

19. REGIONAL DISPARITIES IN PARTICIPATION RATES

In 2006 the labour force participation rate, that is to say the ratio between labour force and the working age population, was equal to 70.6% in OECD countries. Turkey and Iceland recorded, respectively, the lowest and highest values 51% and 88%. Spain and Ireland were the countries where the labour force participation rate grew the most between 1999 and 2006, thanks to a marked increase in the employment and, in Spain, also to a strong reduction in unemployment (Figure 19.1).

Differences between regions within the same country are very large both in countries with low participation rates, such as Turkey and Italy, and in countries with high participation rates such as France, Canada and the United States. In 2006 regional differences were above 20 percentage points in more than one-third of OECD countries. Turkey, France and Canada had regions with participation rates below 50% and others above 80% (Figure 19.2).

The Gini index offers a picture of regional disparities. It looks not only at the region with the highest and the lowest rate of labour participation but at the difference among all regions in a country. The index varies between zero and one; the higher its value, the larger the regional disparities. In 2006 Turkey, Poland and Italy were the countries with the largest regional disparities according to this index. Ireland, the Czech Republic and the Netherlands showed the lowest level of disparities in participation rates (Figure 19.3).

From 1999 to 2006, the Gini index decreased most in Ireland, thanks to the increased labour force in the Midlands, Mid-West and South-West regions. However, regional inequalities in participation rates also increased, the most so in France and New Zealand where labour force participation increased more in the regions with higher participation rates.

In 2006, Switzerland, Hungary, Canada, Finland and Spain showed a marked difference in the labour force participation rate between urban and rural regions (above 5 percentage points higher in urban regions). Then in Korea, Japan and France, the labour force participation rate was higher in rural regions than in urban regions (by above 6 percentage points) (Figure 19.4).

Increasing the female labour supply is seen as important to sustaining economic growth and ensuring social protection. With the exception of some regions in Germany and the region of Åland in Finland, female participation rates are lower than the male participation rates everywhere (Maps 19.5-19.7).

Definition

The participation rate is the ratio of the labour force to the working age population (aged 15-64 years). Similarly, the female participation rate is the ratio of the female labour force to the female working age population.

The labour force is defined as the sum of employed and unemployed people.

The Gini index is a measure of inequality among all regions of a given country (see Annex C for the formula). The index takes on values between 0 and 1, with zero interpreted as no disparity. It assigns equal weight to each region regardless of its size; therefore differences in the values of the index among countries may be partially due to differences in the average size of regions in each country.

Source

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

See Annex B for data sources and country related metadata.

OECD Annual Labour Force Statistics Database, <http://dotstat/wbos/>, Labour force statistics.

Reference years and territorial level

1999-2006; TL3

Mexico, Portugal and Turkey TL2 regions.

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

Data on female participation rates are not available for Australia, Iceland, Mexico and Switzerland. For France, Portugal, Turkey and the United States available only at TL2.

Further information

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

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

Figure notes

Figure 19.1: Source: Own calculations from OECD Annual Labour Force Statistics.

Figures 19.2 and 19.3: Available data for Austria 2001-06; Iceland 1999- 2002; Ireland 2002-06; Turkey 2004-06.

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19.1 National labour force participation rate in 2006 and difference between 2006 and 1999

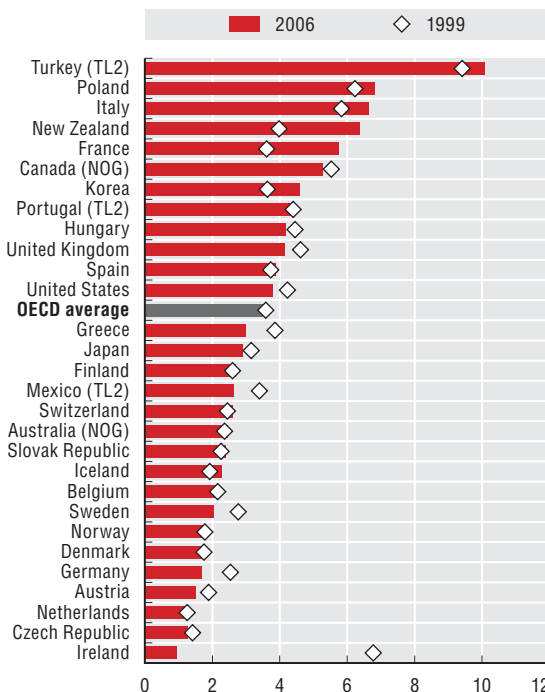
Between 1999 and 2006, the labour force participation rate in Spain grew the most.

