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EU Regional Employment Data

1 Introduction

The following paper is a companion paper to NIAR 557-2012. It provides a comparison of major employment data for Northern Ireland and selected EU regions. The data discussed includes:

- Employment;
- Unemployment; and
- Economic Activity rates.

This paper largely compares NUTS 2¹ regions, which are classified via having a population of between 800,000 to 3 million people in order to allow for comparisons.²

There are 271 NUTS 2 regions in the EU 27³ (Northern Ireland is a NUTS 2 region) and as such it was necessary to reduce the number of regions discussed in this paper. Regions were therefore selected based on:

¹ NUTS Region - Nomenclature of Territorial Units for Statistics

² Please note, in some cases (such as Aland, Finland) areas smaller than this prerequisite are defined as NUTS 2 regions. As stated in the EU publication "Regions in the European Union: *Despite the aim of ensuring that regions of comparable size all appear at the same NUTS level, each level still contains regions which differ greatly in terms of area, population, economic weight or administrative powers. This heterogeneity across the Community often simply reflects the situation at Member State level.*

³ Eurostat, Regions in the European Union http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-020/EN/KS-RA-07-020-EN.PDF

- The three top ranked regions;
- The three median ranked regions;
- The three lowest ranked regions.

Also included are the figures for NI and the EU 27. This should therefore provide a range and allow for a fairly accurate picture of how NI compares to other EU27 regions.

3 Key Points

- Of the ten EU regions discussed, for 2011 NI has the fourth highest employment rate and is 2 percentage points higher than the EU average;
- For 2011 the highest level of employment is in Aland with 78% and the lowest is in Campania with 39%. NI's employment rate is 66.1%;
- When considering part time employment, for 2011 NI had a rate of 23% in comparison to a high in Utrecht of over 50%;
- Andalucía, Canarias and Reunion have the highest regional unemployment rate of approximately 30%;
- The majority of selected regions have unemployment levels of between 2.5% and 9.6%, with NI's UR varying between 4.4% in 2006 to 7.2% in 2011;
- The most recent available figures show NI having a UR of 7.6% (June 2012) with an EU27 average of 10.4%;
- Youth unemployment varies across the EU regions, with Ciudad Autonoma de Ceuta (Spain) having the highest rate in 2011 of 65.8%;
- NI had a youth UR of 19.5% in 2011, with the lowest rate in Zeeland of 3.7%. The EU27 had an average figure of 21.9%;
- In 2009, NI had a higher percentage share of long term unemployed than most UK regions. When ranked on 2011 long term UR NI ranks 99th of the 271 NUTS 2 regions; and
- NI's economic activity level is slightly below that of the EU27 average.

2 Employment Rates

Figure 1 below provides the employment rate in the selected EU regions. As can be seen Utrecht and Aland have the highest employment rates of the selected EU regions, with Northern Ireland, in 2011, having the fourth highest at 66.1%. This is 2 percentage points higher than the EU27 average.

