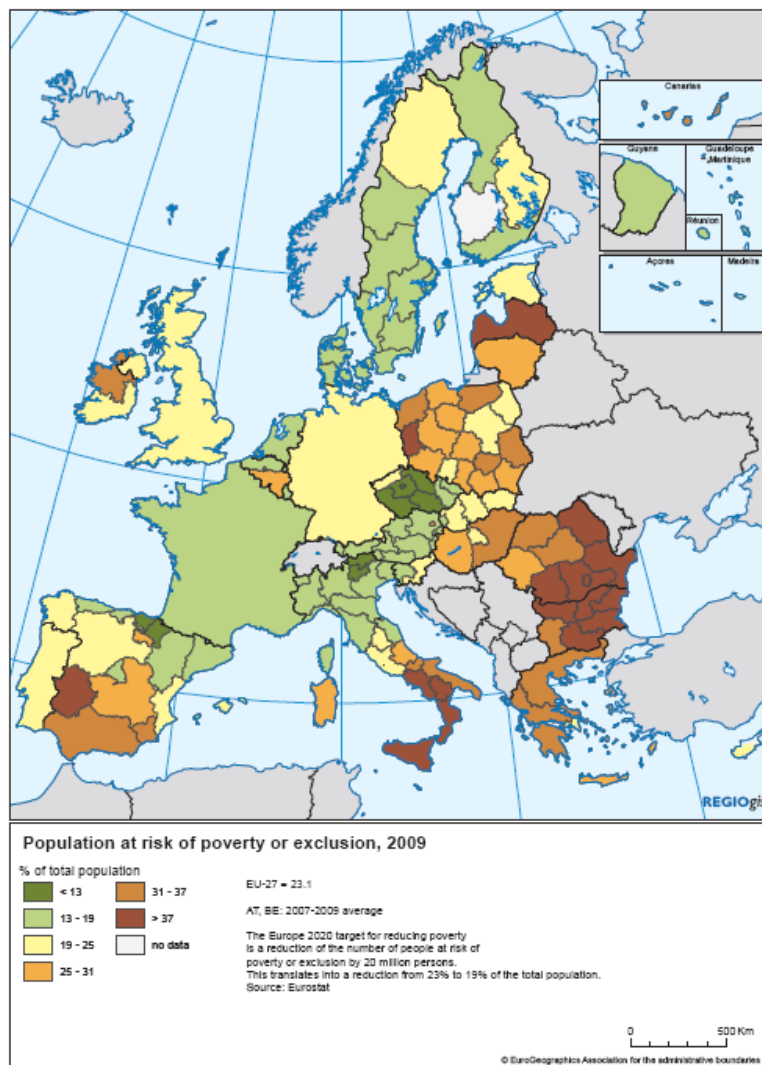
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10. GDP/head 2008

Gross Domestic Product per head in Purchasing Power Standards

Why does this matter?

Gross domestic product (GDP) is the total value of all goods and services produced within a region in a given period of time. GDP/head is the level of output per inhabitant which is an indication of the average level of economic wealth generated per person. In order to compare regions, it is computed in Purchasing Power Standards (PPS) which eliminates differences in purchasing power due to different price levels between regions.

In general, the level of GDP per head is closely related to global economic performance, in particular to production, factor productivity and employment. Change in time is also used as an indicator of the pace of economic development.

This table shows the ten regions with the highest GDP per head in PPS in 2008		
MS	Top Ten regions	GDP per head in PPS EU-27=100
UK	Inner London *	343
LU	Luxembourg (Grand-Duché) *	280
BE	Région de Bruxelles-Capitale *	216
NL	Groningen **	198
DE	Hamburg	188
CZ	Praha	172
FR	Île de France	168
SE	Stockholm	167
SK	Bratislavský kraj	167
AT	Wien	163

* Overstated due to commuter flows.

** Overstated due to GVA from off-shore gas production

How do the EU regions score?

