

### Regional disparities in unemployment and youth unemployment

Unemployment has soared in OECD countries in recent years, from 5.6% in 2007 to 8% in 2013. In 2012, regional differences in unemployment rates within OECD countries were almost two times higher (32 percentage points) than differences among OECD countries (18 percentage points).

Regional disparities in unemployment were already high before the economic crisis in countries such as the Slovak Republic, Finland, Italy and the Czech Republic (Figure 4.14).

Overall the economic downturn has aggravated problems of the most fragile regions. Among OECD countries in 2012 the largest regional disparities in unemployment rates were found in Spain, Italy, the Slovak Republic, Belgium and Canada (Figure 4.15).

Among the unemployed, the long-term unemployed (i.e. those who have been unemployed for 12 months or more) are of particular concern to policy makers because such individuals become increasingly unattractive to employers.

In 2011, in almost 50% of the regions considered, one out of three unemployed was out of the labour market for more than a year (Figure 4.16). Similarly, the long-term unemployment rate showed large regional variations not only in dual economies such as Italy, but also in the Slovak Republic, Spain, Belgium, Greece and Hungary.

#### Definition

Unemployed persons are defined as those who are without work, 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 long-term unemployment rate is defined as the ratio of those unemployed for 12 months or more out of the total labour force.

The incidence of long-term unemployment is defined as the ratio between long-term unemployed and total unemployed.

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.

Young people have been hit the hardest by the economic crisis. Youth unemployment in OECD countries increased from 12.2% in 2007 to over 16% in 2012. Moreover, disparities in youth unemployment within countries have been accentuated by the crisis (see next chapter).

Youth unemployment is of particular concern in Spain, Italy, Mexico, Greece, Poland, Portugal and the Slovak Republic, where regional differences are high and some regions display a youth unemployment rate over 40% (Figure 4.17). These regions in European countries display also higher than average early leavers from education and training, suggesting the need for specific policies to improve the employability of these people through training and apprenticeship.

#### Source

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

See Annex B for data, source and country-related metadata.

#### Reference years and territorial level

2008-12; TL2.

Last available year for regional long-term unemployment: 2011. No regional data for youth unemployment in Iceland and Korea.

Australia is not included due to lack of data on comparable years.

No regional data for long-term unemployment in Iceland, Japan, Korea, Mexico and the United States.

#### Further information

OECD (2010), *Off to a Good Start? Jobs for Youth*, OECD Publishing, <http://dx.doi.org/10.1787/9789264096127-en>.

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

#### Figure notes

4.14: Countries with fewer than four regions are excluded: Belgium, Estonia, Iceland, Ireland, Luxemburg, New Zealand and Slovenia. Portugal: Due to changes in the LFS data collection methodology, values from 2011 are not directly comparable with those from previous years.

Available years: Israel, Iceland, Japan, Mexico and Turkey 2008-11; Chile 2010-12.

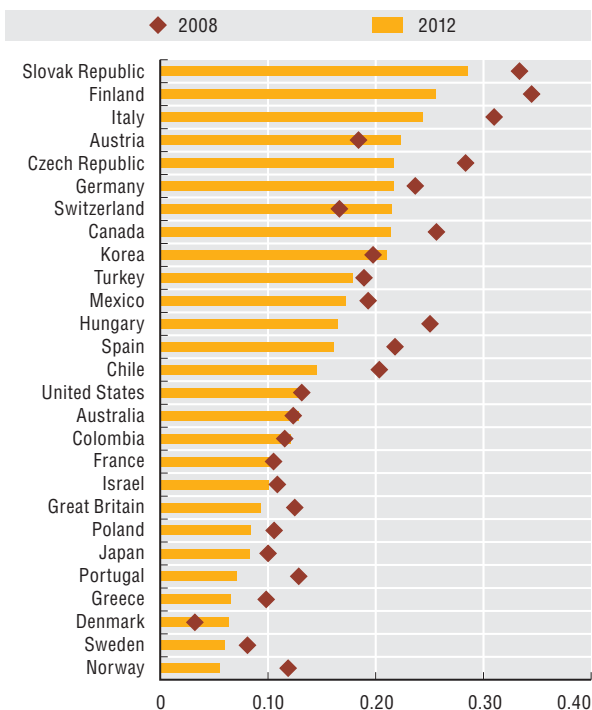
4.15-4.17: Each observation (point) represents a TL2 region of the countries shown in the vertical axis.

