INCLUSIVE RECOVERY – CHALLENGES AND OPPORTUNITIES

Employment and Social Developments in Europe 2021

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The impact of the COVID-19 crisis varies across regions

Health Impacts

Regional health systems were not equally prepared

The health impact of the COVID-19 crisis differs across regions

Economic and Labour Market Impacts

The resilience of regions is linked to the existing economic structures

The economic impact of the COVID-19 crisis differs across regions

Social Impacts

Pre-existing gaps in social protection, lack of connectivity

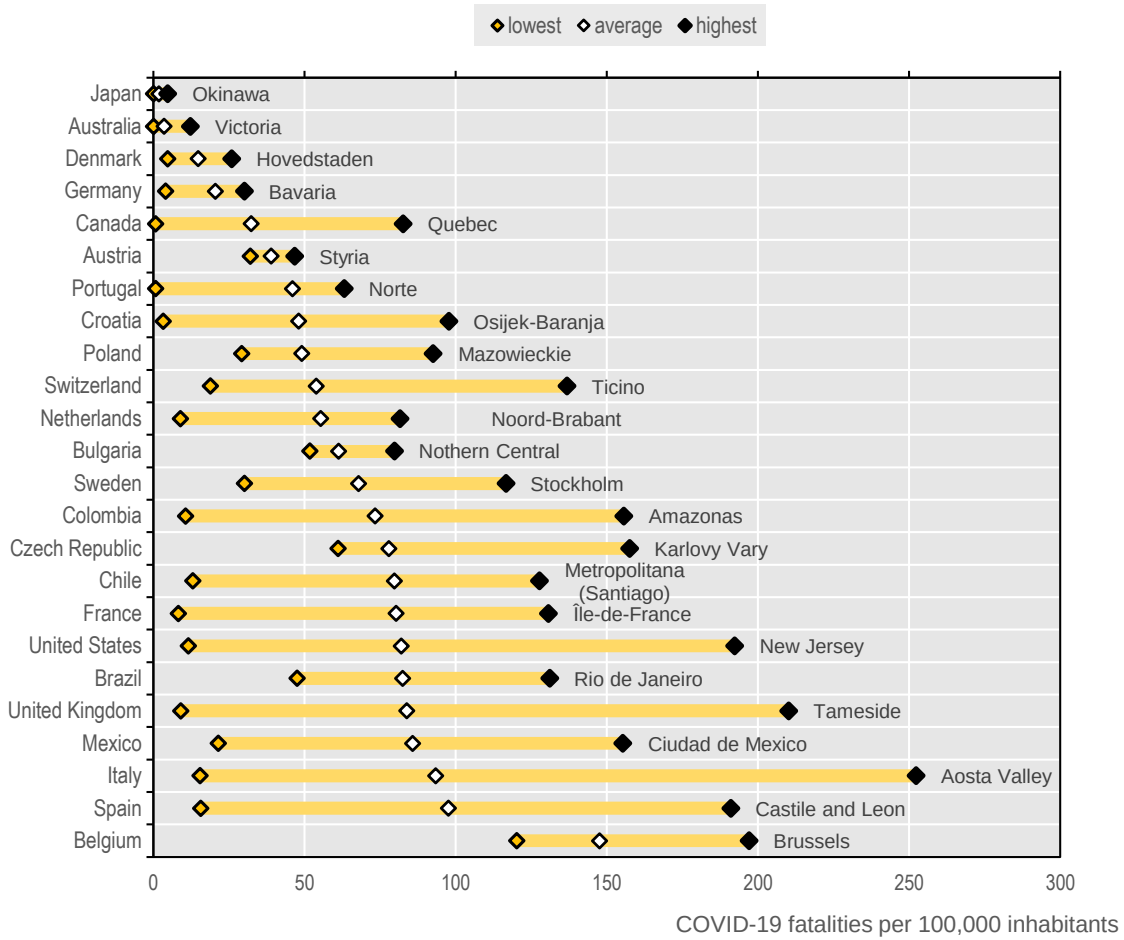
Lack of high-speed broadband connections and digital take-up in some regions limit the benefits from digitalization, including for remote education and working

Policies are implemented at the sub-national government level, but the ability of sub-national governments to cope with the crisis differs between and within countries

