

Editorial: Regions and cities – seizing their potential for stronger productivity and well-being

Current global megatrends – such as the digital transformation, climate change, migration or ageing – are likely to have a major impact on people’s lives. Similar to the effects of globalisation that have characterised the last two decades, the consequences of these megatrends can be highly diverse not only across countries, but also across regions and cities within a given country. This differential impact will add to the already heightened concern of policy makers about disparities related to jobs and income, and thus ultimately well-being, across regions and cities. Economic differences within countries are indeed already cause for concern: within OECD countries, the most productive region is on average twice as productive as the least productive one. Fundamental changes to traditional local economic structures that, for example, the digital transformation will cause could further exacerbate such regional discrepancies.

Preparing for the challenges and opportunities of global megatrends while enhancing resilience and sustainable development across space requires action and policies that are adapted to the specific realities of where people live. *Regions and Cities at a Glance 2018* makes a critical contribution to this agenda by providing detailed, subnational data that reveal differences and diverse trends within countries that would be masked by national averages. The publication examines the most recent economic, social, and demographic developments in regions and cities across OECD and selected non-OECD countries, highlighting patterns of growth and progress in many aspects related to people’s lives. Such information helps policy makers to prioritise actions to promote prosperity and cohesion in all places.

As engines of economic growth and innovation, cities and their residents will be at the forefront in making sure that future opportunities arising from global megatrends will benefit society at large and trickle down to all places. Cities are vital centres of entrepreneurship that have a significantly higher rate of firm creation than other places. New firms can help to provide innovative solutions and achieve the efficiency gains promised by automation and digitalisation. Nonetheless, closer links between cities and rural areas can be beneficial for both types of places thanks to knowledge spillovers and sharing of innovation, resources and amenities.

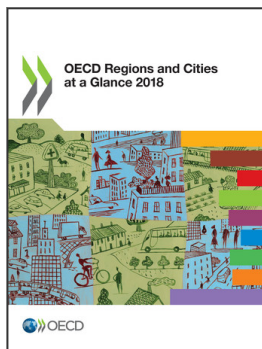
The assessment of well-being outcomes across OECD regions can help countries pursue policies that take into account the specific conditions of places and thereby provide adequate local solutions. While many aspects of quality of life have improved in the majority of regions, income and job opportunities are increasingly concentrated in specific regions. Young adults are particularly vulnerable in this regard. Youth unemployment is above 50% in certain regions of Southern Europe, demonstrating that finding a job can still be extremely challenging. Alleviating differences in living conditions becomes crucial to making our societies more prosperous and inclusive.

We are still at the beginning of the process of analysing and understanding how global megatrends will affect our societies. However, it is clear that opportunities and living conditions will continue to be different across regions and cities. In this light, *Regions and Cities at a Glance 2018* makes an important contribution by highlighting the most salient spatial discrepancies that need to be addressed to truly achieve stronger growth and more inclusive societies.

Lamia Kamal-Chaoui

A handwritten signature in black ink, appearing to read 'L. Kamal-Chaoui', with a stylized flourish at the end.

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