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From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

date of receipt: 27 March 2024

To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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No. Cion doc.: SWD(2024) 79 final - PART 6/23

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Subject: COMMISSION STAFF WORKING DOCUMENT Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the 9th Cohesion Report

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Delegations will find attached document SWD(2024) 79 final - PART 6/23.

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EUROPEAN  
COMMISSION

Brussels, 27.3.2024  
SWD(2024) 79 final

PART 6/23

**COMMISSION STAFF WORKING DOCUMENT**  
*Accompanying the document*

**Communication from the Commission to the European Parliament, the Council, the  
European Economic and Social Committee and the Committee of the Regions**

**on the 9th Cohesion Report**

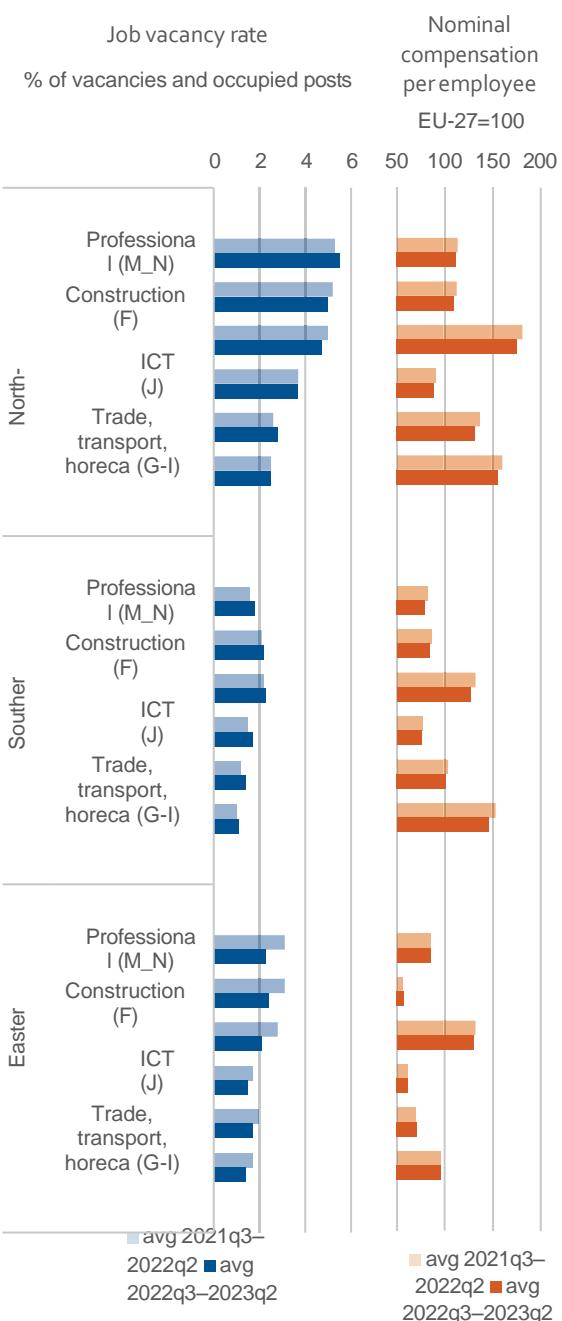
{COM(2024) 149 final}

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Figure 2.3 Job vacancy rates and nominal compensation per employee by geographical area, average 2021q3–2022q2 and average 2022q3–2023q2

## 1. Empowering through education and skills



Note: hotels= hotels, restaurants and catering.  
 Source: Eurostat [jvs\_q\_nace2, namq\_10\_a10, namq\_10\_a10\_e] and DG REGIO calculations.

The importance of investing in human capital to ensure that skills are available to meet expanding needs, especially those arising from the green and digital transitions, will increase in the coming years. Tertiary education, by providing the high-level skills required, together with vocational education and training (VET) will play a pivotal role in this<sup>20</sup>. The aim of policy should be to ease the integration of young graduates into the labour market, facilitate mobility, maintaining high-quality standards, and promote lifelong learning.<sup>21</sup> In addition, there is an equally important need to upskill and reskill workers in line with the opportunities the twin transitions bring. Digital skills, extensively present in policy initiatives, are particularly relevant here (see Chapter 5). Equally a shrinking population of young people highlights the importance of strengthening skills in regions with net outward migration and/or with a small and declining share of tertiary-educated people (see Chapter 6).

### 1.1 Tertiary education and VET are complementary across EU regions

A skilled workforce is key to economic development and prosperity. Both tertiary education and VET play a major role in 'smart specialisation' strategies by helping to retain and attract talent, generating absorptive capacity in the societies and economies in which they are located, and helping to build sustainable and more equitable communities.<sup>22</sup> University education can boost upward social mobility and improve employment prospects. While there is an upward trend in high skills endowment in the EU, disparities between regions have widened. Tertiary education rates for those aged 25 to 64 remain higher in more developed regions and transition regions (38 % and 36 %, respectively, in 2022) than in less developed ones (26 %, and in north-western Member States (39 %) than in southern and eastern ones (Table 2.3, left columns). Tertiary education rates exceeded 50 %

<sup>20</sup> The term 'tertiary education' refers to international standard classification of education (ISCED) tertiary education (levels 5–8). The term 'vocational education and training' refers to vocational upper-secondary and post-secondary non-tertiary education (vocational ISCED levels 3 and 4).

<sup>21</sup> European Union (2020).



Table 2.3 Tertiary and vocational education and training (VET) attainment rates by level of development and by geographical area, 2013, 2021 and 2022

	Tertiary education attainment, 25–64				Upper-secondary and post-secondary non-tertiary VET attainment, 25–64			
	2013	2022	2013–2022	2021–2022	2021	2022	2021–2022	pp
	%		pp		%		pp	
EU-27	27.1	34.3	+7.2	+0.7	35.3	35.3	+0.0	
More developed regions	30.7	38.4	+7.7	+0.6	33.0	32.5	-0.5	
Transition regions	29.0	35.8	+6.8	+0.4	34.8	35.3	+0.5	
Less developed regions	19.7	25.7	+6.0	+0.7	39.8	40.3	+0.5	
North-western EU	31.3	38.8	+7.5	+0.7	37.7	37.2	-0.5	
Southern EU	24.1	30.5	+6.4	+0.4	21.0	20.8	-0.2	
Eastern EU	22.9	29.8	+6.9	+0.6	48.8	50.2	+1.4	

Note: No data on vocational education until 2021. 2021 break in LFS series.