Difference between participation rates 2006 and 1999



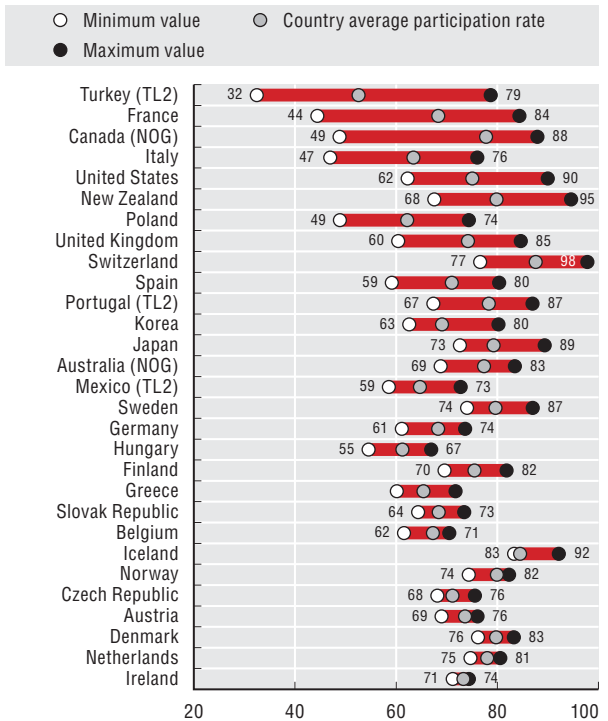
19.3 Gini index of TL3 regional participation rates

Turkey shows the highest Gini index in participation rates.



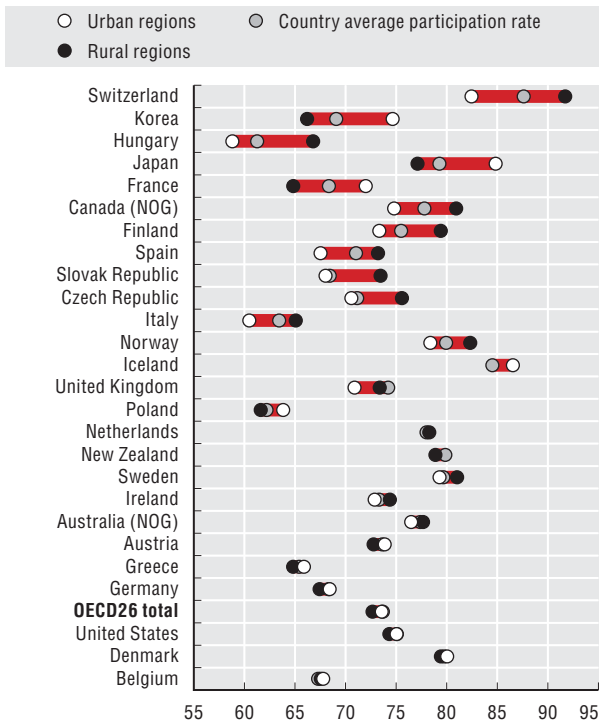
19.2 Range in TL3 regional participation rates, 2006

Regional differences in participation rates were large both in countries with low and high rates.



19.4 Participation rates in rural and urban regions, 2006

In 2006, participation rates across OECD regions were higher in urban than in rural regions in many countries.



