



Discover the  
Centre for  
Entrepreneurship,  
SMEs, Regions  
and Cities





## About the OECD

The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for better lives. Our goal is to shape policies that foster prosperity, equality, opportunity and well-being for all. We draw on 60 years of experience and insights to better prepare the world of tomorrow.

Together with governments, policy makers and citizens, we work on establishing international norms and finding evidence-based solutions to a range of social, economic and environmental challenges. From improving economic performance and creating jobs to fostering strong education and fighting international tax evasion, we provide a unique forum and knowledge hub for data and analysis, exchange of experiences, best-practice sharing, and advice on public policies and global standard-setting.

© OECD 2021

---

This document is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries. The document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

# Welcome to the OECD Centre for Entrepreneurship, SMEs, Regions and Cities

Over the past decade, the OECD has undertaken an unprecedented transformation to put people at the centre of its work. This transformation recognises that economic growth and its drivers are only a means to a greater end: better lives for all.

The Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) is at the heart of our people-centred mission. It works with national and local governments, the business community, and other stakeholders to develop targeted support and evidence for the design, development and implementation of policies, as well as capacity building on entrepreneurship, SMEs, regions, rural and urban areas, local employment, tourism, culture and multi-level governance.

Even before the emergence of the COVID-19 pandemic, there were significant disparities across people, places and firms. The current pandemic has widened these divides, whilst also accelerating transitions such as digitalisation, new forms of work, and environmental and climate imperatives.

CFE is working to promote and provide policies to ensure that all people, all types of places, and businesses of all sizes can prosper from these transitions.

To achieve this mission, CFE relies on a talented group of policy analysts, economists and statisticians to provide unique granular data, comparative analysis and trends on regions, cities, SMEs, entrepreneurs, tourism and subnational finance, as well as a repository of international best practice. Its peer reviews and tailored studies for national and subnational governments, along with numerous networks, increase our policy impact, helping OECD Member countries to both "go national" and "go local".

Entrepreneurship, SMEs, regions and cities are the lifelines of our economies and societies. They are where we live and work and they will be leaders in the recovery. The OECD and CFE hope to provide them with appropriate support so that they can flourish.



**Ángel Gurría**  
*OECD Secretary-General*

@A\_Gurria 



**Lamia Kamal-Chaoui**  
*CFE Director*

 @lamia\_k\_c



# Our mission

The Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) helps local and national governments unleash the potential of entrepreneurs and small and medium-sized enterprises (SMEs), promote inclusive and sustainable regions and cities, boost local job creation and implement sound tourism policies.

## **Building strong and inclusive entrepreneurs**

SMEs and entrepreneurs are drivers of inclusive growth, agents of economic stability and resilience, engines of transformations and sustainable practices, and contribute to the social fabric and individual well-being. Understanding these multi-faceted contributions is inspiring innovative approaches to SME and entrepreneurship policy. CFE is committed to being at the forefront of these innovations.

## **Go local: the power of place**

While the OECD has traditionally worked with national governments, cities and regions are where policy hits the ground. They, too, will change to address global challenges and improve the well-being of people. CFE programmes and resources are committed to joining up national, regional and local-level forces to ensure success for cities and regions.

## **Driving change through data for policy**

Strong, reliable and meaningful data empower policy makers, thinkers and citizens to imagine, implement and monitor new solutions. The Centre supports evidence-based policies to improve well-being in all regions and cities, across sectors and firms. We achieve this through testing and producing new indicators, methods and analysis, and promoting the use of data and indicators in all phases of policymaking.

## **People, firms and places depend on each other**

Policymakers must proactively address the interplay between people, firms and places. Urban design can influence entrepreneurship rates, just as the availability of public services in a rural area can profoundly shape a person's future. The Centre pulls together the different pieces of the puzzle in its multi-disciplinary approach to help create a complete picture that drives economic and social development across sectors and places.

## **What works here may not work there**

While there may be common lessons and practices that can be shared, uniform solutions for all people, places or firms do not work. The Centre focuses on how we differentiate policies to meet the needs of diverse situations.

# Our structure

The work of the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) is governed by its committees and working parties, which are composed of senior civil servants from OECD countries nominated by their governments.