The geographical distribution of GDP/head underlines large development gaps between EU regions and particularly between the Western and the Central and Eastern Member States. Eight of the top ten regions are located in the West. They are also often capital city regions. At the other end of the spectrum, several regions in Bulgaria and Romania have levels of GDP/head below 30% of the EU-27 average. The lowest level is 27% in Severozapaden, Bulgaria.

Regions where GDP per head has increased often host the national capital or a large city. Strong growth is also frequently observed in regions with a low level of GDP/head, like

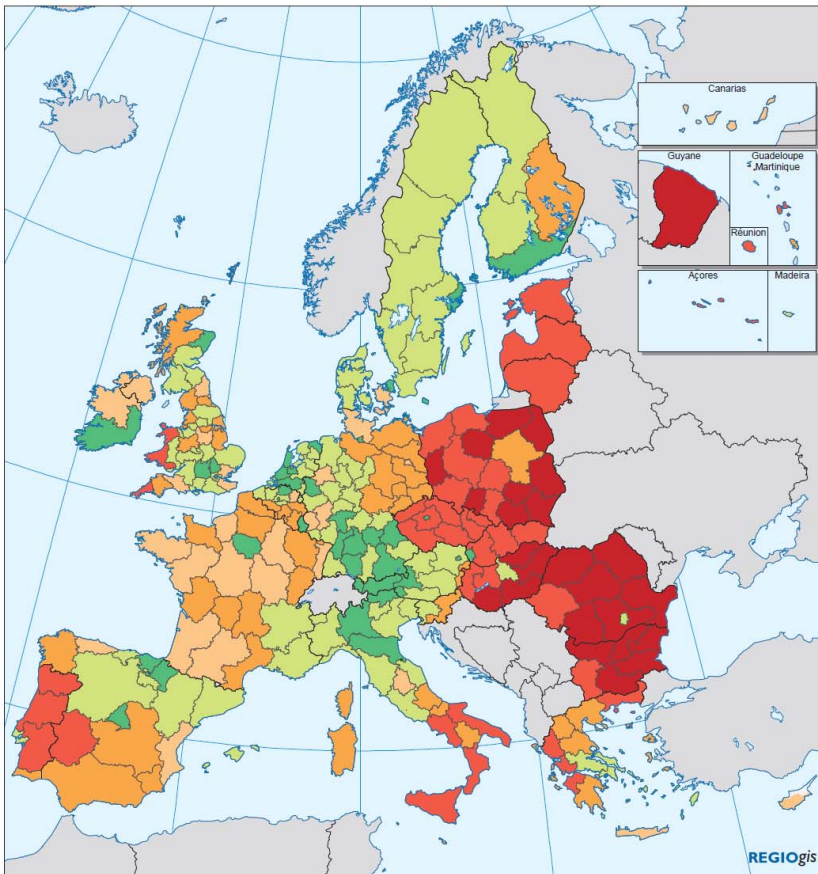
This table shows the ten regions with the biggest increase in GDP per head in PPS between 2000 and 2008, in difference in index points		
MS	Top Ten Movers	Difference in EU-27 GDP per head index points
SK	Bratislavský kraj	58
RO	București - Ilfov	57
NL	Groningen **	48
CZ	Praha	36
BG	Yugozapaden	35
LU	Luxembourg (Grand-Duché) *	35
UK	Inner London *	31
RO	Vest	24
EE	Eesti	23
HU	Közép-Magyarország	22

* Overstated due to commuter flows.

** Overstated due to GVA from off-shore gas production

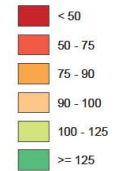
for instance Vest, Romania whose GDP/head is only 51% of the EU average but whose index has grown by almost 24 percentage points between 2000 and 2008. On the other hand, growth has often been modest in regions with high levels of GDP per head, particularly in Northern Italy or in some capital city regions like Wien or Région de Bruxelles-Capitale. In the latter, GDP/head index decreased from 256 in 2000 to 216 in 2008.

This shows that poor regions are catching up with the rest of the EU and is consistent with the fact that convergence among EU regions in terms of GDP/head has increased. Between 2000 and 2008, the coefficient of variation, which is a statistical measure of regional disparities, indeed decreased by 10%.