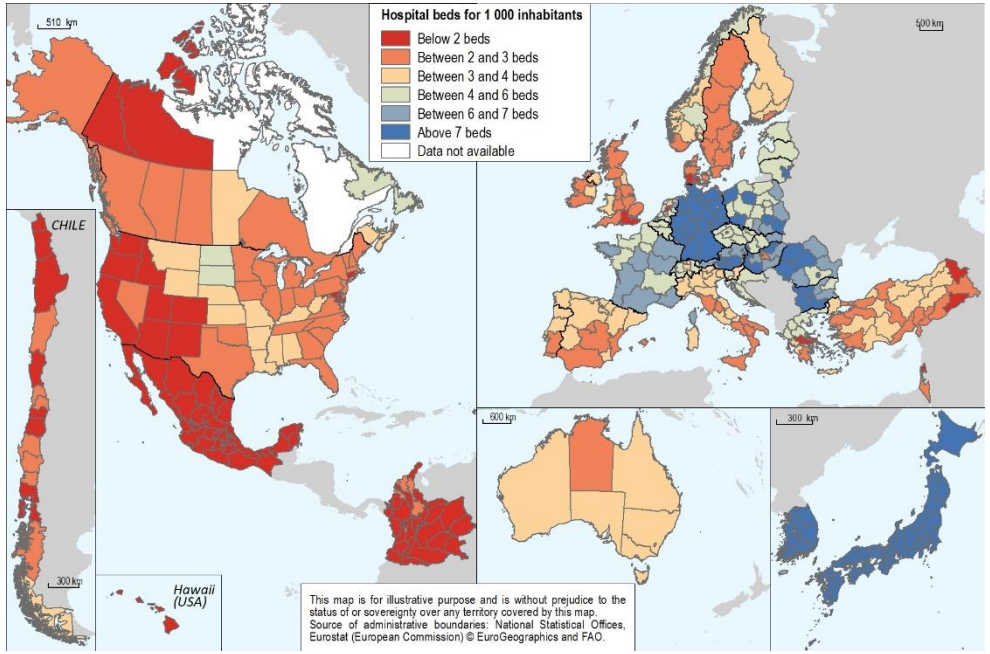
Health impact

Significant spatial dimension

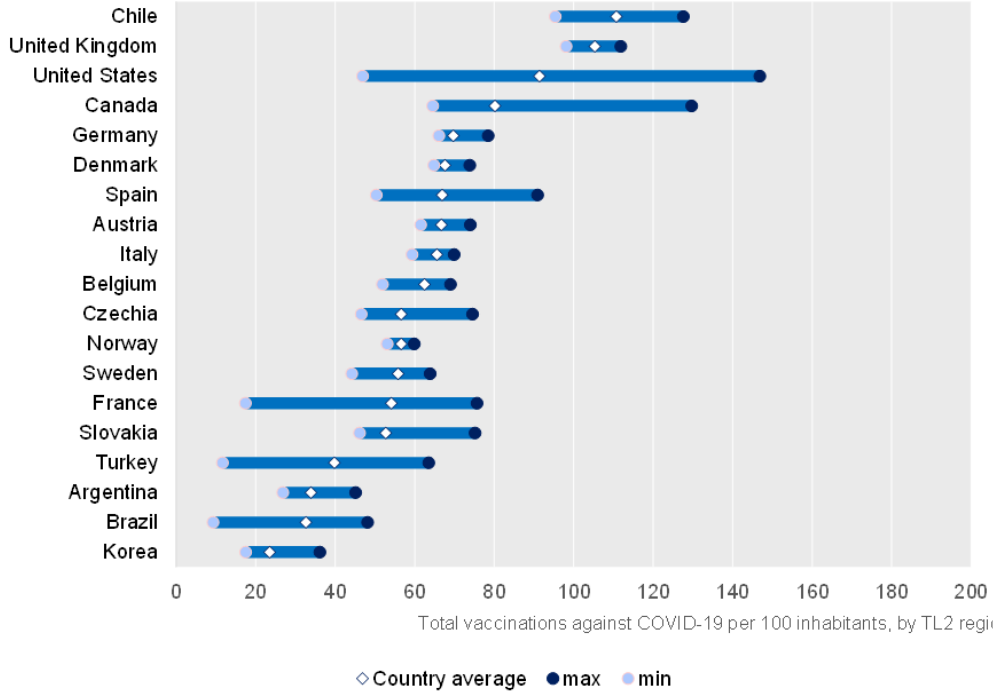
Within-country differences in COVID-19 related fatalities: Dec 2020



Source : OECD 2020, *The Territorial Impact of COVID-19: Managing the Crisis across Levels of Government*



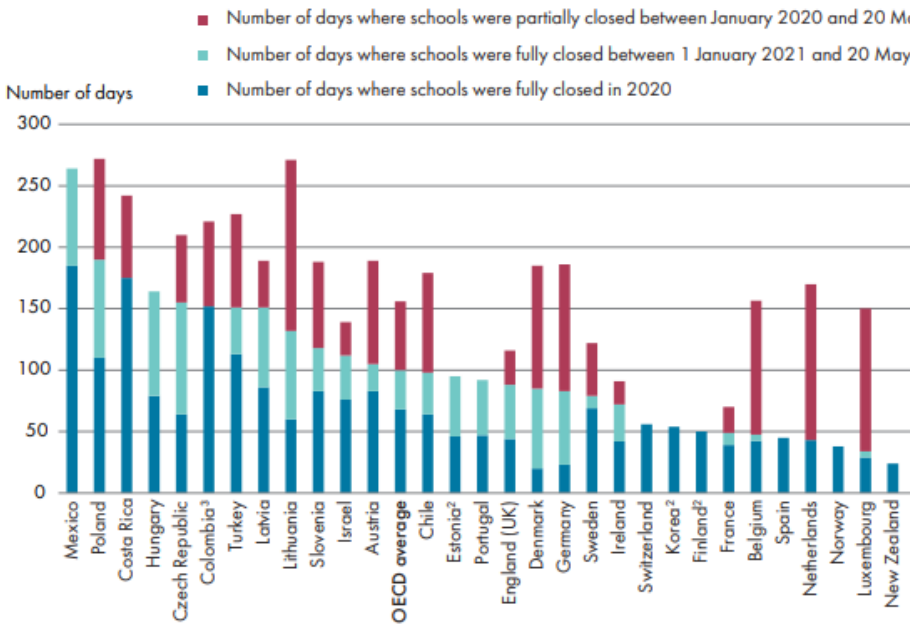
Number of COVID-19 vaccinations per 100 inhabitants, by region



Social impact

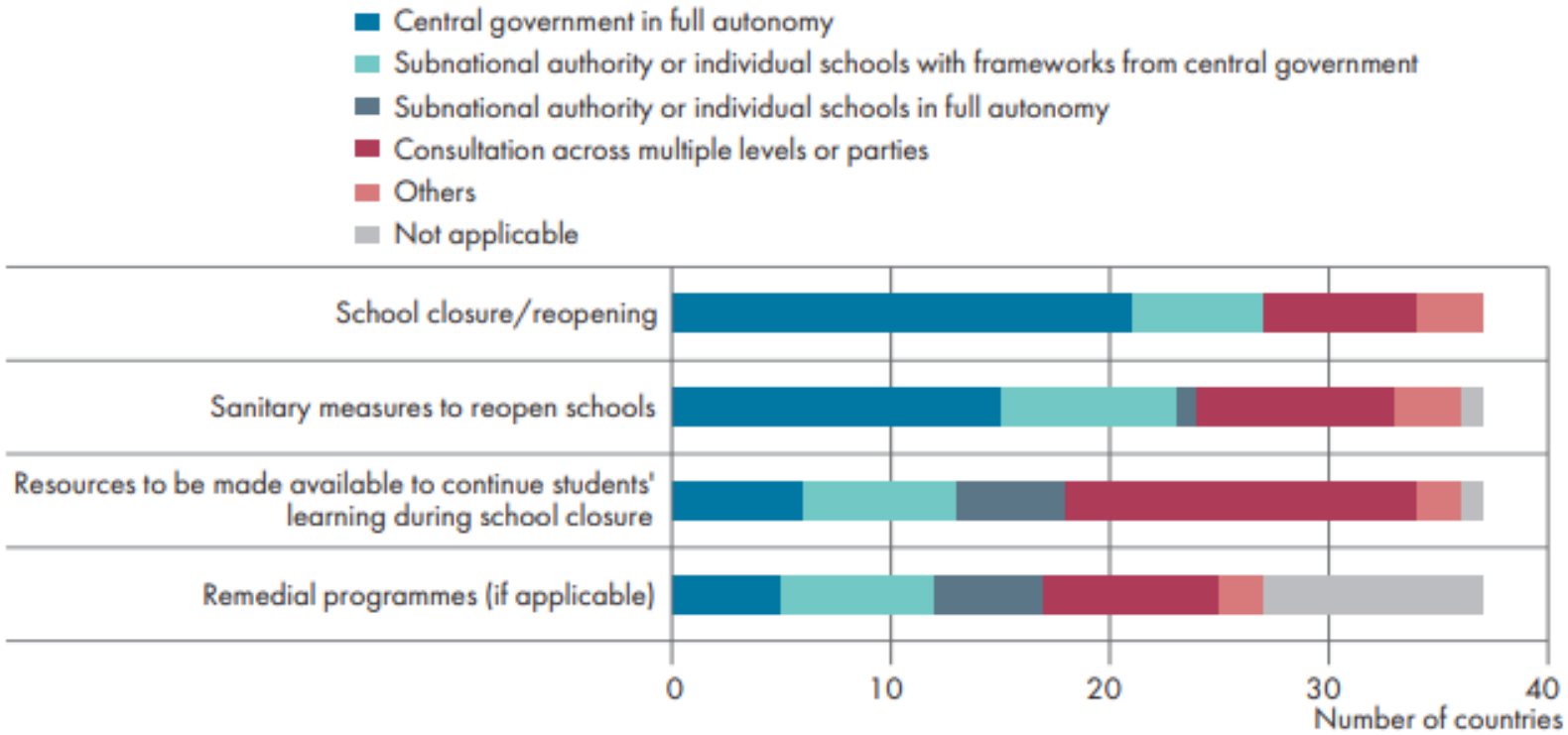
Significant impact on children – varying by region