**The Regional Development Policy Committee** and its three **Working Parties on Urban Policy, Rural Policy and Territorial Indicators**, and its **Expert Group on Multi-level Governance**, serves as the premier international forum for policymakers to develop, analyse and advise on the implementation of regional development policies that address place-based challenges, opportunities and disparities, and the need for effective multi-level governance.

**The Committee on SMEs and Entrepreneurship (CSMEE)**, leads the OECD's work on policy analysis, policy indicators, statistics, and recommendations, to help Members fully unleash the potential of SMEs and entrepreneurship, boost productivity and innovation, address and overcome challenges in access to finance and trade, and grasp the opportunities of digitalisation and the green transition.

**The Local Employment and Economic Development Committee** provides recommendations across a range of policies relevant for local development including local employment and skills, entrepreneurship, the social economy, social innovation, and culture and creative industries. Its Trento Centre for Local Development has been at the vanguard of capacity building for local actors since 2003.

**The Tourism Committee** and its **Working Party on Tourism Statistics** and its **Global Forum on Tourism Statistics, Knowledge and Policies** provide the evidence and policies to support both domestic and international tourism, and seeks to promote the industry's transition to more sustainable, resilient and inclusive practices. The Committee actively promotes an integrated, whole-of-government approach, linking tourism to broader economic policies, including trade, investment, travel, employment, innovation, green growth, local development, SMEs and entrepreneurship.

**The Centre actively engages with a wide range of stakeholders** through unique global networks of Mayors, regional leaders, local practitioners and communities, businesses, entrepreneurs and knowledge and educational institutions.



# Contents

<b>Welcome to the Centre</b> .....	<b>3</b>
Our mission .....	4
Our structure.....	5
<b>Unleashing the Potential of Small Businesses</b> .....	<b>7</b>
SME performance, business conditions and policies.....	8
SMEs: stronger productivity and greater global reach.....	9
Financing small and medium businesses.....	10
Making digital revolution work for all businesses.....	11
<b>Cultivating Successful Entrepreneurs</b> .....	<b>13</b>
Unleashing the transformative potential of Entrepreneurship.....	14
Inclusive Entrepreneurship.....	15
Developing entrepreneurial mindsets through education .....	16
Generating local entrepreneurial ecosystems.....	17
<b>Regions: Driving Growth and Well-being</b> .....	<b>19</b>
Unlocking the economic potential of all places.....	20
Measuring regional performances and inequalities .....	21
Supporting regions to adapt to shocks and megatrends .....	22
Enhancing rural prosperity and well-being.....	23
<b>Productive, Inclusive and Sustainable Cities</b> .....	<b>25</b>
Designing policies for competitive cities of all sizes.....	26
Making cities more livable .....	27
Achieving more inclusive urban societies .....	28
Engaging with local leaders and businesses.....	29
<b>Promoting Better Jobs and Local Development</b> .....	<b>31</b>
Better labour markets for all, everywhere.....	32
Creating new jobs through the social economy .....	33
Connecting policy makers and practitioners .....	34
Culture as a catalyst for local development.....	35
<b>Multi-level Governance and Subnational Finance</b> .....	<b>37</b>
Making multi-level governance work .....	38
Water goes beyond borders .....	39
Subnational public finance and investment .....	40
Data collection and analysis for subnational policies.....	41
<b>Shaping the Future of Tourism</b> .....	<b>43</b>
Designing policies for a sustainable tourism recovery.....	44
Measuring tourism for the future .....	45
<b>The OECD Trento Centre</b> .....	<b>47</b>
Building capacities for local development.....	48



# Unleashing the Potential of Small Businesses





# SME performance, business conditions and policies

SMEs are pivotal to inclusive growth because they employ a large number of people and contribute significantly to GDP growth and people's wellbeing. The Centre offers in-depth analysis on issues and policies affecting SME development and provides advice to policy makers.

Small and medium enterprises (SMEs) play a central role in both OECD and emerging-market economies. In the OECD, they account for 60% of total employment and 50-60% of national value added.

The COVID-19 pandemic has hit SMEs particularly hard, potentially driving many viable small firms out of business. Governments have responded rapidly and forcefully to address liquidity shortages and prevent massive waves of lay-offs in SMEs. The Centre is monitoring the SME policy responses to COVID-19 in 60 countries in its **COVID-19 SME Policy Response Brief**. It provides analysis and advice to move from emergency support to policies that boost SME recovery and resilience.

