

11. REGIONAL CONTRIBUTION TO CHANGE IN EMPLOYMENT

Differences in employment growth within countries are larger than across countries. During the period 1999-2006, international differences in annual employment growth rates across countries were as large as 4.4 percentage points, ranging from -0.2% in Poland to 4.2% in Spain (Figure 11.1).

Over the same period, differences in regional employment growth rates across regions within Poland, Mexico and Spain were above 7 percentage points. In Italy, the United States, Korea, France and Canada, these differences were smaller but still significant (above 5 percentage points). Only in Belgium, Denmark, Switzerland and Norway did national employment growth reflect a more even pattern of regional growth (Figure 11.2).

Wide differences in regional employment growth rates were experienced both in countries with high employment growth (for example Spain) and low or negative employment growth (for example Poland).

Employment creation at the national level appears largely due to a small number of regions. On average, 10% of OECD regions accounted for 47% of overall employment creation in OECD countries between 1999 and 2006. The regional contribution to national employment creation was particularly pronounced in certain countries. In Greece, the United States and Sweden more than 60% of the employment growth was spurred by 10% of regions (Figure 11.3).

The pattern is similar for decreases in employment. On average, 54% of job losses in OECD countries between 1999 and 2006 were concentrated in only 10% of regions.

Changes in national employment, therefore, result from the difference between the creation of new jobs in some regions and the decline of employment in others. This suggests that mobility of labour from declining regions to growing regions can contribute to national job growth. At the same time, labour market policies to promote total employment growth and skill enhancement need to explicitly address regional factors.

Among the 20 fastest employment growing regions there were 17 Spanish regions (Figure 11.4), of which twelve were intermediate, four predominantly urban and one predominantly rural.

On average employment in OECD predominantly rural regions grew more slowly than in predominantly urban and intermediate regions, even though in eight countries, growth in employment was highest in a rural region.

Definition

Employed persons are all persons who during the reference week of the survey worked at least one hour for pay or profit, or were temporarily absent from such work. Family workers are included.

Source

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

See Annex B for data sources and country related metadata.

National data, <http://dotstat/wbos/>, OECD Annual Labour Force Statistics Database.

Reference years and territorial level

1999-2006; TL3

Mexico TL2 regions

Regions in Australia and Canada are grouped differently than TL3 regions, labelled non official grids – NOG (see Annex A).

Further information

ILO Guidelines, <http://ilo.org>.

OECD (2002-07), *Babies and Bosses: Reconciling Work and Family Life*, series.

Figure notes

Figure 11.1: Source: OECD Annual Labour Force Statistics Database.

Figure 11.2: Turkey is excluded for lack of data for comparable years. Available data: Iceland 1999-2005; Mexico (TL2) 2000-06.

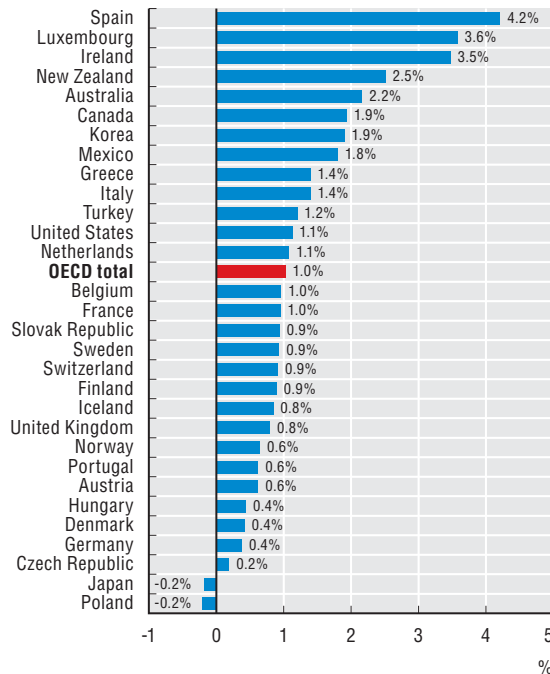
Figure 11.3: Only countries with national positive growth of employment are included. Turkey is excluded for lack of data for comparable years. Available data: Iceland 1999-2005; Mexico (TL2) 2000-06.

Figure 11.4: OECD index equals 1.