Number of days upper secondary general schools were fully or partially closed in 2020 and 2021



Notes: 1. Excluding school holidays, public holidays and weekends, between 1 January 2020 and 20 May 2021; 2. Data for 2021 and on number of days schools were partially open are missing.3. Data on the number of days schools were partially open are missing. 4. Some schools were fully closed during the period from September to December 2020 while others were partially open in hybrid mode for 65 days.
Countries and economies are ranked in descending order of the number of days schools were fully closed in upper secondary education between 1 January 2020 and 20 May 2021.
Source: OECD/UIS/UNESCO/UNICEF/WB (2021).

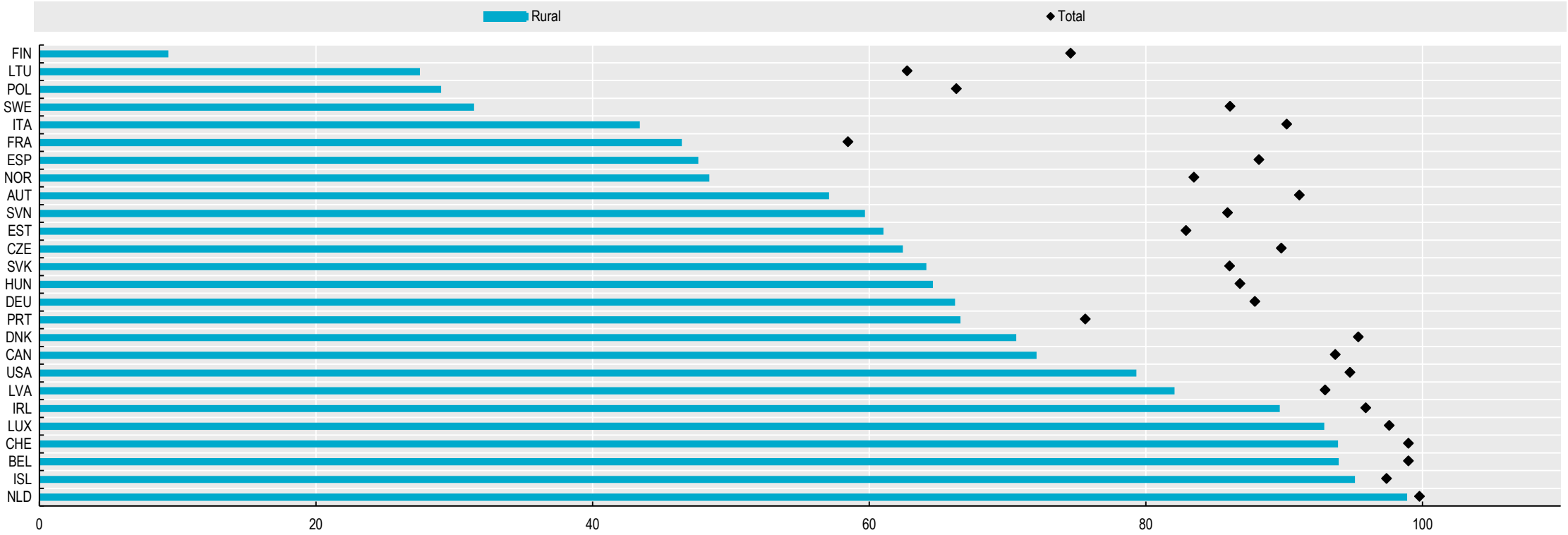
Decision making on school closure//reopening due to COVID-19 in public lower secondary education (2020)



Notes: Central government in full autonomy includes decisions taken by the central education authority in consultation or recommended by the central level health authority. Subnational authority includes state governments, provincial/regional authorities, sub-regional/municipal authorities. Others indicates cases where classification into given categories is not possible or the information is insufficient to classify.
Source: OECD/UIS/UNESCO/UNICEF/WB (2021).