The **OECD SME and Entrepreneurship Outlook** presents a biennial review of SME performance trends and offers a comprehensive cross-country overview of business conditions and policies for SMEs and entrepreneurship. The 2019 edition shows how SME difficulties in bridging the productivity gap to large firms have compounded into lower wages and overall performance. The report also focuses on how digitalisation and globalisation can impact market conditions and SME access to strategic resources and innovation assets.

The report calls for a more granular approach in policy analysis to reflect the diverse SME population. Future analysis will benefit from the creation of a **new datalake on SME and entrepreneurship policies**, offering user-friendly access to a wealth of (micro) data and policy information.

The **OECD series of national Reviews of SME and Entrepreneurship Policy** examine structural features of the SME sector, strengths and weaknesses of national policies, and provide policy recommendations to improve the performance of new and small businesses. Most recently, reviews have been prepared for Ireland, Brazil and Viet Nam.

The Centre also supports governments with the development and implementation of **National SME Strategies**. We work with governments to identify priorities for SME policies. By developing and designing an action plan, we measure implementation, monitoring and evaluation of SME policies. The Centre helps governments address societal challenges related to ageing and the green transformation with work on **business transfers, green entrepreneurship, and corporate social purpose**. ■

💡 Did you know? SMEs account for:

99%  
of all firms



10-15%  
of direct  
exports

16%  
of investment  
in FinTech



70%  
of total  
employment

# SMEs: stronger productivity and greater global reach

Strengthening productivity in SMEs is one of the most effective ways to foster inclusive growth. However, SMEs face barriers in accessing strategic resources, such as finance, skills and technology. The Centre supports governments in enabling SMEs to scale-up.

Making SMEs more productive is a central objective for the Centre. Although some SMEs are highly productive, on average SME productivity lags behind that of larger firms. Due to their smaller size and more limited resources, they may not be able to benefit from economies of scale, or strengthen the skills of their workforce, engage in innovation and digitalisation or access international markets.

The **SME productivity agenda** has only become more relevant in the context of post COVID-19 recovery. The Centre's **COVID-19 SME Policy Response Brief** shows that countries increasingly use structural policies on skills, digitalisation and innovation to strengthen SME productivity and resilience, transforming recovery into an opportunity for more sustainable SME growth pathways.

The **Enhancing SME productivity report** looks at key business-level drivers of labour productivity in

SMEs, i.e. the role of managerial skills, workforce skills, business linkages and business development services.

The Centre has deployed a number of large scale activities in cooperation with the European Commission, with a view to advancing the SME productivity and inclusiveness agenda. Through unique microdata exploration and policy assessments, the **SME Scale-up project** aims to better grasp why and how SMEs grow in size and capacity, the barriers and drivers of scaling up and how policy makers can support this.

The Centre also investigates how national and regional governments can create the right business conditions for **enhancing SME participation in global value chains** and **strengthening foreign direct investment impact on SME innovation and productivity**. ■



## » OECD SME Ministerial Conference

In February 2018, the Centre organised the third OECD Ministerial Conference on SMEs in Mexico City. The 55 participating countries adopted the **Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth**, calling on governments to increase SME participation in the digitalised global economy.



# Financing small and medium businesses

Access to finance is key to the creation, growth and productivity of SMEs; however, compared to larger businesses, SMEs face more stringent financing conditions. The OECD supports governments around the world to foster a diversified financial offer for SMEs.

SMEs often lack easy and affordable access to bank loans. Reasons include notably the lack of financial skills and knowledge among small business owners, but also structural difficulties to assess their creditworthiness, and the often higher transaction costs associated with SME lending. At the same time, many SMEs are overly dependent on straight debt and find it particularly difficult to tap into other sources of finance. The crisis triggered by the COVID-19 pandemic hit SMEs' liquidity and access to external finance especially hard, and warranted policy makers across the globe intervening on a massive scale.