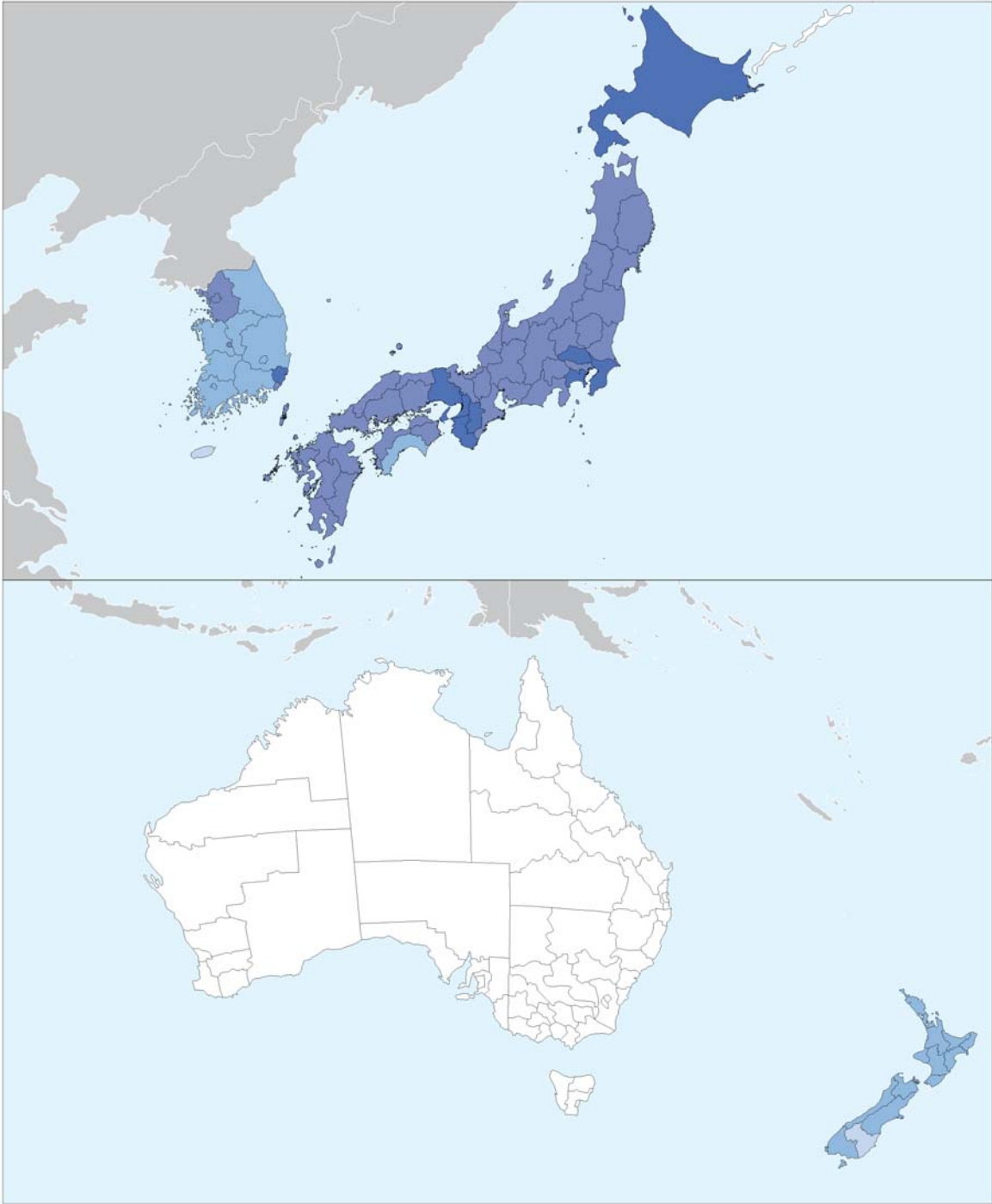
StatLink <http://dx.doi.org/10.1787/524087335052>

A corrigendum has been issued for this page. See <http://www.oecd.org/dataoecd/39/17/42397246.pdf>

19.5 Regional gender participation rates: Asia and Oceania

Difference between female and male participation rates, TL3 regions, 2006

- Higher than 0.0
- Between -0.1 and 0.0
- Between -0.2 and -0.1
- Between -0.3 and -0.2
- Lower than -0.3
- Data not available

