

## Regional unemployment: bringing it down and strengthening cohesion

The latest estimates for 2007 show that the unemployment rate in the EU-27 was 7.2%, 1 percentage point less than in 2006. More than 80% of the NUTS 2 regions have reduced their unemployment rates.

Regions with the highest unemployment rates in 2006 achieved the biggest reductions in unemployment in 2007, continuing the positive trend in regional labour market cohesion over the last five years. Nevertheless, unemployment figures still vary significantly across the regions in the EU-27.

### Unemployment in EU-27 regions

Both unemployment and regional labour market disparities have decreased over the last five years (Figures 1 and 2).

Regional unemployment rates range from 2.1% in Zeeland (NL) to 25.2% in Réunion (FR). The highest unemployment rates were recorded in the French Overseas Departments and in the two Spanish Autonomous Cities, all with unemployment rates above 18%. The lowest unemployment rates were recorded in the Netherlands, Austria, north of Italy and in the region of Praha. Low unemployment rates were also found in the United Kingdom, Denmark and Ireland.

Regions with the highest unemployment rates had the steepest drops in unemployment, and therefore the dispersion of regional unemployment rates has fallen. Some regions saw a more gradual increase in unemployment rates. The greatest increase from 2006 to 2007 was 4.8 percentage points in Ciudad Autónoma de Melilla (ES), followed by Região Autónoma da Madeira (PT), at 1.4 percentage points, but more than twenty regions recorded falls by over 3 percentage points. In fact, every region with more than 15% unemployment rates in 2006 saw a decrease in 2007.