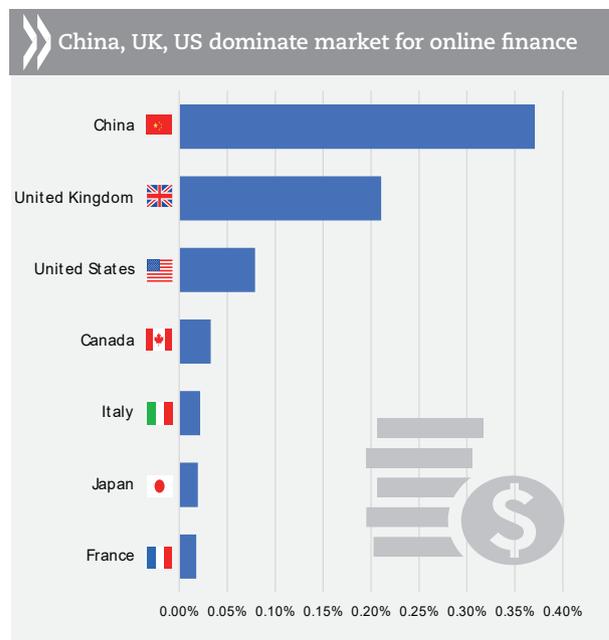
The annual **OECD Scoreboard on Financing SMEs and Entrepreneurs** is the international reference for monitoring developments and trends in SME and entrepreneurship finance, as well as policy trends in this area. The "**Scoreboard**" currently covers 48 countries and highlights the need to broaden the range of financing instruments available to SMEs and entrepreneurs.

Recognising this, the **G20/OECD High-level Principles on SME Financing** advocate a holistic approach to address existing demand- and supply-side obstacles to SME financing, calling for both strengthening SME access to credit and supporting the diversification of alternative financing sources.

The OECD report **New Approaches to SME and Entrepreneurship Financing - Broadening the Range of Instruments** maps diverse external financing techniques to address SMEs' needs, including asset-based finance, alternative debt, hybrid instruments,

and equity instruments. It also highlights key enabling factors for their development, discusses major market trends and obstacles to SMEs accessing finance, and suggests some key areas of policy action to overcome challenges to market development.

The 2020 **Special edition of the SME Finance Scoreboard on COVID-19** illustrates the impact of the pandemic on SME access to finance and policy responses. Upcoming work explores recent trends and developments related to secured lending, trade finance in the digital era, and the role of fintech. ■



# Making the digital revolution work for all businesses

Digitalisation can help SMEs grow, innovate and trade across borders; however, small firms are lagging behind the digital transition. The Centre promotes dialogue between actors, analyses obstacles to SME digitalisation and key enablers, and offers policy advice.

Many SMEs are lagging behind the digital transition. Many ignore the potential benefits in productivity and competitiveness and cannot clearly identify their needs. Or do not have skills or financial resources to access and effectively use digital instruments. The SME digital gap slows productivity growth and widens inequalities among people, firms and locations.

SME digitalisation is a top priority for governments. Public policies can help lower the barriers of SME transformation. The Centre analyses the barriers of digital technology adoption across many diverse SMEs, and investigates the potential of artificial intelligence or blockchain technologies for SMEs. The OECD report **Digital Transformation of SMEs** looks at recent trends in SME digital uptake, including in the context of the COVID-19 crisis. Additionally, the Centre looks at the place and role of SMEs in the platform economy, studies digital risk management practices and gaps among SMEs, and identifies best policy practices to support the SME digital journey. Country-tailored thematic activities build this work, e.g. **Blockchain ecosystems for SMEs**, with two first case studies in Israel and Italy.

The global COVID-19 pandemic has also highlighted the higher resilience of “digitally literate” businesses and gave a radical push to the adoption of digital tools and practices among SMEs, sometimes without former experience or preparedness. The Centre is planning work on **enhancing SME resilience through digitalisation**, with a first case study on Korea.

The OECD “Digital for SMEs” (D4SME) Global Initiative, set up in 2019, promotes knowledge

sharing and learning on how all SMEs — from start-ups and high-growth firms, to more traditional and established businesses, can seize the benefits of digitalisation. The Initiative brings together OECD governments, large business, industry experts and the SMEs themselves and meets annually during a **high-level Roundtable**. This unique Initiative also relies on the **OECD Entrepreneurs’ Network** to give a voice to small businesses to share views with policy makers, regulators, academics and leaders of large businesses. ■



