

Impact of the crisis on regional unemployment

The economic crisis has dramatically increased the level of unemployment in OECD countries, and youth unemployment has been particularly affected. In 2013, 8% of the OECD labour force was unemployed and the number of youths unemployed is nearly a third higher than in 2007.

The increase in the number of unemployed between 2008 and 2012 has been varied not only among countries but also within countries. More than 40% of the increased unemployment was concentrated in just one region in Korea, the Netherlands, Chile, Austria, Hungary, Japan, Greece and Canada (Figure 4.18). In some cases, the high contribution to the increase of national unemployment is due to the size of the region, for example Capital Region in Korea, while in other cases is due to the growth of unemployment in the region, for example Andalusia (Spain).

Significant differences in youth unemployment rates across regions are observed. According to the Gini index, Switzerland, Austria and the Slovak Republic were the countries with the largest regional disparities in youth unemployment rate in 2012.

Definition

Unemployed persons are defined as those who are without work, who are available for work and have taken active steps to find work in the last four weeks.

The unemployment rate is defined as the ratio between unemployed persons and labour force, where the latter is composed of unemployed and employed persons.

The youth unemployment rate is defined as the ratio between unemployed persons aged between 15 and 24 and the labour force in the same age class.

The Gini index is a measure of inequality among all regions of a given country (see Annex C for the formula). The index takes on values between 0 and 1, with zero interpreted as no disparity. It assigns equal weight to each region regardless of its size; therefore differences in the values of the index among countries may be partially due to differences in the average size of regions in each country.

Regional disparities in youth unemployment were reduced in most countries between 2008 and 2012, with the exceptions of Switzerland, Austria, Germany and Chile (Figure 4.19).

Some of this reduction in the regional difference of youth unemployment is due to a worsening in the level of youth unemployment in regions which were relatively better off before the economic crisis. For example, the youth unemployment rate in the regions of Athens (Greece), Tamaulipas (Mexico), Madeira (Portugal) and Extremadura (Spain) has increased no less than 8 percentage points each year in the period 2008-2012. As a result, in 2012 the youth unemployment rates in these regions were 56%, 43%, 49% and 61%, respectively (Figure 4.20).

Source

OECD (2013), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

See Annex B for data sources and country-related metadata.

Reference years and territorial level

2008-12; TL2.

No regional data for youth unemployment in Iceland and Korea. Australia is not included since youth unemployment is available only up to 2007.

Further information

Interactive graphs and maps: <http://rag.oecd.org>.

Figure notes

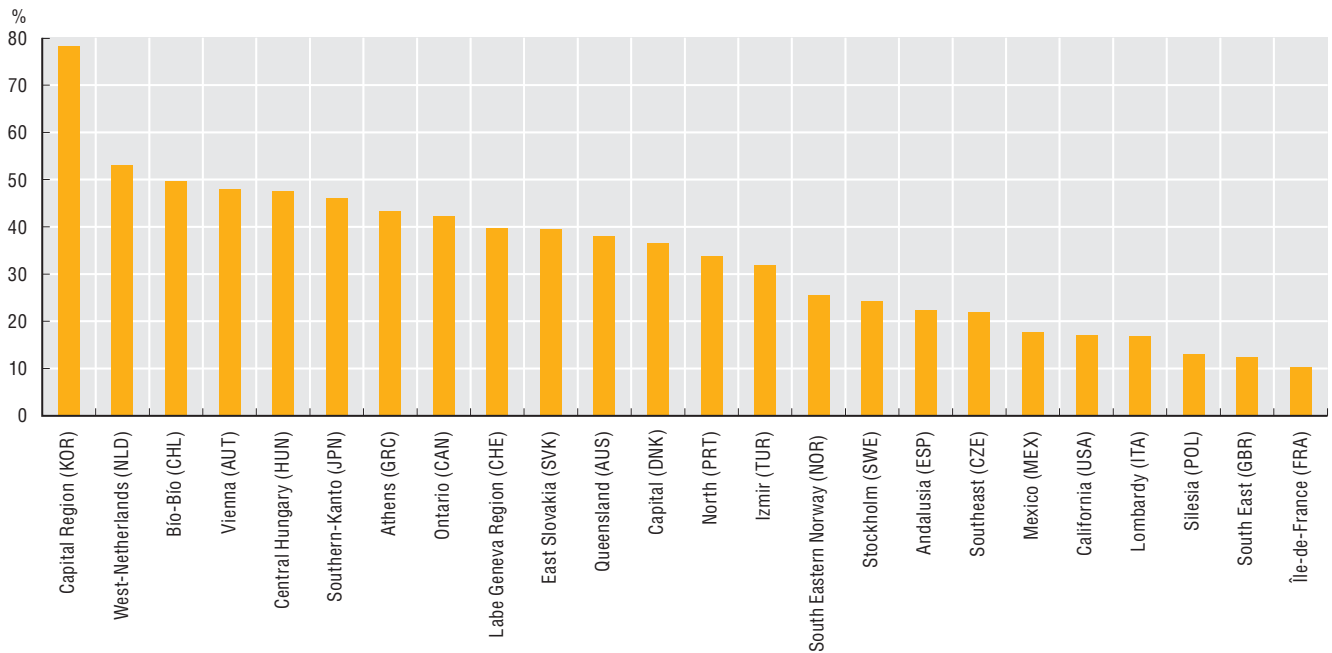
4.18: Only countries with at least four regions and positive increase of unemployed on average in 2008-12. Belgium, Estonia, Finland, Germany, Iceland, Ireland, Israel, Luxemburg, New Zealand and Slovenia are excluded.

