

## 9. THE TERRITORIAL CONFIGURATIONS OF EMPLOYMENT AND LIFELONG LEARNING

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### 9.1. Introduction

The inclusive growth, one of the pillars promoted by the EU2020S, is an essential requirement in a rapid and sustained poverty reduction that allows people to contribute to and benefit from economic growth. Also, it supports high levels of employment and rising wages, through acquiring competitiveness in new sectors and technologies. Therefore, as stated in the European Commission (2012) report on trade, growth and development, the inclusive growth approach focuses on productive employment and equality of opportunity in terms of access to markets and capacity of the individual on the labour supply.

Since the early 1990s, using the two white papers developed in 1993 (competitiveness and employment) and 1994 (social policy), the European Commission defined a target that labour market should become more flexible as result of migration flows, expected from Maghreb and Central Eastern Europe (Hodge and Howe, 1999).

Financial and economic crisis, to which was added integration effort of other 12 states, have made their mark on the projection of the Lisbon Strategy to increase employability rate in EU at 70% for those between 15-64 years by 2010. Subsequently, the European Commission and member states have reached a consensus on flexicurity policies —“an integrated strategy for enhancing, at the same time, flexibility and security in the Labour Market”— (Hofheinz, 2011), which can be designed and implemented taking into account four components: flexible contracts and secure ones, comprehensive strategy for lifelong learning, active labour market policies and modern social security systems (Chenic *et al.*, 2012).

Meanwhile, according to the EU2020S “about 80 one million people have low or basic skills, BUT lifelong learning benefits mostly the more educated”

(European Commission, 2010: 16). It also specifies that “achieving longer working life will also require the possibility to develop new skills in order to acquire and throughout the lifetime” (European Commission, 2010: 16). From this point of view, the development of policies to promote and develop long-term education and adult education is essential in achieving global competitiveness and a better absorption of labor in the current economic conditions. Moreover, it was shown that there is a direct correlation between the level of education of the population and territorial inequalities (Rodríguez-Pose and Tselios, 2011).

In the frame of the EU2020S and as a result of the ESPON SIESTA Project, the present paper presents the state of employment and unemployment in recent years, and the effects of the crises out of a geospatial perspective. A second focus is set on the educational level as an important boost to a revival of all regions aiming to keep up with the targets set by the European Union in increasing the number of a skilled workforce.

Geospatial representation of key indicators of inclusive growth brings both an overview of the situation for the whole Europe and customisation of the countries and regions that have difficulty in achieving the EU2020S, thus supporting actors in defining strategies and both coherent and realistic policies.

## **9.2. Territorial Diversity of Employment and Unemployment**

European landscape of employment and unemployment rates show great regional diversity that was observed before the crisis (Saint-Paul, 2004). It comes in different ways to define both unemployment and the differential ability of the labor market to attract people of working age. Others think that the persistence of high unemployment rates in some regions is a phenomenon rather than an effect of balance imbalances in the labor market (Baddeley *et al.*, 1998).