Source: Eurostat [edat\_lfs\_9915], DG REGIO calculations.

in nearly 20 EU regions in half the Member States in 2022. However, over 80 % of regions in Italy, Romania, Czechia, Portugal and Bulgaria had rates below 30 % (Map 2.7). These regions lacking a qualified labour force capable of enhancing productivity, when coupled with a declining working-age population, are prone to fall into a talent development trap (see Section 3 in Chapter 6).

Differences within Member States are pronounced. The concentration of universities in capital city regions in all countries attracts students, while the high demand for highly qualified workers, with an added wage premium<sup>23</sup>, attracts the tertiary-educated and makes it easy for them to find a job matching their skills. At the same time, firms are also more likely to find the skills they need in such areas. The difference in the share of the tertiary-educated between the capital city regions and others is pronounced in the countries noted above, but also in Hungary, France and Portugal (over 30 pp, Figure 2.4)<sup>24</sup>.

It is important to recognise that VET provides skills that complement those resulting from tertiary education. The significance of VET is growing in

eastern Member States and in rural areas. The VET attainment rates exceeded 50 % in around 50 EU regions concentrated in just eight Member States. In contrast to tertiary education, capital city regions consistently have the smallest proportion of people with VET qualifications. The difference between these regions and others is especially pronounced in Romania, Germany and Czechia (more than 30 pp, Figure 2.5).

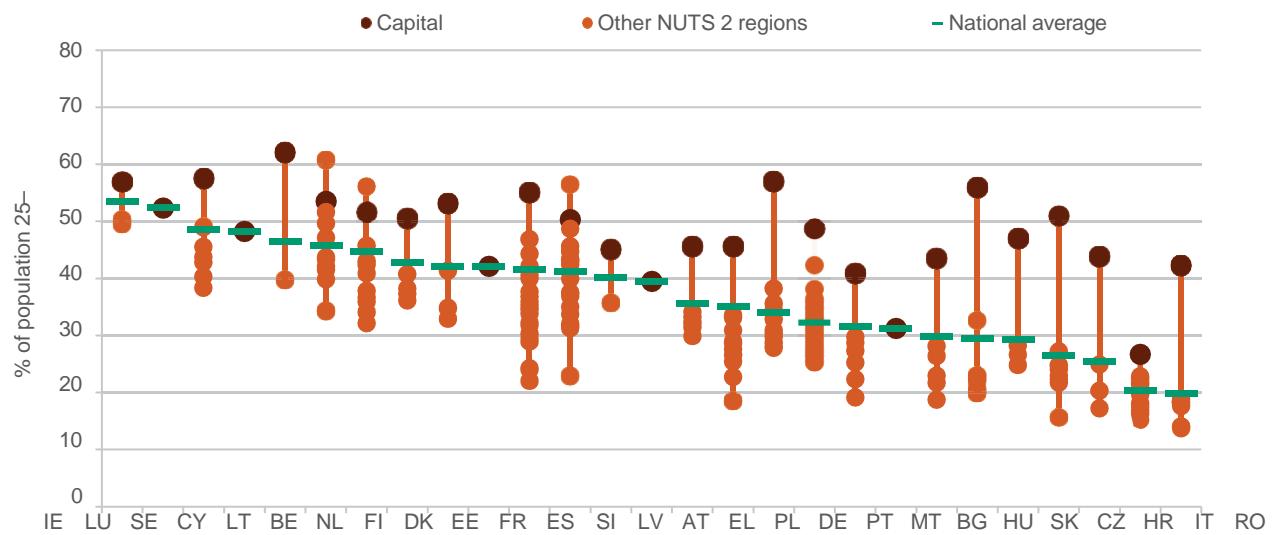
VET provides the technical and practical skills crucial for emerging activities, such as assembling renewable energy-infrastructure, renovating buildings for energy efficiency and digital connectivity, and manufacturing and repairing electric vehicles<sup>25</sup>. Equipped with such skills, young people aged 20 to 34 with VET qualifications achieve rates of employment comparable to those with tertiary qualifications in many EU regions. In 43 regions, employment rates for those with VET qualifications were higher than those with tertiary education, over 5 pp higher in many regions in Greece, Czechia and Spain, reflecting their economic structure.

13 European Commission (2023b).

14 Differences are particularly marked between outermost regions and the capital region. In France 55 % of the population of Ile de France has tertiary education in 2022 compared with 22 % in French Guiana, 24 % in La Réunion and 24.2 % in Guadeloupe. Similar differences can be found between Lisbon and Azores or Madeira.



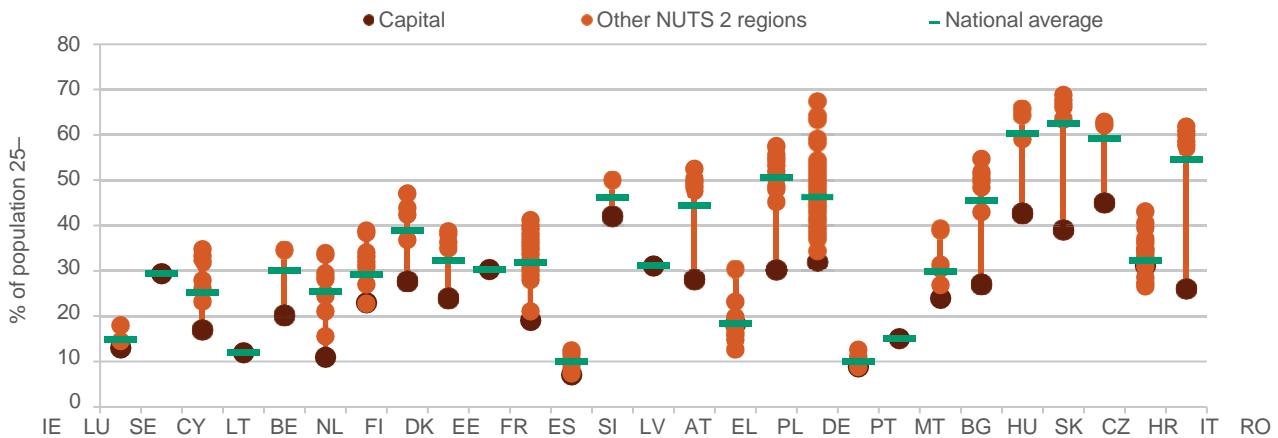
Figure 2.4 Regional variations in tertiary education rates, 2022



Note: Countries are ranked by national averages in tertiary education.

