

Reader's Guide

Definitions and typologies

Typology of regions with respect to productivity	
Frontier	is the region leading its country in terms of labour productivity, measured by the real gross domestic product per employee. In some countries the leading region accounts for a small percentage of the total workforce. Where this is the case, the frontier is the weighted average of regions with the highest labour productivity levels accounting for 10% of the country's total employment.
Catching-up regions	is a classification of regions based on their labour productivity growth relative to the frontier. It is based on the growth in labour productivity between 2000 and 2013 (or closest year available). Regions where labour productivity grew/dropped by at least 5 percentage points more/less than in the frontier are classified as catching-up/diverging regions, with regions that are keeping pace falling within the +/- 5 percentage points band.
Diverging regions	
Keeping-pace regions	
Typologies of regions with respect to population or other functions	
Cities	an individual city is defined by an administrative border of a local government. A functional urban area (see below) encompasses more than the urban core of the main city. In this report, for simplicity, a city refers to a functional urban area, and if of large size, is referred to as a metropolitan area (see below). Where the term refers to an administrative city, this will be made explicit.
Functional regions	are geographic areas defined by their economic and social integration rather than by traditional administrative boundaries. A functional region is a self-contained economic unit according to the functional criteria chosen (for example, commuting, water service or a school district).
Functional urban areas (FUAs)	are defined as densely populated municipalities (urban centres) and adjacent municipalities with high levels of commuting towards the densely populated urban centres. (commuting zones), according to a definition developed by the OECD and the European Union (EU). FUAs can extend across administrative boundaries. The OECD tracks FUAs of 50 000 inhabitants and more.
Metropolitan areas	are defined as those FUAs with a population of over 500 000. There are 281 metropolitan areas in the 30 OECD countries with data; of these, 90 had a population greater than 1.5 million in 2014.
Regions (TL2 and TL3)	are classified by the OECD into two territorial levels that reflect the administrative organisation of countries. OECD's large regions (TL2) represent the first administrative tier of subnational government, such as the Ontario region in Canada. OECD small (TL3) regions are contained within a TL2 region. For example, the TL2 region of Castilla-La Mancha in Spain encompasses five TL3 regions: Ciudad, Real, Guadalajara, Toledo and Albacete. In most cases, TL3 regions correspond to administrative regions, with the exception of Australia, Canada, Germany and the United States. For more information about the OECD regional classification see <i>OECD Regions at a Glance 2016</i> .
TL2 regional typology	TL2 regions have been classified as mostly urban (MU), intermediate (IN) or mostly rural (MR), according to the percentage of residents living in FUAs. Regions with more than 70% of their population living in a FUA, or some percentage of their population living in a large metropolitan area with more than 1.5 million inhabitants, are classified as mostly urban, those with less than 50% are classified as mostly rural.
TL3 regional typology	TL3 regions have been classified as: predominantly urban (PU), intermediate (IN) and predominantly rural (PR) based on the percentage of regional population living in rural communities, combined with the existence of urban centres where at least one-quarter of the regional population reside. The terms urban, intermediate and rural are used to refer to these categories. An extended typology distinguishes between regions that are predominantly rural and close to a city, and predominantly rural regions that are remote. The distinction is based on the driving time to the nearest urban centre with at least 50 000 inhabitants for a certain share of the regional population. Due to lack of information on the road network, the predominantly rural regions (PR) in Australia, Chile and Korea have not been classified as remote or close to a city.

ISO country codes

AUS	Australia	ISL	Iceland
AUT	Austria	ISR	Israel
BEL	Belgium	ITA	Italy
CAN	Canada	JPN	Japan
CHE	Switzerland	KOR	Korea
CHL	Chile	LUX	Luxembourg
CZE	Czech Republic	MEX	Mexico
DEU	Germany	NLD	Netherlands
DNK	Denmark	NOR	Norway
ESP	Spain	NZL	New Zealand
EST	Estonia	POL	Poland
FIN	Finland	PRT	Portugal
FRA	France	SVK	Slovak Republic
GBR	United Kingdom	SVN	Slovenia
GRC	Greece	SWE	Sweden
HUN	Hungary	TUR	Turkey
IRL	Ireland	USA	United States

Disclaimers

Latvia was not an OECD member at the time of preparation of this publication. Accordingly, Latvia does not appear in the list of OECD members and is not included in the area totals.