4.19: Countries with fewer than four regions are excluded: Belgium, Estonia, Iceland, Ireland, Luxemburg, New Zealand and Slovenia.

4.20: Only countries with positive increase of youth unemployed on average in 2008-12. Chile, Germany, Israel and Turkey are excluded.

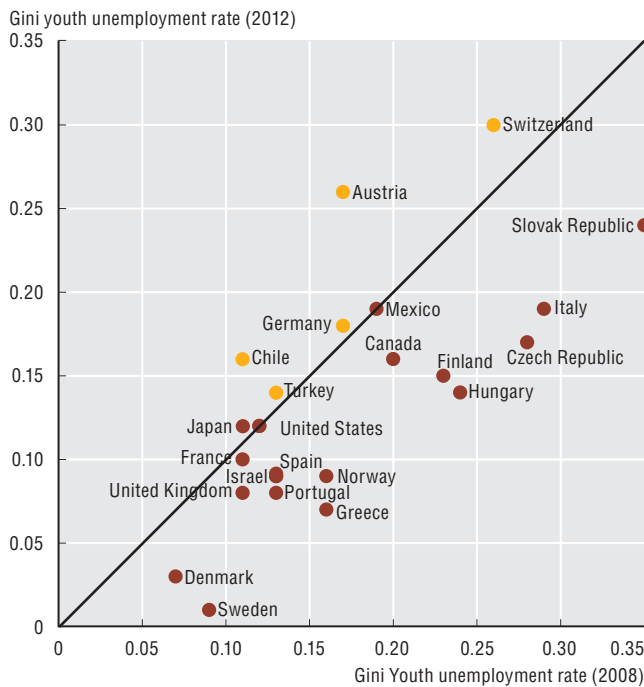
Information on data for Israel:
<http://dx.doi.org/10.1787/888932315602>.

4.18. Regional (TL2) contribution to increase of national unemployment, 2008-2012, top region by country



StatLink <http://dx.doi.org/10.1787/888932914463>

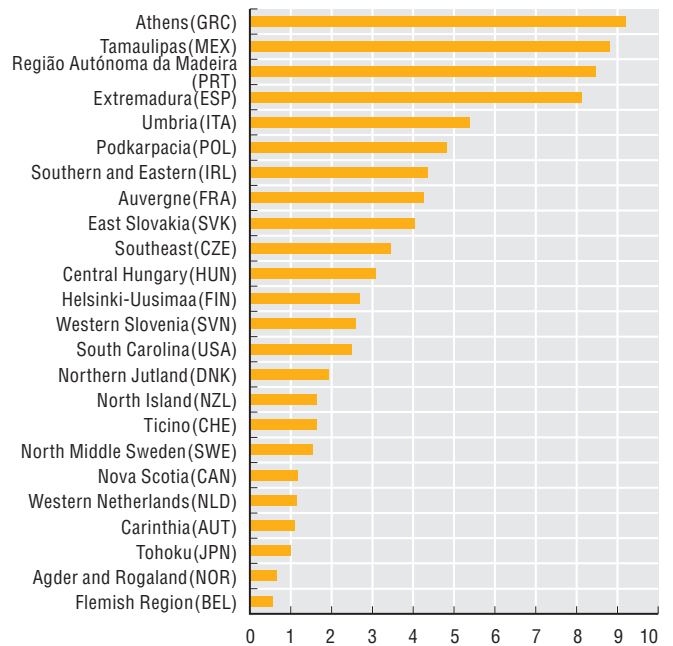
4.19. Gini index of TL2 regional youth unemployment rate, 2008 and 2012