Source: Eurostat [edat\_lfse\_04] and DG REGIO calculations.

Figure 2.5 Regional variations in VET attainment rates, 2022



Note: Countries are ranked by national averages in tertiary education.

How to read the chart: The capital city regions of HR, CZ, SK and SI, have more than 40 % of those aged 25-64 with VET qualification and over 85 % with either tertiary or vocational upper secondary education. By contrast, the share of those with VET qualifications is less than 20 % in capital city regions in CY, MT and PT, and there are a smaller proportion with tertiary or VET qualifications than in other EU capital city regions.

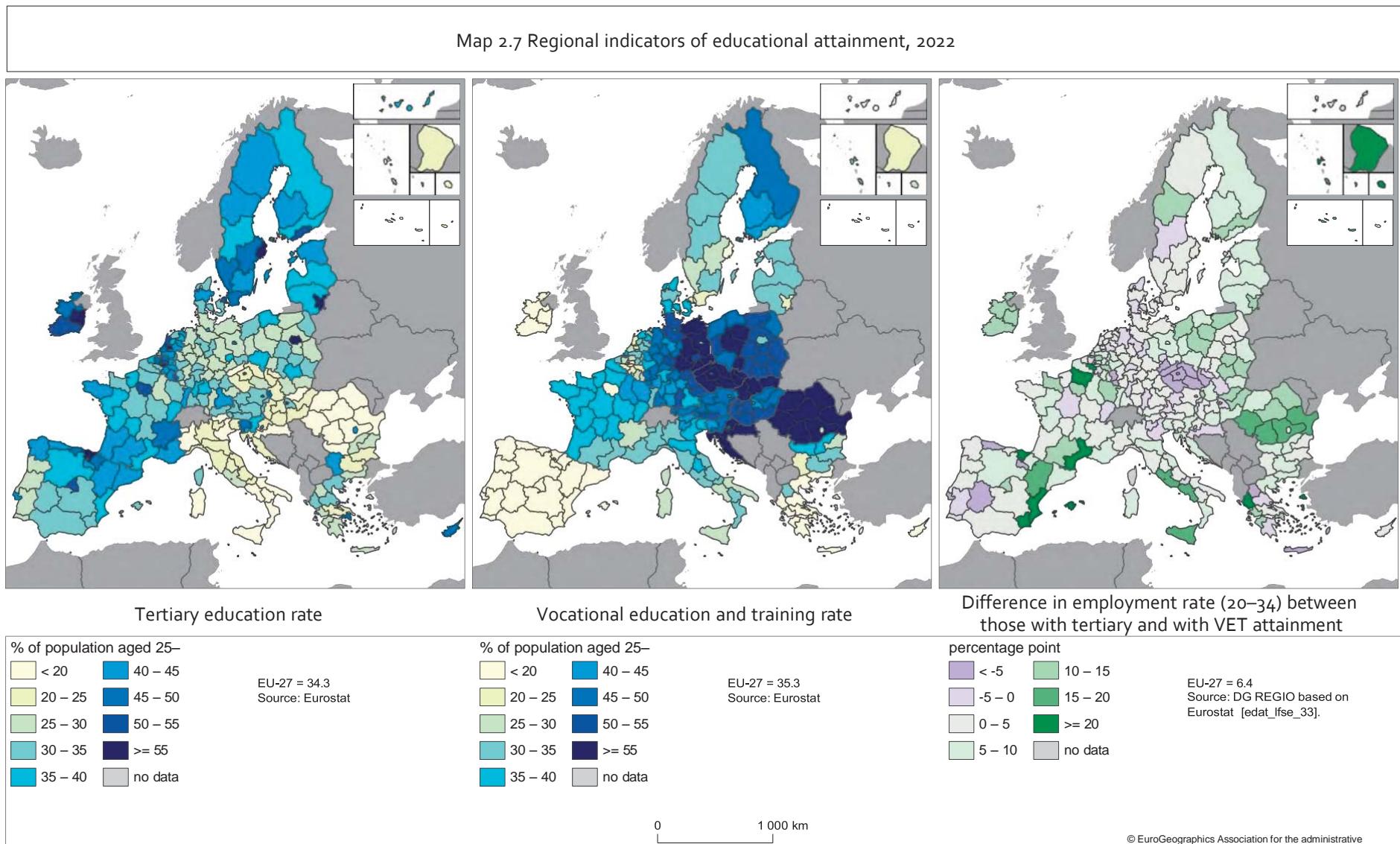
Source: Eurostat [edat\_lfse\_04] and DG REGIO calculations.