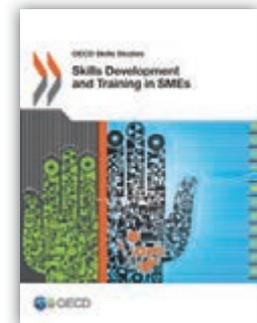
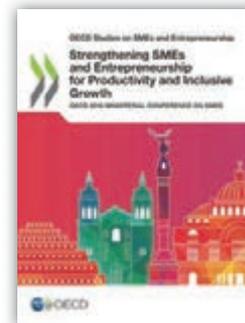
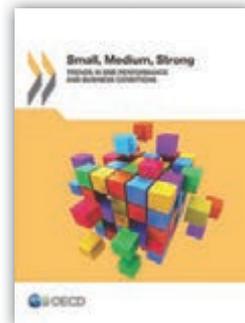
*“There will be no digital transformation without SMEs. The OECD Digital for SMEs could not come at a better time, as we need to make sure that all our businesses are on board on the digital transformation journey. I am thrilled to chair this fantastic initiative to help drive this global agenda forward.”*

*The Hon Stuart Nash, Minister of Small Business, New Zealand and Chair of the OECD “Digital for SMEs” global initiative.*



# Reading list

## Key publications



 Access the OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)



Find out more

[www.oecd.org/cfe/smes](https://www.oecd.org/cfe/smes)



# Cultivating Successful Entrepreneurs





# Unleashing the transformative potential of Entrepreneurship

Entrepreneurship can be a positive force for economic and social progress. The Centre leads the OECD's work to boost entrepreneurship in all its forms, providing advice, tools and support to Governments.

Entrepreneurship is a key driver of growth. Entrepreneurs bring new business models and technologies to market, provide competition to established firms and can create an alternative – more flexible – pathway to employment to people who are disadvantaged in the labour market.

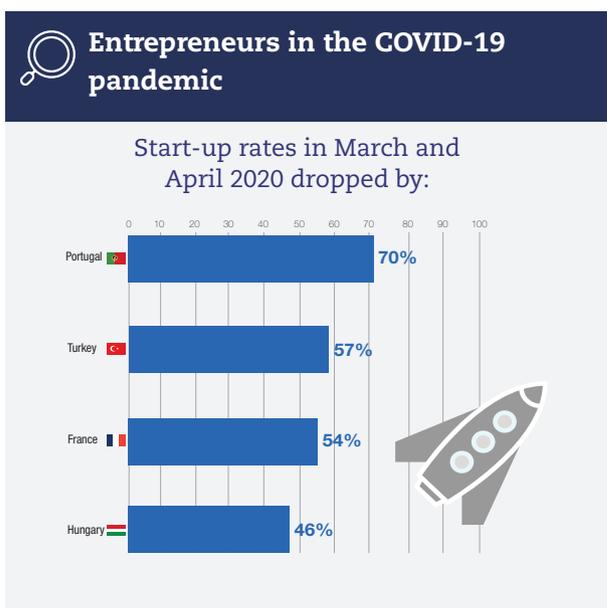
However, realising the potential of entrepreneurs requires policy interventions that address the market, behavioural and institutional barriers that hold them back. Our biennial flagship publication – the **OECD SME and Entrepreneurship Outlook** provides comprehensive advice and analysis on trends in entrepreneurship and policymaking.

Building on this work, the CFE has produced an **International Compendium of Entrepreneurship Policies**, covering the full range of policy measures used to support entrepreneurship, including framework conditions such as tax and regulatory systems, direct support through access to finance, advice and training, and local support measures designed to stimulate interactions and ecosystems.

The CFE provides deeper research on specific policy themes, including access to finance, through the **OECD Scoreboard on Financing SMEs and Entrepreneurs**, and recent reviews of **Business Advice Services for Entrepreneurship and Small Firms** and **Digital business diagnostic tools for SMEs and entrepreneurship**. This research is used to underpin toolkits for policymakers, including the **User Guide on Effective Monitoring and Evaluation of SME and Entrepreneurship Policies and Programmes**.

In recognition of the unique challenges and circumstances faced by policymakers in different countries, the CFE has established a series of **Country reviews of entrepreneurship policies**. The series has already delivered reports on 12 countries, including Canada, Mexico and Italy.

CFE works directly with entrepreneurs to give them a voice in international policy discussions. Our **OECD Network of Entrepreneurs** is a diverse group, bringing insights of SMEs owners and entrepreneurs from different sectors, countries and regions and enabling us to test new policy thinking against their different needs and circumstances. ■



# Inclusive Entrepreneurship

Entrepreneurship can be a positive choice for disadvantaged groups, providing routes to employment and an opportunity to bring their ideas to market. The Centre provides advice to policy makers to help them address the challenges they face in supporting these groups.