Figure 1: EU-27 unemployment rates

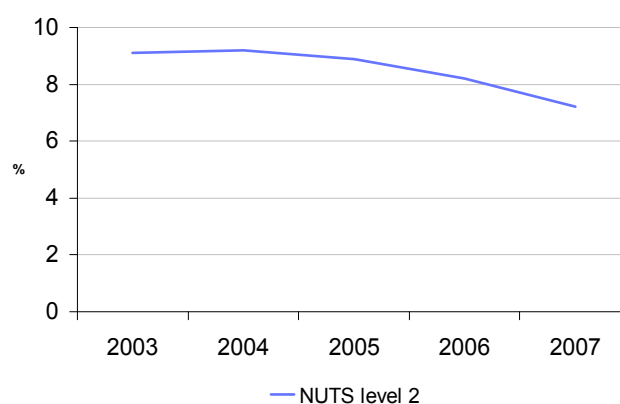
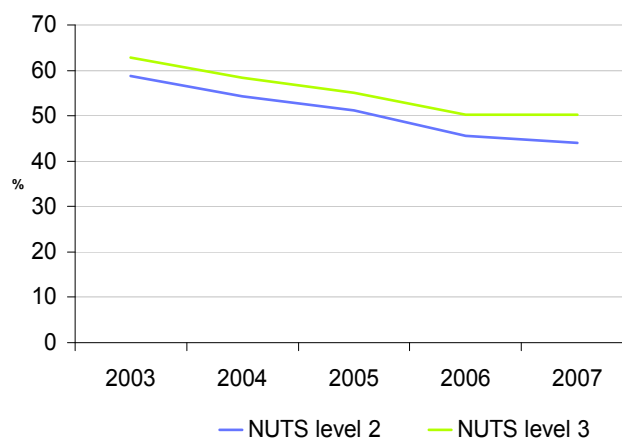
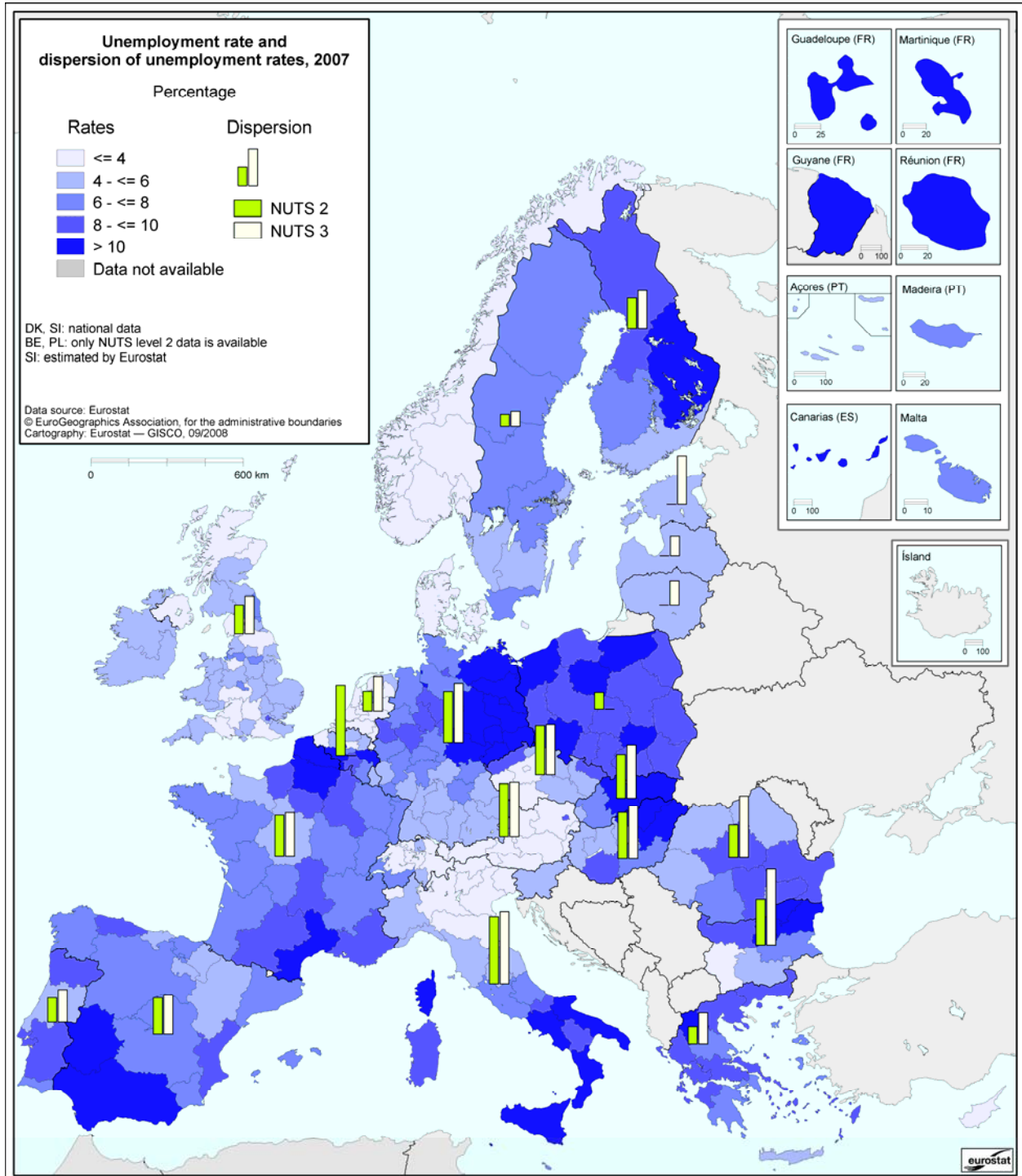


Figure 2: EU-27 dispersion of unemployment rates



**Map 1 :Unemployment rate and dispersion of unemployment rates, 2007**



Map 1 shows the distribution of unemployment rates by NUTS 2 regions as well as the dispersion of unemployment rates at NUTS level 2 and 3. The year 2007 saw a reduction in regional unemployment and an increase in regional cohesion but marked differences between EU-27 regions persist.