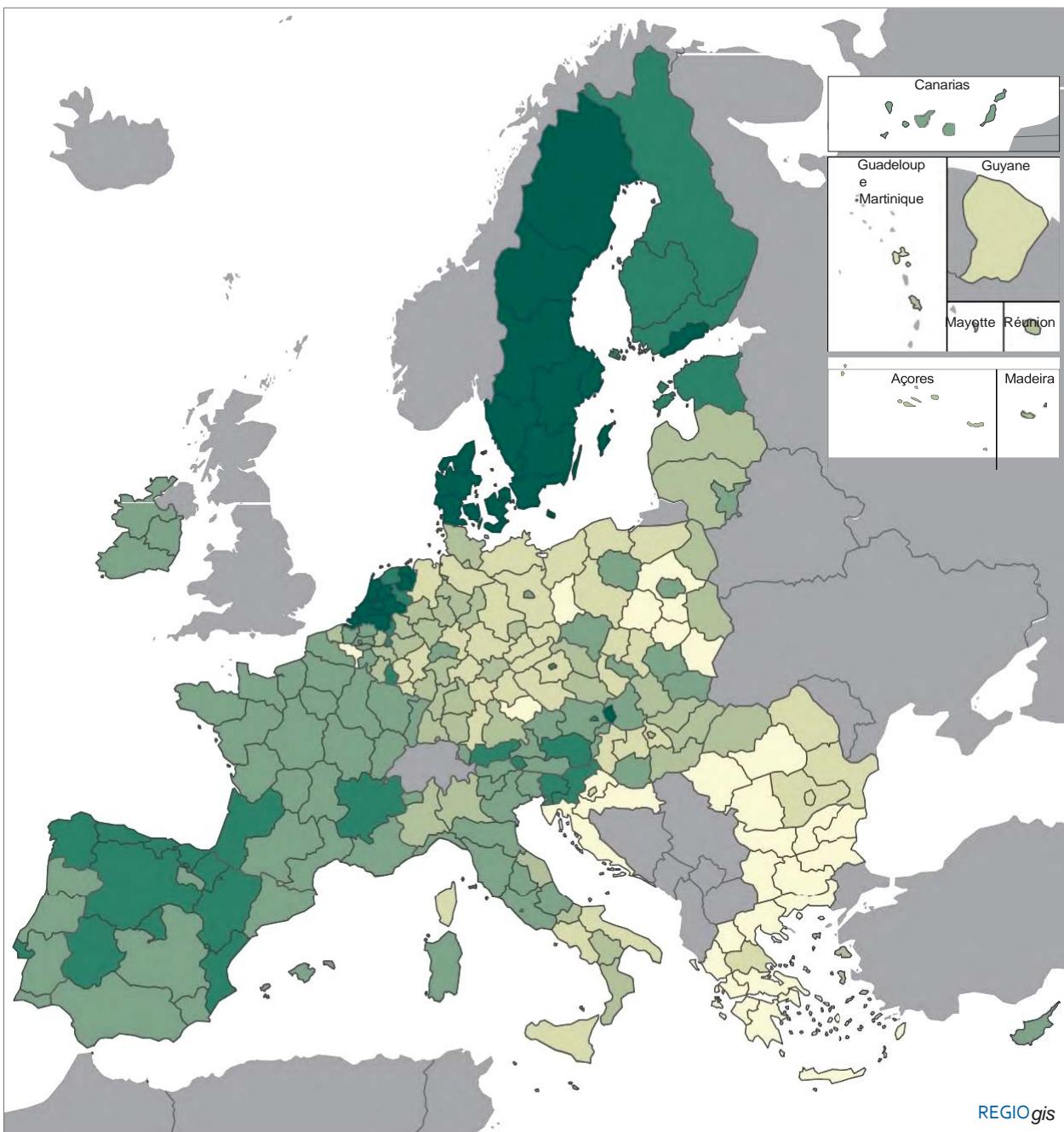
## 1.2 Higher adult participation in education and training in more developed regions

It is clear that, throughout people's working lives, upskilling and reskilling will be increasingly necessary to enable them to take advantage of emerging opportunities. They will be equally important for ensuring regional competitiveness as the green and digital transitions proceed.

After several years of slow increases, adult participation in education and training (those aged 25 to 64 participating in the four weeks preceding the LFS) declined sharply (by 1.7 pp) in 2020 because of the COVID-19 measures. It quickly rebounded the following year as labour markets recovered, especially in eastern countries.

In more developed regions, participation declined by 1.6 pp in 2020 but increased by 14 % in 2022, to 1 pp above its level in 2019. In transition regions,





Map 2.8 Participation of adults (25–64) in education and training in the past four weeks, 2022

% of population aged 25–64 years

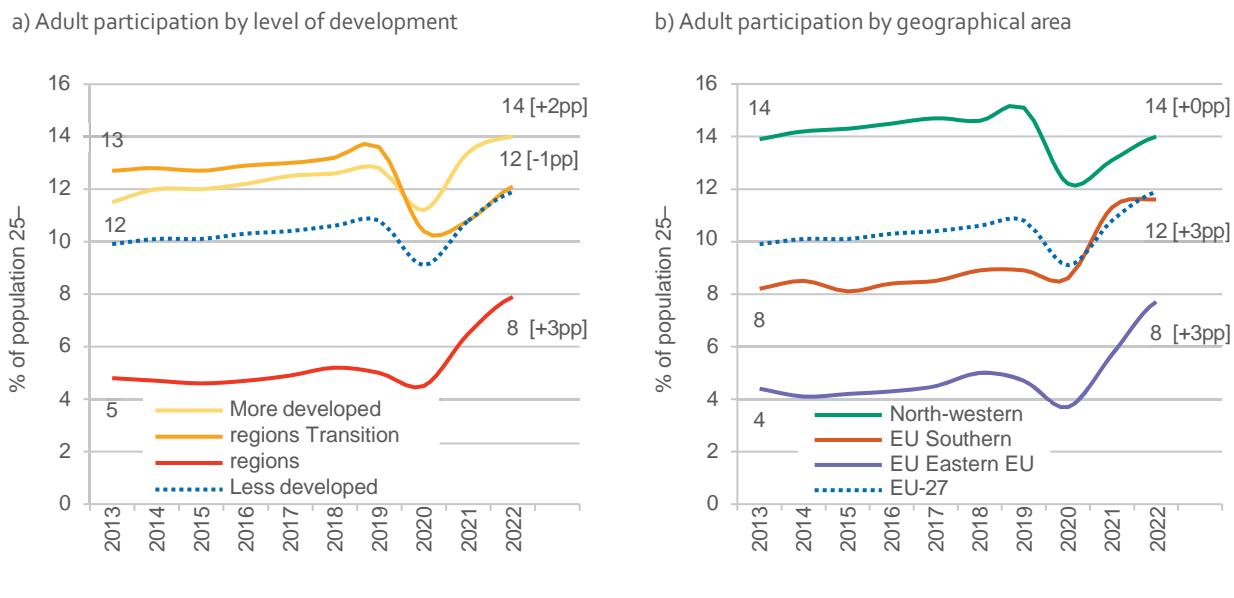
- < 5
- 5 – 7.5
- 7.5 – 10
- 10 – 15
- 15 – 25
- > 25
- no data

EU-27 = 11.9  
Source: Eurostat  
(trng\_lfse\_04).

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Figure 2.6 Participation of adults (25-64) in education and training in the past 4 weeks by level of development and by geographical area, 2013–2022



Note: 2021 break in LFS series.

Source: Eurostat [trng\_lfse\_04] and DG REGIO calculations.

it fell by 3.2 pp in 2020 and while it rebounded to 12 %, it was almost 2 pp lower than before the pandemic. Conversely, in less developed regions, where there was not much reduction in 2020, participation increased to 8 % in 2022, some 2.5 pp above its 2019 level (Figure 2.6 and Map 2.8).