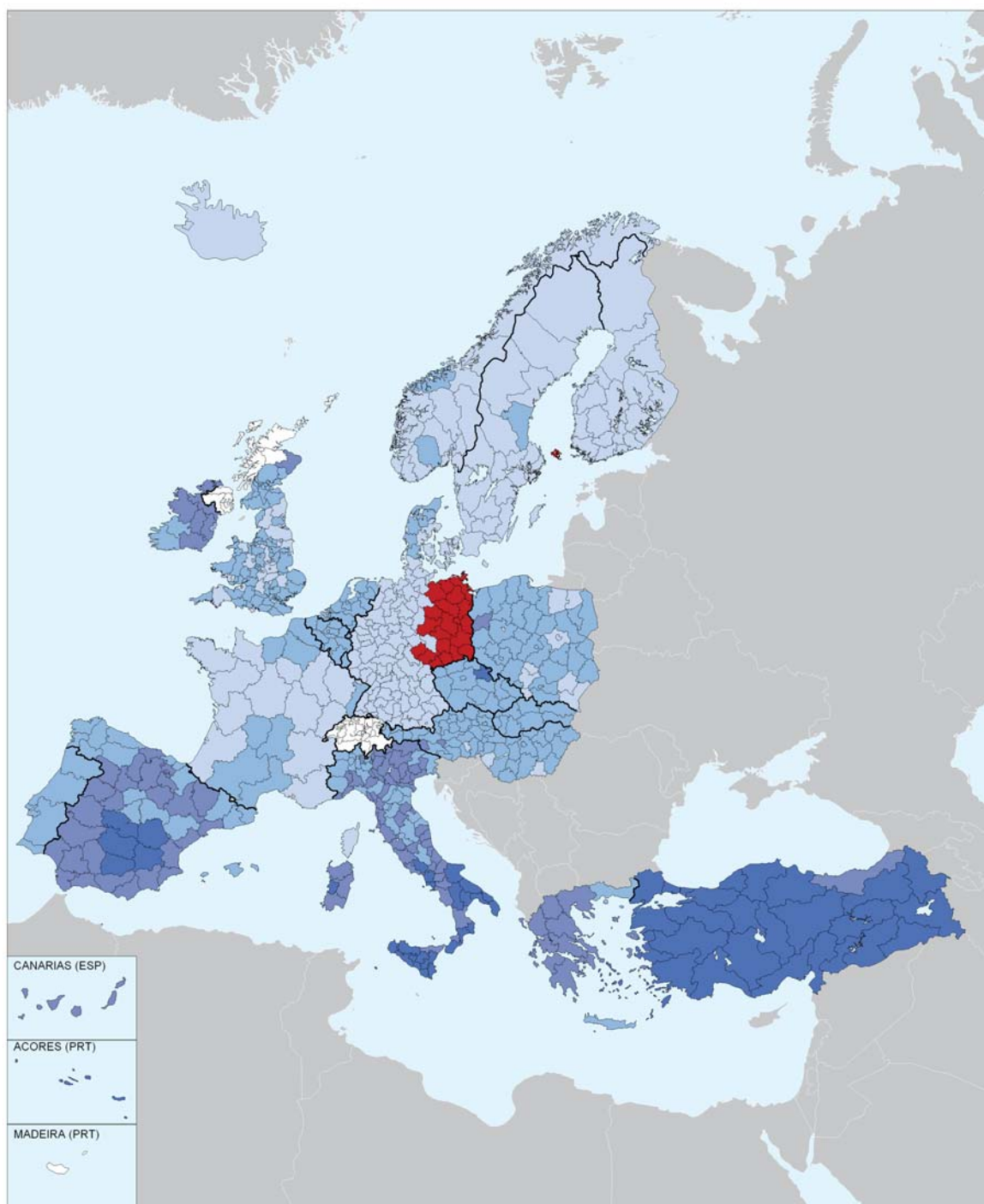


StatLink  <http://dx.doi.org/10.1787/524806440785>

19.6 Regional gender participation rates: Europe

Difference between female and male participation rates, TL3 regions, 2006

- Higher than 0.0
- Between -0.1 and 0.0
- Between -0.2 and -0.1
- Between -0.3 and -0.2
- Lower than -0.3
- Data not available



France, Portugal and Turkey TL2 regions.