Inequalities in access for rural areas

Percentage of households with access to Internet >30Mbit/s in 2019 or latest available year, at the rural and national levels

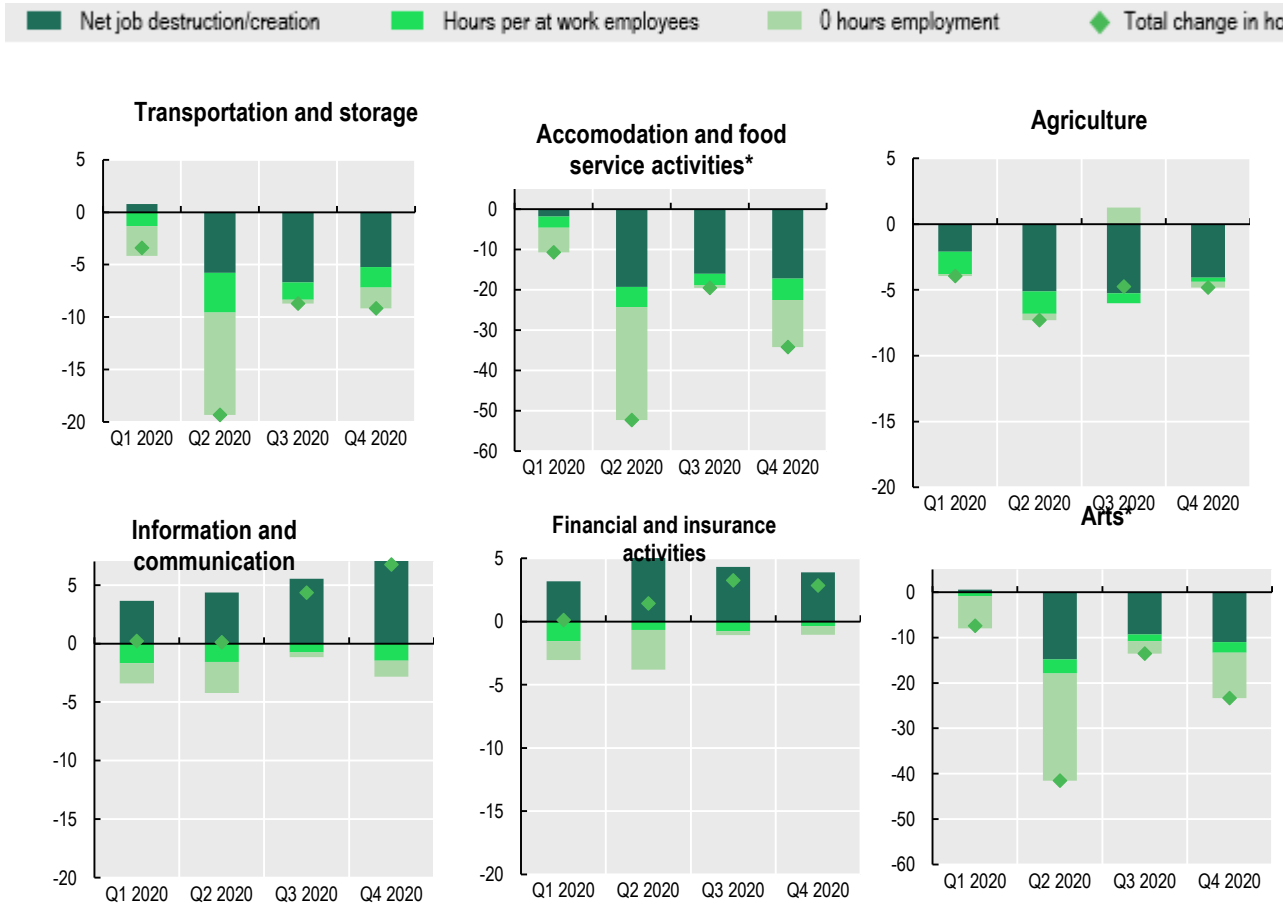


Note:. Note: 2019, or last available year: EU countries (2018).. Internet access is expressed as the percentage of households (population, for the United States) with access to fixed broadband technologies with download speed greater than 30Mbit/s (NGA technologies, for the EU). For EU countries, rural areas are those with a population density lower than 100 inhabitants per square kilometre. For Canada, rural areas are those with a population density less than 400 per square kilometre. For the United States, rural areas are those with a population density less than 1 000 per square mile or 386 people per square kilometre.
Source: OECD (2020), *Regions and Cities at a Glance*