Despite the increase in participation in 2022, targeted, region-specific investments are needed to address particular needs and challenges, especially in less developed regions, and especially in eastern and southern countries. Meeting the 2030 skills target<sup>26</sup>, proposed in the European Pillar of Social Rights action plan, of 60 % of adults participating in training every year<sup>27</sup> also requires significant progress across all regions, which is likely to need more affordable education and training, flexible learning opportunities, the development of a culture of life-long learning, and the recognition of the benefits by both employers and employees (Box 2.3).

### 1.3 Access to childcare and education is improving, though with regional differences

The EU has recently revised the Barcelona targets<sup>28</sup> of having at least 45 % of children below the age of 3, and the EU-level target of at least 96 % of children aged 3 to compulsory primary school age, enrolled in early childhood education and care (ECEC) by 2030. In 2021,

57.4 % of children under 3 in the EU were in ECEC and 92.5 % of those between 3 and primary school age. As regards the latter, France, Belgium, Denmark, Ireland, Sweden and Spain, and most of their regions, have already met the 95 % target. The participation rate remained low in 2021 (below 85 %) in all regions in Greece, Croatia, Romania and Bulgaria and it has been declining in the latter two. It is also on average much lower in less developed regions (87.0 %) than in transition (94.9 %) or more developed (93.2 %) ones (Map 2.9)<sup>29</sup>.

16 The target is set based on adult participation in learning activities in the past 12 months.

17 European Commission (2021b).

18 European Union (2022b).

19 European Commission (2023a).

Reducing early school-leavers (those aged 18 to 24 with at most lower-secondary education and not involved in further education or training) should help to improve labour market outcomes and eliminate pockets of socio-economic deprivation. The proportion of early school-leavers in the EU declined

from 11.8 % in 2013 to 9.6 % in 2022, gradually approaching the EU target of 9 % or less by 2030. This decline was more pronounced in less developed regions (by 2.9 pp to 12.0 %) and transition regions (by 2.2 pp to 9.1 %) than in more developed ones (by 1.3 pp to 9.8 %) (Map 2.10).

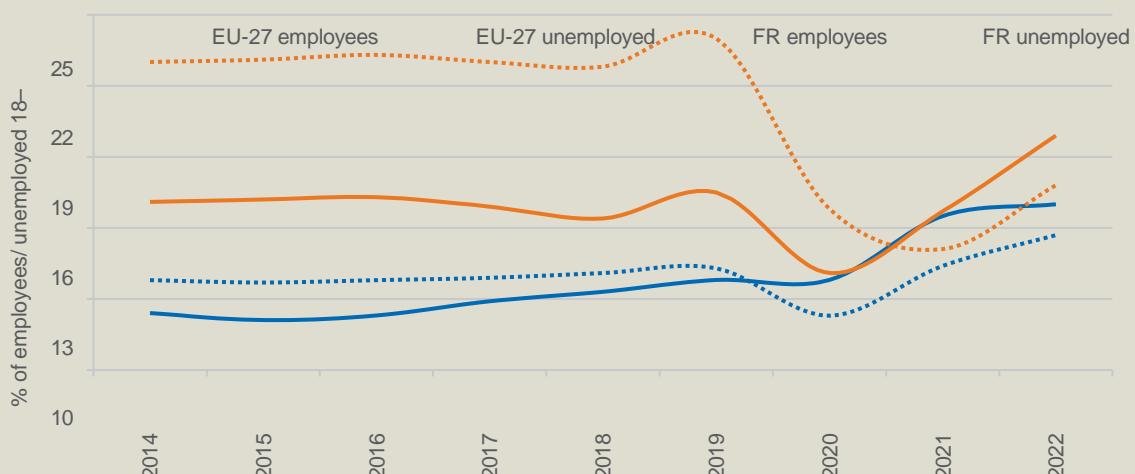
### Box 2.3 Initiatives for skills under the European skills agenda

The European skills agenda<sup>1</sup> aims to strengthen sustainable competitiveness, social fairness, and resilience in the EU. It covers several initiatives that are linked to the European Pillar of Social Rights and its action plan with the goal of having 60 % of people participating in training each year by 2030. The 'pact for skills' programme<sup>2</sup> is designed to support public and private organisations in upskilling and reskilling their workforce, so they can thrive through the green and digital transitions. The implementation of individual learning accounts (ILAs)<sup>3</sup> (at a more advanced stage in France, Belgium, Croatia, Lithuania and Greece) along with the expansion of micro-credentials<sup>4</sup> will play a significant role in achieving the EU-level 2030 goal. The 'year of skills 2023' gave a

fresh impetus to lifelong learning, promoting innovation and competitiveness, participation and empowering people and companies to play an active role in the green and digital transition, while addressing current and anticipated skills and labour shortages.

As an example, the impact of an ILA implemented in France (the CPF compte personnel de formation, designed to support all employees and job-seekers in acquiring new skills), benefits in particular job-seekers whose participation in training over the preceding four weeks recovered from a low of 14 % in 2020 to an unprecedented high of 20 % two years later, the increase being spread across most French regions (Figure 2.7).

Figure 2.7 Participation of employees and the unemployed in education and training in the past four weeks for the EU-27 and France, 2014–2022



Note: Break in LFS series in 2021.