10.1 GDP per head (PPS), 2008

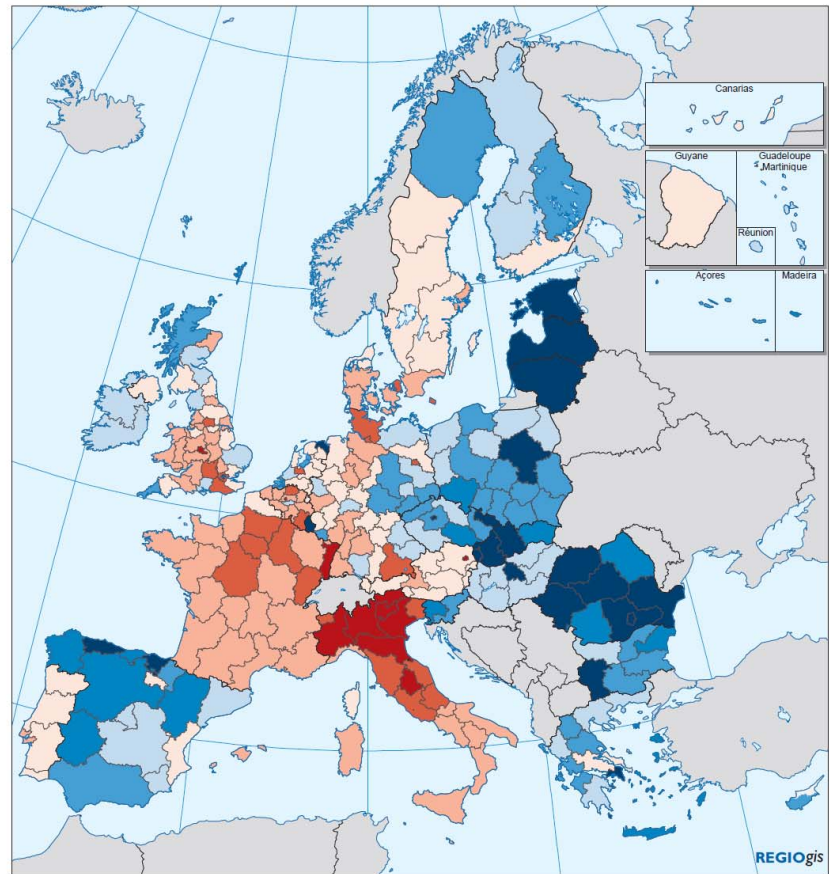
Index, EU-27 = 100



Source: Eurostat

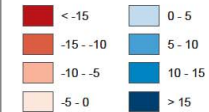
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10.2 Change in GDP/head (PPS), 2000-2008

Difference in index



EU-27 = 0

GDP/head expressed as index of EU-27 average = 100

Sources: Eurostat, DG REGIO

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Figure 1: Higher education by type of area, 2009

