

$$T_{prod} = \sum_{i=1}^n \left[ \frac{y_i}{Y_c} \ln \frac{\frac{y_i}{Y_c}}{\frac{l_i}{L_c}} \right]$$

$L_c$  is the total labour force of a country, the rest of the notation was explained above. We combine the within-between decomposition with the productivity-employment decomposition in order to find out where the sources of disparities lie.

## Annex 2

### Regions analysed

|      |     |      |      |      |      |      |      |      |      |      |      |      |      |      |
|------|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|
| be1  | de6 | el3  | es51 | fr41 | fr83 | itg1 | nl2  | ukh  | at32 | se33 | mt   | sk04 | bg41 | pl51 |
| be2  | de7 | el4  | es52 | fr42 | ie01 | itg2 | nl3  | uki  | at33 | cz01 | hu1  | ro11 | bg42 | pl52 |
| be3  | de8 | es11 | es53 | fr43 | ie02 | ith1 | nl4  | ukj  | fi19 | cz02 | hu21 | ro12 | pl11 | pl61 |
| dk01 | de9 | es12 | es61 | fr51 | itc1 | ith2 | pt11 | ukk  | fi1b | cz03 | hu22 | ro21 | pl12 | pl62 |
| dk02 | dea | es13 | es62 | fr52 | itc2 | ith3 | pt15 | ukl  | fi1c | cz04 | hu23 | ro22 | pl21 | pl63 |
| dk03 | deb | es21 | fr1  | fr53 | itc3 | ith4 | pt16 | ukm  | fi1d | cz05 | hu31 | ro31 | pl22 | hr03 |
| dk04 | dec | es22 | fr21 | fr61 | itc4 | ith5 | pt17 | ukn  | se11 | cz06 | hu32 | ro32 | pl31 | hr04 |
| dk05 | ded | es23 | fr22 | fr62 | itf1 | iti1 | pt18 | at11 | se12 | cz07 | hu33 | ro41 | pl32 |      |
| de1  | dee | es24 | fr23 | fr63 | itf2 | iti2 | ukc  | at12 | se21 | cz08 | si01 | ro42 | pl33 |      |
| de2  | def | es3  | fr24 | fr71 | itf3 | iti3 | ukd  | at13 | se22 | ee   | si02 | bg31 | pl34 |      |
| de3  | deg | es41 | fr25 | fr72 | itf4 | lu   | uke  | at21 | se23 | cy   | sk01 | bg32 | pl41 |      |
| de4  | el1 | es42 | fr26 | fr81 | itf5 | iti4 | ukf  | at22 | se31 | lv   | sk02 | bg33 | pl42 |      |
| de5  | el2 | es43 | fr3  | fr82 | itf6 | nl1  | ukg  | at31 | se32 | lt   | sk03 | bg34 | pl43 |      |

### Notes

- 1 See figure 2, Annex.
- 2 [http://ec.europa.eu/regional\\_policy/en/funding/erdf/](http://ec.europa.eu/regional_policy/en/funding/erdf/)
- 3 [http://ec.europa.eu/regional\\_policy/en/funding/social-fund/](http://ec.europa.eu/regional_policy/en/funding/social-fund/)
- 4 [http://ec.europa.eu/regional\\_policy/en/funding/cohesion-fund/](http://ec.europa.eu/regional_policy/en/funding/cohesion-fund/)

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