

14. GEOGRAPHIC CONCENTRATION OF INDUSTRIES

Industries are unevenly distributed across OECD countries and among regions in the same country. Comparable regional data on industry size, i.e. on the total employment of a certain industry, for the total economy are available only for six broad sectors (see definition in the box). Therefore only a general picture of the regional employment by industry can be drawn from this information.

In 2005 the share of employment in the construction sector across OECD regions was the most concentrated around the median value, while the public sector, followed by manufacturing, was the most dispersed. Natural endowments play an important role in certain activities such as agriculture, fishing, mining and quarrying, and the distribution of the employment shows some regions with negligible values and others strongly specialised in these activities (Figure 14.1).

In 2005 almost 30% of OECD employment was in the trade, hotels and restaurants, transport, storage and communication sector. Country values ranged from 22% in Turkey to 49% in Mexico. The share of regional employment in a certain industry within a country gives an indication of the extent to which the regional economy, being concentrated on a specific industry can benefit from spill-over effects and linkages among firms.

Within each country the region with the highest share of employment in trade, hotels and restaurants, transport storage and communication varied from 62% in Quintana Roo (Mexico) to 25% in Vlaams Gewest (Belgium) (Figure 14.2).

The public sector absorbed 28% of the employment in OECD countries in 2005. As expected, in most of the countries the capital regions were the ones which absorbed the most employment in the public sector. The difference with the country average was the largest in the Ciudad Autonoma de Ceuta (Spain), the Australian Capital Territory (Australia) and the District of Columbia (United States) (Figure 14.3).

Despite the aggregate size of the manufacturing, mining, electricity, gas and water supply sector it has been gradually declining in OECD regions recent years, employment in this sector accounted for 15.5% in 2005 (and 19% in 1995). The regional specialisation of activities within this sector is displayed in Chapter 17.

The structural change from agriculture and manufacturing towards services has affected regions diversely, particularly in the financial intermediation, real

estate, renting and business activities sector. In 2005, this sector accounted for 16% of the OECD employment. In eight countries a single region recorded more than 25% of its employment in this sector. Praha (Czech Republic), London (United Kingdom) and Bratislav (Slovak Republic) were the regions with the largest difference from the country average (Figure 14.4).

Definition

Industries are defined according to the International Standard Industrial Classification (ISIC) Rev. 3.1. Industry size is defined by the total number of people employed in that industry.

For the total economy, regional data are available only aggregated in the following six sectors: 1) Agriculture, forestry and fishing; 2) Manufacturing, mining and quarrying, electricity, gas and water supply; 3) Construction; 4) Trade, hotels and restaurants, transport storage and communication; 5) Financial intermediation, real estate, renting and business activities; 6) Education, public administration and defence, health and other public activities.

Source

OECD Regional Database, <http://dotstat/wbos/>, theme: Regional Statistics.

See Annex B for data sources and country related metadata.

Reference years and territorial level

1995-2005; TL2

Figure notes

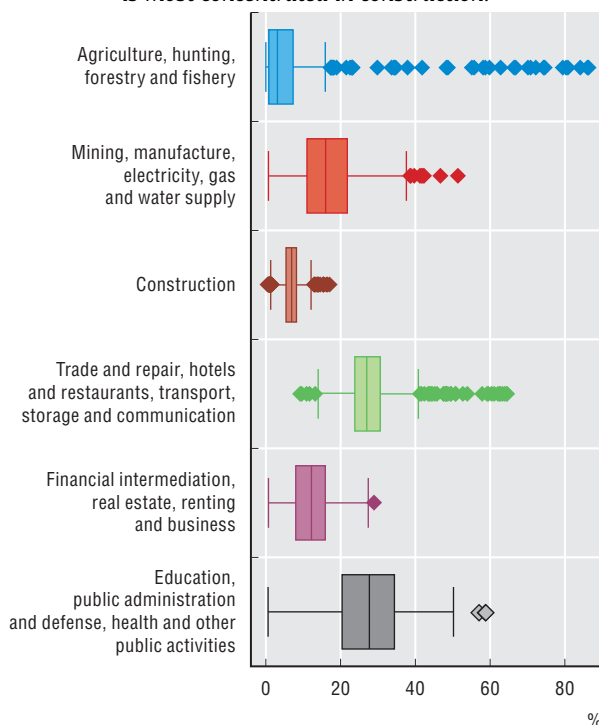
Figure 14.1: Minimum and maximum values (dots), inter-quartile range (box) and median share (vertical line in the box).

Figures 14.3 and 14.4: Available data: Korea, Mexico and the Netherlands 2004; Turkey 2002; Switzerland 2000.