Economic and labour market impact

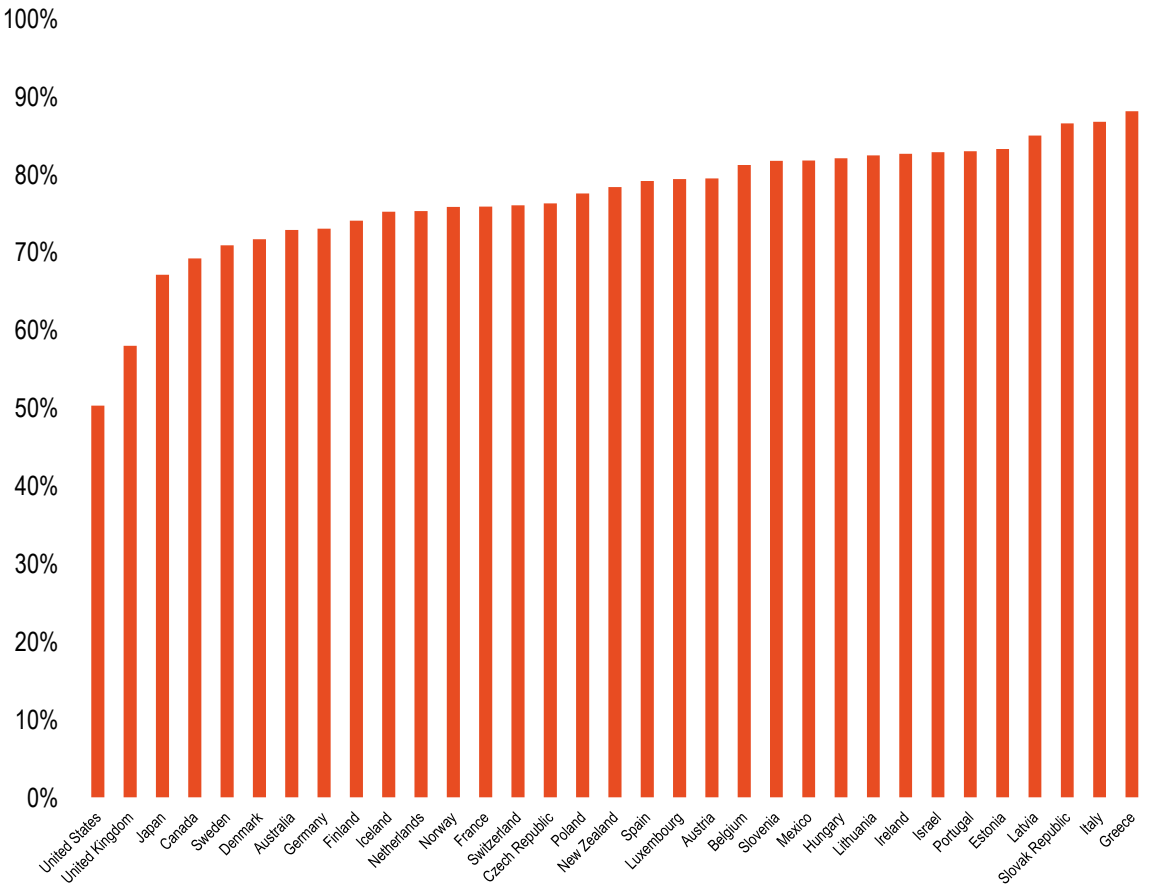
Some sectors were much more vulnerable

Hours decomposition, by sector

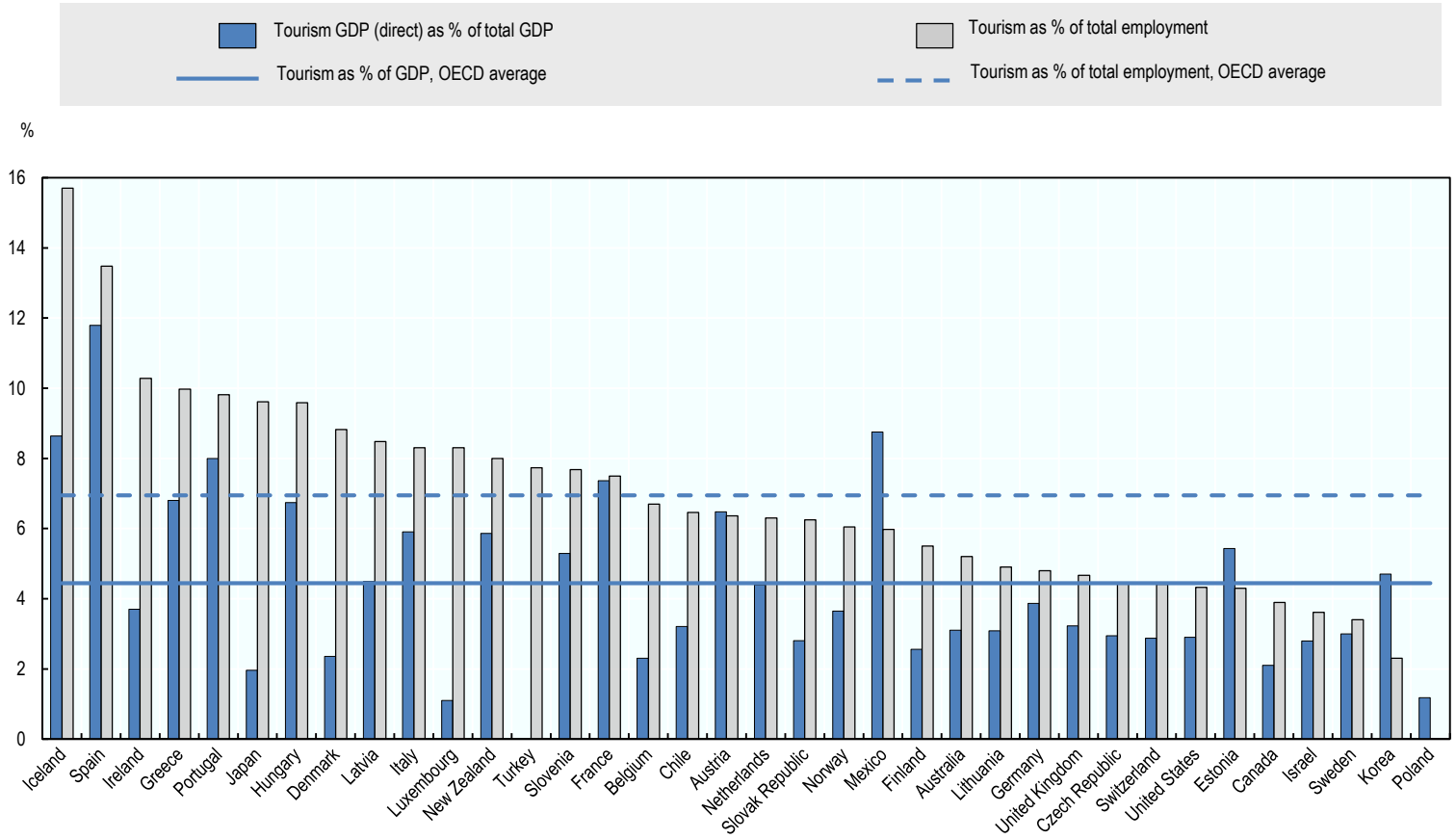


Source: OECD (2021), OECD Employment Outlook.

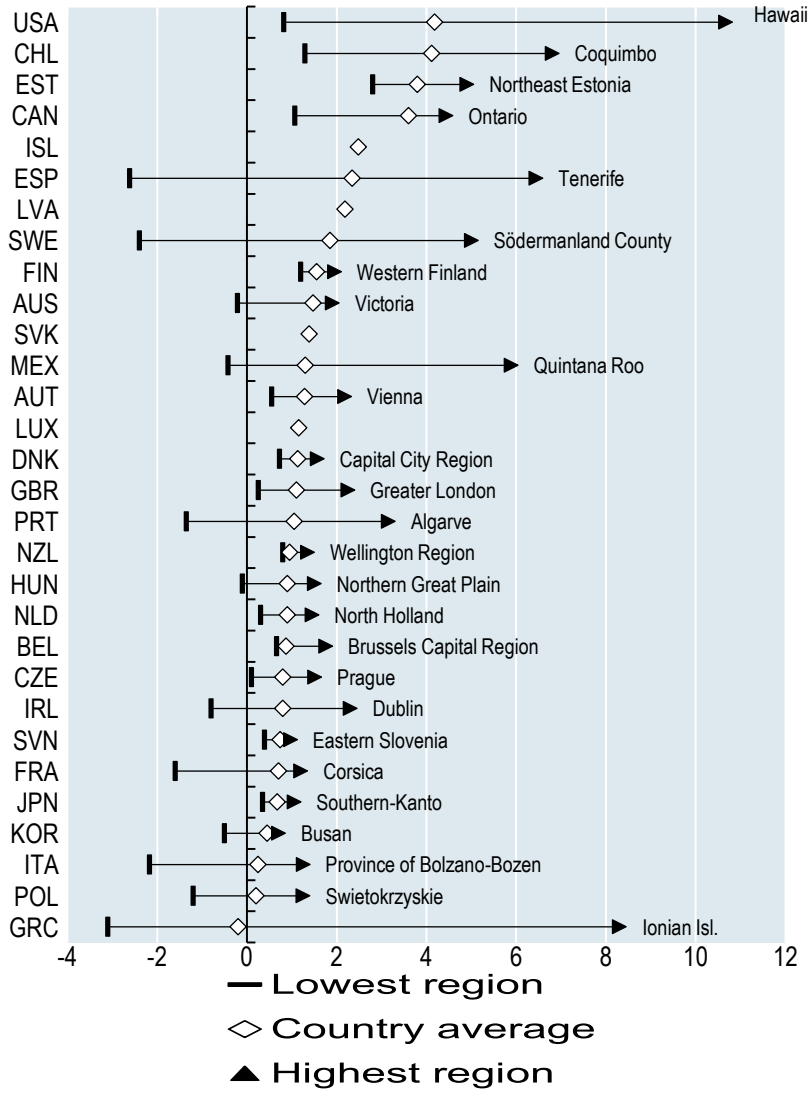
SME share of employment in adversely affected sectors