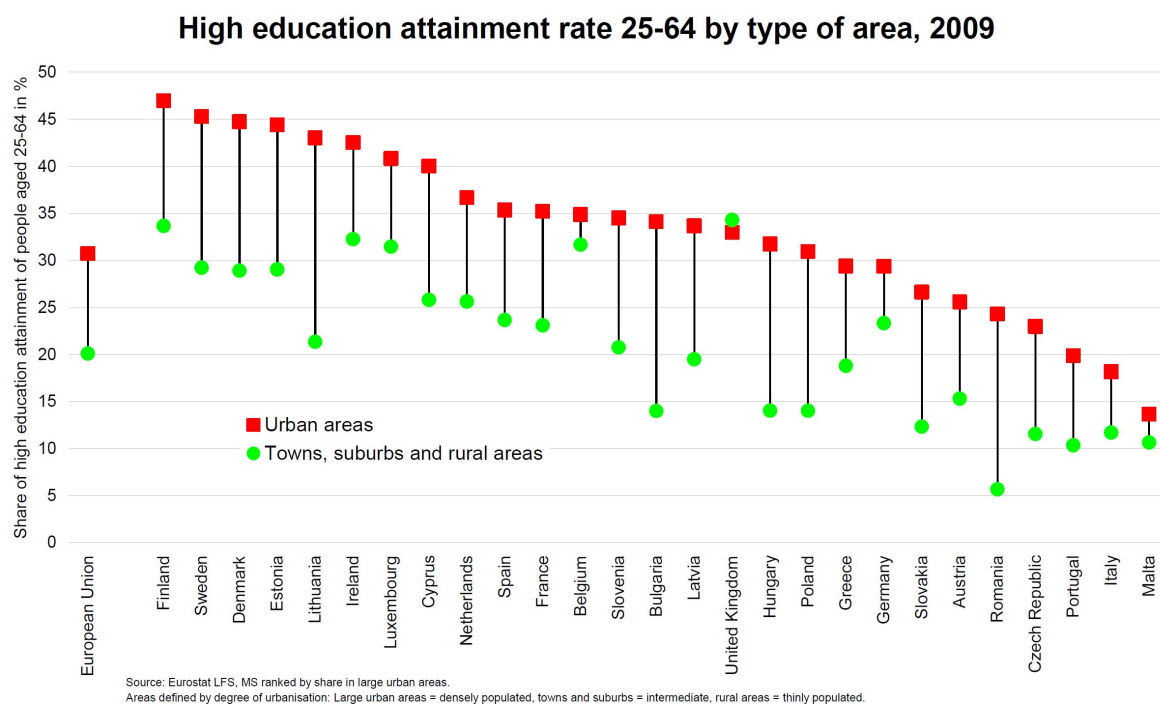


Figure 2: Access to a car by type of area, 2009

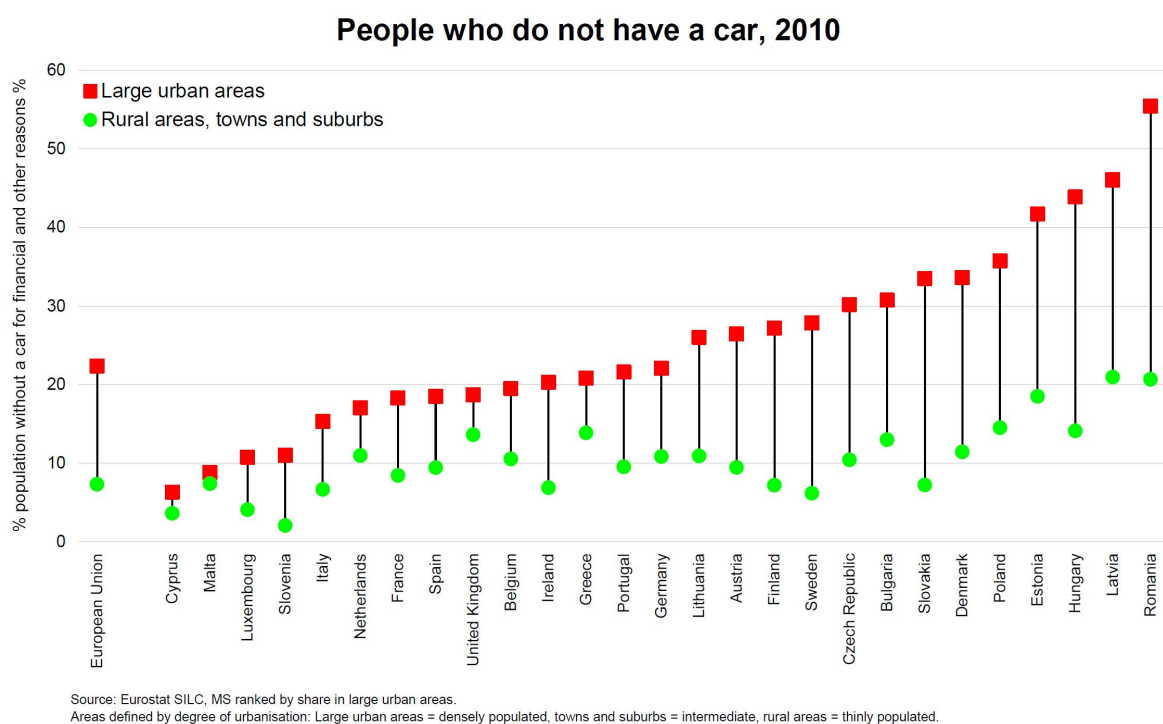