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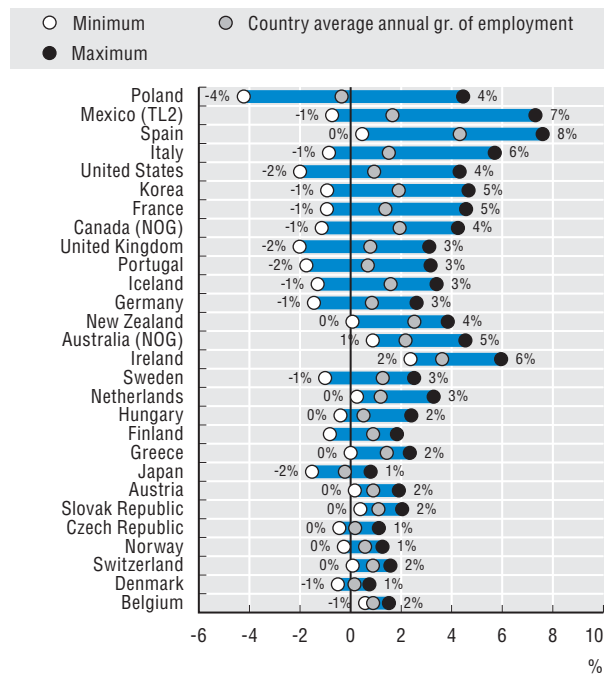
11.1 National annualised rate of employment growth, 1999-2006

Between 1999 and 2006 in Spain the employment grew 4.2% per year while in Poland and Japan decreased -0.2% per year.



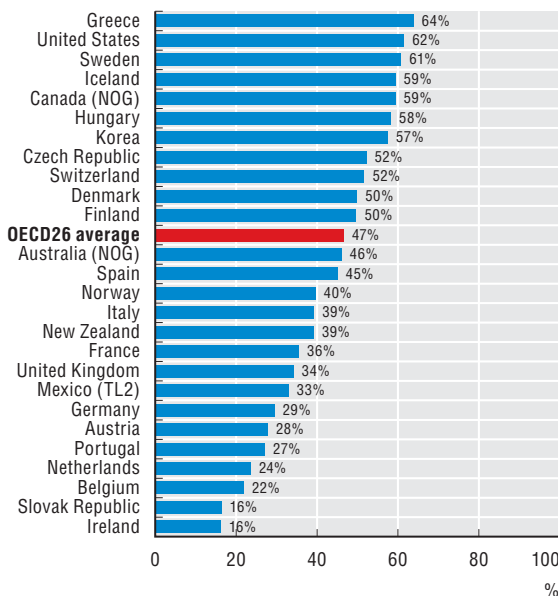
11.2 Countries ranked by size of difference in TL3 regional annual employment growth, 1999-2006

Over 1999-2006, Poland displayed the widest difference in regional employment growth.



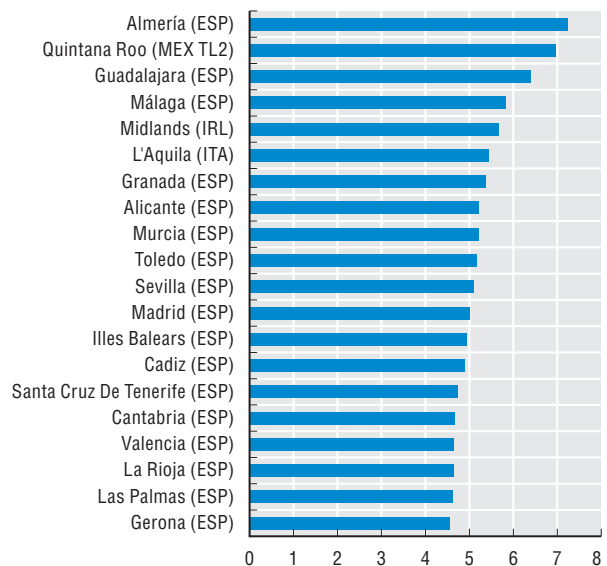
11.3 Per cent of national employment increase contributed by the top 10% of TL3 regions, ranked by regional increase, 1999-2006

47% of the increase in total employment in OECD countries, 1999-2006, was driven by 10% of regions.



11.4 Index of employment growth of the top fastest growing TL3 regions (OECD index equals 1), 1999-2006

Across all OECD regions, Almeria, Spain, grew at the fastest rate over 1999-2006.