Resulting in significant spatial effects:



Change in unemployment rates in TL2 regions, in percentage points (2019 - 2020)

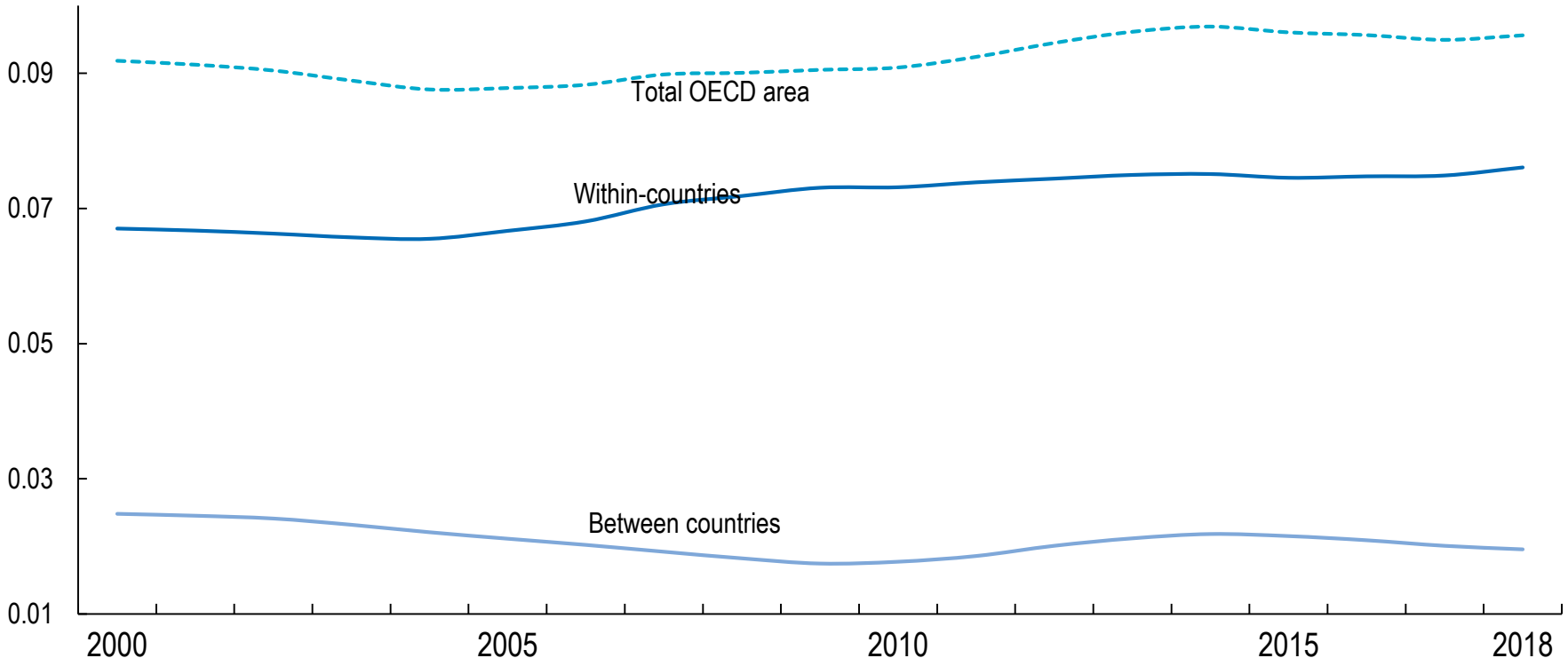


COVID-19 pandemic may widen pre-existing regional disparities …

Even before COVID, regional economic disparities had been increasing

Trends in regional disparities in OECD countries

Theil inequality index of GDP per capita, based on small regions (TL3)