Opening up entrepreneurship to disadvantaged groups can help generate jobs, fight social and financial exclusion and stimulate economic growth. Many countries and regions use inclusive entrepreneurship policies to target groups that face greater barriers to business creation, particularly women, youth, the unemployed, seniors, and migrants.

The Centre provides policy guidance to national, regional and local governments through regular publications, including the bi-annual **OECD-EU Missing Entrepreneurs reports**. These reports examine how public policies and programmes can make entrepreneurship more inclusive through reforms to regulations and institutions, promoting access to finance, and providing training and networks. They have also inspired the creation of our **Better Entrepreneurship Policy Tool**, a free online tool for policymakers, practitioners and broader stakeholders. Users can generate self-assessments about the extent under-represented groups are supported in business creation and self-employment and connect with users in other countries.

The Centre produces **policy briefs** with the European Union focusing on specific themes such as youth entrepreneurship. It has convened more than 70 events on inclusive entrepreneurship, reaching more than 1500 policy makers and stakeholders.

Our **country notes** and **reports** provide tailored policy advice to governments to promote inclusive entrepreneurship. These include 27 country notes for European Union Member States, and specific reports on **Youth Entrepreneurs in Portugal** and **Women Entrepreneurs in Ireland**.

Women in OECD countries are only about 60% as likely as men to be involved in business creation. The **CFE's Women's Entrepreneurship Initiative** (the WE) aims to boost women's entrepreneurship building on the implementation of the 2013 **OECD Recommendation on Gender Equality in Education, Employment and Entrepreneurship**. Work includes national and regional case study reviews of women's entrepreneurship policy, covering access to finance, social economy and social innovation and women entrepreneurs in tech.

We are now looking to strengthen our work on **youth entrepreneurship** to provide new pathways for the young who have been hit particularly hard by the pandemic. Work will build on our series of country policy notes, already covering Hungary, Italy, Lithuania, Poland, Portugal and Spain and support the updated the **OECD Youth Action Plan**. ■



## Did you know?

4%



In 2020, 4% of working youth (15-24 years old) in the EU are self-employed relative to 14% of all workers.



# Developing entrepreneurial mindsets through education

Higher Education Institutions, from research universities to community colleges, play a key role in creating and shaping the entrepreneurs of the future. The OECD helps them promote entrepreneurship teaching and learning to better prepare youth for the future of work.

**Entrepreneurship education** is vital today, providing young people with the skills and entrepreneurial approaches to succeed in the modern economy. Through entrepreneurial education, students develop an understanding of not just the mechanics of starting a business, but also the potential to experiment, innovate and create new products and business models.

These transferable skills are valuable to students even if they do not go on to found a business. The world of work is changing, with more opportunities than ever for employees to apply their entrepreneurial drive and skills to tap into new markets and growth opportunities – particularly as digital natives.

The Centre collaborates with national and sub-national education systems and higher education institutions to promote entrepreneurship teaching and learning opportunities, by:

- Facilitating international policy dialogue to identify good practices amongst academics, practitioners, and policy makers to develop new approaches and find creative solutions.
- Collaborating with public authorities and representatives from HEIs to produce policy reviews that promote the entrepreneurial and innovation agenda in higher education.

The Centre works in partnership with the European Commission to promote entrepreneurial and innovative higher education institutions through the **HEInnovate Programme**. The Centre has

produced 13 national reviews in partnership with the European Commission, covering Austria, Bulgaria, Croatia, Greece, Hungary, Ireland, Italy, Lithuania, the Netherlands, Poland, Romania, Slovenia, and Sweden. CFE is developing a synthesis report to take stock of these national reviews, to be published shortly.

To support this work, the Centre hosts an international network involving over 100 higher education institutions and their stakeholders: EECOLE, Entrepreneurship Education Collaboration and Engagement. ■



*“HEIs need to prepare learners to create value for others by acting entrepreneurially in a world characterized by uncertainty and ever increasing change.”*

*Prof. Dr. Christine K. Volkmann Chair of Entrepreneurship and Economic Development, Schumpeter School of Business and Economics University of Wuppertal*

# Generating local entrepreneurial ecosystems

Business dynamism and innovation is highly localised and context-dependent. The Centre supports local and regional governments and stakeholders, including innovative universities and colleges, to create the conditions for strong entrepreneurship ecosystems.