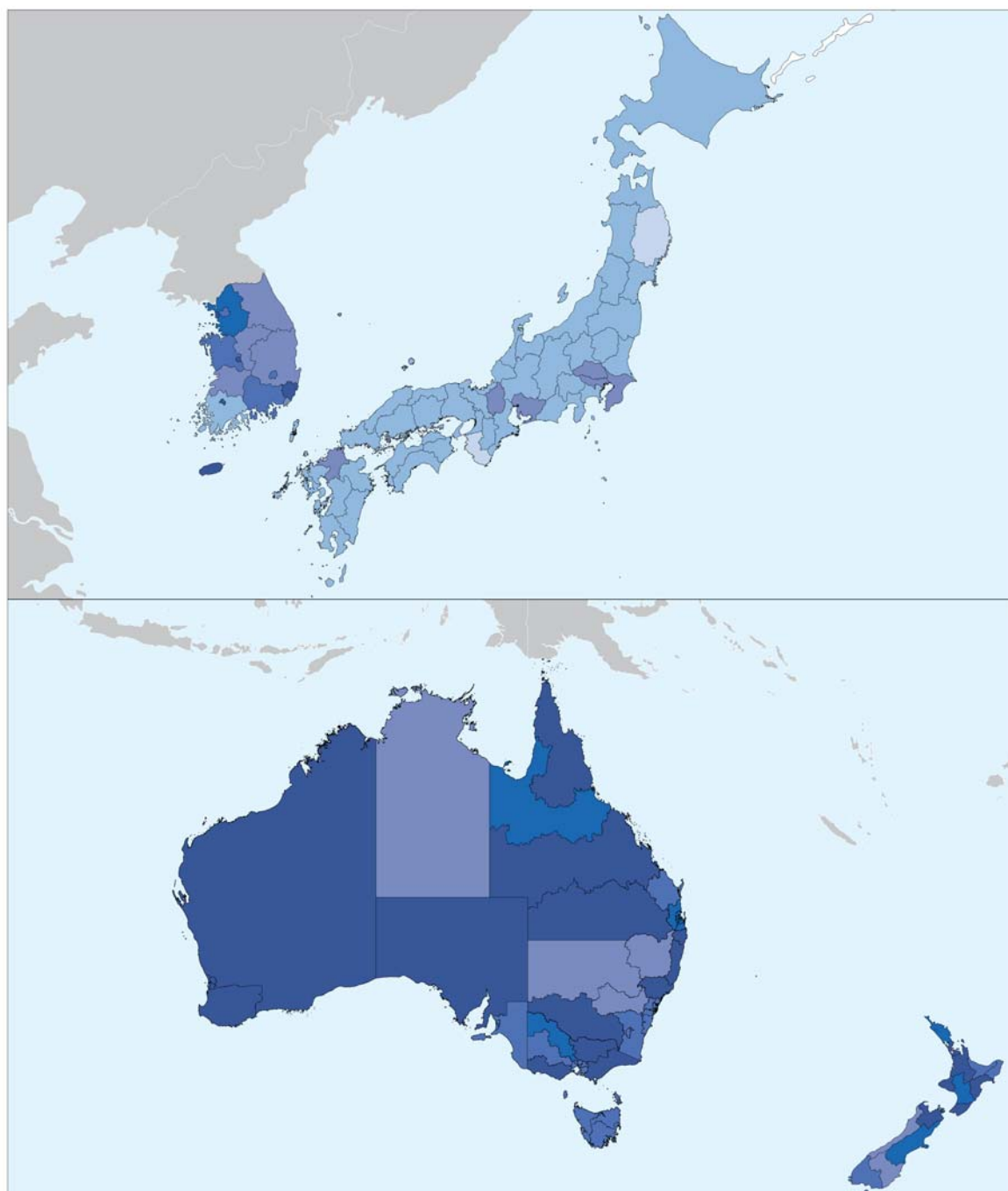


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11.5 Regional employment growth: Asia and Oceania

Average annual employment growth rate, TL3 regions, 1999-2006

- Higher than 3.0%
- Between 2.0% and 3.0%
- Between 1.0% and 2.0%
- Between 0.0% and 1.0%
- Between -1.0% and 0.0%
- Lower than -1.0%
- Data not available



Australia Non official grid (NOG).

