

11. REGIONAL SPECIALISATION AND PRODUCTIVITY GROWTH ACROSS SECTORS

While deeply rooted in local history, geography, institutions and social capital, the production structure of regions keeps evolving over time as a result of both macroeconomic changes and economic policies at the national or sub-national level.

The primary sector (agriculture, fishing and forestry), is still an important employer in many regions. The countries with the largest employment shares in the agricultural, forestry and fishery sector are Turkey, Greece, Korea and Portugal among OECD countries, the Russian Federation and South Africa among emerging economies. All these countries display a large interregional variation in agricultural employment, with few regions still highly specialised in primary activities. One such highly specialised region is Agri in Turkey, where 70% of the labour force is employed in the primary sector (Figure 11.1). Most countries have large differences in the shares of employment in mining, manufacturing and utilities (electricity, gas and water). Four countries in Eastern Europe – the Czech Republic, the Slovak Republic, Hungary and Slovenia – had markedly higher shares of employment in this sector in 2008. The region of Bursa in Turkey has a specialisation in this sector only matched by Severovychod, in the Czech Republic (Figure 11.1). Both agriculture and manufacturing have lost relative importance with respect to the service sector in the last decade. Focusing on a limited number of occupations in the very diverse service sector (financial intermediation, real estate, renting and business activities), most countries have regional “outliers”, where the share of service jobs is much above the national average. The regions of Zurich (Switzerland), London (United Kingdom) and Northern Cape (South Africa) are such “service centers” hosting important shares of employment in these rapidly evolving sectors (Figure 11.1).

Both as a result of redistribution of employment shares and of actual capacity increases, productivity dynamics have been markedly different across agriculture, manufacturing and service sectors. Differences in productivity changes have also been marked within countries, contributing largely to regional convergence or divergence. In the agricultural sector, the productivity growth between 1995 and 2007 in leading regions (those with gross domestic product [GDP] per capita above the national average in 1995) has been significantly higher than in lagged behind regions (GDP per capita below average in 1995) in the Czech Republic and Poland. Lagged behind regions performed significantly better in the agricultural sector, in Belgium and Norway in particular. In the manufacturing sector, there

are more countries where regions lagging behind in 1995 had relatively lower productivity gains. This is the case in particular in Belgium, Spain and Greece, where the productivity growth of lagged regions was less than half than the one leading. This lower dynamism of regions starting at lower levels of GDP per capita is even more evident in the service sector, where very few countries (Germany, the Netherlands and Italy), saw a relative increase in the productivity of lagged behind regions (Figure 11.2).

Definition

Industries are defined according to the International Standard Industrial Classification (ISIC) Rev. 3.1. Industry size is defined by the total number of employed in that industry. Regional data on gross value added (GVA) and employment are available aggregated in six sectors (see Annex B).

Productivity by sector is defined as the GVA in the sector divided by the number of employees in the sector in the region. It is expressed in average yearly growth rates over available years.

Source

OECD Regional Database: <http://dotstat/wbos/>.

See Annex B for data, source and country-related metadata.

Reference years and territorial level

1995-2008; TL2.

Canada and Mexico regional GVA by industry not available.