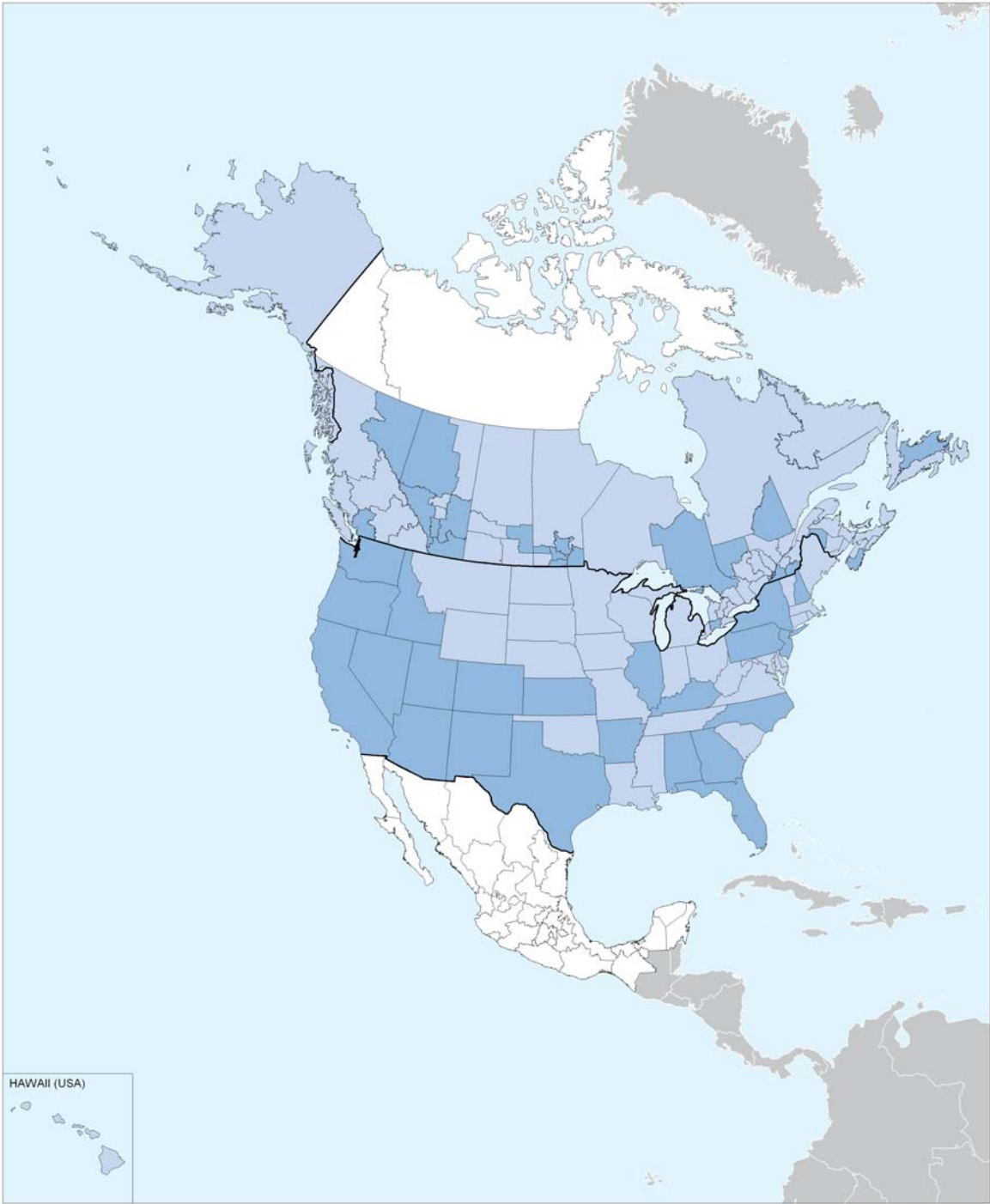
StatLink <http://dx.doi.org/10.1787/524806440785>

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19.7 Regional gender participation rates: North America

Difference between female and male participation rates, 2006

- Higher than 0.0
- Between -0.1 and 0.0
- Between -0.2 and -0.1
- Between -0.3 and -0.2
- Lower than -0.3
- Data not available



Canada Non Official Grids (NOG), United States TL2 regions.

StatLink  <http://dx.doi.org/10.1787/524806440785>

Impact on regional disparities of different jobs opportunities

Participation rates, i.e. the ratio between the labour force and the working age population, vary greatly among regions both within and among OECD countries. Demographic factors, the labour market participation of women and economic opportunities are the three main factors behind these differences.