### **9.2.1. Employment**

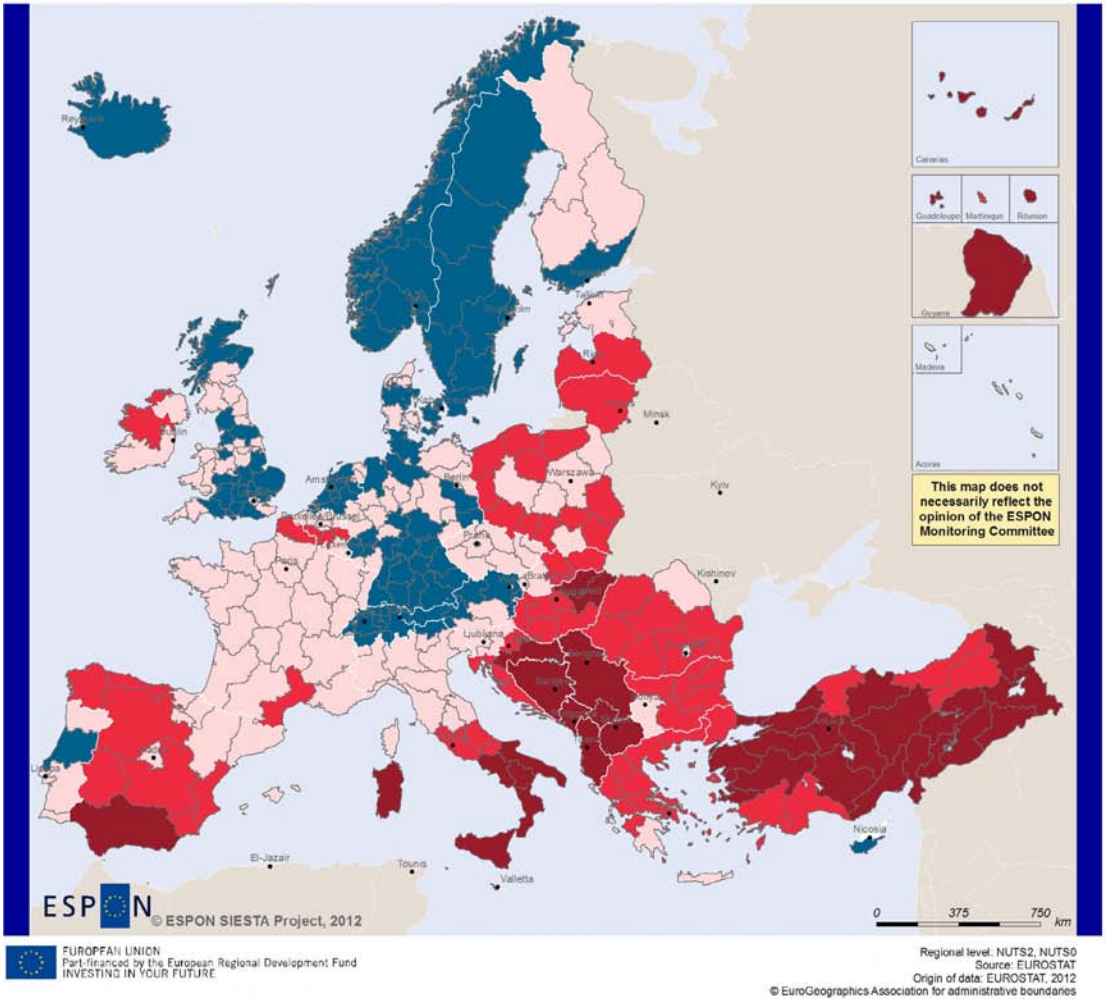
Reviewing the scientific literature, the employment rate is conceptualized as one of the economic indicators that policy makers and scientists examine in order to understand the state in which the economy finds itself at a given time (Briguglio *et al.*, 2010).

EU2020S provides employability rate of 75% by 2020, however, the goal seems unrealistic in light of the crisis and the fact that employability rate has

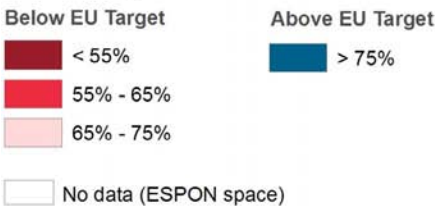
already fallen well below 70%. In accordance with the proposed targets, the European labour market will be quickly transformed into one with a highly qualified and competitive human capital source. However, optimistic outlook is increasingly frequent conflicting with concerns about the diminishing trend of increasing unemployment in Europe (Livanos and Núñez, 2012). Evolution of the crisis, from inception in 2008, as the financial crisis followed by sovereign debt in 2011, resulted in different consequences, and future ones are not frequently predictable.

Our analysis shows that employment rate for those aged 20 to 64 in the EU27 decreased to 68.6% in 2010 and that employment rates are not homogeneously distributed across European countries (Map 9.1). There are two big groups: the Northwest of Europe versus the rest. As tendencies, the rates are lower the farther South and the farther East a region is located, resulting in the lowest employment rates in Southern Spain, Southern Italy and Turkey. In contrast, the highest employment rates are found in Switzerland (81.1%), Iceland (80.4%), Sweden (78.7%), the Netherlands (76.8%), Denmark (76.1%), Cyprus (75.4%), Germany and Austria (both 74.9%). The lowest rates were recorded in Bosnia and Herzegovina (39.03%), Serbia (47.18%), Montenegro (47.6%), Macedonia (48.1%), Turkey (50%), Croatia (58.6%), Malta (59.9%), Hungary (60.4%), Italy (61.1%), Spain (62.5%) and Romania (63.3%).