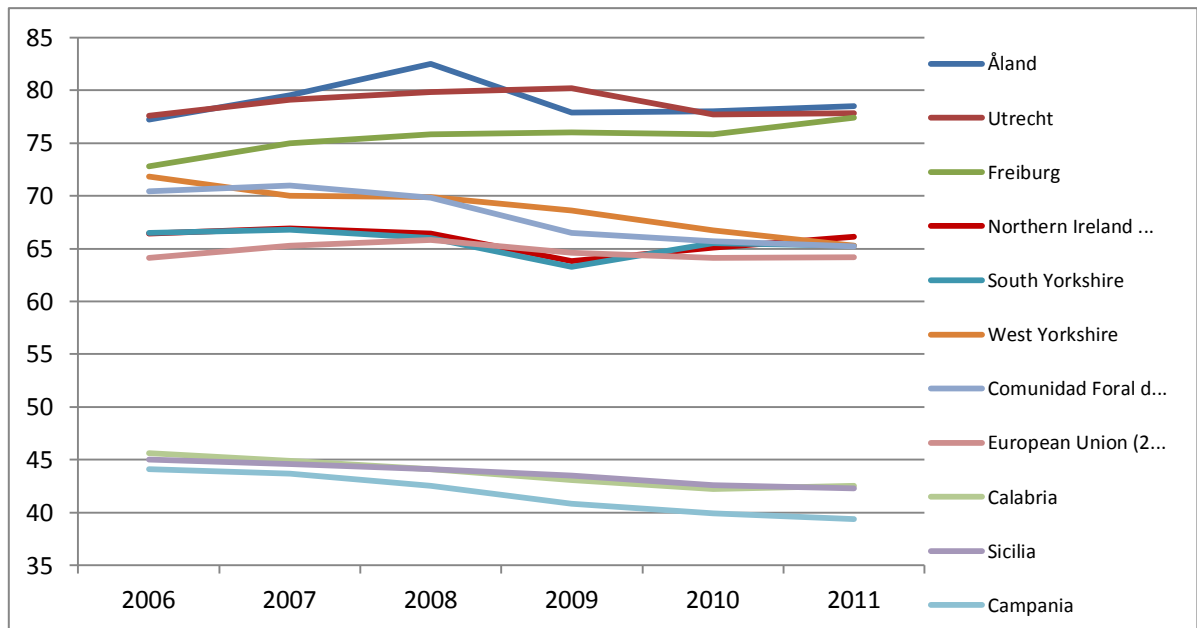


Figure 1: Employment rates (LFS)

There is a great deal of clustering, with eight of the ten regions having employment rates ranging from 64% to 78%. The bottom three regions, all in Italy, are significantly below the EU average, with Campania having an employment rate of only 39% in 2011.

The Eurostat Regional Yearbook 2011 stated that:⁴

The serious financial crisis that eventually led to a global decline in economic activity started to become apparent in 2008, but it was in 2009 that European labour markets really felt the full impact, almost reversing the progress made over the previous 10 years.

This can be seen above in a number of EU regions.

Whilst NI has an employment rate that ranks fairly well with the other EU regions, it is important to consider the breakdown of full and part time employment in NI in comparison to other EU regions.

⁴ European Commission, Eurostat Regional Yearbook 2011, http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-HA-11-001

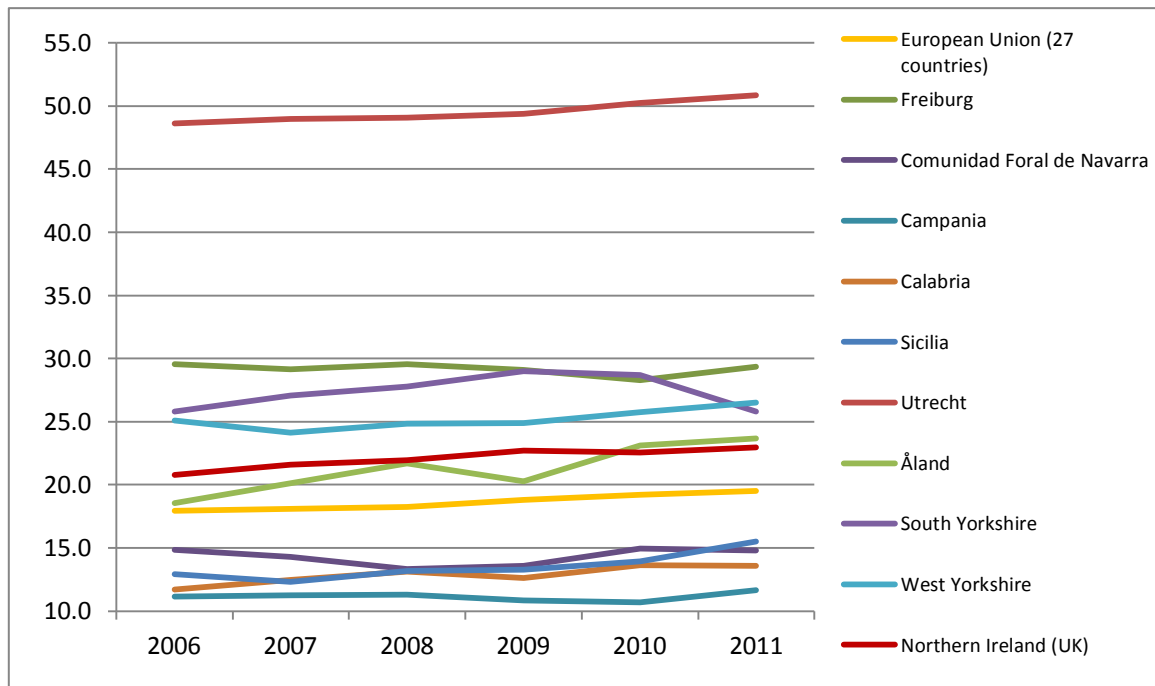


Figure 2: Part Time Employment

As can be seen, the minority of regions have a growing number of people working part-time which may be a result of the ongoing recession and the lack of full time jobs that are available. In addition some businesses, in order to continue to operate, move full time workers to part time in order to cut labour costs without losing skilled employees. It should be noted, however, that a recent study by the Chartered Institute of Personnel and Development (CIPD)⁵ found that a third of private sector employers had kept on more staff than they needed in order to retain skills but two-thirds of these employers would have to cut staff if economic growth does not pick up.

