EUROPEAN REGIONAL DEVELOPMENT FUND AND REGIONAL DISPARITIES WITHIN THE EUROPEAN COMMUNITY - LABOUR MARKET REGIONAL DISPARITIES

FONDUL EUROPEAN DE DEZVOLTARE REGIONALĂ ŞI DEZECHILIBRELE REGIONALE DIN CADRUL COMUNITĂŢII EUROPENE - DISPARITĂŢI REGIONALE ALE PIEŢEI MUNCII

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Abstract: *Unemployment is an important indicator for the analysis of socio-economic disparities at regional level. production factors migrate from poor to rich areas, further emphasizing the regional disparities. In addition, this theory argues the need for state intervention to alleviate regional disparities.*

Key words: *European regional development fund, regional disparities, labour market, unemployment rate*

In the EU-15, unemployment rates are found improvements in Ireland, the Netherlands, Finland and Sweden. In Greece, the unemployment rate is high, while in Spain, although reduced, is still above the EU-15. In Portugal, the unemployment rate remained low and stable. For the new EU member states, the situation is more serious, a better situation presenting only Hungary and Slovenia.

NUTS-II level, the unemployment disparities are more pronounced than at Member State level and changing. As a result, the occupancy factor at the regional level work is very different.

Table 1 : Employment rate of regional employment factor

Region	**2000**	**2005**	**2006**	**2007**	**2008**
Ciudad Autónoma de Ceuta (Spain)	47,8	47,4	47,7	50,6	49,8
Hainaut	53,6	52,2	52,1	52,6	51,8
Ciudad Autónoma de Melilla (Spain)	47,0	50,3	50,8	50,5	52,7
Andalucia	46,3	48,3	49,6	51,0	52,8
Extremadura	49,2	49,9	50,2	52,1	52,8
Dytiki Makedonia	52,9	53,9	54,7	53,8	53,3
Principado de Asturias	48,6	50,2	51,3	53,2	53,7
Bruxelles	55,0	53,9	54,5	53,2	54,1
Liège	54,9	55,3	54,7	55,6	54,9
Dytiki Ellada	56,6	55,1	55,6	57,2	55,6
Halle	56,8	57,1	56,9	57,6	55,7
Voreio Aigaio	53,0	53,8	53,1	54,1	56,4
Kentriki Makedonia	55,3	55,5	55,4	57,8	56,9
Sterea Ellada	54,1	52,8	56,8	59,5	57,2
Berlin	60,4	60,2	60,1	58,0	57,9
Nord - Pas-de-Calais	52,5	54,0	54,1	56,5	58,5
Leipzig	61,5	61,7	60,1	59,9	58,8
Lorraine	61,3	62,7	63,2	60,4	58,8
Severozápad	61,3	63,0	62,3	61,5	61,5
Región de Murcia	56,5	57,1	58,4	60,1	61,5
Düsseldorf	62,1	63,4	63,4	62,6	61,6
Köln	63,6	63,6	63,4	62,8	61,8
Střední Morava	62,7	62,4	63,1	63,3	61,8
Bretagne	62,5	63,7	63,9	65,2	63,7
Cataluña	64,0	64,9	64,5	66,3	67,0
Stuttgart	70,4	70,7	70,7	70,0	70,0
Schwaben	71,1	71,8	71,5	69,9	70,3
Praga	71,7	71,7	71,7	71,1	70,3
Niederbayern	70,9	72,0	71,2	70,5	70,3
Oberbayern	72,1	73,4	72,3	70,8	70,6
Freiburg	68,8	69,0	69,6	71,2	70,7
Danemark	76,3	76,2	75,9	75,1	75,7

In accordance with the data in this table, the regions have the lowest employment rate of labor, in 2008, are: Brussels (54.1%), Hainaut (51.8%) and Ciudad Autónoma de Ceuta (Spain, 49.8%) while regions with the highest occupancy rate are: Denmark (75.7%), Freiburg (70.7%), Oberbayern (70.6%), Prague (70.3%), Niederbayern (70.3%) and Schwaben (70.3%).