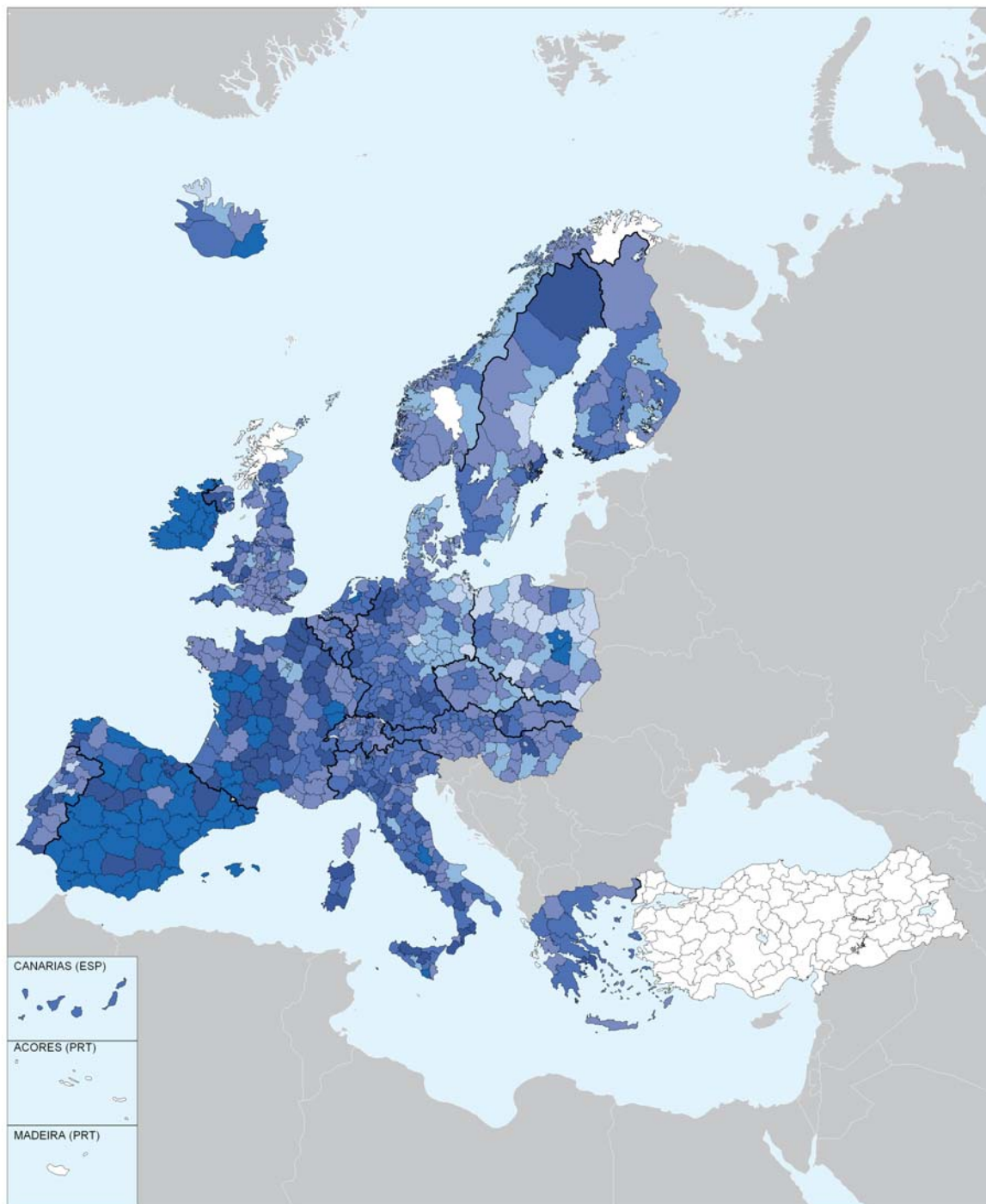
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11.6 Regional employment growth: Europe

Average annual employment growth rate, TL3 regions, 1999-2006

- Higher than 3.0%
- Between 2.0% and 3.0%
- Between 1.0% and 2.0%
- Between 0.0% and 1.0%
- Between -1.0% and 0.0%
- Lower than -1.0%
- Data not available