Map 9.1 suggests that there are many disparities within individual countries itself. As regards to the distribution of labour force by regions there are clear differences between urban and rural areas. However, there are a number of examples of regional pockets of employment that point to inequalities — for example, Southern Italy, Southern Spain, South-Eastern Turkey, or French overseas regions. Since 2007, these disparities even increase over all European NUTS2 regions, caused by two combined effects: first, regions with already high employment rates managed to increase these rates even more; second, many regions with low or intermediate employment rates, experience a drop in these rates (negative developments of employment).



**Percentage of active population (%), 2010.  
EU 2020 Target = 75%**



Notes:  
The employment rate is defined as the number of persons aged 20 to 64 in employment divided by the total population of the same age group.  
The EU27 target is to reach a 75%  
EU27= 66.5%  
Data for XK and AL are shown for 2009.

*Map 9.1. Regional employment rate as percentage of active population aged 20 to 64, 2010.*

Many regions in Germany, the United Kingdom, the Netherlands, Denmark, Sweden and Austria have already reached 75%. These countries can provide good practice examples. There are recent reforms on increasing incentives to work, reforming active labour market policy and the education

form in many countries, but employment rate gaps between foreign-born and native people are still a concern. The governments want to include stronger measures to increase the employment rate of young people and immigrants, implementing jobs combined with language courses and validation of qualifications.

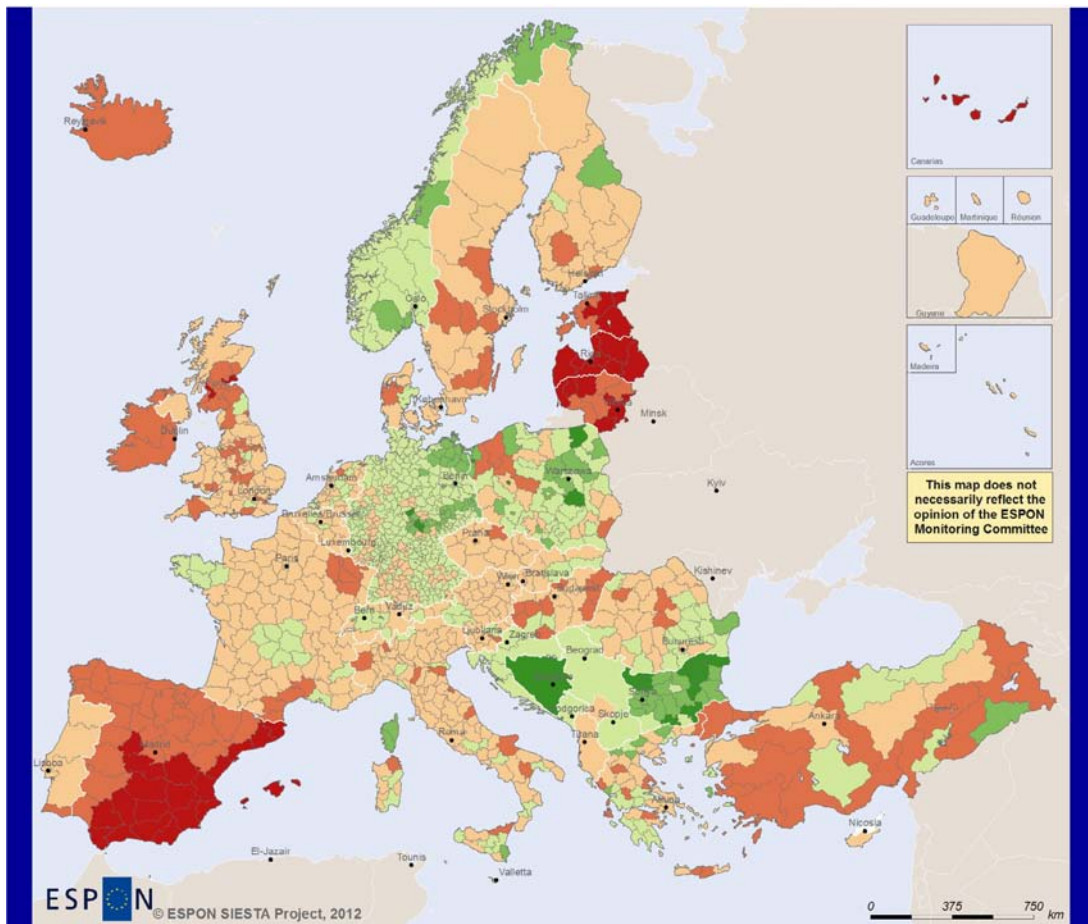
In the other countries included in this Danube area, most regions have lower employment rates, under 60%. For migrants employment, many EU countries have welcomed both skilled and unskilled migrant workers, but as arrivals in a new country they need time and help to participate fully and equally in society. In this case, there are differences among the countries, especially in the South of Europe: Spain, Italy, Greece and others like Luxembourg, Belgium, Norway or Denmark.