Map 1 also shows the countries with similar unemployment rates across regions, such as Poland and Sweden. Other countries record differing levels of regional unemployment rates, like Italy and Belgium, which have a marked distinction between northern and southern regions. Differences between NUTS level 3 regions in

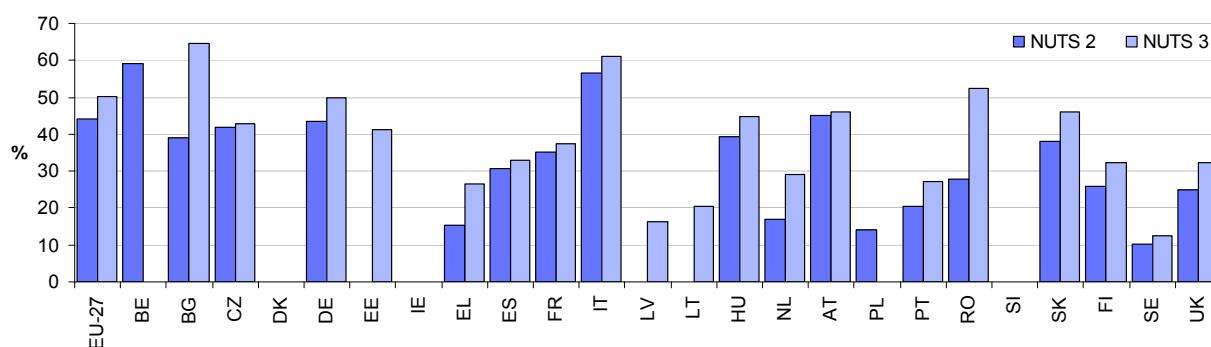
Romania and Bulgaria are significant, meaning that NUTS 3 unemployment rates are fairly heterogeneous to those in NUTS level 2 regions.

The dispersion of unemployment rates in NUTS level 2 regions in the EU-27 stood at 44.1%, 1.5 percentage points less than the previous year. At NUTS level 3, the dispersion was 50.3%, 0.1 percentage points higher than in 2006.

The number of underperforming regions regarding unemployment (regions with unemployment rates 1.5 times greater than the average EU-27 unemployment rate) fell from 44 in 2006 to 38 in 2007. As such, the

percentage of EU-27 active population living in regions where unemployment is relatively high fell 4.4 percentage points from last year to 12.7%.

**Figure 1 :Dispersion of unemployment rates, by country, 2007**



**Table 1 :Dispersion of unemployment rates at NUTS level 2 and 3**

	Dispersion of unemployment rates, NUTS level 2					Dispersion of unemployment rates, NUTS level 3				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
EU27	58.7	54.3	51.1	45.6	44.1	62.9	58.3	55.1	50.2	50.3
BE	43.5	48.1	48.4	55.1	59.2	45.9	50.4	50.5	57.2	:
BG	22.0	21.5	20.6	26.3	39.1	33.7	39.6	47.0	46.6	64.5
CZ	41.9	41.6	45.8	44.6	41.9	44.6	43.8	46.5	46.1	42.7
DK	:	:	:	:	:	:	:	:	:	:
DE	45.8	44.6	39.6	39.2	43.5	49.5	48.6	44.6	44.3	49.8
EE	-	-	-	-	-	27.7	32.8	33.8	37.0	41.2
IE	-	-	-	-	-	16.6	16.1	16.6	14.4	:
EL	15.9	18.4	18.3	14.0	15.2	30.8	28.9	29.9	26.7	26.6
ES	32.3	31.7	30.2	29.1	30.6	37.2	37.3	33.8	31.7	33.0
FR	37.1	35.8	34.8	35.3	35.2	39.3	37.8	36.8	37.4	37.4
IT	78.0	61.8	59.9	57.1	56.7	83.5	66.6	63.3	61.6	61.0
CY	-	-	-	-	-	-	-	-	-	-
LV	-	-	-	-	-	20.5	10.6	23.4	27.2	16.2
LT	-	-	-	-	-	17.0	15.5	20.7	19.7	20.3
LU	-	-	-	-	-	-	-	-	-	-
HU	32.6	27.6	26.9	31.8	39.4	36.7	31.9	29.9	35.8	44.8
MT	-	-	-	-	-	-	-	-	-	-
NL	10.7	12.2	15.1	14.8	16.9	21.6	20.4	24.5	23.9	29.1
AT	42.3	40.6	39.6	44.2	45.0	43.3	41.8	40.8	45.2	46.1
PL	15.8	15.9	14.6	12.1	14.2	28.0	25.8	25.4	23.6	:
PT	29.6	25.1	22.3	21.0	20.3	34.9	32.7	30.3	28.5	27.1
RO	13.9	17.6	17.3	22.7	27.7	37.1	41.5	42.5	47.3	52.4
SI	-	-	-	-	-	:	:	:	:	:
SK	26.7	30.8	36.7	37.8	38.0	35.5	37.1	42.3	43.4	46.1
FI	22.0	21.3	21.9	23.9	25.8	30.4	28.5	31.6	32.3	32.3
SE	15.8	13.0	12.5	11.9	10.1	18.4	15.3	14.9	14.2	12.6
UK	30.5	31.5	26.4	25.8	24.8	37.6	39.0	34.1	32.5	32.4