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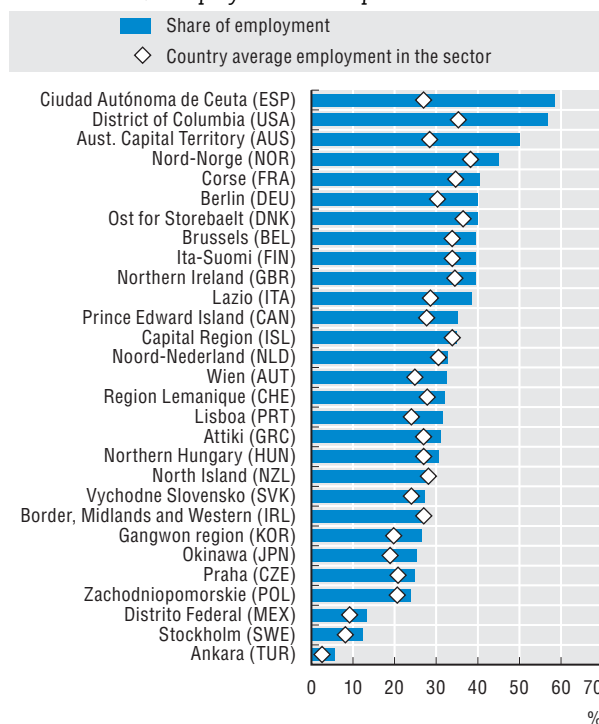
14.1 Share of employment in TL2 regions by sector, 2005

In OECD regions the share of employment is most concentrated in construction.



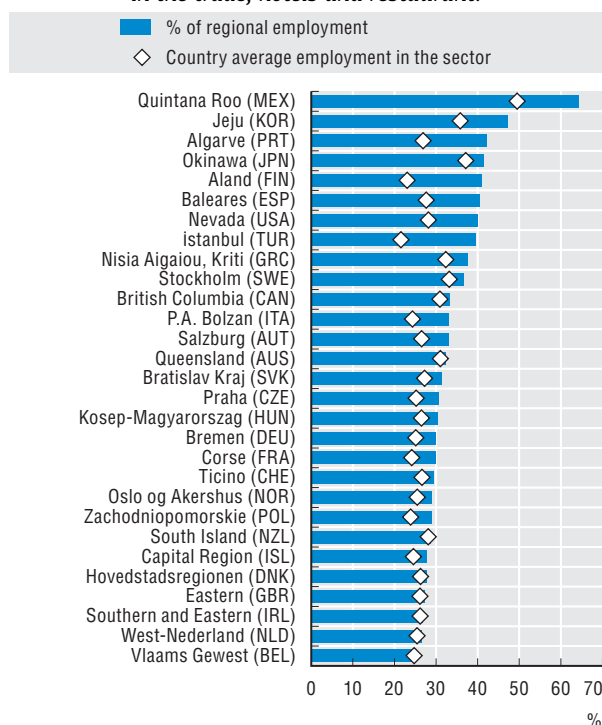
14.3 Highest share of employment by country, in the public administration and defence, health and education (TL2 regions), 2005

In Spain, Ciudad Autónoma de Ceuta had almost 60% employment in the public sector.



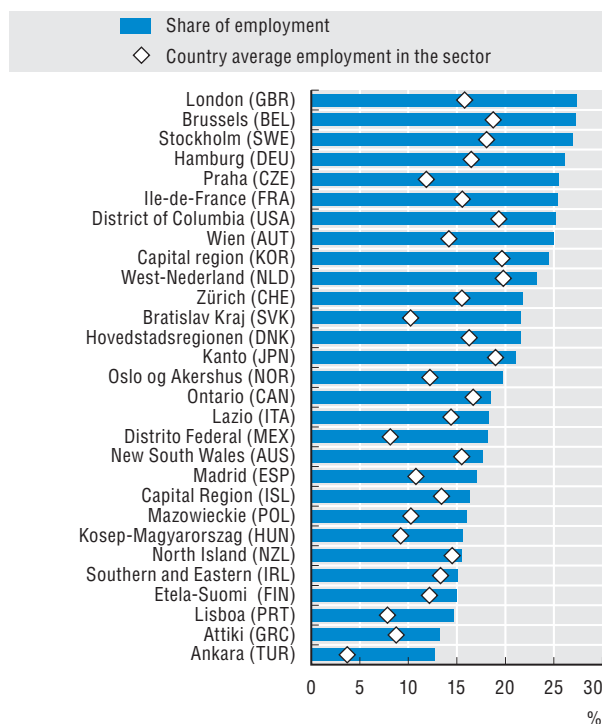
14.2 Highest share of employment by country, in trade, hotels and restaurants, transport, storage and communication (TL2 regions), 2005

In Mexico, Quintana Roo had the highest employment in the trade, hotels and restaurant.

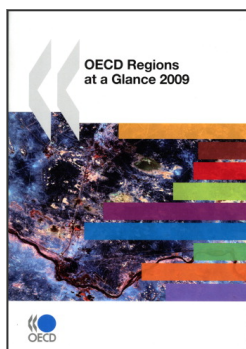


14.4 Highest share of employment by country, in the financial, real estate and business (TL2 regions), 2005

In the UK, London had 28% of employment in the financial, real estate and business.



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