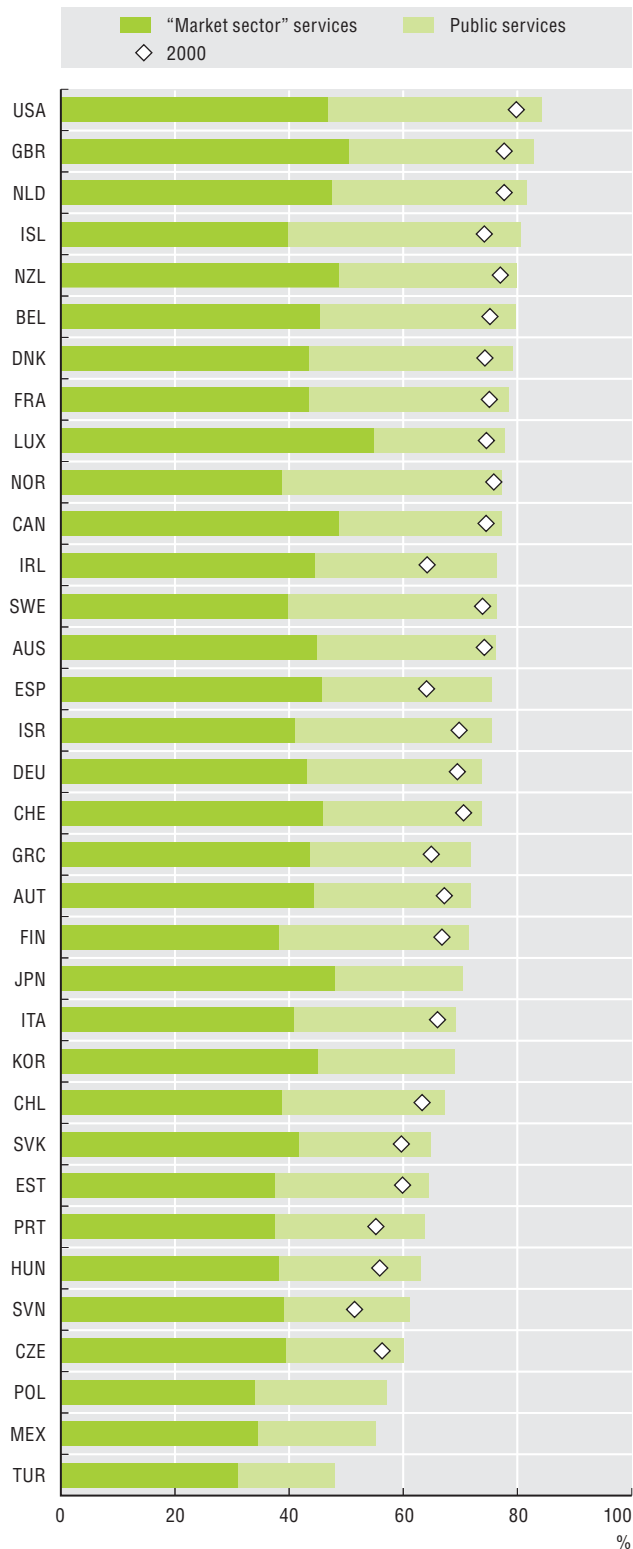


## 7. PARTICIPATING IN THE GLOBAL ECONOMY

### 1. Employment

#### Employment in services, 2000 and 2011

As a percentage of total employment



Source: OECD, National Accounts (SNA) Database, June 2013. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932904070>

The share of employment in service activities has continued to rise steadily. The recent crisis, which hit manufacturing and construction particularly hard, has reinforced this long-term trend. By 2011, the share of employment in services in OECD countries averaged about 74%, ranging from 48% in Turkey to 84% in the United States. Between 2000 and 2011, shares of employment in services increased by over 15% in Ireland, Portugal, Slovenia and Spain. On average in 2011, public services accounted for about 40% of OECD-area employment in services, ranging from 29% in Luxembourg to 51% in Iceland.

Knowledge-intensive market services are significant users of high technology (e.g. ICT capital) and/or have a relatively highly skilled workforce able to meet the demands of modern, highly competitive business environments. Their share of employment has increased in most OECD countries since 2000; by 2011, they accounted on average for 12% of total employment. The increase was mainly driven by professional, scientific and technical activities, which account for about half of employment in these services. ICT services account for only about 3% of total employment in OECD countries.

In contrast, the share of employment in high- and medium-high-technology manufacturing has continued to decline in many OECD countries, partly as a result of increased international sourcing of manufactured products, particularly from non-OECD countries, and active offshoring by multinationals. Exceptions include countries such as the Czech Republic, Estonia, Hungary, Poland and the Slovak Republic which have increased their presence in EU manufacturing value chains. Employment in high- and medium-high-technology manufacturing fell significantly over 2000-11 in the United Kingdom (-42%), Spain (-39%) and the United States (-31%).