However, as a consequence of the economic crisis that began in 2008, employment decreased in 2010 and people, without a job or looking for one, rose. This crisis has most severely hit people with temporary contracts, youth or those with low skills. Geographically, the most affected countries during the recession have been Denmark, Spain, Ireland, Greece and the Baltic States. During 2010, employment rates fell in nine member states and increased in seventeen. The biggest improvement was in Estonia and the worst in Greece.

To prevent future issues of the economic and financial crisis, the European Union must focus on long-term strategic planning and stronger coordination and use this downturn as a lever to address future challenges, particularly in the area of labour market and skills requirements policies (Son and Carica, 2010).

### 9.2.2. Change in Unemployment

At a first glance, in Map 9.2 concerning the change in unemployment rate (2007-2009), the colour that catches the reader's attention is brown or different shades of brown. This means that the majority of NUTS3 regions registered an increase of the number of people unemployed. The time span of 2007-2009 is enough to capture the impact of the financial and economical world crisis. The year 2007 is the pre-crisis year, 2008 being the year when the crisis appeared and ultimately 2009 represents the first year with full ongoing crisis.

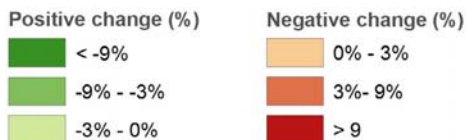


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Regional level: NUTS3, NUTS2, NUTS0  
Source: EUROSTAT  
Origin of data: EUROSTAT, 2012  
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### Percentage points difference (%), from 2007 to 2011.



Notes:  
PT, NO, CH, BG, BE and TR are shown at NUTS3 level.  
RS, XK, ME, MK, BA and AK are shown at country level.

Map 9.2. Change in regional unemployment rate (percentage of active population aged 15 to 74), 2007-2011.

The country's responses to holding or creating new jobs are heterogeneous. There are types of countries in which every region manages to create new jobs and thus lowering the unemployment rate (Bulgaria-EU, Norway-non EU, Croatia-non EU, Macedonia-non EU, Montenegro-non EU, Serbia-non EU, Bosnia and Herzegovina-non EU); there is the type of countries in which every region registers loses of working places (Latvia, Estonia, Lithuania, Portugal, Spain, Ireland, Iceland, Sweden, Czech Republic, Cyprus). And

there is the third type, the country that combines both regions that maintain or increase the rate of employment, and regions that do not succeed to maintain their employment rate.

The Baltic Sea Region appears to be strongly divided and heterogeneous. There can be said that there is a North-South divide, in the sense that the regions above the shore line of Germany and Poland, excepting the Norwegian regions, all register an increase in the level of unemployment between 2007 and 2009. The major focus falls on the Baltic countries of Estonia, Latvia and Lithuania, where the majority of regions lost more than 9% of their employment rate. This is the case of one of the most severe increases of the unemployment rate together with southern and eastern regions of Spain. On the other hand the majority of regions from Northern Germany and Northern Poland, and as mentioned earlier the Norwegian regions register a moderate decrease of the unemployment rate with up to 3%.

The Danube Region is also characterised by the same heterogeneity. Regions from southern Germany either register an increase or a decrease of the unemployment rate with up to 3%. The Czech Republic, Slovakia, Austria and Hungary, the majority of their regions lose 3% of their working places. In some Hungarian regions the percentage of job losses is even higher (6-9%). On the other hand the former republics of Yugoslavia, together with the entire Bulgarian regions and the majority of South-Eastern regions of Romania register a slight decrease of the unemployment rate (up to 3%). The Bulgarian regions also hold the highest decrease of the unemployment rate between 2007 and 2009.