Notes:

: Data not available

- Not applicable

## More jobs and fewer young people unemployed

The EU-27 youth unemployment rate was 15.6% in 2007, 1.8 percentage points less than the previous year. This reduction was mainly driven by an increase in employment in this age group, especially among young women. While the employment rate in this age group increased by 0.8 percentage points from 2006, the activity rate fell by only 0.1 percentage points.

Six Member States saw youth unemployment rise, but by no more than 0.5 percentage points. All other Member States saw a reduction in youth unemployment, the greatest reductions being in Poland by 8.4 percentage points, the Czech Republic by 6.8 and Slovakia by 6.3.

Youth unemployment is positively correlated with overall unemployment, which means that in most cases, high youth unemployment exists in regions with high overall unemployment. But this is not the case in all regions. In some regional labour markets, young people appear to have particular difficulties finding a job, since the figures for youth unemployment rate are relatively high compared to the region's overall unemployment rate. The region with the most significant difference was Åland (FI) with an overall unemployment rate of 2.9%, but a youth unemployment rate of 17.1%. Friuli-Venezia Giulia (IT), Prov. Vlaams-Brabant (BE), Liguria (IT), Βόρειο Αττική (EL) and Corsica (FR) are also regions with relatively high youth unemployment compared to the region's overall unemployment rate.