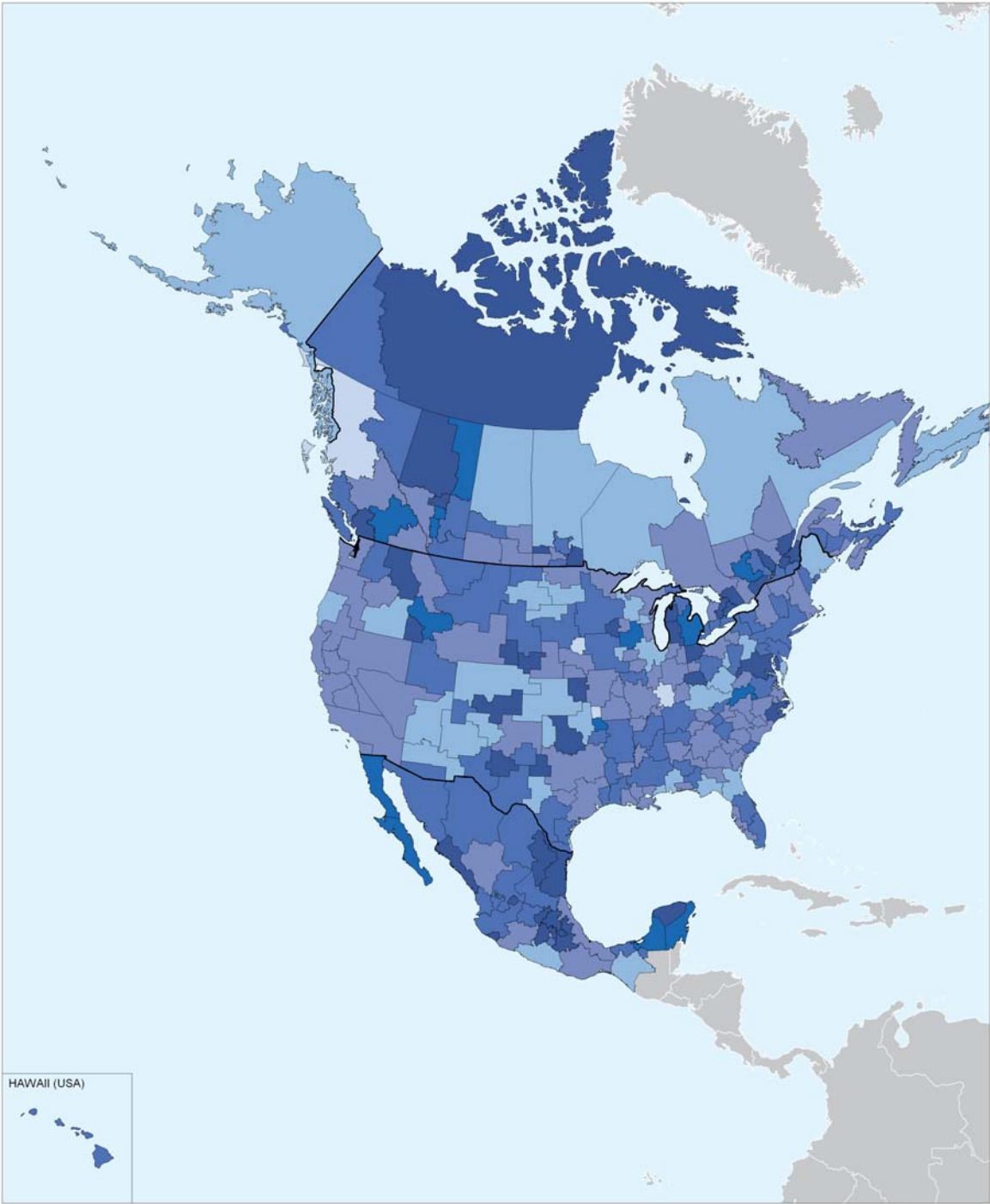
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11.7 Regional employment growth: North America

Average annual employment growth rate, TL3 regions, 1999-2006

- Higher than 3.0%
- Between 2.0% and 3.0%
- Between 1.0% and 2.0%
- Between 0.0% and 1.0%
- Between -1.0% and 0.0%
- Lower than -1.0%
- Data not available



Mexico TL2 regions and Canada Non Official Grid (NOG).