And in 2008, regional disparities remained unemployment data, as evident from the following table:

Table 2: Regions with the highest and lowest unemployment rate (%)

The lowest unemployment rate		**The highest unemployment rate**	
NE Scotland	2,6	Guyane (France)	28,5
Bolzano	2,6	Reunion	28,3
Zeeland (Holland)	2,7	Guadelupe	26,9
Praha	2,8	Martinique	24,1
Tirol	2,9	Ceuta (Spain)	21,0
Valle d'Aosta (Italy)	3,0	Dessau (Germany)	19,6
Salzburg	3,1	Halle (Germany)	19,4
Trento (Italy)	3,1	Mecklenburg-Vorpommem	19,2
Oberosterreich	3,2	Vychodne Slovensko (Slovakia)	19,1
Gelderland (Holland)	3,3	Berlin	18,7
Utrecht	3,3	Leipzig	17,9
Gloucestershire, Wiltshire&Somerset	3,3	Bruxelles	17,6
Women			
Praha	2,7	Guyane (France)	32,7
Cheshire	3,0	Ceuta (Spain)	29,9
Zeeland (Holland)	3,1	Reunion	29,3
Gloucestershire, Wiltshire&Somerset	3,2	Guadelupe	29,1
Northern Ireland	3,3	Martinique	24,7
Utrecht	3,3	Melilla (Spain)	22,2
Salzburg	3,6	Vychodne Slovensko (Slovakia)	20,7
Dorset&Somerset	3,6	Dytiki Makedonia	20,3
Bolzano	3,6	Dessau (Germany)	19,7
Tirol	3,6	Warminsko-Mazurskie (Poland)	19,1

Herefordshire, Worcestershir &Warwickshire	3,7	Stredne Slovenko	19,1
Gelderland (Holland)	3,7	Extremadura (Spain) şi Halle (Germany)	19,0
Young people (15-24 years)			
Noord-Brabant (Holland)	5,0	Guadelupe	59,9
Gelderland (Holland)	5,2	Martinique	56,1
Oberosterreich	5,7	Reunion	50,4
Utrecht	5,8	Sicilia	39,0
Overijssel (Holland)	6,0	Hainaut (Belgia)	36,8
Tirol	6,3	Swietokrzyskie	36,6
Noord-Holland	6,5	Vychodne Slovensko (Slovakia)	35,7
Freiburg	6,5	Calabria	35,5
Oberbayern	7,0	Campania	35,4
Friesland (Holland)	7,1	Podkarpackie (Poland)	35,3
Bolzano	7,2	Bruxelles	35,3
Oberpfalz	7,2	Dytiki Ellada	33,6

At EU level, is observed in the first quarter of 2008, a decrease in unemployment rate compared to previous years, as shown in the chart below:[6]

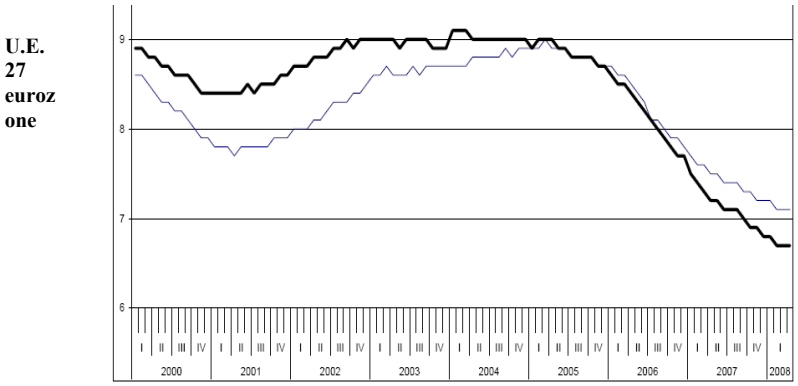


Figure 1: Unemployment in the EU27 and Eurozone

[6] Eurostat, *News Release* nr.78/2008.

Adjusted unemployment rate in the EU27, March 2009 was 8.3%, compared to 6.7% in the corresponding month of 2008. In the euro area, UE16, the unemployment rate was 8.2% compared with 7.3% in 2008[7]. The current global crisis has seriously affected the economies of Member States, reflected and unemployment. Member States most affected are Spain, Ireland and the Baltics, where the unemployment rate has doubled (first two) or tripled (the last). By comparison, the U.S. unemployment rate rose from 4.7% in 2006 to 5.1% in 2008 and 8.6% in March 2009. The current U.S. unemployment rate is higher than the EU27 level, albeit lower than the UE16 (8.9%). Japan's unemployment rate remained at 4.4%, a level slightly higher than in 2006 (4.1%).[8]