#### Definitions

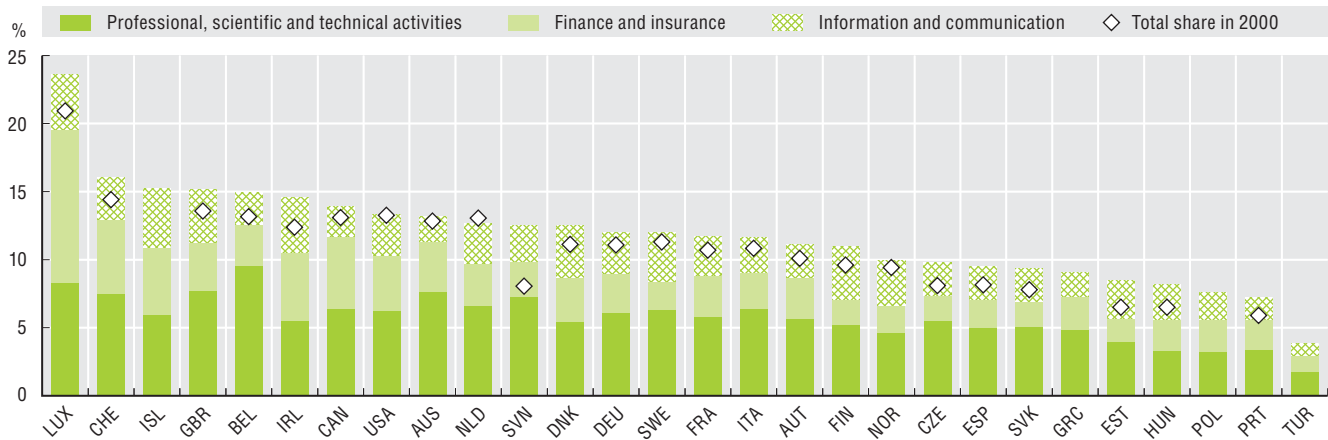
*Market sector services* correspond to ISIC Rev.4 Divisions 45-82. *Public sector services* encompass ISIC Rev.4 Divisions 84-98, i.e. Government (84), Education (85), Health (86-88), Other community, social and personal services (90-96), and Private households (97-98).

*Knowledge-intensive "market" services* refer to ISIC Rev.4 Section J: Information and communication (Divisions 58-63); K: Finance and insurance (64-66); and M: Professional, scientific and technical activities (69-75).

*High- and medium-high-technology manufacturing* is defined in ISIC Rev.4 as Chemicals and chemical products (Division 20), Pharmaceutical products (21), Computer, electronic and optical products (26), Electrical equipment (27), Machinery and equipment n.e.c. (28), Motor vehicles (29) and Other transport equipment (30).

**Employment in knowledge-intensive “market” services, 2000 and 2011**

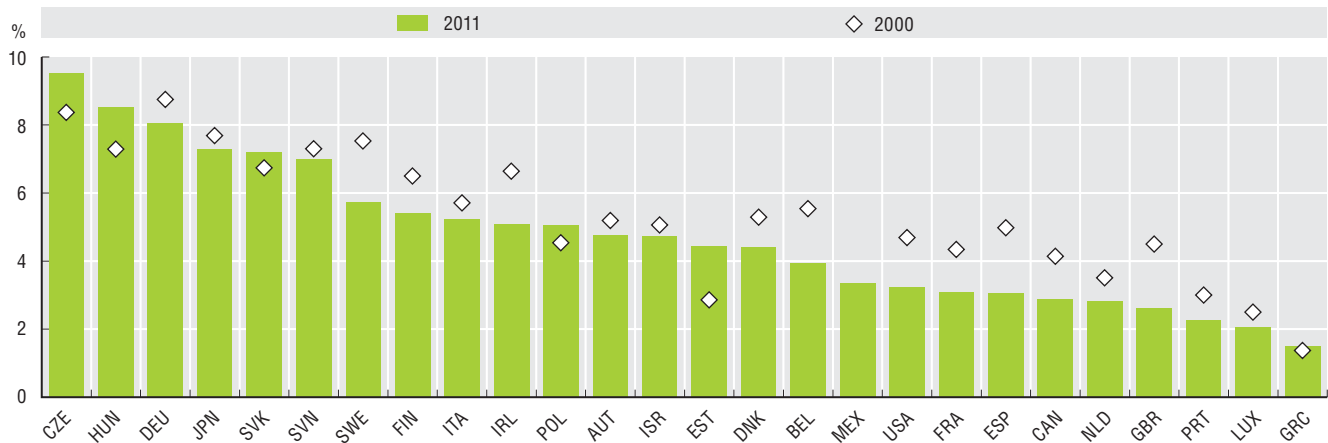
As a percentage of total employment



Source: OECD, Structural Analysis (STAN) Database, ISIC Rev.4, May 2013. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932904089>**Employment in high- and medium-high-technology manufacturing, 2000 and 2011**

As a percentage of total employment



Source: OECD, Structural Analysis (STAN) Database, ISIC Rev.4, May 2013. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932904108>**Measurability**

On an industry-based definition, the distinction between market and public services is only approximate, as some services can be provided by public or private entities, or by a mix of the two. For example, in OECD countries, private education and health services are available to varying degrees while in some countries, transport and postal services remain in the public realm.

Recent employment statistics compiled according to ISIC Rev.4 (NACE Rev.2) are used here. High- and medium-high-technology manufacturing is usually defined on the basis of industry R&D intensity, i.e. R&D expenditures relative to output. However, as ISIC Rev.4 data availability is currently insufficient, an approximate correspondence from the ISIC Rev.3 definition has been adopted.

For services, alternative measures, beyond R&D expenditure, have been used to determine the preliminary ISIC Rev.4 definition of knowledge-intensive market services applied here. These include the skill composition of the workforce and, indicators of innovation intensity based on data coming from innovation surveys.



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