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

## 4. INCLUSION AND EQUAL ACCESS TO QUALITY SERVICES IN REGIONS

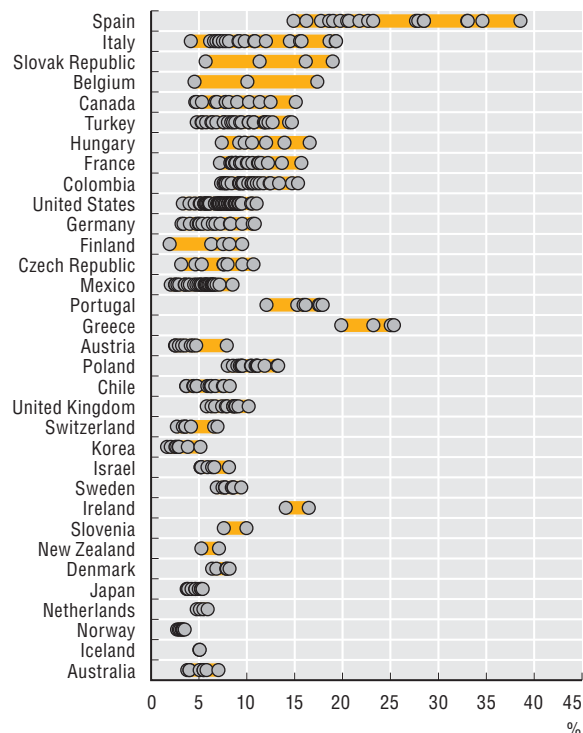
### Regional disparities in unemployment and youth unemployment

**4.14. Gini index of TL2 regional unemployment rates, 2008 and 2012**



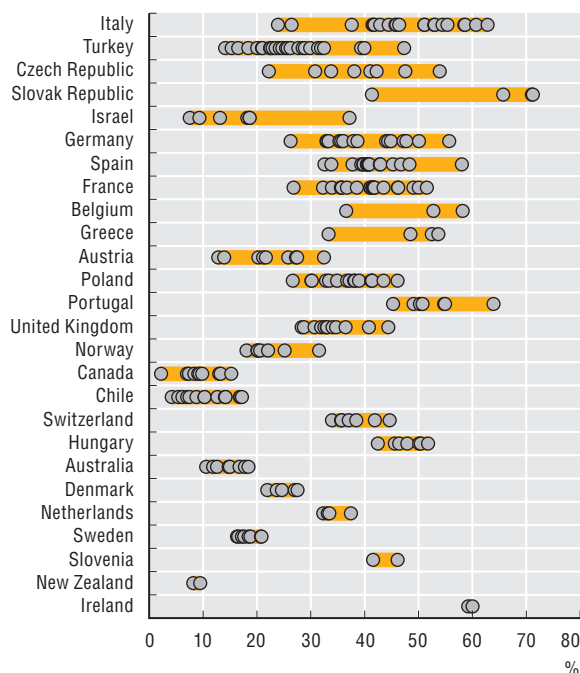
StatLink <http://dx.doi.org/10.1787/888932914387>

**4.15. TL2 regional variation in the unemployment rate, 2012**



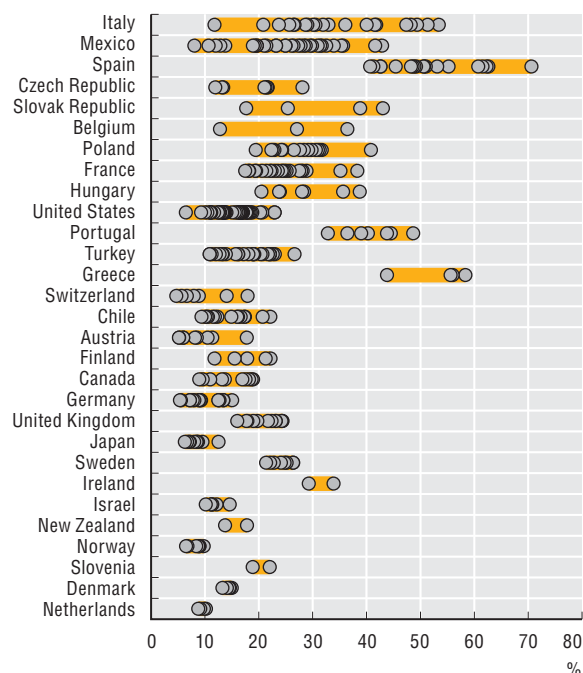
StatLink <http://dx.doi.org/10.1787/888932914406>

**4.16. TL2 regional incidence of long-term unemployment as a % of total unemployment, 2011**

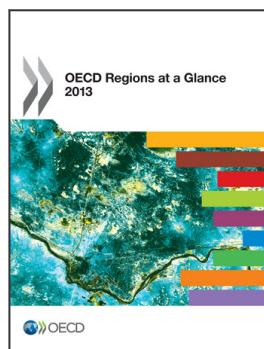


StatLink <http://dx.doi.org/10.1787/888932914425>

**4.17. TL2 regional variation in the youth unemployment rate, 2012**



StatLink <http://dx.doi.org/10.1787/888932914444>



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