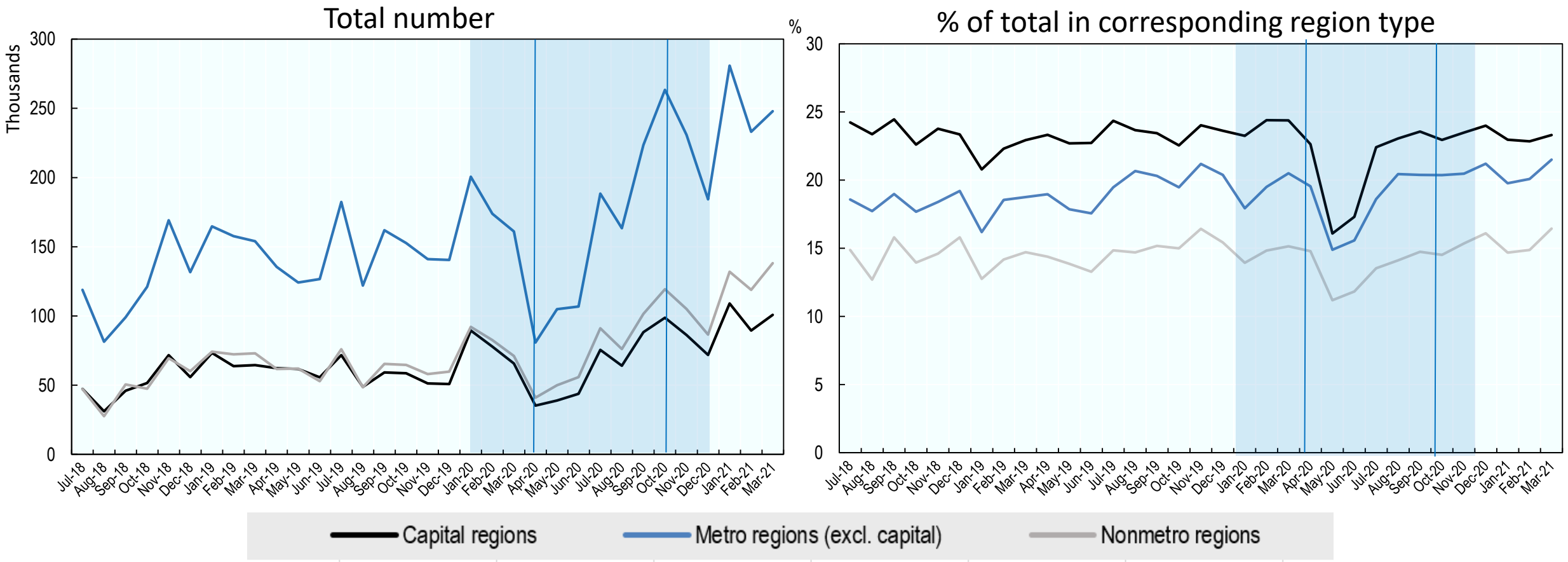


Two thirds of OECD countries have regions where productivity, has stagnated or declined for a decade.

Metropolitan regions have grown faster than regions far from metropolitan areas in terms of GDP per capita (+ 3 p.p since 2008)

Digital skills intensity in rural areas lagging behind…

Demand for general ICT skills

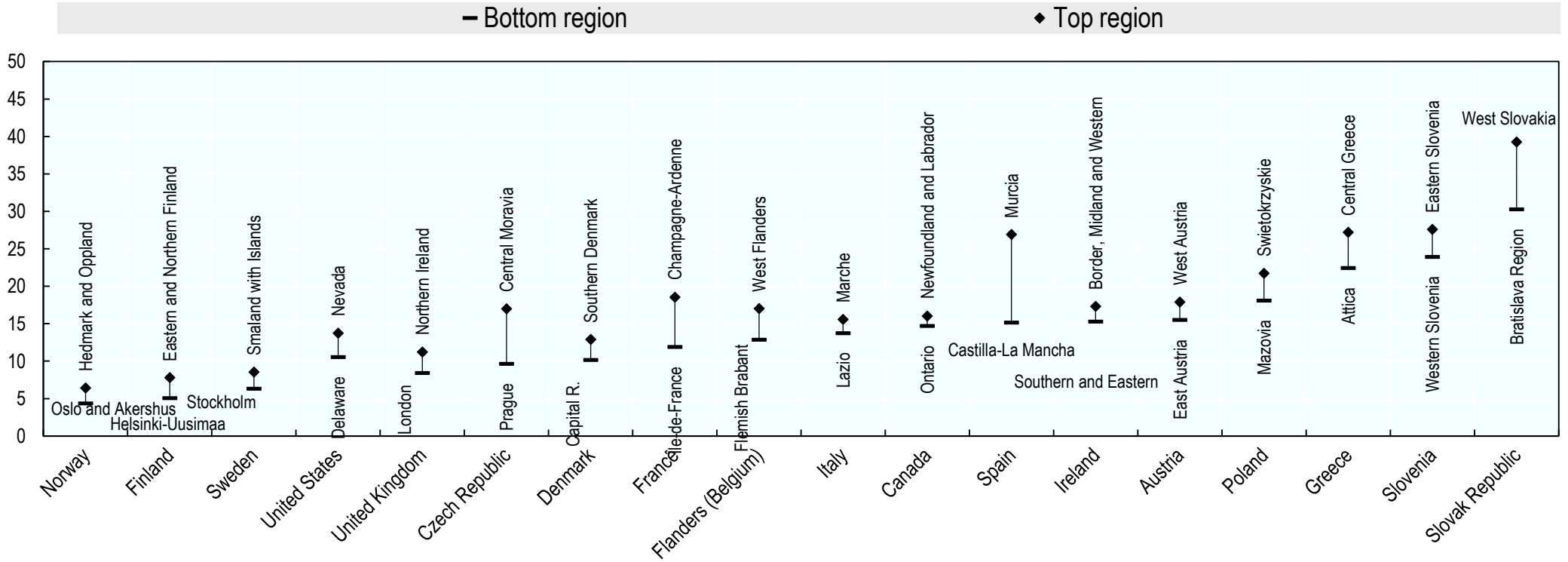


Note: Data for EU27, only observations with regional ID. Source: Burning Glass Technologies.

Automation and the way it is transforming labour markets has a regional dimension

Some countries have wide disparities in terms of risk of automation across regions

Percentage of jobs at high risk of automation, highest and lowest performing TL2 regions, by country, 2016