Figure 3: Low work intensity by type of area, 2009

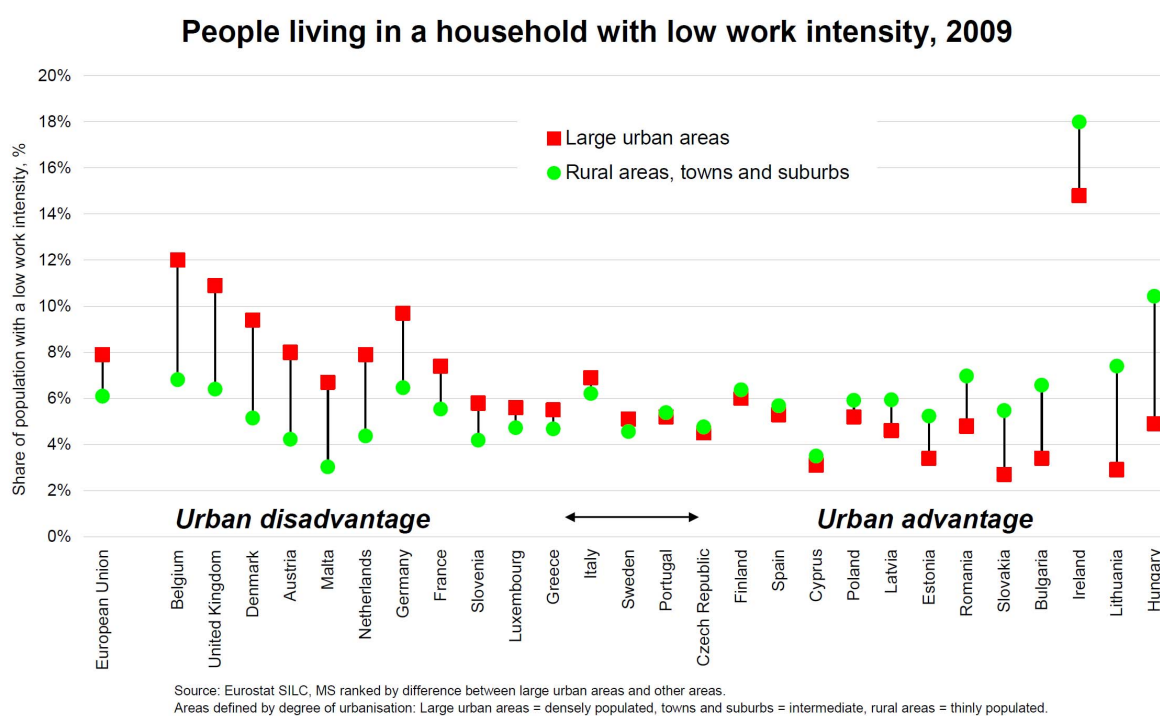


Figure 4: Deprivation by type of area, 2009

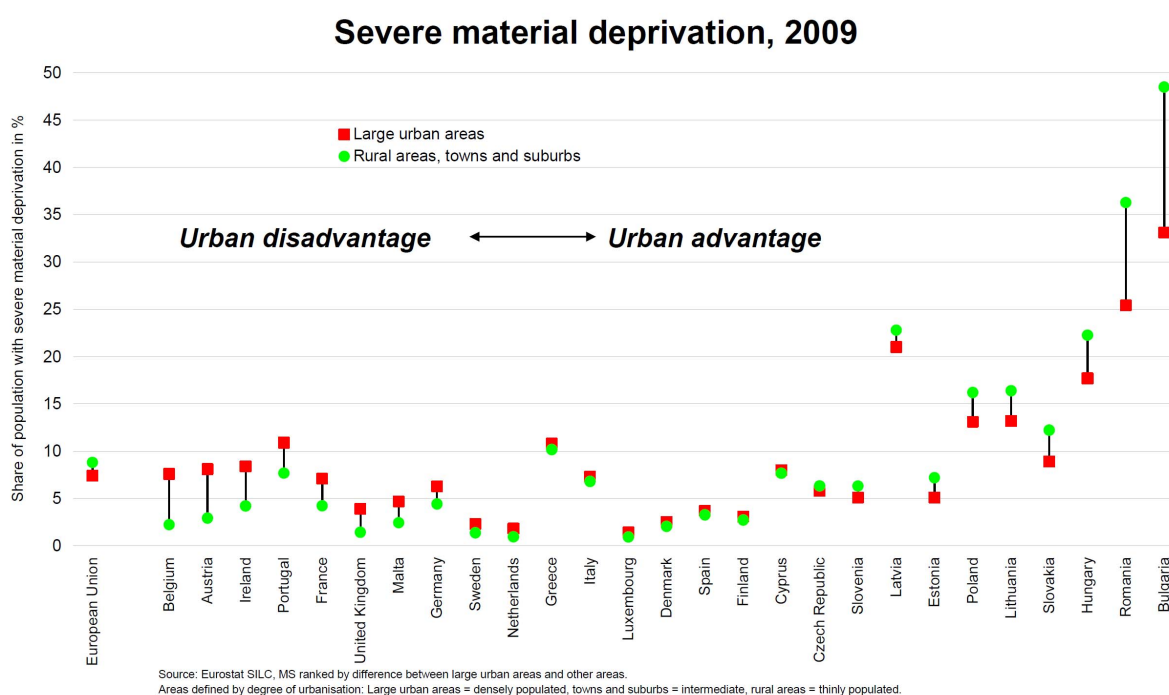