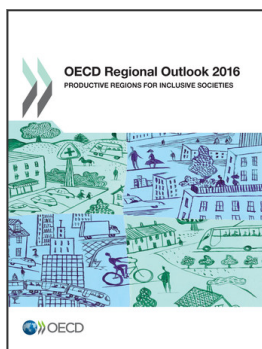
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Acronyms and abbreviations

AfD	<i>Agence Française de Développement</i> French Development Agency
ANRU	<i>Agence Nationale pour la Rénovation Urbaine</i> National Agency for Urban Renewal (France)
CCFLA	Cities Climate Finance Leadership Alliance
CGET	<i>Commissariat général à l'égalité des territoires</i> General Commission for Territorial Equality (France)
CHP	Combined heating and power
CLLD	Community-led local development
COAG	Council of Australian Governments
COE	Council of Europe
COP21	21st Conference of the Parties (United Nations Framework Convention on Climate Change)
CoR	Committee of the Regions
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EDA	Economic Development Administration (United States)
EU	European Union
EMFF	European Maritime and Fisheries Fund
EPRC	European Policy Research Centre
EQI	European Quality of Government Index
ERDF	European Regional Development Fund

ESF	European Social Fund
ESIF	European Structural and Investment Funds
FAO	Food and Agriculture Organization
FDI	Foreign direct investment
FMDV	<i>Fonds Mondial pour le Développement des Villes</i> Global Fund for Cities Development
FSN	Food security and nutrition
FUA	Functional urban area
GDP	Gross domestic product
GHG	Greenhouse gas
GIAF	Green Investment Accelerator Fund
GIS	Geographic information system
GRW	<i>Bund Länder Gemeinschaftsaufgabe "Verbesserung der regionalen Wirtschaftsstruktur"</i> Joint Task for the Improvement of Regional Economic Structure (Germany)
GVA	Gross value added
GVC	Global value chain
HLPE	High Level Panel of Experts on Food Security and Nutrition
HUD	Department of Housing and Urban Development (United States)
ICT	Information and communications technologies
IEA	International Energy Agency
IN	Intermediate (region)
INC	Intermediate close to city (region)
INR	Intermediate remote (region)
INSEE	<i>L'Institut national de la statistique et des études économiques</i> National Institute for Statistics and Economic Analysis (France)
IPCC	Intergovernmental Panel on Climate Change
IT	Information technology
ITI	Integrated territorial investments
LAC	Latin America and the Caribbean
LAG	Local action groups
LEADER	<i>Liaison Entre Actions de Développement de l'Économie Rurale</i> Links between the rural economy and development actions (EU)
MDG	Millennium development goal
MW	Megawatt
NEET	Young people that are not employed, in education or in training
NGO	Non-government organisation
NRP	National Rural Policy (Canada – Québec)
NUA	New Urban Agenda
NUTS	Nomenclature of units for territorial statistics
NSS	National Spatial Strategy (Japan)
ODA	Official development assistance
ÖREK	Austrian Spatial Development Concept
ÖROK	<i>Die Österreichische Raumordnungskonferenz</i> Austrian Conference on Spatial Planning
OSS	One-stop shop
PA	Partnership agreement
PIF	Pre-investment facility
PM ₁₀ /PM _{2.5}	Particulate matter (concentration of fine particles in the air)
PPF	Planet Pledge Fund
PPP	Purchasing power parity / Public-private partnerships
PRC	Predominantly rural close to city (region)
PRR	Predominantly rural remote (region)
PU	Predominantly urban (region)
PV	Photovoltaic
R&D	Research and development
RDA	Regional development agency
RDPC	Regional Development Policy Committee

RE	Renewable energies
S&T	Science and technology
SDG	Sustainable development goal
SEDATU	<i>Secretaría de Desarrollo Agrario, Territorial y Urbano</i> Secretariat for Agricultural, Urban and Territorial Development (Mexico)
SEZ	Special economic zone
SME	Small and medium sized enterprises
SNA	System of National Accounts
SNG	Subnational government
SUBDERE	<i>Subsecretaría de Desarrollo Regional y Administrativo</i> Sub-secretariat for Regional and Administrative Development (Chile)
SWOT	Strengths, weaknesses, opportunities, threats
TL2	Territorial level 2
TL3	Territorial level 3
UCLG	United Cities and Local Governments
UN	United Nations
UN-DESA	United Nations Department of Economic and Social Affairs
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	U.S. dollar
USDA	United States Department of Agriculture
VC	Venture capital
VINNOVA	Public agency for innovation systems (Sweden)
VINVÄXT	Programme for regional specialisation (Sweden)
WCR	World Cities Report
WGI	Water Governance Initiative (OECD)



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