StatLink <http://dx.doi.org/10.1787/888932914482>

4.20. Region (TL2) with largest increase in youth unemployment rate, 2008-2012, by country

Average annual youth unemployment rate change, percentage points



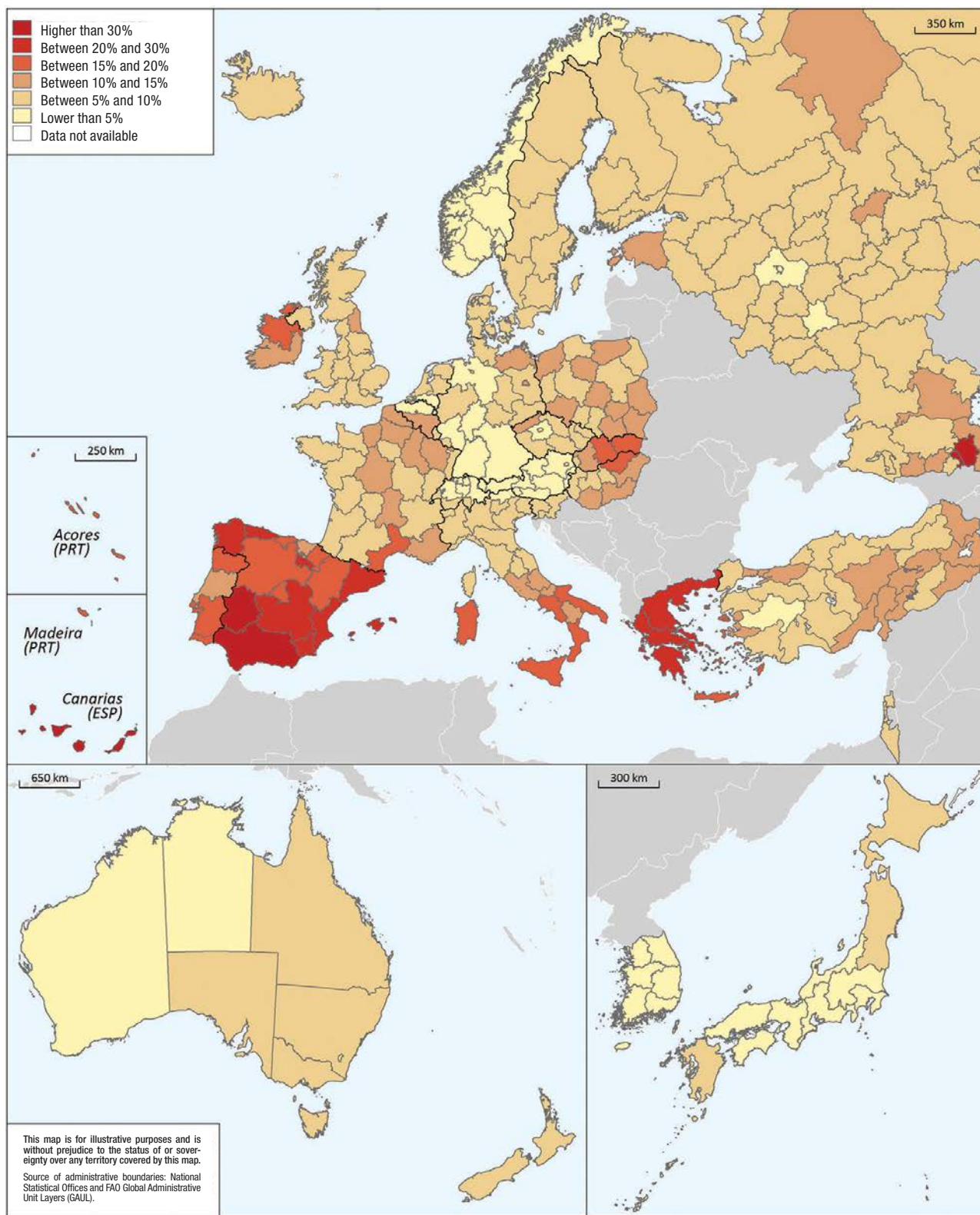
StatLink <http://dx.doi.org/10.1787/888932914501>