Figure 5: Poverty by type of area, 2009

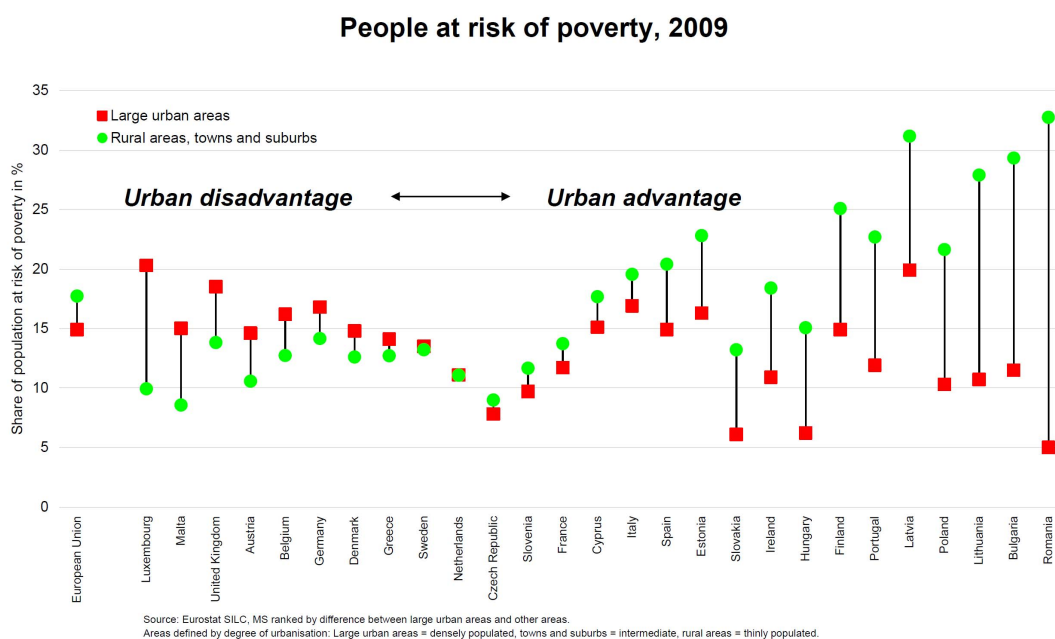


Figure 6: At risk of poverty or exclusion by type of area, 2009