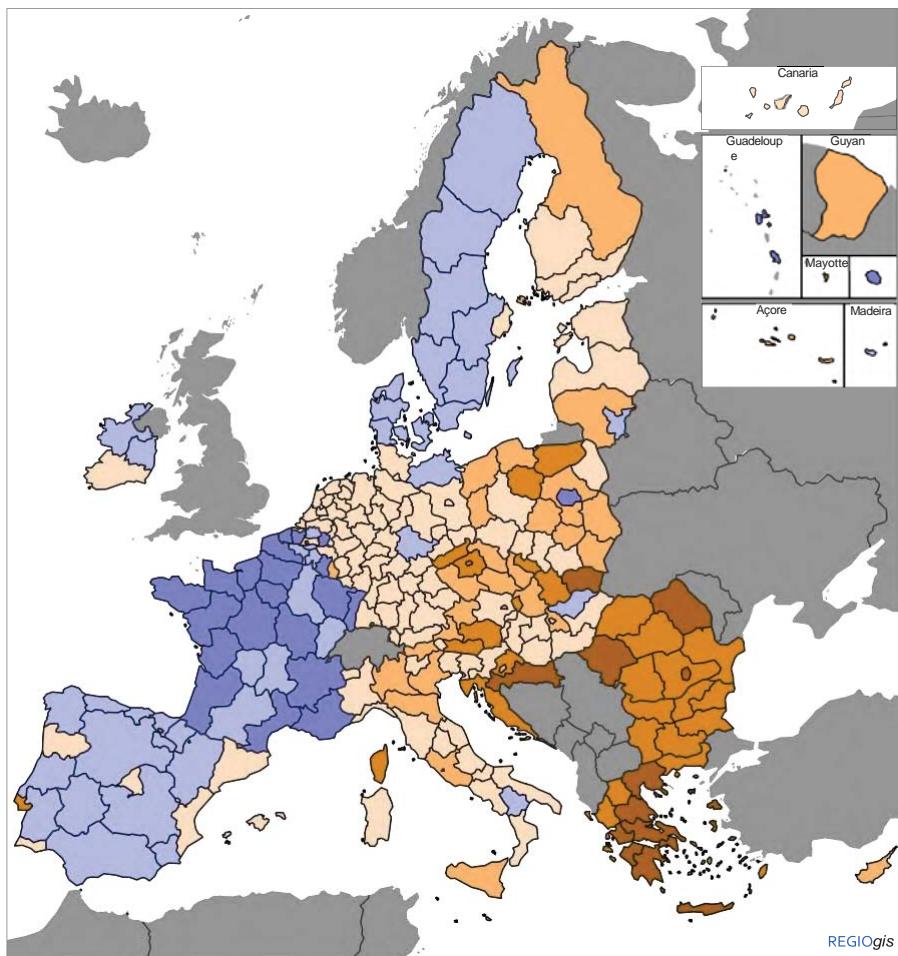
Source: Eurostat [trng\_lfs\_03].

1 European Commission (2020a).

2 [https://pact-for-skills.ec.europa.eu/index\\_en](https://pact-for-skills.ec.europa.eu/index_en)

3 European Commission (2021a).

4 European Union (2022a).



Map 2.9 Participation rates in early childhood education, 2021

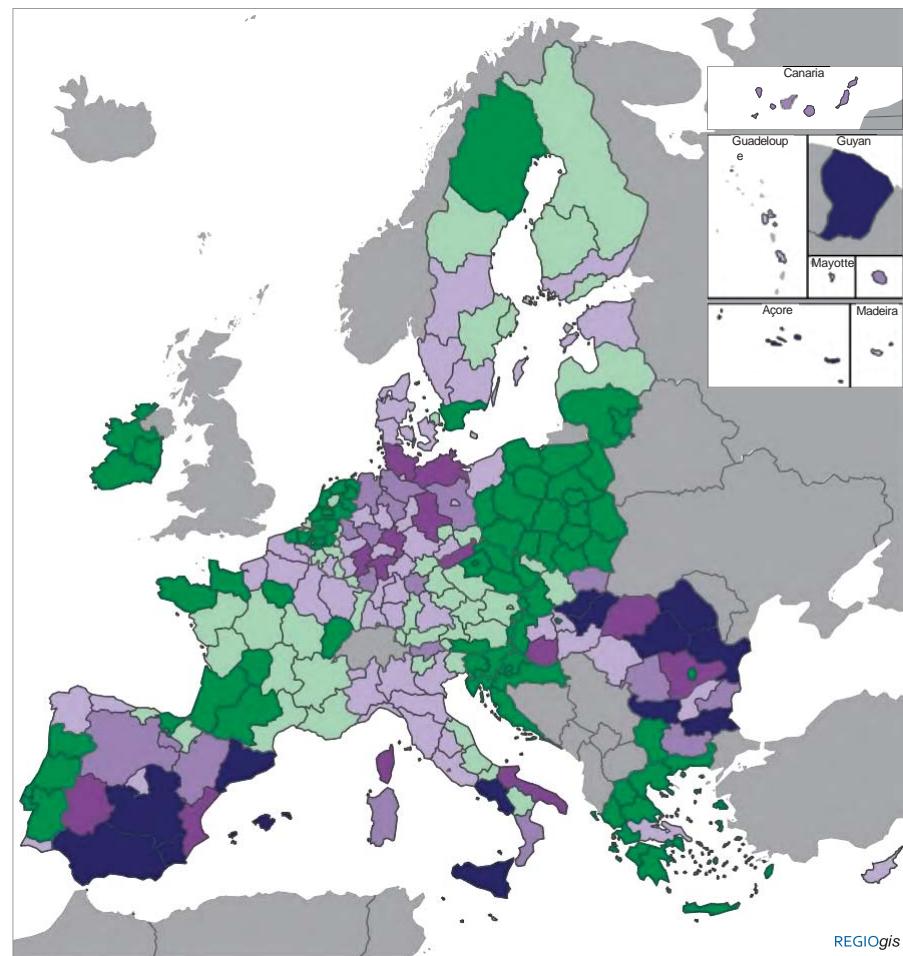
% of children from age 3 to the starting age of compulsory education at primary

< 75	95 – 100
75 – 85	= 100
85 – 90	no data
90 – 95	

EU-27 = 92.5  
Participation in ECEC rate target: 96 % in 2030. EL 2019, DE NUTS 1, NL NUTS 0.  
Source: Eurostat [educ\_uee\_enra22] and DG REGIO

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Map 2.10 Early leavers from education and training, average 2020–2022

% of population aged 18–24

< 7
7 – 9
9 – 12
12 – 14
14 – 16
> 16

EU-27 = 9.8  
Early leavers are people aged 18 to 24 who have completed at most lower-secondary education and are not involved in further education or training.  
The target is less than 9 % by 2030.  
Source: Eurostat [edat\_ifse\_16] and DG REGIO estimates.

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Access to primary school for children varies considerably across regions. The proportion of the population living within a 15-minute walk of a primary school is above 80 % in a number of regions in the south and east of Spain, south and north-west of Italy, the Netherlands, and north of France. It also tends to be higher in capital city regions than in others. The smallest proportion (below 20 %) are in southern and eastern regions in Germany, Croatia, Latvia and Lithuania (see Section 4.4 in Chapter 3).