4. INCLUSION AND EQUAL ACCESS TO QUALITY SERVICES IN REGIONS

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4.21. Regional unemployment rates: Europe, Asia and Oceania, 2012

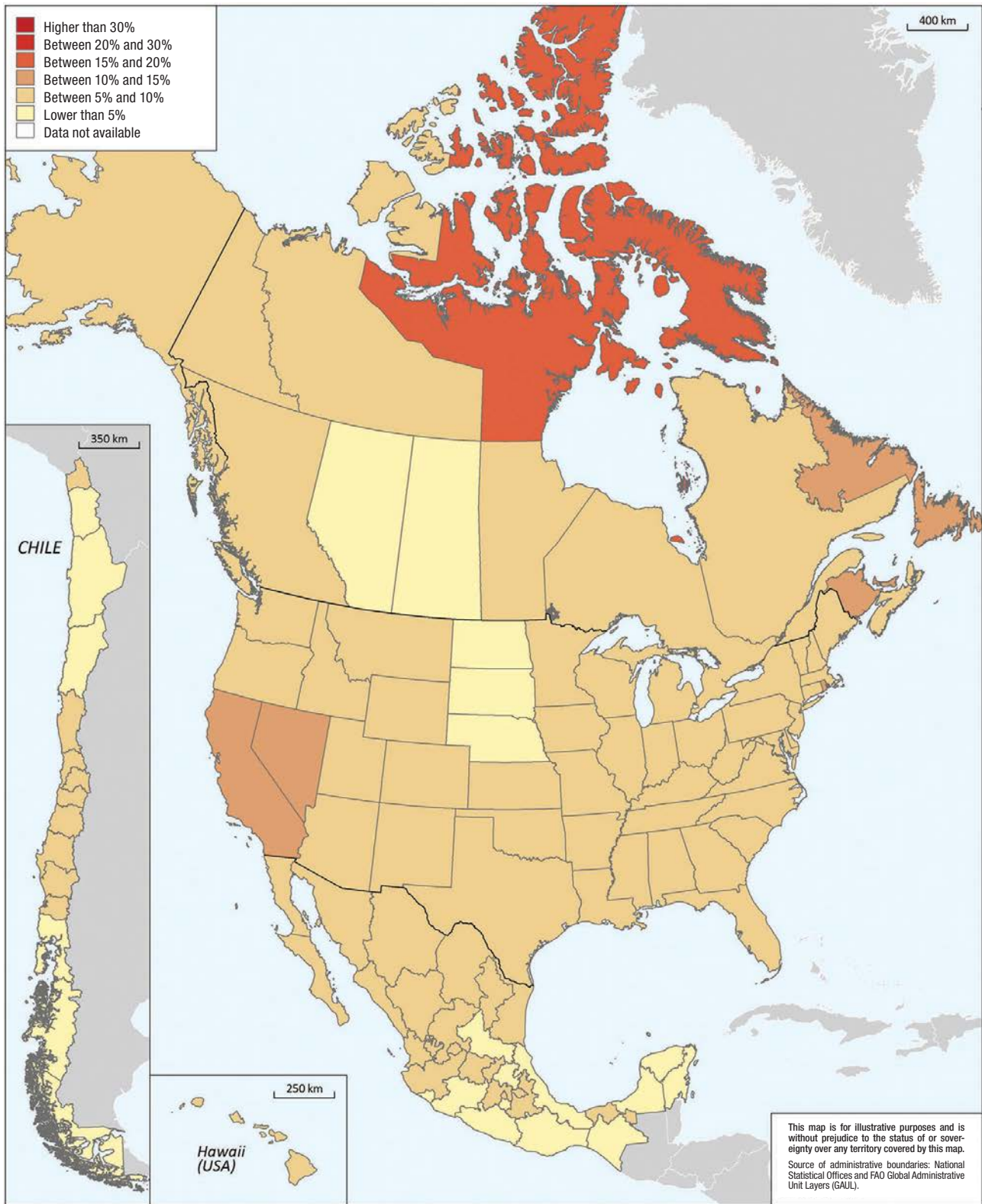
TL2 regions



StatLink  <http://dx.doi.org/10.1787/888932915660>

4.22. Regional unemployment rates: Americas, 2012

TL2 regions



StatLink <http://dx.doi.org/10.1787/888932915679>



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