Figure 4 : Youth employment rate

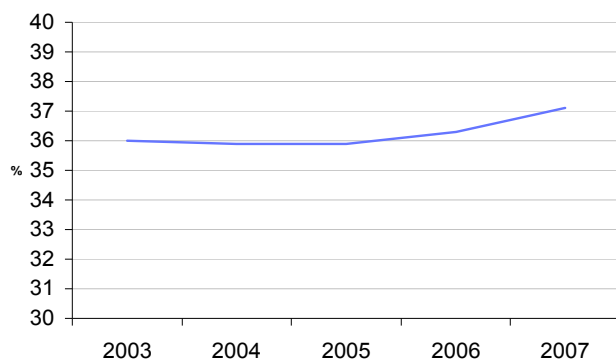


Figure 5 : Youth unemployment rate

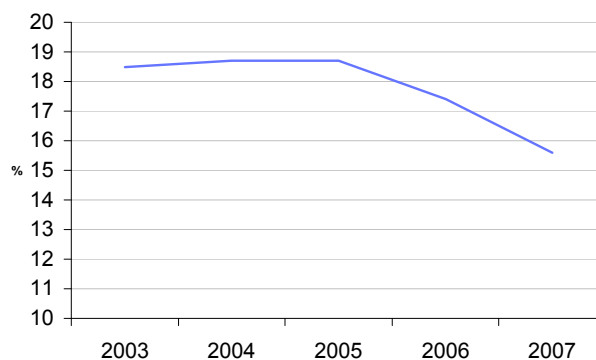


Table 2: Lowest and highest youth unemployment rates, by gender

	Total			Male			Female		
	2006	2007	Change	2006	2007	Change	2006	2007	Change
<b>EU-27</b>	<b>17.4</b>	<b>15.6</b>	<b>-1.8</b>	<b>17.1</b>	<b>15.3</b>	<b>-1.8</b>	<b>17.8</b>	<b>15.9</b>	<b>-1.9</b>
Gelderland (NL)	5.2	4.9	-0.3	(4.8)	(4.7)	-0.1	5.6	(5.2)	-0.4
Utrecht (NL)	5.8	5.0	-0.8	(6.0)	(4.3)	-1.7	(5.6)	(5.6)	0.0
Freiburg (DE)	6.5	5.1	-1.4	6.6	u	-	u	u	-
Overijssel (NL)	6.0	5.1	-0.9	(5.2)	(4.3)	-0.9	(6.9)	(6.0)	-0.9
Noord-Brabant (NL)	5.0	5.2	0.2	4.6	5.0	0.4	5.5	5.4	-0.1
Noord-Holland (NL)	6.5	5.6	-0.9	6.0	5.2	-0.8	7.0	6.0	-1.0
Jihozápad (CZ)	11.4	6.0	-5.4	8.4	5.1	-3.3	15.6	7.2	-8.4
Schwaben (DE)	7.8	6.5	-1.3	7.8	u	-	u	u	-
Praha (CZ)	8.0	6.6	-1.4	11.3	8.5	-2.8	4.9	4.4	-0.5
Oberbayern (DE)	7.0	6.6	-0.4	8.1	7.1	-1.0	5.9	6.1	0.2
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Calabria (IT)	35.5	31.6	-3.9	31.3	27.6	-3.7	43.1	39.4	-3.7
Puglia (IT)	32.2	31.8	-0.4	28.8	30.2	1.4	37.6	34.6	-3.0
Campania (IT)	35.4	32.5	-2.9	31.1	30.7	-0.4	41.6	35.4	-6.2
Sardegna (IT)	31.0	32.5	1.5	26.1	25.6	-0.5	39.0	43.3	4.3
Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest (BE)	35.3	34.4	-0.9	34.4	32.9	-1.5	36.2	36.4	0.2
Prov. Hainaut (BE)	36.8	34.5	-2.3	32.1	27.0	-5.1	43.0	43.6	0.6
Sicilia (IT)	39.0	37.2	-1.8	35.1	32.4	-2.7	45.3	45.8	0.5
Martinique (FR)	(56.1)	(47.8)	-8.3	(50.6)	(54.1)	3.5	(62.6)	u	-
Réunion (FR)	50.4	50.0	-0.4	51.9	50.1	-1.8	48.4	49.8	1.4
Guadeloupe (FR)	59.9	(55.7)	-4.2	(57.8)	(62.5)	4.7	(62.8)	u	-

Notes:

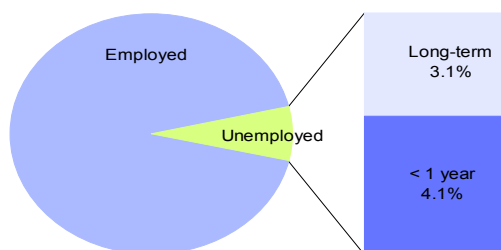
( ) Data with reduced reliability due to small sample size  
u Data not published due to small sample size

## Significant reduction in the long-term unemployment share

The long-term unemployment share stood at 43.0%, a significant decrease of 2.7 percentage points compared with the previous year. The reduction in unemployed persons seeking a job for more than one year has fallen for five years.

The long-term unemployed represent 3.1% of the active population which, added to the 4.1% of unemployed persons that find a job within one year, makes the overall unemployment rate of 7.2% (Figure 4).