If the Baltic Sea Region and the Danube Region were characterised by heterogeneity, the Mediterranean Region would appear to be much more homogeneous. With few exceptions of the decrease of the unemployment rate (peninsular Greece, Corsica) the majority of the remaining regions suffer an increase of the unemployment rate. Italy (continental and insular) and Greece (also continental and insular) show a slight increase of the earlier mentioned rate (up to 3%). The Mediterranean regions of Turkey belong to the next two categories of increase in the unemployment rate (3-6% and 6-9%). But without any doubt, Spain stands out, in a negative way. The Mediterranean regions of Spain, together with the insular regions, and other central Spanish regions register the highest rate of increase of the unemployment rate. Most of these regions lose more than 20% of the existing working places.

Western Europe is also divided and heterogeneous, but with a slight dominance of regions with increase of the unemployment rate. Excepting the

German *Kreise*, some clustered regions from Bretagne and Central France, and some other punctual and isolated regions from Belgium, the Netherlands, Switzerland and Great Britain, the Western part of Europe falls into the general trend of decrease of existing jobs and thus the increase of the unemployment rate, a special situation emerging from Ireland and Scotland.

In top 15 NUTS3 regions that registered the most severe drop in the employment rate, 13 regions are from Spain. The other two regions in top 15 are from Latvia and Lithuania. Several NUTS3 regions in Spain almost reach an unemployment rate of almost 30%. On the other hand, in the top 15 NUTS3 regions that managed to reduce the unemployment rate, 10 regions are from Bulgaria, two are from Germany, and three from Poland. The Bulgarian regions managed to reduce their unemployment rate with up to 23.5%.