For 2007-2011 NI's part time employees vary from 21.6% to 23% of the working population, with the EU 27 varying from 17.9% to 19.5% in the same period. Other EU regions have much higher portions with Utrecht in the Netherlands having over 50% of its working population working part time.

Campania in Italy has the lowest level of part time workers with only 11.6% in 2011.

For Northern Ireland, reasons for working part time vary, including gender differences. 74% of woman with part time jobs stated they did not want full time work in comparison to 33% of men, with 15% stating they could not find full time work. Issues regarding gender differences in employment are discussed in NIAR 373-2011 "The Gender Pay Gap".

Figure 3 on the page following shows the level of full time employment in the same EU regions. As can be expected it reflects the opposite of Figure 2, with NI again appearing in the middle ranks of the regions.

⁵ BBC News, 13 August 2012, Employers face 'make-or-break' time, says CIPD <http://www.bbc.co.uk/news/business-19236030>

Figure 3 reflects the part-time data above with a fall in FT employment from 2007 - 2011, with a marked fall in the Netherland regions.

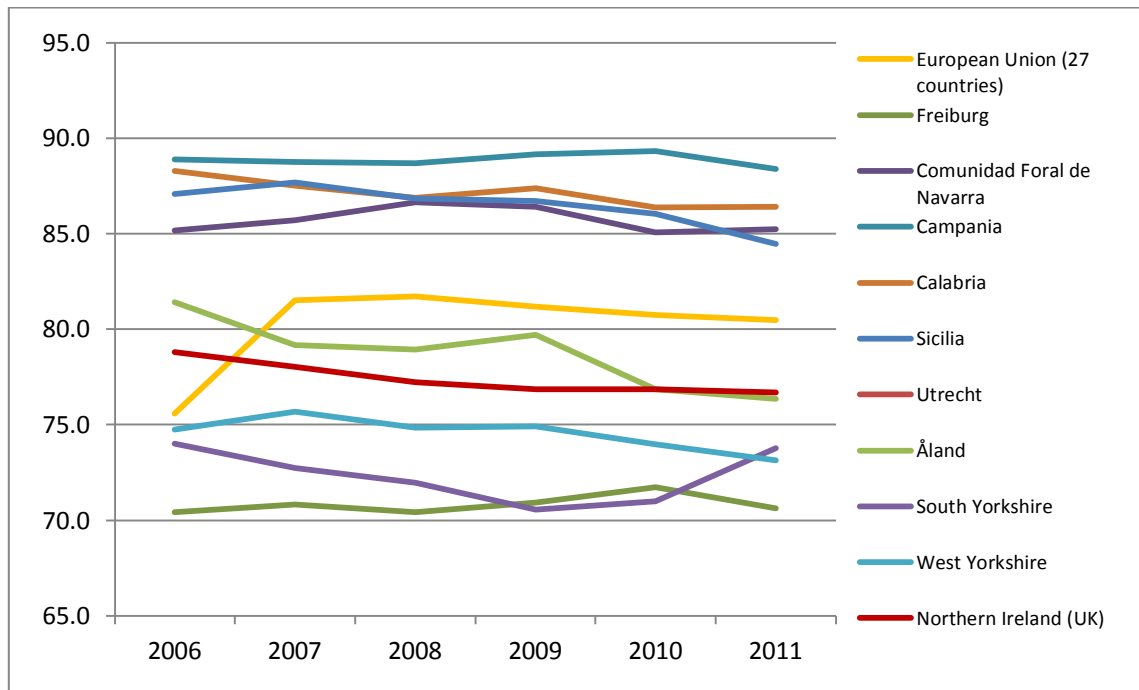


Figure 3: Full Time Employment

Please note, the 2006 figure shows a large growth in full time employment across the EU 27 in 2006. However, this growth is not reflected in the part time data in Figure 2. Review of the Eurostat data provides no explanation for this discrepancy.

