Abstract

The main purpose of this work is to show, from an empirical point of view, that the nonemployment rate has a great influence over the regional disparities in GDP per head. It is derived from the analysis of convergence in 144 European regions (Eur-12), between 1986-96, by the breakdown of the variance of output per head in productivity and employment rate respectively. So, for the cohesion policy, we infer two important issues: a) it is very important to study the rules which make the regional labour markets match themselves; b) the European Regional Policy need to be changed.

Keywords

Economic integration, Regional convergence, Labour market, Employment