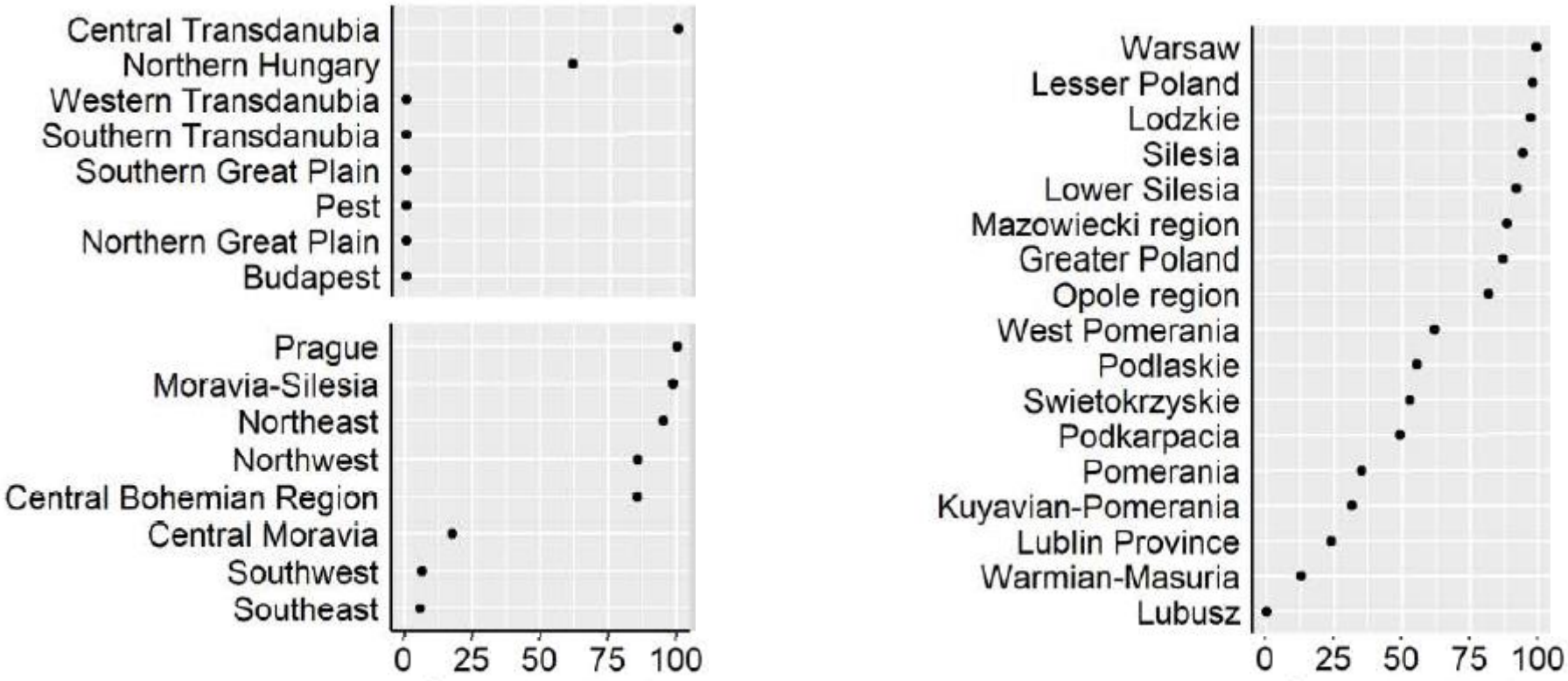


Source: OECD (2018) Job creation and local economic development

Some regions will bear the brunt of the green transition

Coal usage for electricity generation tends to be regionally concentrated

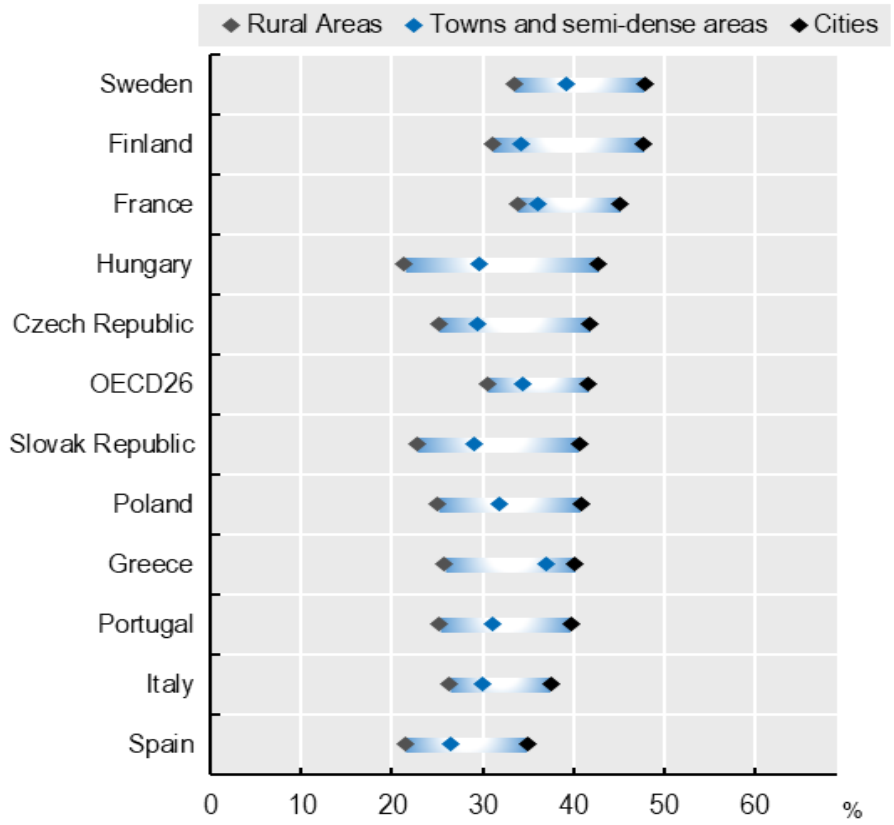
Share of electricity generation from coal, large regions (TL2) of countries with large regional variation, 2017



Source: OECD (2021), OECD Regional Outlook

Cities and regions have different capacity to shift to remote working

% of jobs amenable to remote working



Source: OECD (2020), Regions and Cities at a Glance

OECD case study from Trentino (Italy)

57% of jobs in Trentino could be ***teleworkable***

***Actual* teleworking was low** prior to the pandemic: only around 5% of all workers.

During the 2020 peak of the pandemic remote working increased to **22% of the workers**.

A quick reversal towards office-based work took place after the emergency dissipated.

But appetite for remote working remains strong

How can regions, such as rural locations, mid-size cities, etc. capitalise?

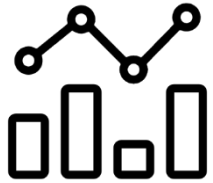
What infrastructure is needed > including schools and hospital

Stronger momentum behind the social economy

Repair function		Transform function
Emergency relief	Increase resilience	Innovate to transform
Examples		
Across OECD countries and beyond	Resilience & Recovery 2021, Ireland España Puede	France Relance

Regional recovery platform

Regional Recovery Platform: indicators



Impact and recovery indicators

Short term indicators linked to the COVID-19 crisis and recovery at a regional level

COVID-19 mortality
Regional vaccination
Unemployment
Employment
Subnational government revenue
Subnational government expenditure
Subnational government investment

Resilience indicators

Long term indicators linked to the COVID-19 crisis and recovery at a regional level

Number of hospital beds, and doctors
Obesity rates, life-expectancy
Air quality
CO2 emissions from electricity generation
Broadband access and quality
Jobs amenable to remote working
Employment at risk due to the net-zero transition

Regional Recovery Platform: policies

Policy database

Policy examples that can support the recovery, covering the following topics

Regional health policy responses
Economic and social policy responses
Inter-governmental co-ordination
Supporting subnational finance
Public investment recovery strategies
Use of digital tools by subnational governments

Forward-looking scenarios

Four scenarios for remote working

City paradox, with permanent movement of high skilled workers outside city centers;
Doughnut effect, with expansion of commuting zones around cities;
Intermediate cities becoming increasingly attractive;
Business as usual but with greater adoption of remote working

Thank you

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