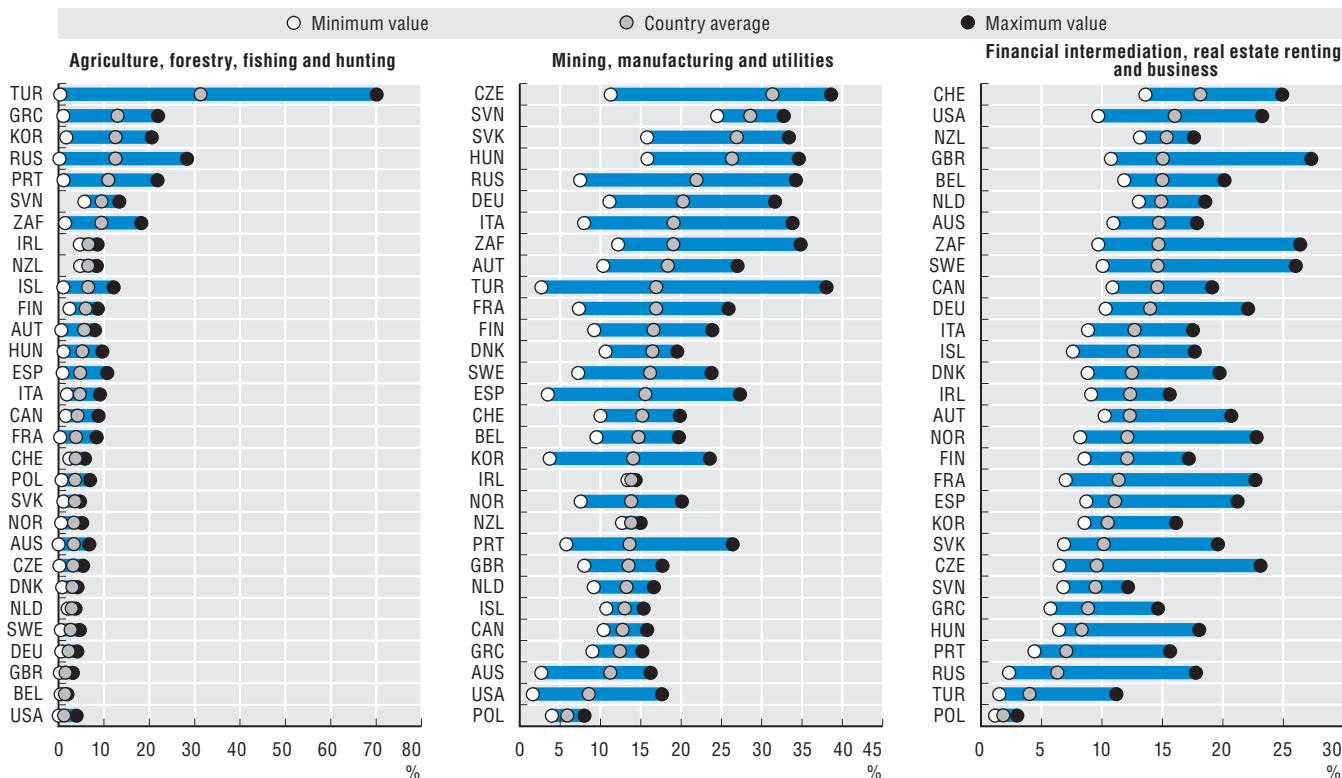
Figure notes

11.1: Chile and Mexico are not included (latest available year respectively 2005 and 2004).

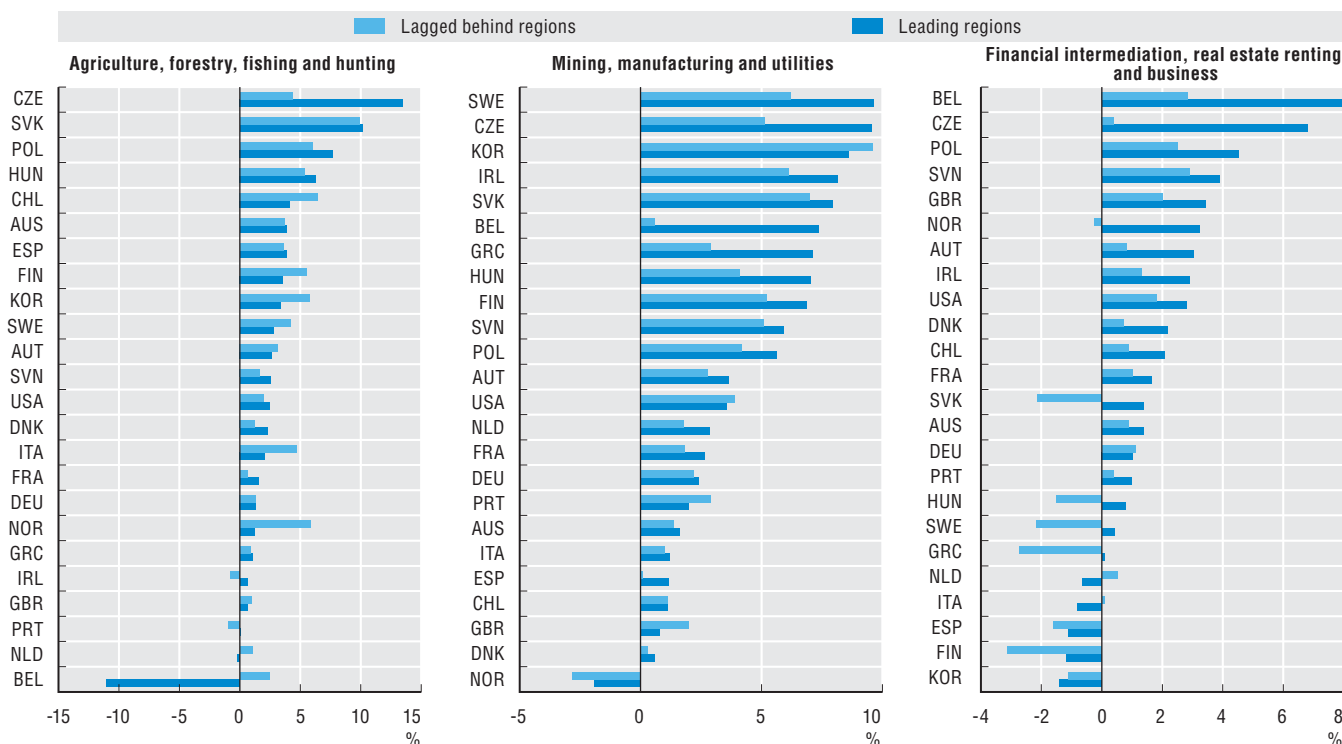
11.2: Leading (lagged behind) regions are defined as those with GDP per capita in 1995 above (below) national average GDP per capita. Data for Japan not used due to changes in industrial classifications over the period. Available years: Korea 2004-07, Netherlands and United Kingdom 1999-2007, Norway 1997-2007, Poland 1998-2007, United States 2000-07, Germany, Slovenia 1996-2007, Chile 1996-2005.

11. REGIONAL SPECIALISATION AND PRODUCTIVITY GROWTH ACROSS SECTORS

11.1. TL2 regional range of employment share (as a % of regional total employment) in selected industries, 2008



11.2. Annual rate of productivity growth in selected industries in 1995-2007, by regional economic performance in 1995, TL2



StatLink <http://dx.doi.org/10.1787/888932439596>



From:
OECD Regions at a Glance 2011

Access the complete publication at:
https://doi.org/10.1787/reg_glance-2011-en

Please cite this chapter as:

OECD (2011), "Regional specialisation and productivity growth across sectors", in *OECD Regions at a Glance 2011*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/reg_glance-2011-16-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.