**Figure 6 : Employed and unemployed, 2007**

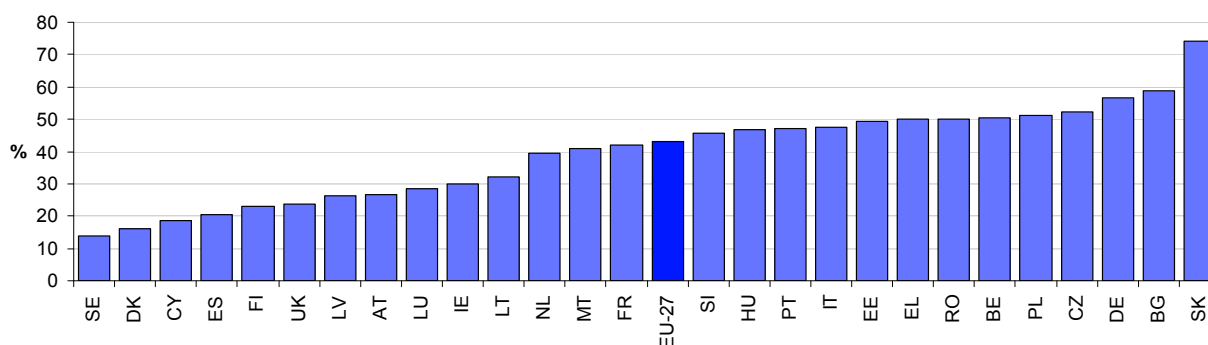


Not all Member States recorded the same downward trend in the share of long-term unemployment. Actually, 12 out of 27 recorded significant increases over the last five years, such as Portugal, Netherlands and Slovakia. Lithuania, Latvia, Spain, Romania and Italy saw the opposite, with a more than 10 percentage points reduction in the share of unemployed persons seeking a job for more than one year.

The share of long-term unemployment in NUTS 2 regions varied quite considerably, from 9.1% in Sydsverige (SE) to 85.4% in Martinique (FR). This variation is mainly due to differences at country level. The share of regional long-term unemployment closely reflects the level in that country. Differences at regional level are much higher between regions in different countries than within the same country. France and Spain are two exceptions to this general trend, having a few regions with a significantly different share of long-term unemployment. In France, this is the case for the Overseas Departments, with significantly higher shares than in other French regions. In Spain, the two autonomous cities, Ciudad Autónoma de Ceuta and Ciudad Autónoma de Melilla, have higher shares of long-term unemployment than other Spanish regions.

There is a positive correlation between long-term unemployment share and overall unemployment, meaning that countries with high unemployment are more likely to have large shares of long-term unemployed persons. Therefore, long-term unemployment is spread among EU-27 regions in a similar manner to overall unemployment.