3 Unemployment Data

Figure 4 following shows the unemployment rates (UR) across selected EU regions. Please note, Eurostat figures were not available for Åland for 2006-2009.

Three regions have very high levels of unemployment – Andalusia, Canarias and Reunion. In 2011 these regions had unemployment rates of approximately 30%. It is worth noting, however, that Canarias (The Canary Islands) and Reunion are both islands and therefore may have additional labour constraints (such as a smaller labour market).

The majority of regions have unemployment levels of between 2.5% and 9.6%. NI’s unemployment rate in the period shown varies between 4.4% in 2006 to 7.2% in 2011. As a result it is one of the lower UR’s in the sample regions, and ranks 169th out of the 271 NUTS 2 regions in 2011.

Readers may also wish to note that Appendix 1 provides a map highlighting the percentage change in unemployment rates across the EU regions between 2005 and 2009. It highlights that unemployment rates fell in areas such as Poland but increased

in other regions such as Spain which had a rise in UR of over 10 percentage points. The Unemployment rate also rose in regions in the UK, Ireland and Hungary.⁶

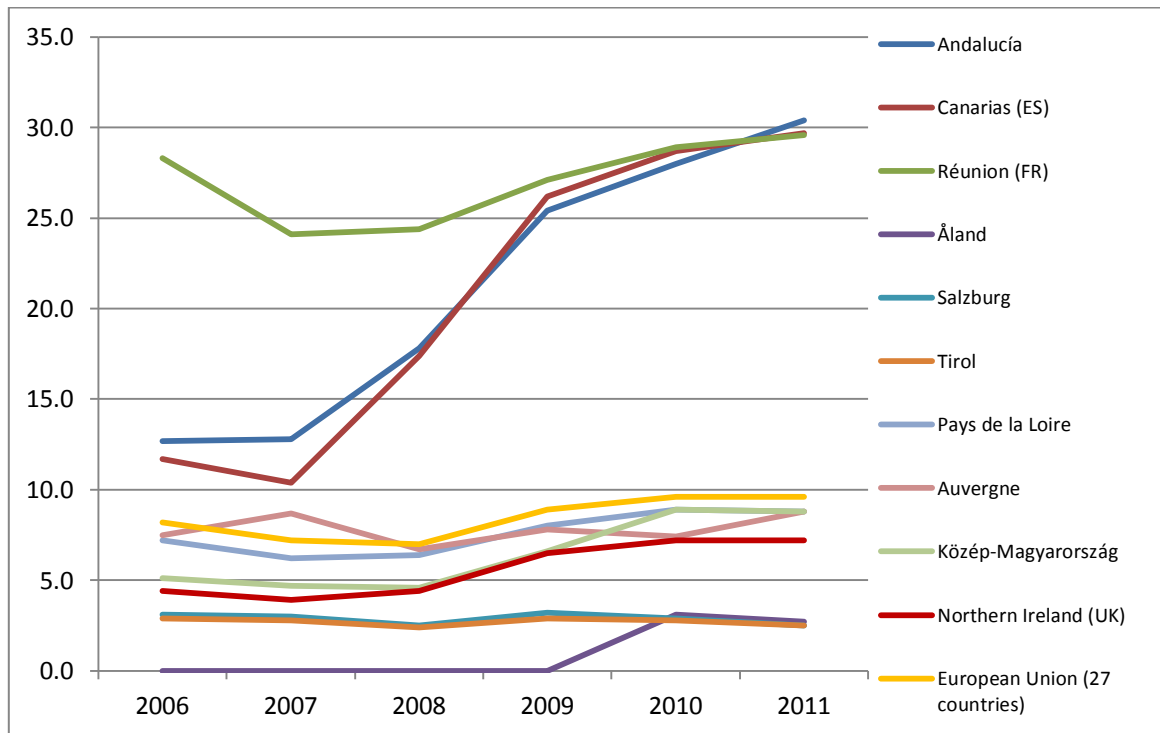


Figure 4: Unemployment Rates (LFS) – ranked based on 2011 UR

Table 1 following details the unemployment rate for the EU 27. The figure lists the Member State (MS) data by month. The UK has one of the lower rates at 8.1% in April 2012 (please note, figures for May and June were not available).

Whilst monthly figures for NI were unavailable, quarterly figures for the period April to June show that NI had a UR of 7.6% which would put it well below the EU 27 UR of 10.4% in June 2012 and below the highest figure of 24.8% in Spain and the Republic of Ireland’s figure of 14.8%.