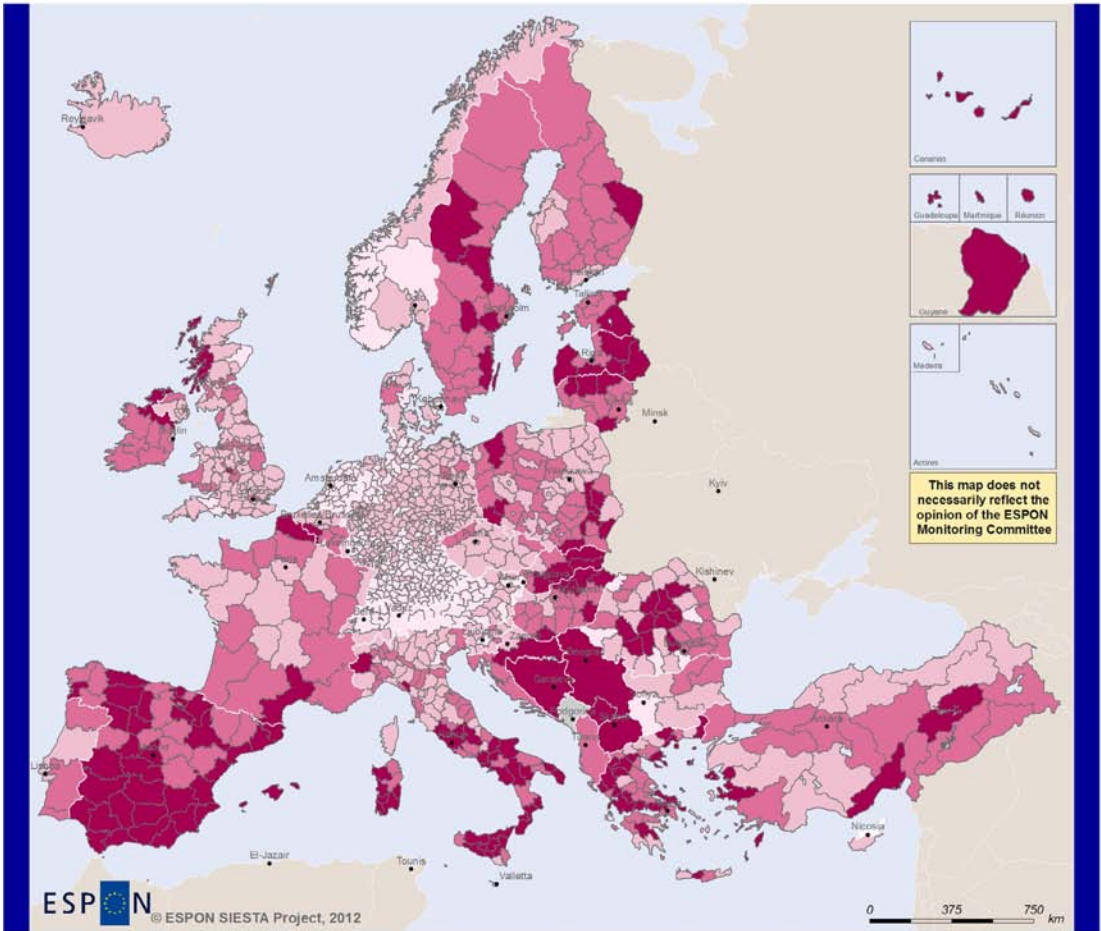
### 9.2.3. Youth Unemployment

One of the key periods for young people is the transition from education to work (Green *et al.*, 2001). This period sometimes is too long, ambiguous and discouraging for the young people's career. The extension of the time devoted to education lately, as well as the massification of the higher education make the transition from education to work to cover also the ages between 25 and 29 years old.

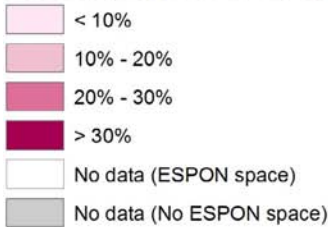
Youth unemployment rate shows the percentage of the unemployed in the age group of 15-24 years old compared to the total labour force (both employed and unemployed) in the same age group. However, it should be mentioned that a large share of people between these ages are outside the labour market (since many youths are studying full time and those are not available for work), which explains why youth unemployment rates are generally higher than the overall unemployment rates or those of other age groups.

According to a World Bank report, young people are three times more likely to be unemployed in comparison to adults, even in economies with strong economic growth (ILO, 2008 quoted by World Bank, 2010). Their labour market attachment is often more tenuous than that of older workers — they are more likely to be in non-permanent work — and this can leave them more vulnerable to job loss than their older counterparts (Hurley and Mandl, 2011) adding also the fact that they are less experienced and could encounter difficulties in finding a job.

The “Youth on the move”, one of the seven flagship initiatives of the EU2020S, specifies the importance of enhancing the performance of the education systems and to facilitate the insertion of young people to the labour market.



**Percentage of total active population aged 15-24 (%), 2009.**



Notes:  
 NO, BG, FR, HR, TR and PT are shown at NUTS2 level.  
 AL, BA, RS, XK and MK are shown at country level.  
 Youth unemployment rate is the percentage of the unemployed in the age group 15 to 24 compared to the total labour force (both employed and unemployed) in that age group.

*Map 9.3. Regional youth unemployment rate as percentage of total labour force aged 15 to 24, 2009.*

By analysing the geographical patterns of the youth unemployed rate, strong variations across European regions appear (Map 9.3). These variations are a consequence of the economic factors, but also of the socio-cultural ones (educational policies, cultural back-ground and so on).

There are several countries that succeeded to maintain a low level of youth unemployment, but also these countries continue to enforce educational and labour-force policies so that these numbers continue to stay low (Germany, Norway, Finland, and Denmark). The lowest values of youth unemployment rates are present in some parts of Germany, Switzerland, Austria, and Northern Europe. Although the Scandinavian countries register low and medium values of youth unemployment rate, this space is not homogeneous and some differences can be seen, namely: regions with low values in Norway and regions with higher values in Sweden and Finland.

Lower than the average values are to be found in regions of Germany, Austria; and higher than average values characterise regions of France, Italy, and the Czech Republic. The Northern states' lack of homogeneity is also found in Central and Eastern European countries, ranked in the category of the countries with economies in transition. There are significant differences between the Czech Republic and partially Poland that have values under the EU average, while regions in countries such as Hungary and Romania recorded considerably higher values.