**Figure 7 : Long-term unemployment share by Member-State, 2007**



**Table 3: Lowest and highest long-term unemployment share**

	2003	2004	2005	2006	2007	Regional minimum	Regional maximum	
EU27	46.0	45.4	46.1	45.8	43.0	Sydsverige	9.1 Martinique	85.4
BE	45.4	49.0	51.7	51.2	50.4	Prov. West-Vlaanderen	31.5 Prov. Hainaut	60.8
BG	65.4	59.5	59.8	55.7	58.8	Yugozapaden	51.1 Severozapaden	65.3
CZ	48.8	51.0	53.0	54.2	52.3	Praha	36.1 Severozápad	61.1
DK	20.4	21.5	23.4	20.8	16.2			
DE	50.0	51.8	53.1	56.4	56.6	Freiburg	38.5 Leipzig	65.4
EE	45.9	52.2	53.5	48.2	49.5			
IE	32.8	34.9	33.4	32.3	30.0	Southern and Eastern	29.9 Border, Midland and Western	30.2
EL	54.9	53.1	52.2	54.3	50.0	Νότιο Αιγαίο	21.9 Δυτική Μακεδονία	63.0
ES	33.6	32.0	24.5	21.7	20.4	Illes Balears	9.3 Ciudad Autónoma de Ceuta	46.3
FR	40.9	42.1	42.4	43.4	41.9	Alsace	31.6 Martinique	85.4
IT	58.1	49.2	49.9	49.6	47.4	Provincia Autonoma Bolzano/Bozen	23.0 Sicilia	60.9
CY	23.9	28.0	23.5	19.3	18.6			
LV	41.4	43.8	46.0	36.2	26.4			
LT	48.0	51.2	52.5	44.3	32.0			
LU	24.7	21.0	26.4	29.5	28.7			
HU	41.1	44.0	45.1	45.1	46.8	Közép-Dunántúl	41.2 Közép-Magyarország	51.4
MT	41.5	46.8	46.4	40.2	41.1			
NL	27.8	34.2	40.2	43.1	39.4	Zeeland	32.1 Overijssel	44.2
AT	26.4	27.5	25.3	27.4	26.8	Tirol	13.2 Wien	34.4
PL	56.0	54.0	57.7	56.3	51.3	Lubuskie	34.1 Warmińsko-Mazurskie	59.3
PT	35.0	44.3	48.2	50.2	47.1	Alentejo	35.8 Norte	52.6
RO	61.9	58.9	56.3	57.8	50.0	Nord-Vest	42.7 Vest	53.3
SI	52.9	51.5	47.4	49.3	45.7			
SK	65.2	64.7	71.9	76.3	74.2	Bratislavský kraj	53.6 Východné Slovensko	79.5
FI	25.2	24.0	25.8	25.2	22.9	Pohjois-Suomi	16.4 Etelä-Suomi	25.0
SE	17.7	19.3	15.4	15.2	13.8	Sydsverige	9.1 Östra Mellansverige	18.8
UK	21.5	20.6	21.1	22.4	23.9	Cornwall and Isles of Scilly	12.1 Northern Ireland	36.6

## Gender gap of 1.3 percentage points in unemployment

Female unemployment followed the same trend as overall unemployment. The difference between female and male unemployment rates was 1.3 percentage points, the same as in 2006.

More than one fifth of EU-27 regions recorded lower unemployment rates for women than for men. This was seen in all NUTS 2 regions in Romania, almost every region in the United Kingdom and about one third of German regions.

There is some correlation between the gender gap in employment rates and unemployment rates. Regions with lower employment rates for women than for men also tend to have higher unemployment rates for women.

Regions where gender gaps are more significant, both for employment and for unemployment, are mainly located in southern countries: Greece, Malta, Spain and Italy tend to have bigger regional gender gaps than other EU-27 regions.

Over the last five years, Greece and Malta did not record any reduction in the gender gap for unemployment, but it is starting to close in Spain and Italy. Regarding employment, the gender gap has begun to close in all of the above mentioned regions.

At the other end of the scale, regions in Sweden, Estonia, Lithuania and Finland have relatively smaller gender gaps compared to other EU-27 regions.

**Table 4 : Lowest and highest youth unemployment rates, by gender**

Region	Male	Female	Difference
Bremen (DE)	14.0	9.3	-4.7
Tees Valley and Durham (UK)	8.1	3.6	-4.5
Berlin (DE)	18.2	14.2	-4.0
South Yorkshire (UK)	8.0	4.0	-4.0
LEater Manchester (UK)	7.7	4.6	-3.1
Centru (RO)	9.7	7.0	-2.7
East Yorkshire and Northern Lincolnshire (UK)	7.3	4.7	-2.6
Sud-Vest Oltenia (RO)	7.9	5.5	-2.4
Merseyside (UK)	8.4	6.2	-2.2
Nord-Est (RO)	6.0	3.9	-2.1
Sud - Muntenia (RO)	9.0	7.3	-1.7
Düsseldorf (DE)	9.3	7.7	-1.6
Övre Norrland (SE)	7.5	5.9	-1.6
Eesti (EE)	5.4	3.9	-1.5
Vest (RO)	6.2	4.8	-1.4
Πελοπόννησος (EL)	4.6	11.9	7.3
Andalucía (ES)	9.5	17.6	8.1
Κεντρική Μακεδονία (EL)	5.4	14.0	8.6
Ανατολική Μακεδονία, Θράκη (EL)	6.1	14.9	8.8
Guyane (FR)	(17.0)	(26.0)	9.0
Basilicata (IT)	6.3	15.3	9.0
Ιόνια Νησιά (EL)	(5.3)	14.6	9.3
Ήπειρος (EL)	5.9	15.7	9.8
Δυτική Ελλάδα (EL)	5.8	15.7	9.9
Extremadura (ES)	9.1	19.0	9.9
Δυτική Μακεδονία (EL)	8.0	18.4	10.4
Στερεά Ελλάδα (EL)	5.0	16.7	11.7
Νότιο Αιγαίο (EL)	(4.5)	17.6	13.1
Ciudad Autónoma de Ceuta (ES)	(15.5)	(28.7)	13.2
Ciudad Autónoma de Melilla (ES)	(12.1)	(28.1)	16.0

