

REGIONAL LABOUR MARKETS

Inequalities in economic performance across regions partly reflect the extent to which each region is able to utilise its available labour resources, and especially to increase job opportunities for under-represented groups and for those who have been out of the labour market for a long period.

Definition

Employed persons are all persons who during the reference week of the survey worked at least one hour for pay or profit, or were temporarily absent from such work. The employment rate is the number of employed persons as a percentage of the working age (25-64) population.

Unemployed persons are all persons who report that they are without work, that they are available for work and that they have taken active steps to find work in the four weeks preceding the survey. The unemployment rate is the number of unemployed persons as a percentage of the

labour force, which consists of the sum of unemployed and employed persons.

People are counted as long-term unemployed if they have been unemployed for 12 months or more. The incidence of long-term unemployment is the ratio between the long-term unemployed and all unemployed people. This indicator highlights both the degree of rigidity in local labour markets and the extent to which inadequate skills prevent people in each region from getting a job.

Comparability

As for the other regional statistics, comparability is affected by differences in the meaning of the word "region". The word "region" can mean very different things both within and among countries, with significant differences in terms of area and population. To address this issue, the OECD has classified regions within each member country based on two levels: territorial level 2 (TL2, large regions) and territorial level 3 (TL3, small regions). Labour market data for Australia and Canada refer to a different regional grouping labelled non-official grids (NOG).

While employment and unemployment rates are available for small regions (territorial level 3, TL3), female employment rates and long-term unemployment rates are usually available only for large regions (territorial level 2, TL2).

Data on employment growth refer to small (TL3) regions for all countries except Mexico. Data refer to 1999-2006 for all countries except Iceland (1999-2005) and Mexico (2000-2006). Data on the employment rate of women refer to 2006 for all countries except Germany and Iceland (2005).

Overview

Differences in employment growth among regions within a country are often larger than across countries. During the period from 1999 to 2006, differences in employment growth across regions were above 7 percentage points in Poland, Mexico and Spain, while they were above 5 points in Italy, the United States, Korea, France and Canada. Wide differences in employment growth across regions were experienced both in countries with high employment growth at the national level, such as Spain, and in countries where employment growth at the national level was low or negative, such as Poland.

Employment creation at the national level is largely due to a small number of dynamic regions. On average, the 10% of OECD regions with the stronger pace of job creation accounted for 47% of overall employment growth between 1999 and 2006. The regional contribution to national employment growth of more dynamic regions was particularly marked in Greece, the United States and Sweden (where more than 60% of the employment growth at the national level was spurred by 10% of regions).

Even though the female employment rate has been rising in recent years, in 15% of the OECD regions less than 40% of women of working age were employed in 2006. The largest regional differences in the female employment rates are observed in Turkey, Korea and Italy.

Many OECD countries also show large disparities in the number of unemployed and of long-term unemployed people across regions. Regional variation in the incidence of the long-term unemployment was widest in Italy, Germany and Turkey.

Source

- OECD (2009), *OECD Regions at a Glance 2009*, OECD, Paris.

Further information

Analytical publications

- OECD (2001), *OECD Territorial Outlook, 2001 Edition*, OECD, Paris.
- OECD (2003), *Geographic Concentration and Territorial Disparity in OECD Countries*, OECD, Paris.
- OECD (2007), *OECD Regions at a Glance: 2007 Edition*, OECD, Paris.

Online databases

- OECD Regional Database.

Websites

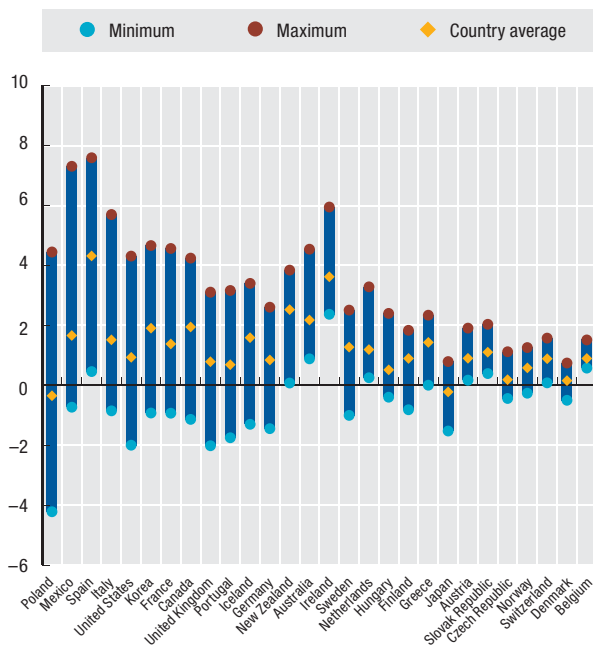
- Territorial grids, www.oecd.org/gov/regional/statisticsindicators.
- OECD eXplorer, www.oecd.org/gov/regional/statisticsindicators/explorer.