## 2. Reducing poverty and social exclusion

Increasing employment opportunities through improving skills and productivity tends to lead to higher wages and increased household income, so reducing the number of people AROPE. At the same time, there needs to be support by a tax-benefit

system that alleviates the risk of poverty and exclusion for those unable to work and ensures access to essential services.

The AROPE rate is a multi-faceted concept, encompassing three distinct components relative monetary poverty, severe material or social deprivation, and living in a quasi-jobless household. The rate covers all those falling into any of these categories (Box 2.4).

The AROPE rate declined from 2016 to 2019 (by 2.6 pp) but remained unchanged at 21.6 % from then until 2022 (the latest year for which data are available), when around 95 million people were affected. Certain groups are particularly disadvantaged, such as those with low education, for whom the AROPE rate was 34.5 % in 2022, as opposed to 19.8 % for those with upper-secondary education and 10.5 % for those with tertiary qualifications<sup>30</sup>.

### Box 2.4 AROPE and the 'new' severe material and social deprivation indicator

Individuals identified as being AROPE are those who meet at least one of the following criteria.

- Being at risk of poverty (or relative monetary poverty) – defined as living in a household with equivalised disposable income in the previous year below 60 % of the national median income.
- Being severely materially or socially deprived – defined as unable to afford at least seven of 13 specified items.
- Living in a household with very low work intensity (or being in a quasi-jobless household) – defined as people aged from 0 to 64 living in households where adults\* worked less than 20 % of their total combined working potential during the previous 12 months.

In 2021, the AROPE indicator was modified when a new EU 2030 target was set to better measure deprivation, based on a revised list of items, and to better account for social exclusion.

The revised list of deprivation items covers the following.

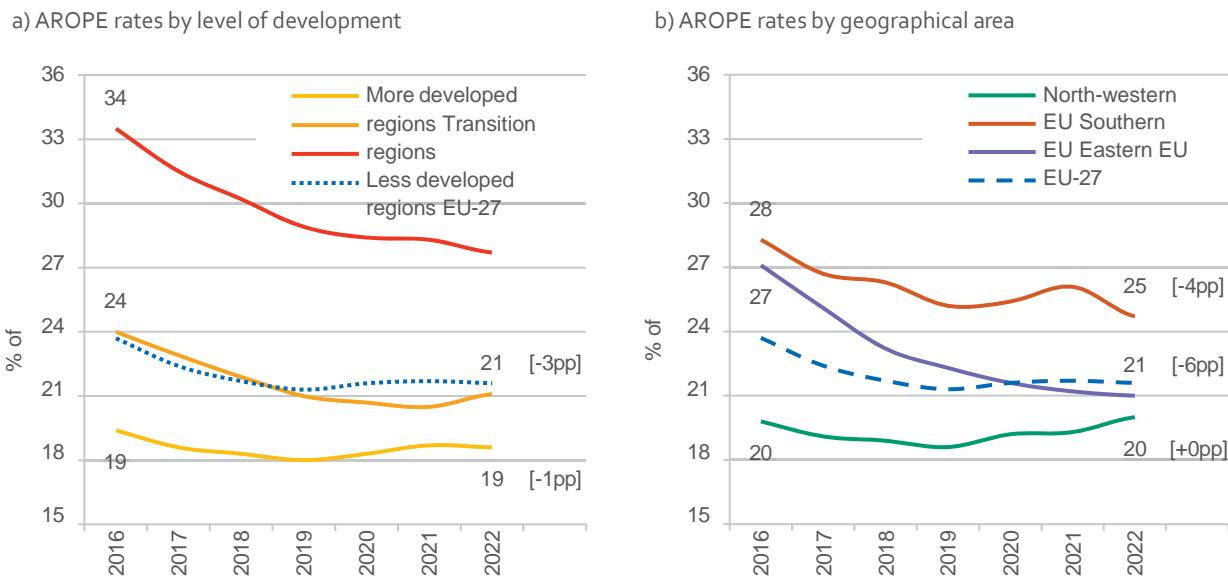
- At household level: the capacity to face unexpected expenses; to afford one week of annual holiday away from home; to meet payment arrears (on mortgage or rental payments, utility bills, hire purchase instalments or other loan payments); to have a meal with meat, chicken, fish or vegetarian equivalent every second day; to keep the home adequately warm; to access a car/van for personal use; and to replace worn-out furniture.
- At individual level: the ability to afford an internet connection; to replace worn-out clothes by new ones; to have two pairs of properly fitting shoes (including a pair of all-weather ones); to spend a small amount of money each week on themselves; to have regular leisure activities; and to get together with friends/family for a drink/meal at least once a month.

\* Note: Those aged 18–64, but excluding students aged 18–24 and people who are retired according to their self-defined current economic status or who receive any pension (except survivor's pension), as well as people in the age bracket 60–64 who are inactive and living in a household where the main income is pensions.

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20 European Commission (2023a).

Figure 2.8 AROPE rates by level of development and by geographical area, 2016–2022



Note: The charts are for illustrative purposes, and data have been smoothed by DG REGIO. They need to be interpreted with caution. First, there are no regional data available for BE, AT and DE before 2021 and for FR before 2022. Secondly there is a break in the series for DE, DK, FR, IE, LU, north-western EU and EU-27 in 2020.

Source: Eurostat [ilc\_peps13n] and DG REGIO calculations.