The highest values of the youth unemployment rate are found in some regions of Spain (especially in the South and South-west), in Greece, in Portugal, in Turkey and in the Baltic States, many regions in these countries exceeding the European average. There is a direct relationship between the level of education and the access to the labour market and it can be mentioned that better educated people may find easier a job.

In the EU2020S, it is mentioned a Youth employment framework that is to be launched, aiming at reducing youth unemployment rates: this should promote young people's entry into the labour market through apprenticeships, internships or other work experiences, including a portal ("Your first EURES job") to increase job opportunities for young people by favouring mobility across EU (European Commission, 2010: 13).

### **9.3. Upgrading Adult Skills for Better Labour Market Outcomes**

The concept of lifelong learning has been widely promoted by international policy bodies such as the European Commission and OECD, and has a strongly normative dimension and a primarily economic orientation, marking a significant shift away from the humanistic ideals and reformist rhetoric of the 1970s debates over lifelong education (Field, 2010).

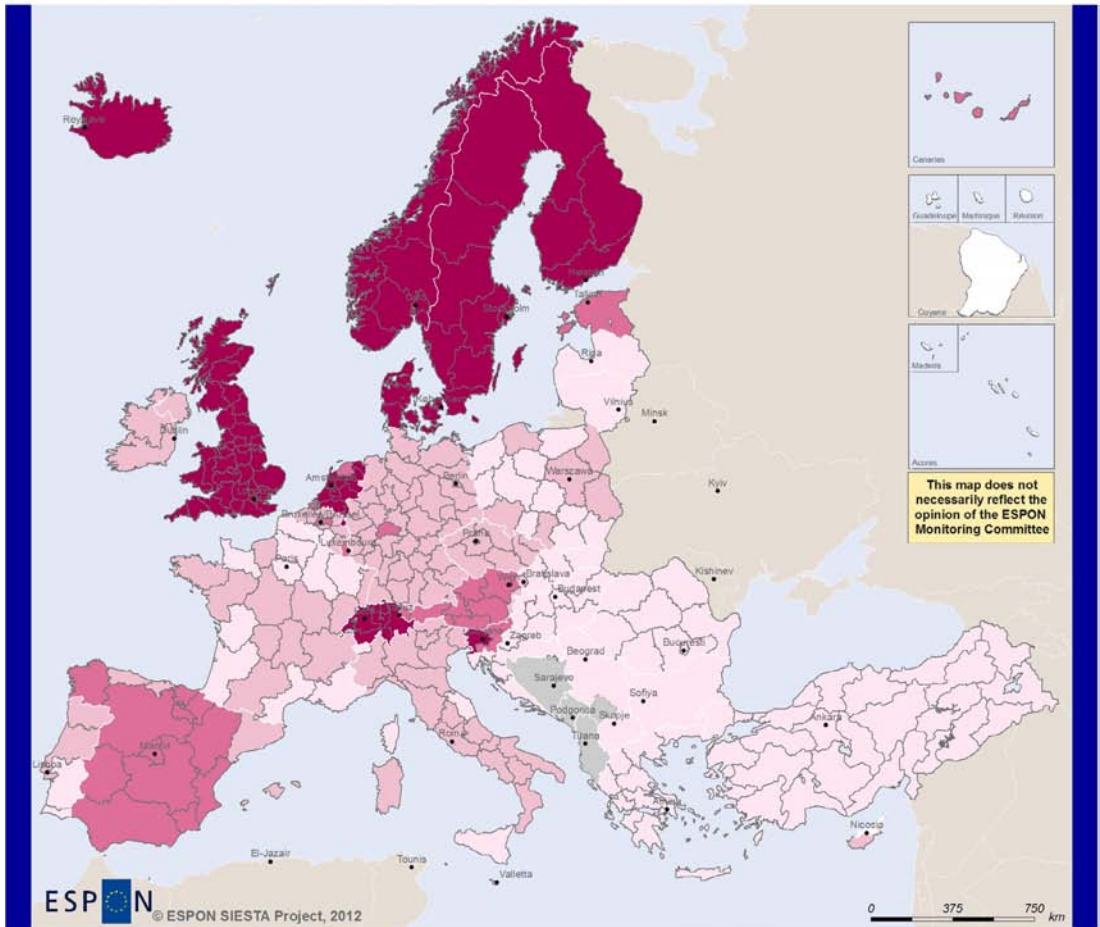
Lifelong Learning system is useful especially for adult population to achieve higher qualifications. The level of education influences labour market insertion and consequently the acquisition of a qualified job. According to the EU2020S, “around 50% reach medium qualifications level, but this often fails to match labour market needs” (European Commission, 2010: 8).