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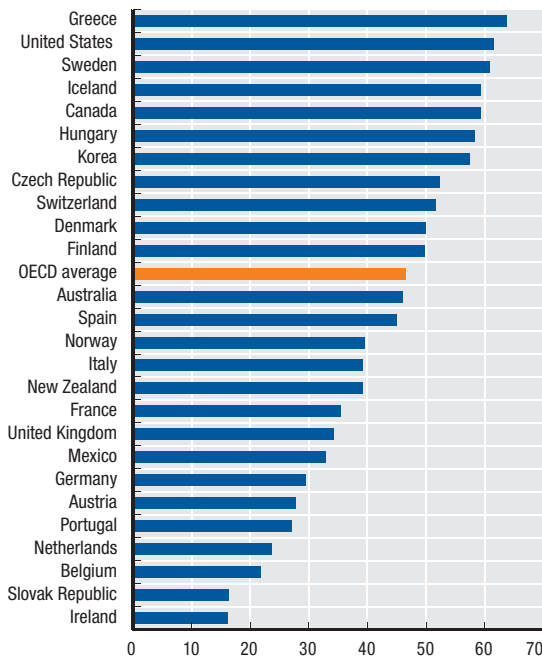
Differences in annual employment growth across regions, small regions

Percentage, 1999-2006 or latest available period



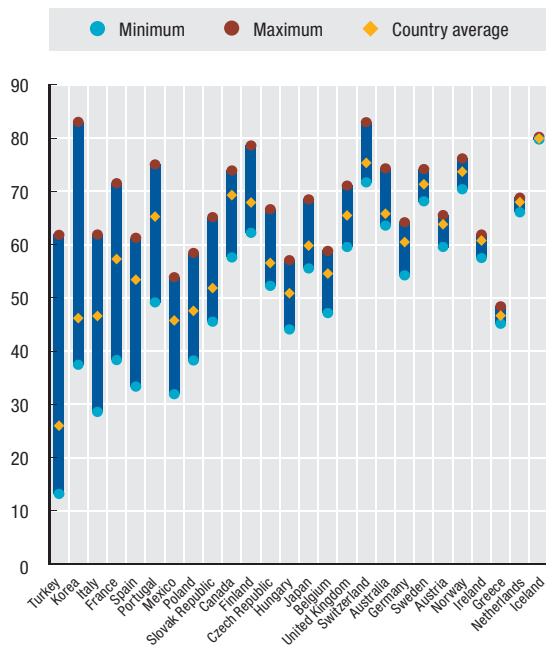
Share of national employment growth due to the 10 per cent of most dynamic regions, small regions

Percentage, 1999-2006



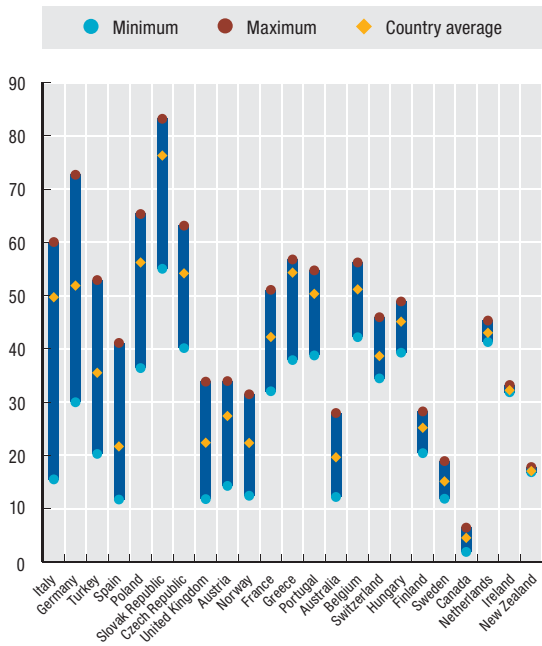
Regional differences in the employment rate of women, large regions

Percentage, 2006 or latest available year

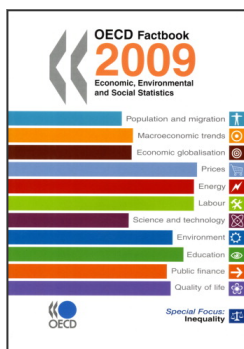


Regional differences in the incidence of long-term unemployment, large regions

Percentage, 2006



StatLink <http://dx.doi.org/10.1787/540375861507>



From:
OECD Factbook 2009
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2009-en>

Please cite this chapter as:

OECD (2009), "Regional labour markets", in *OECD Factbook 2009: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2009-110-en>

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