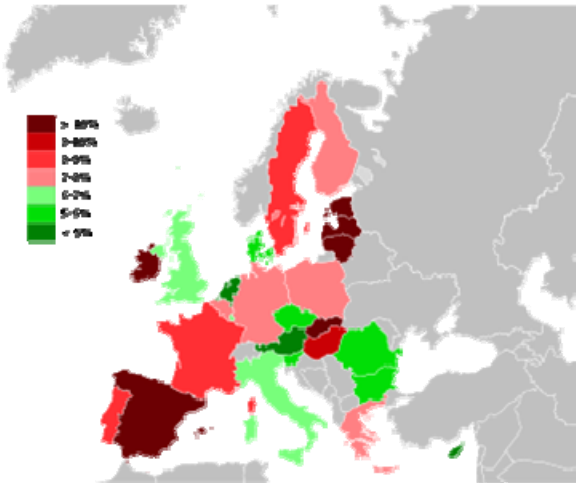


Figure 2: Unemployment rate in U.E. (2009, %)

The following table shows the current rate of unemployment in the Member States (March 2009) compared with 2006-2008, with the U.S. and Japan.

[7] http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2009/PGE_CAT_PREREL_YEAR_2009_MONTH_02/3-27022009-EN-AP.PDF.

[8] http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-30042009-BP/EN/3-30042009-BP-EN.PDF

Table 3: Unemployment in the EU, U.S. and Japan

Member State	Unemployment rate (%)				
	2005	2006	2007	2008	2009
Austria	5,1	5,1	4,5	4,1	4.5
Belgia	8,4	8,2	7,7	6,9	7,3
Denmark	5,4	4,3	4,1	3,0	5,7
Finland	8,5	7,9	7,0	6,3	7,4
France	9,7	9,1	8,6	7,6	8,8
Germany	9,8	8,7	8,6	7,4	7,6
Greece	9,9	9,6	8,6	7,8	7,8
Ireland	4,5	4,2	4,6	5,6	10,6
Italy	7,8	7,7	6,1	6,6	6,9
Luxemburg	4,3	4,8	4,9	4,4	6,1
Holland	4,9	4,0	3,4	2,8	2,8
Portugal	7,4	7,6	8,2	7,6	8,5
Spain	9,9	8,7	8,1	9,5	17,4
Sweden	6,3	7,2	6.6	5.8	8.0
United Kingdom	4.6	5,0	5,5	5,2	6,6
Bulgaria	-	-	7,5	6,1	5,9
Cyprus	5,1	5,2	4,1	3,7	4,9
Czech Republic	8,0	7,7	5,6	4,4	5,5
Estonia	8,8	5,3	4,9	4,0	11,1
Hungary	6,8	7,4	7,3	7,6	9,2
Leetonia	9,1	7,6	6,4	6,1	16,1
Lithuania	9,2	6,4	4,6	4,3	15,5

Malta	7,2	8,1	6,6	5,8	6,7
Poland	18,0	16,8	10,3	7,4	7,7
Romania	-	-	6,6	6,2	5,8
Slovakia	16,7	15,7	11,3	9,9	10,5
Slovenia	6,4	6,2	5,2	4,5	5,0
U.E.27	8,9	8,4	7,3	6,7	8,3
U.S.A.	5,1	4,7	4,4	5,1	8,5
Japan	4,5	4,1	4,0	3,9	4,4

In relation to alleviate regional disparities of income and unemployment data were set several economic theories:[9]

- convergence theory: argues that the revenue in an integrated economic area, such as the EU, tend to approach that level, the effect of economic adjustment mechanisms of action, including the free movement of goods and labor factor. On the basis of this conclusion lies that technical progress and hence production technologies integrated regions are generalized, which involves a similar remuneration factor integrated work across all regions and a similar capital efficiency;
- conditional convergence theory:– take account of differences arising between the technologies used at regional level. Therefore, to overcome regional disparities, effective policy is needed to remove barriers to competition and free movement of goods, labor, capital and technology;
- divergence theory: leads to– different conclusions from the first two theories above. This is because it takes into account past differences emerged between the production technologies, transport costs, the structure of regional economies, the effects of economic agglomerations and clusters.

[9] Fujita M, Krugman P., Venables A.J., *The Spatial Economy: Cities, Regions and International Trade,* MIT Press, Cambridge, Mass, 1999.

Basically, this theory considers that economic development inevitably leads to uneven emergence of economically developed areas, emphasizing the differences between center and periphery. As a result,

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9. ******* *Financial Perspective 2007-2013*, CADREFIN 268, 15915/05, Council of the European Union, Brussels, 19 December 2005.