

Interpreting OECD Regional Indicators

*R*egions at a Glance 2011 addresses two questions:

- What progress have OECD regions made towards more sustainable development, compared to the past and compared with other regions?
- Which factors drive the competitive edge of regions and what local resources could be better mobilised to increase national growth and people's well-being?

Addressing the first question can reveal the variety of regional economic structures and performance through a broad range of indicators. Given the multidimensionality of regional development, it is necessary to build sound information comparable across countries on economic, social and environmental outcomes.

Answering the second question can inform the design of effective strategies to improve the contribution of regions to aggregate performance and can suggest policy interventions unlocking complementarities among efficiency, equity and environmental sustainability. Clearly, this second question is more challenging to answer and regional statistics can provide only a partial assessment of the effects of policies. The publication *Regional Outlook 2011* integrates the statistics presented in this edition of *Regions at a Glance* with analysis of institutional and policy determinants, going deeper into the assessment of causality links and policy evaluation.

The framework of *Regions at a Glance* is organised along two dimensions.

The first dimension reflects the OECD mission to encourage stronger, fairer and cleaner economies. The three main sections of the publication – 1) *Regions as drivers for competitiveness*; 2) *Inclusion and equal access to quality services in regions*; and 3) *Environmental sustainability in regions and metropolitan areas* – present indicators showcasing the key role of regions to strengthen these three interconnected pillars of socio-economic development.

The second dimension highlights three perspectives that need to be integrated in order to develop a complete view of the evolution of regional economies:

- How are assets distributed across regions and how do they contribute to national growth? For example, only 10% of OECD regions are responsible for almost half of GDP growth and job creation in recent years.
- Do regional disparities tend to persist and what are the unused resources to be mobilised to maximise regions' competitive edge and well-being? For example, regional differences in unemployment rates within OECD countries have persistently been around two times higher than differences among OECD countries in the past 15 years.
- What are the common features that characterise OECD regions that have achieved a certain outcome? For example, the regions that managed to sustain positive employment during the economic recession are those which, more than the other regions, increased their qualified human capital and their participation in the labour market, and improved the productivity of traditional sectors in the previous period.

This analytical approach which focuses simultaneously on distribution over space, persistence over time, and links between different characteristics/endowments, provides a solid foundation for evidence-based policy making.

The chapters of *Regions at a Glance* can be slotted into a summary matrix (framework) with the three dimensions of competitiveness, inclusion and sustainability in the columns and the three perspectives of concentration, persistence of disparities and characteristics of regions in the rows.

Table 1. **Framework for the chapters of Regions at a Glance**

	Regions as drivers for competitiveness	Inclusion and equal access to quality services in regions	Environmental sustainability in regions and metropolitan areas
Concentration of resources and contribution to growth	1. Regional contribution to population change 2. Distribution of population and regional typology 3. Regional contribution to growth 4. Regional contribution to change in employment 12. Regional specialisation in knowledge-oriented sectors 10. Skilled immigration in OECD regions 13. Public investment in regions 14. Research and development expenditure in regions 16. Patents in regions and among different economic actors	19. Concentration of elderly population in regions 21. Immigration trends in OECD regions	31. Regional access to network infrastructure 32. Green patents in regions
Regional disparities and mobilisation of unused resources	6. Regional economic disparities 9. Regional disparities in tertiary education 11. Regional specialisation and productivity growth across sectors	18. Regional disparities in household income 22. Regional disparities in unemployment 23. Gender differences in employment opportunities 24. Access to education 25. Access to health	28. Forests, natural vegetation and the carbon footprint of regions 29. Carbon emissions and air quality in regions 30. Municipal waste
Characteristics of regions on common outcomes	5. Labour productivity growth in regions 7. Patterns of growth in regions 8. Impact of the crisis on jobs in regions 15. Public and business R&D expenditure 17. Regional patterns of co-patenting	20. Population mobility among regions 26. Access to basic services in developing economies	27. The growth of urban land in OECD regions

The allocation of chapters to one or another cell in Table 1 is not always straightforward, as objectives may overlap or complementarities arise. For example, regional data on ageing populations provides information both on the competitiveness of regions in terms of future production and on social inclusion in terms of provision of specific services. Similarly, regional patent activities in green technologies measure the capacity of governments and industry to create new business values and at the same time proxy investment made to meet environmental improvements.

The dimension of *characteristics of regions* is a novelty in this publication and is explored by looking at correlations among different outcome and structural variables. Profiling regions to identify common characteristics in adaptability to changes and resilience to external shocks can serve as early evidence to identify complementarities among policy instruments at the regional level. It can be thus a useful tool to move towards integrated design of regional policies whose effects can be monitored over time.

Choice of indicators

OECD *at a Glance* 2011 includes 40 indicators selected from the OECD Regional Database, and presents around 12 indicators available at the sub-national level for the first

time. What appears is a larger selection of sub-national statistics that refer to the economic structure and competitiveness compared to sub-national indicators of social inclusion and environmental conditions.

Sound data at sub-national level is often limited and difficult to compare across countries. The OECD will continue to pursue the development of regional indicators also in areas where considerable investment still needs to be made in conceptual work.

A regional perspective on the assessment of well-being of societies is necessary, since inequalities are not only among individuals but also across places where people live. Poor access to quality services in certain regions undermines the opportunities available to the inhabitants of these regions; and in turn reduces social mobility over time. However, only a few indicators are available at the regional level to assess inequality in access to services and measures of perceptions of quality of life are still lacking. A first attempt to improve the international comparison of regional quality of life is made here by presenting measures of household income by regions, regional inequalities in education and health and regional disparities in the access to essential services in emerging economies.

Statistics of environmental conditions and quality in cities and regions based on international standards are even scarcer. To start filling this gap, this publication presents new measures of land use, air quality, green gas emissions and urbanisation trends, produced taking advantage of the increasing availability of global datasets based on geographic information systems.

Small boxes point to comparability and measurement issues in the case of indicators presented for the first time for which an international standard has not been yet agreed. These *measurement gaps* aim at spurring discussion for future production of regional statistics by OECD countries to improve the evidence base for policy making.

For the first time, statistics for the four recent OECD member countries Chile, Estonia, Israel and Slovenia are included. Where available, data on Brazil, the People's Republic of China (China), India, the Russian Federation and South Africa are also included.

Finally, the main messages of this publication are also delivered with a selection of interactive graphs and maps on the OECD website www.oecd.org/gov/regional/statisticsindicators.



From:
OECD Regions at a Glance 2011

Access the complete publication at:
https://doi.org/10.1787/reg_glance-2011-en

Please cite this chapter as:

OECD (2011), "Interpreting OECD Regional Indicators", in *OECD Regions at a Glance 2011*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/reg_glance-2011-3-en

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