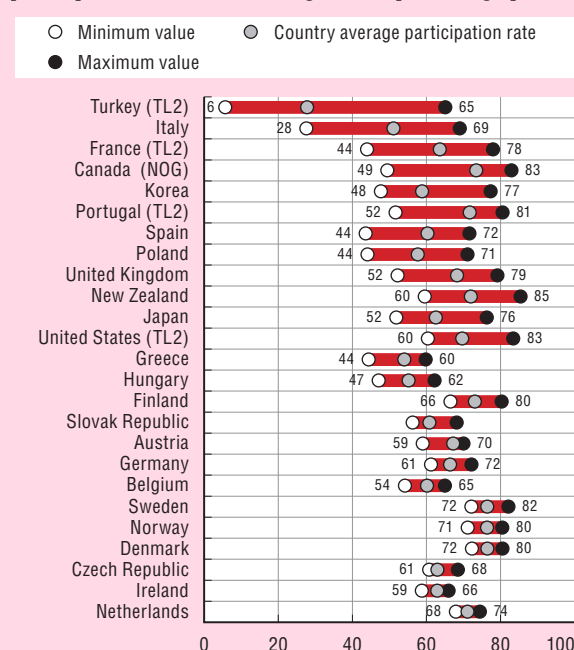
Age affects the propensity to participate in the labour market: participation is low for young people during education and for older adults around retirement age. Therefore the larger the share of the young or old in a given population the lower the participation rate.

The gender composition of the population and the role of women in society also affect participation rates. With the exception of some regions in Germany and Finland, female participation rates are lower than male participation rates everywhere (Maps 19.5-19.7). Female participation rates tend to increase with the availability of adequate services to reconcile family and work life (i.e. child care, day care facilities, parental leave, etc.). Regional differences in female participation rates within countries are very large in Turkey, Italy, France, Canada, Korea, Portugal and Spain (more than 30 points) (Figure 19.8). These differences signal that female participation rates tend to be higher where more economic opportunities and adequate services are in place; in fact in 2006, female participation rates were higher in urban regions than in rural regions in 14 out of 19 OECD countries.

The third factor affecting participation rates is the degree of economic opportunity. Regional differences in employment and unemployment rates show that job opportunities vary significantly among regions also in the same country. The higher the unemployment rate and the long-term unemployment rate (Chapter 18), the lower the probability that an individual will find a job and therefore will enter the labour market. In fact 18 OECD countries displayed a significant negative correlation between regional participation rates and regional unemployment rates (Figure 19.9). This general pattern is reinforced in some regions by discouraging effects such that a decrease in the unemployment rates does not necessarily imply an increase in the labour market participation.

19.8 Range in TL3 regional female participation rate, 2006¹

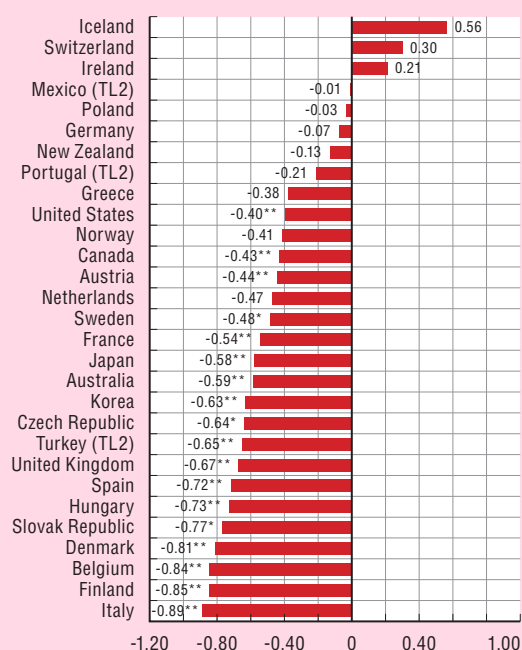
In 7 countries, regional differences in female participation rates were as high as 30 percentage points.



1. No regional data available for Australia, Iceland, Mexico and Switzerland. France, Portugal, Turkey and the United States at TL2. Last available year Japan 2000, Finland and Sweden 2005, the United States 2004.

19.9 Correlation between regional participation rates and regional unemployment rates, 2006

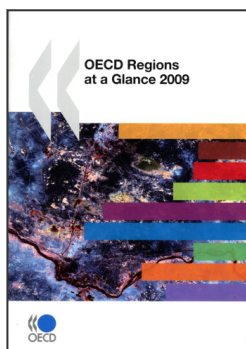
In 18 countries, regional participation rates were negatively correlated with regional unemployment rates.



* Significant at 95%.

** Significant at 99%.

StatLink <http://dx.doi.org/10.1787/524087335052>



From:
OECD Regions at a Glance 2009

Access the complete publication at:
https://doi.org/10.1787/reg_glance-2009-en

Please cite this chapter as:

OECD (2009), “Regional disparities in participation rates”, in *OECD Regions at a Glance 2009*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/reg_glance-2009-23-en

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