Fast-changing knowledge economy globalisation and growth mean that people need to upgrade their skills throughout their adult lives (Laal, 2011). Also, the general objective of the Lifelong Learning Programme is to contribute to the development of the Community as an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion, while insuring good protection of the environment for future generations. These actions could be seen as important tools of implementing of some objectives of EU2020S. The objective of the European Council is that by 2020 an average of at least 15% of adults should participate in lifelong learning programs (Council of the European Union, 2009).

The map of adults' participation in education and training shows the territorial configuration of the indicator at the European spatial level (Map 9.4). Various categories of countries can be distinguished. A first category of countries is the one with high rates of adults participation in education and training (over 15%) specific to the Scandinavian countries, Iceland, the UK, Switzerland and the Netherlands, these recording higher values than the European average established by the EU2020S. These countries have both a long-standing tradition and a favourable socio-economic context for developing the adult learning sector. Also, in these countries the adults can access education fairly easily for different types of learning.

A second category has medium values, with differences between the Western and the Central European countries with higher values between 10-15% (Spain, Belgium, Austria) and countries with lower medium values 5-10% (most of the regions in Italy, Germany, Ireland, Czech Republic). Higher medium values are registered in Cyprus and Estonia.

The lowest values (under 5%) of the adults' participation rate in education and training are registered in Eastern and Central Europe (Poland, Hungary, Romania, Bulgaria) or in some Baltic Countries (Latvia, Lithuania) plus Turkey. These countries usually have less tradition in adult learning than the first ones, but they have a good infrastructure for adult learning.



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Regional level: NUTS2, NUTSO  
 Source: EUROSTAT  
 Origin of data: EUROSTAT, 2012  
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**Percentage of population age 25-64 (%), 2010.**

- < 5%
- 5% - 10%
- 10% - 15%
- > 15%
- No data (ESPON space)
- No data (No ESPON space)

Notes:  
 RS, BG, MK, CY, IS, EE, LV, LT, LU, MT are shown at country level.

*Map 9.4. Participation of adults (aged 25 to 64) in education and training, 2010.*

A future growth of the participation of the new EU member states can be estimated as a result of the European Social Fund support for the conducted education and training programs. These disparities are due to the type of reforms and policies implemented in the education and training sector, but also to the historical, political, social, economic and cultural context of each country.

The concept of lifelong learning shifts responsibility for education and learning to the individual, focusing on the development of individual capabilities and the capacity to learn; it implies a shift from traditional education institutions to diverse learning opportunities that are more process and outcome oriented.

#### **9.4. Conclusions**

Looking at the analysed indicators, it is clear that some of the regions and countries will not be able to reach, not even get close to the targets set by the EU2020S.

The headline target of an employment rate of 75% for the 20 to 64 years old population is quite ambitious in the current context of a low employment, an increasing unemployment and a dominant non-skilled workforce. But still, it is crucial for a sustainable and competitive modern society. The huge gaps between those countries that reached or exceeded the EU2020S target on employment and those that are far behind, suggest a customised approach of strategies and policies at local, regional and national level.

The youth unemployment depends on economic as well as on socio-cultural and political factors (Lois, 2012). A clear difference is to be noticed between the Northern countries with a supporting system for young people and a less coherent system in the South and South-East of Europe where the insertion of young people on the labour market is still difficult.

In the context of a dynamic and globalised world, the lifelong learning and the skills development are extremely important for competitive, innovated, green and smart growth (Lois, 2012). The distribution of adult participation in the learning continuous process is clearly influenced by the policies and socio-cultural aspects of each country/region.

By summarising, the transformations in the recent years show a trend towards concentration of the high unemployment in the peripheral countries and regions of the European Union (Southern and Eastern Europe). The values' geographical distribution for the analysed indicators show besides an increasing diversity, also a clear spatial dichotomy which can be an obstacle in achieving the objectives that were set in the social inclusion domain through the EU2020S.

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