StatLink  <http://dx.doi.org/10.1787/524620805686>

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Increase the number of working women to enhance regional competitiveness

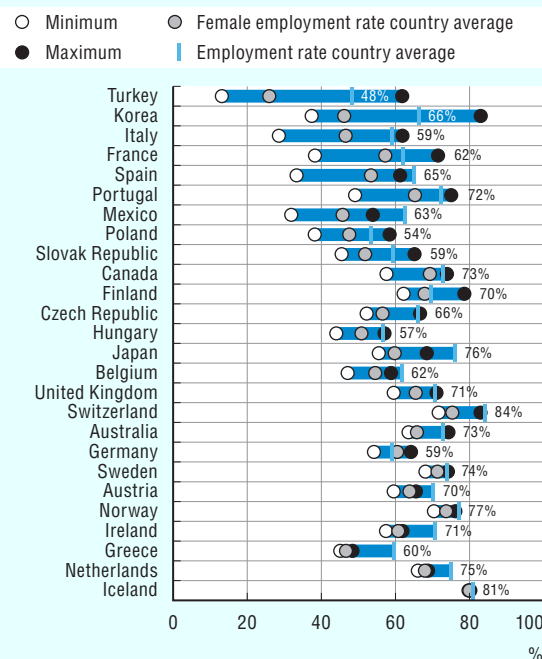
More women are working in OECD member countries: between 1999 and 2006 the female employment rate increased from 54.9 to 56.9%; nevertheless, in 15% of the OECD regions less than 40% of working age women were employed in 2006. Policies to increase female participation in the labour market are on the agenda of many OECD member countries, since the gender gap, that is to say the difference between the male and female employment rates, has narrowed due a significant increase in female participation in only few countries. In 2006, almost one-third of the OECD countries where regional data are available had a female employment rate more than 10 percentage points lower than the total employment rate; in Turkey, Korea and Mexico this difference was as high as 20 points (Figure 11.8).

Most regions still have a long way to go to increase the female labour supply and realise their full economic potential. Regional differences in female employment were the largest in Turkey, Korea, Italy and France in 2006. Even if regional differences were smaller in Mexico, Poland and Spain, in some regions the female employment-to-population ratio, which indicates how much regional economies are able to take advantage of the productive potential of their working age population, was lower than 40%. On the contrary most of the regions with high female employment (higher than 70%), were found in Iceland, Norway and Switzerland and, for a limited number of regions, in Australia, Finland, Korea, Portugal, Sweden and the United Kingdom (Figure 11.8).

OECD member countries with high regional differences in female employment also tend to have lower employment rates, suggesting that policies to reduce territorial inequalities in the participation of women to the labour market could have a direct impact on national policies for jobs. Employment rates are generally higher for workers with tertiary qualifications and differences in employment rates between males and females are wider among less educated groups (OECD Education at a Glance, 2008). The positive correlation between high educational achievements and the female employment at regional level could be tested only using the educational attainment of the total labour force. Figure 11.9 shows a positive correlation in the 17 out of the 22 countries considered, but is statistically significant in only five (Ireland, the Netherlands, Australia, the Czech Republic and Mexico).

11.8 Countries ranked by size of difference in TL2 regional female employment rate, 2006¹

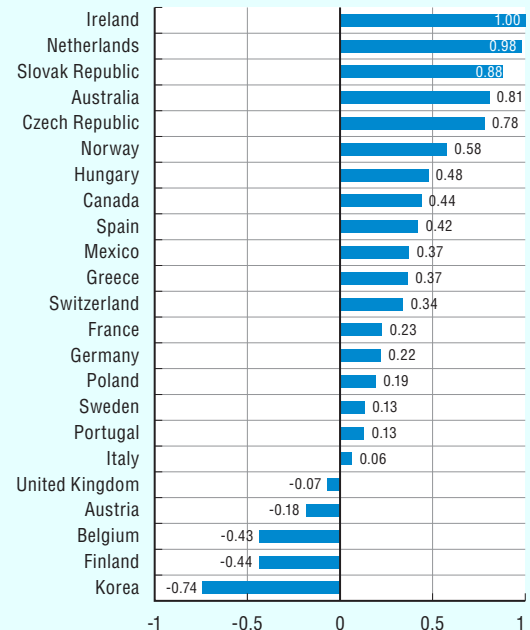
Turkey, Korea and Italy display the largest regional differences in the female employment rates.



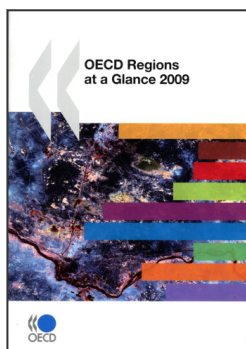
1. Female employment rate last available year: Germany and Iceland 2005. No regional data for Denmark, New Zealand and the United States.

11.9 Pearson correlation between female employment rate and higher educational attainments, 2005

Ireland and the Netherlands show the highest association between tertiary education and female employment.



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