At current rates 17 of the EU 27 Member States have higher URs than NI (this is for March 2012 as some Member States have not provided figures beyond this).⁷ Throughout the period discussed, Austria has the lowest UR at 4.5% in June 2012.

The EU Regional Yearbook found that:

the impact of the economic crisis almost wiped out the decrease in the unemployment rate between 2004 and 2008 in the EU-27.⁸

⁶ European Commission, Eurostat Regional Yearbook 2011, http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-HA-11-001

⁷ DETI, August 2012, Labour Market Report

⁸ European Commission, Eurostat Regional Yearbook 2011, http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-HA-11-001

Table 1: EU27 Unemployment Rate

Member State	2011M09	2011M10	2011M11	2011M12	2012M01	2012M02	2012M03	2012M04	2012M05	2012M06
Spain	22.5	22.8	23.0	23.2	23.5	23.8	24.1	24.4	24.7	24.8
Greece	18.9	19.6	20.7	21.2	21.5	21.7	22.0	22.5	:	:
Latvia	15.7	15.4	15.4	15.4	15.3	15.3	15.3	:	:	:
Ireland	14.7	14.7	14.7	14.7	14.8	14.8	14.8	14.6	14.7	14.8
Lithuania	14.7	14.4	14.1	13.9	13.7	13.6	13.6	13.6	13.6	13.7
Slovakia	13.6	13.8	13.9	13.9	13.7	13.7	13.6	13.7	13.7	13.8
Portugal	13.0	13.6	14.1	14.6	14.7	14.8	15.1	15.2	15.2	15.4
Estonia	11.4	11.6	11.6	11.6	10.9	10.9	10.9	:	:	:
Bulgaria	11.1	11.3	11.6	11.8	11.8	12.0	12.1	12.2	12.2	12.4
Hungary	10.9	11.0	10.9	10.9	11.3	11.1	10.7	10.7	10.9	11.0
European Union 27	9.8	9.9	10.0	10.0	10.1	10.1	10.2	10.3	10.4	10.4
Poland	9.8	9.9	10.0	10.0	9.9	9.9	9.9	9.9	9.9	10.0
France	9.7	9.7	9.8	9.9	9.9	10.0	10.0	10.0	10.0	10.1
Italy	8.9	8.9	9.3	9.4	9.6	9.9	10.4	10.6	10.6	10.8
Cyprus	8.5	9.2	9.5	9.7	9.8	10.0	10.3	10.5	10.6	10.5
Slovenia	8.3	8.6	8.7	8.6	8.3	8.2	8.0	8.2	8.2	8.2
United Kingdom	8.3	8.3	8.3	8.3	8.2	8.2	8.1	8.1	:	:
Romania	7.7	7.3	7.6	7.5	7.3	7.1	7.2	7.4	7.7	7.6
Finland	7.7	7.6	7.6	7.5	7.5	7.5	7.5	7.5	7.6	7.5
Denmark	7.6	7.8	7.8	7.7	7.4	7.6	7.6	7.7	7.8	8.0
Belgium	7.3	7.2	7.2	7.1	7.1	7.1	7.1	7.1	7.1	7.2
Sweden	7.3	7.5	7.4	7.5	7.6	7.5	7.3	7.4	7.8	7.5
Czech Republic	6.5	6.5	6.6	6.7	6.8	6.9	6.8	6.7	6.7	6.7
Malta	6.3	6.5	6.5	6.5	6.2	6.0	5.9	5.8	6.0	6.2
Germany	5.8	5.7	5.6	5.6	5.6	5.6	5.5	5.5	5.5	5.4
Luxembourg	5.0	4.9	4.9	5.1	5.2	5.2	5.3	5.3	5.4	5.4
Netherlands	4.5	4.8	4.9	4.9	5.0	4.9	5.0	5.2	5.1	5.1
Austria	4.0	4.2	4.3	4.1	4.1	4.1	4.1	4.0	4.2	4.5

3.2 Youth Unemployment

Youth unemployment is an issue across Europe. The table below details youth unemployment in NUTS 2 Regions (for ages 15-24).