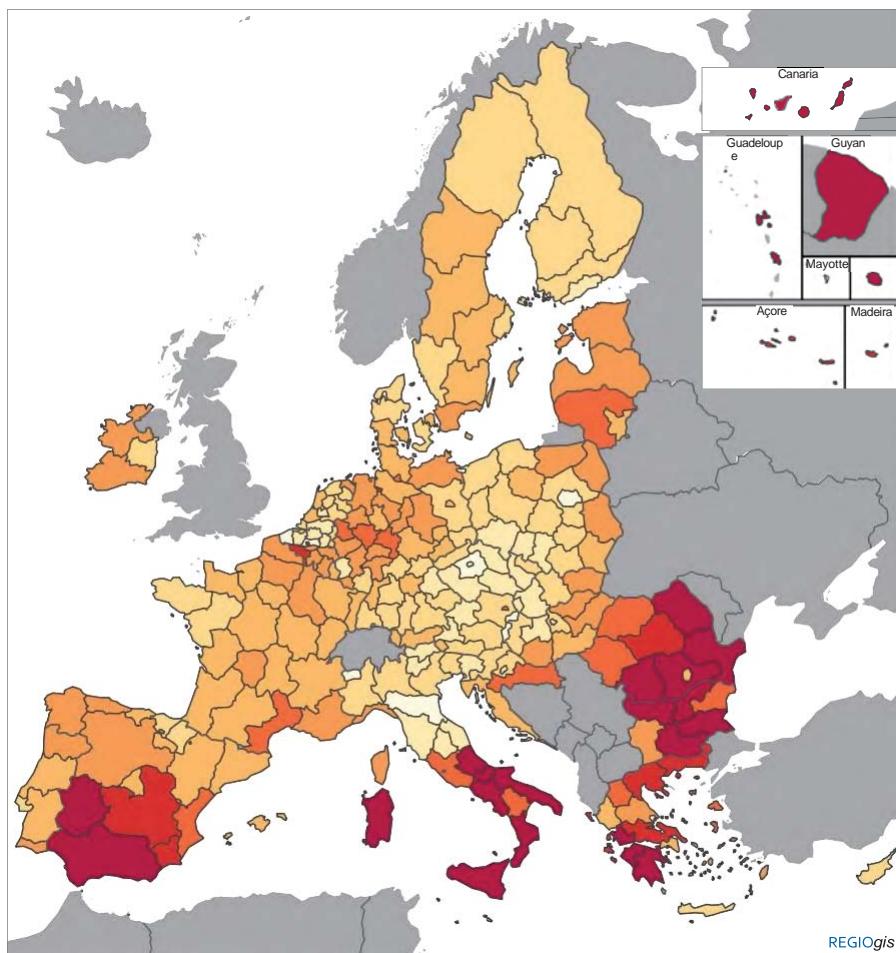
Table 2.4 AROPE rates by category of regions and by level of development and degree of urbanisation, 2016 and 2022

	2016	2022	2016–2022		Gap to EU in 2022 pp	
			% of population			
			pp	pp		
EU-						
More developed regions	23.7	21.6	2.1	-2.1	-3.0	
regions Transition	19.4	18.6	0.2	-0.8	-0.5	
regions	24.0	21.1	2.9	-2.9	6.1	
North-western	33.5	27.7	5.8	+0.2	-1.6	
EU Southern	19.8	20.0	3.5	-3.5	3.1	
EU	28.3	24.7	6.1	-6.1	-0.6	
North-western EU – Cities	27.1	21.0	6.1	+1.5	1.6	
North-western EU – Town and suburbs	21.7	23.2	1.4	+1.4	-2.4	
North-western EU – Rural	17.8	19.2	1.4	-0.9	-5.7	
Southern EU – Cities	16.8	15.9	0.9	-3.7	2.0	
Southern EU – Town and suburbs	27.3	23.6	3.7	-1.9	3.4	
Southern EU – Rural	26.9	25.0	4.9	-4.9	5.1	
Eastern EU – Cities	31.6	26.7	4.9	-5.4	-7.0	
Eastern EU – Town and suburbs	20.1	14.6	5.5	-4.9	-2.3	
Eastern EU – Rural	24.2	19.3	5.1	-6.5	6.3	

Note: 2020 break in EU-SILC series.

Source: Eurostat [ilc\_peps13n], DG REGIO calculations.

## Chapter 2: Social

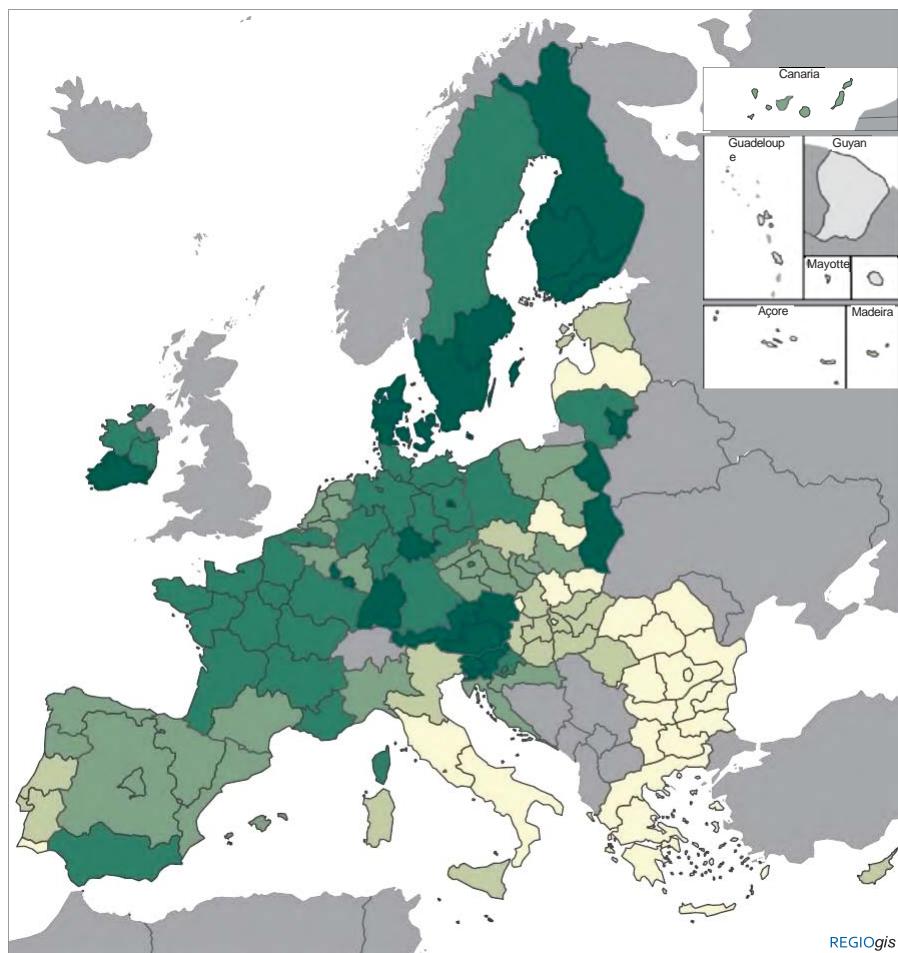


Map 2.11 Population at risk of poverty or social exclusion, 2022 (%)

EU-27 = 21.7  
Source: Eurostat (ilc\_peps11n and  
REGIOfis)

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