Notes:

( ) Data with reduced reliability due to small sample size



## METHODOLOGICAL NOTES

The primary source of regional labour market information is the EU Labour Force Survey (LFS). This survey is a quarterly household sample survey conducted in all 27 Member States of the European Union.

The LFS target population is made up of all persons in private households aged 15 and over. The survey definitions are based on the definitions and recommendations of the International Labour Organisation (ILO). In addition, harmonisation is achieved through the Member States' adherence to common principles of questionnaire design.

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

**Employed persons** are all persons aged 15 and over (16 and over in ES and UK, 15 to 74 in DK, EE, HU, LV, SE and FI) who, during the reference week, worked at least one hour for pay or profit, or were temporarily absent from such work. Family workers are included.

**Unemployed persons** comprise persons aged 15-74 (16 to 74 in ES and UK) who were (all three conditions must be fulfilled simultaneously): 1. without work during the reference week; 2. available for work at the time (i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week); 3. Actively seeking work (i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment), or who found a job to start within a period of at most three months.

The **economically active population** (also labelled active population) comprises employed and unemployed persons.

The **employment rate** means employed persons as a percentage of the population.

The unemployment rate shows unemployed persons as a percentage of the economically active population.

The **dispersion of unemployment rates** is the coefficient of variation of regional unemployment rates.

The coefficient of variation is the ratio between the weighted standard deviation of regional unemployment rates (NUTS level 2 or 3) compared to the national unemployment rate and the national unemployment rate. For the EU-27, regional unemployment rates are compared with EU-27 unemployment rates. This coefficient of variation is multiplied by 100 to make a percentage.

This indicator measures the spread of regional unemployment rates as regards the national or EU-27 unemployment rate. If all the regional unemployment rates of a country are equal, the dispersion is zero. Significant differences between regional unemployment rates within a country imply a fairly wide dispersion of unemployment rates.

An **underperforming region** is a region that has a relatively low employment rate or a relatively high unemployment rate. The thresholds considered are under 90% of the national employment rate and over 150% of the national unemployment rate. To calculate the EU-27 aggregate, the thresholds are under 90% of the EU-27 employment rate and over 150% of the EU-27 unemployment rate.

All regional results presented in the SIF publication concern NUTS level 2 and NUTS level 3 regions.

Down to NUTS level 2, the regional labour market data provided by Eurostat are derived from the LFS. Down to NUTS level 3, LFS data when available or registered employment and unemployment data when LFS is not available are used to break down the NUTS level 2 figures into NUTS level 3, which are used to compute the regional disparity indicators. For more information, see [European Regional and Urban statistics-reference guide](#)

For further information on 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.

For a list of European statistical regions, see

[Ramon - NUTS classification](#)

Since the 1st quarter of 2004, the samples for the Austrian, Italian and Maltese Labour Force Surveys have been spread over all weeks of the quarter. At the same time the sampling and weighting procedures in Greece have been revised in order to improve coverage. The 2003 data for Cyprus refer to the 2nd quarter, while the 2004 data represent annual averages. Consequently, 2004 and 2003 data are not fully comparable for these countries.

## Further information


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Data: [Eurostat Website:](#)

<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

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