Table 2: Unemployment by gender

	2010			2011		
	Total%	Female %	Male %	Total %	Female %	Male %
Ciudad Autonoma de Ceuta	60.2	75.3	51.3	65.8	75	57.4
Ciudad Autonoma de Melilla	53.7	68.6	42.9	65.2	62.4	67.9
Réunion (FR)	54.7	57.9	52.4	58.5	63.8	54.5
East Yorkshire an...	22	16.5	28.3	22.2	16.3	28
Kent	21.6	14.8	28.4	22.2	22.4	22.1
Pomorskie	21	20.4	21.5	21.1	23.8	20.6
European Union 27	20.9	20.1	21.7	21.4	20.9	21.9
UK - United Kingdom	19.6	17.3	21.5	21.1	18.4	23.5
Northern Ireland	18.9	12.7	18.9	19.5	14.1	19.5
Tübingen	6.2	5.6	6.7	4.3	4	4.5
Corse	8.8	2.2	15.6	4	:	6
Zeeland	4.2	4.5	3.9	3.7	3.2	4.2

As can be seen in Table 2, NI has a relatively low rate of youth unemployment in comparison to some other EU regions. However, it should be noted that NI's youth unemployment has risen massively in the last six years. In 2006 this figure was 9.7% and jumped to 19.5% by 2011 and equates to a change from 12,900 to 23,300 unemployed young people.

Indeed it should be noted that the two regions with the highest percentage of youth unemployment have a much lower **number** of young people out of work. Indeed, in 2010 Ciudad Autonoma De Ceuta has 60.2% of its youth population unemployed, growing to 65.8% in 2011. However, this amounts to a change of 2,100 YP to 2,700.

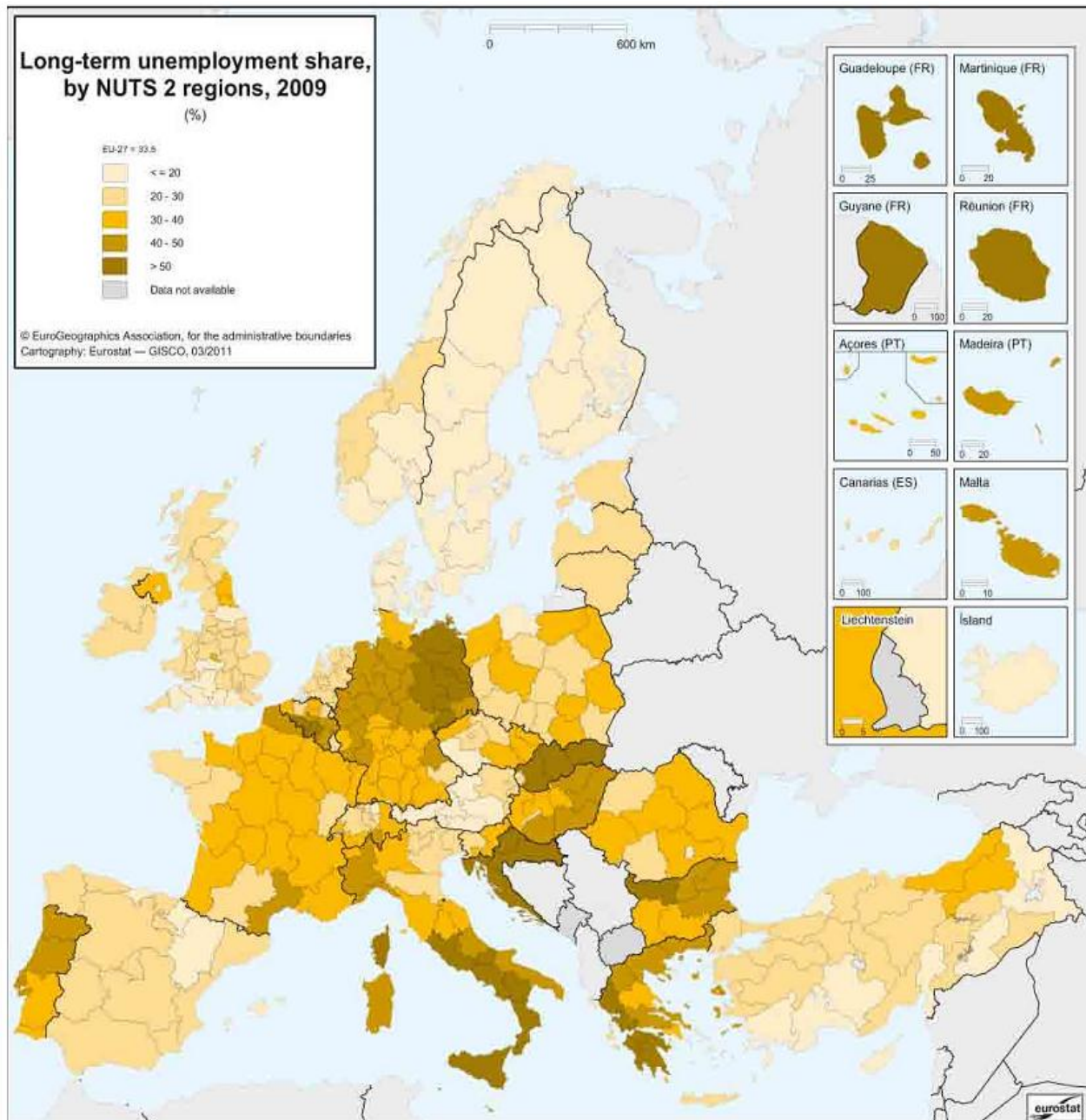
As such, whilst there is a large percentage shift, this does not necessarily mean a larger number of unemployed YP.

When examining the number of young people who have become unemployed across the EU in recent years, the UK has one of the highest levels, with 666,400 unemployed in 2006 and 963,300 unemployed in 2011, an increase of 296,900.

3.3 Long-term Unemployment

Long term unemployment is an important indicator for policy makers as it can be a barrier to economic growth can have a negative impact on social cohesion and on individual's personal lives.⁹

Map 1 below highlights levels of long term unemployment across the EU regions.¹⁰



Source: Eurostat (online data code: lft = 16/21/1)

⁹ European Commission, Eurostat Regional Yearbook 2011,

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-HA-11-001

¹⁰ Ibid

Long term unemployment tends to lag behind an initial rise in unemployment by around 12 months¹¹ with the map above reflecting much of the growth in long term unemployment that has occurred since the financial difficulties that began in 2007.

The Regional Yearbook found that:

*The United Kingdom and the three Baltic States have relatively low long-term unemployment shares, while regions in Germany, Slovakia, Greece and the south of Italy have relatively high shares.*¹²

It should be noted that in 2009 NI has a higher share of long term unemployed than most of the UK regions. When ranked based on 2011 long term unemployment rates as a percentage of unemployment, NI is 99th of the 271 NUTS 2 regions, putting it in the top 40% of long term unemployment rates (in 2011 NI had a long term UR of 44.3%, approximately 27,420 individuals).¹³

The EU 27 average was a figure of 43.1%, so whilst NI's long term unemployment level is higher than a number of the UK regions it is only 1% higher than the EU average.

To put this figure in perspective, the highest continental EU long term UR rate was in Západoé Slovensko in Slovakia, which had a rate of 71.4% in 2011. With an unemployed population of approximately 101,050 this amounts to 72,140 people long term unemployed. The lowest was 4% in Åland, a small island off the coast of Sweden with a population of just over 28,000. Åland had 100 people unemployed in 2011, so this amounts to approximately 4 people long term unemployed.¹⁴

4 Economic Activity

This section of the paper considers economic activity in selected EU regions.

Figure 5 below shows the levels of economic activity for working age population (15-64) in selected regions. NI's economic activity level is slightly below that of the EU27 average, and is the lowest of the main grouping (consisting of 8 regions and the EU 27, ranging from 71% to 82% in 2011).

The Eurostat Regional Yearbook 2011 states that:

The serious financial crisis that eventually led to a global decline in economic activity started to become apparent in 2008, but it was in 2009 that European labour markets really felt the full impact, almost reversing the progress made over the previous 10 years.

¹¹ Gregg, P and Wadsworth, J The Labour Market in Winter

¹² European Commission, Eurostat Regional Yearbook 2011, http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-HA-11-001

¹³ Eurostat, Long-term unemployment (12 months and more) by NUTS 2 regions (1 000; %) http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfst_r_lfu2ltu&lang=en and Unemployment by sex, age and NUTS 3 regions (1 000), http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfst_r_lfu3pers&lang=en

¹⁴ Ibid

Whilst NI had a slight dip in activity in 2008 and 2009, likely a result of the Recession, activity rates in 2011 are higher than in 2006.

The lowest ranked regions are all from Italy, with economic activity rates well below the other regions, and indeed in 2011 these figures appear to be still falling, unlike the other regions which see an increase in activity (including NI).

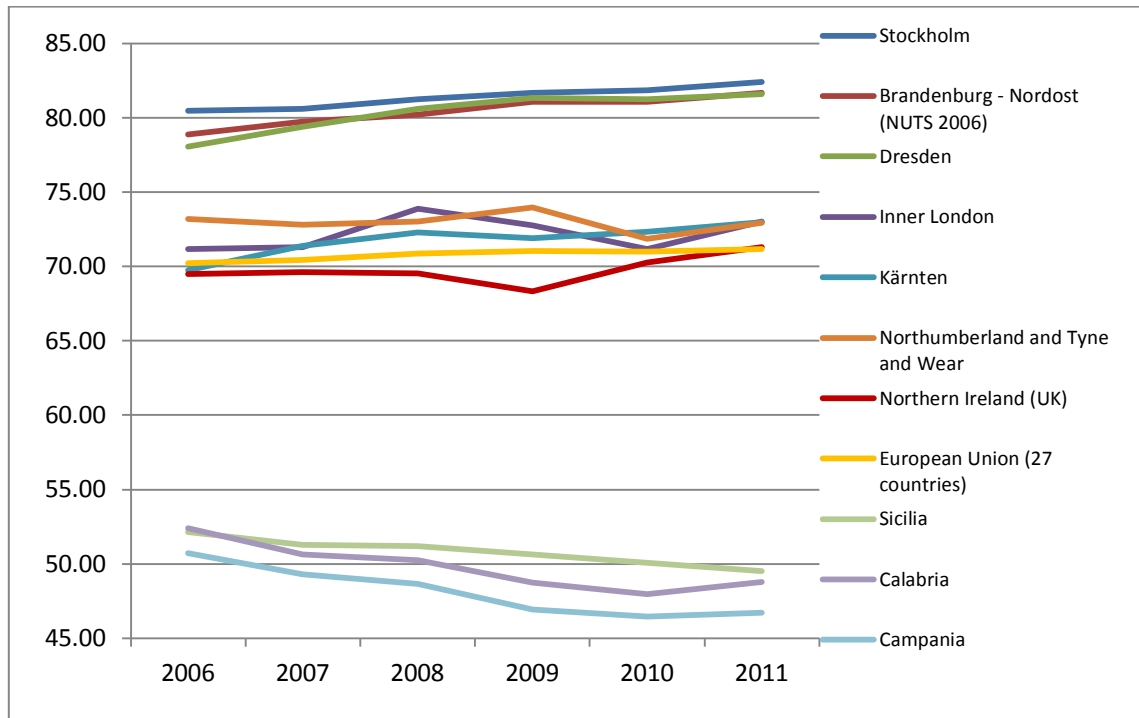


Figure 5: Economic Activity

5 Conclusion

This brief review of EU employment figures highlights that whilst Northern Ireland is not one of the worst performing regions, it is also not the best. Its employment and unemployment figures range around the EU27 average, although its level of long term unemployment is in the top 40% of the 217 NUTS 2 regions.

NI’s youth unemployment is approximately 20% in 2010 and 2011 and whilst this compares favourably to the higher rates in the EU (where regions in Spain have over 60% youth unemployment) this and its unemployment figure, are still high in terms of the region’s previous performance.

With the ongoing financial uncertainty across the EU regions and little sign of either an economic recovery or political solution to the difficulties (despite numerous attempts and strategies) the increase in unemployment and economic inactivity across the EU, including in NI, can be expected to continue, at least in the short term.

However, it should be noted that steps are being introduced both in NI and the UK to tackle the high levels of unemployment and the continuing downturn. These include:

- The proposed introduction of legislation to speed up planning decisions (to be introduced by the UK Government);¹⁵
- Underwrite up to £50bn of private sector building projects which need finance, in an effort to boost growth (the UK Government);¹⁶ and
- The Youth Employment Scheme which aims to provide a platform to assist young people who are job ready but lack the employability skills required to convince an employer of their ability to enter the world of work (Northern Ireland – Department of Employment and Learning).¹⁷

¹⁵ BBC News, George Osborne in £50bn private sector building vow, <http://www.bbc.co.uk/news/uk-politics-19455195>

¹⁶ Ibid

¹⁷ Department of Employment and Learning, 2 July 2012, Farry launches the Youth Employment Scheme <http://www.delni.gov.uk/index/press-releases/press-releases-july-september-2012/farry-launches-the-youth-employment-scheme.htm>

Appendix 1