Innovation activity has become increasingly spatially concentrated over time. However, translating research excellence into jobs and growth requires dynamic local entrepreneurial ecosystems – supported by the right incentives, skills, infrastructure and networks.

Local and national policy makers are increasingly favouring policies that seek to connect and extend the impact of innovation across local economies. This includes policies to support start-ups, spinouts and scale-ups as well as measures to develop local networks and supply chains in key industries.

The Centre provides tailored policy advice through its work on **Local Entrepreneurship Ecosystems and Emerging Industries**. This work examines the key dynamics that drive local entrepreneurial ecosystems, including smart specialisation strategies and has produced a series of reports, covering Cambridgeshire and Peterborough and Coventry and Warwickshire in the UK as well as the Polish regions of Mazowieckie, Pomorskie, and Malopolskie.

To support this, the Centre has gathered unique data to assess the health of local entrepreneurial ecosystems. The **Geography of Firm Dynamics** and accompanying data collected in the **OECD Database on Business Demography** provides policy makers with internationally harmonised statistics on firm dynamics that allow them to identify trends and bottlenecks in entrepreneurial activity in all types of regions. It also highlights that entrepreneurial dynamism is closely linked to the broader local ecosystem, including factors such as local governance, R&D activities, and the skills and education of the local workforce.

The Centre also specifically focuses on the role of Higher Educations in local ecosystems through a series of reports and webinars on the **Geography of Higher Education (GoHE)**. GoHE investigates how Higher Education Institutions (HEIs) are generating value for their surrounding communities and networks. The first publication in this series looks at the **Academy for Smart Specialisation, at the Karlstad University in Sweden**. A second GoHE report will focus on Québec, Canada, and will be published in the third quarter of 2022. ■

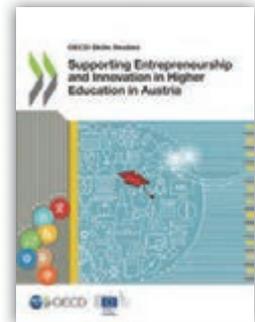
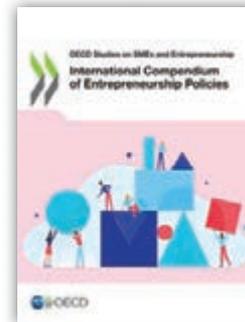
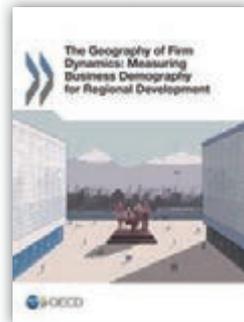
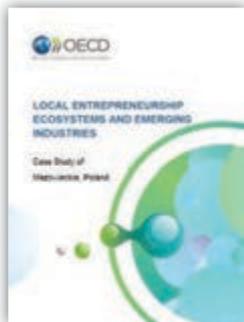
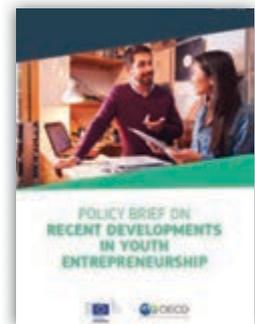
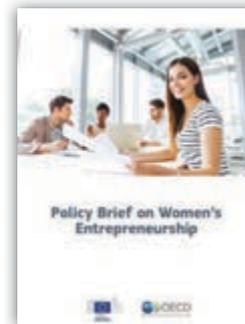
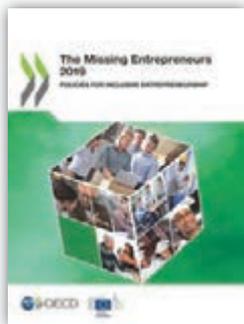
## The Geography of Firm Dynamics



Business dynamism varies substantially between regions. Capital cities tend to be at the forefront when it comes to business creation and destruction, while declining regions face a vicious circle: survival rates of young firms are consistently lower in regions where income and productivity have declined over time.

# Reading list

## Key publications



 Access the OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)

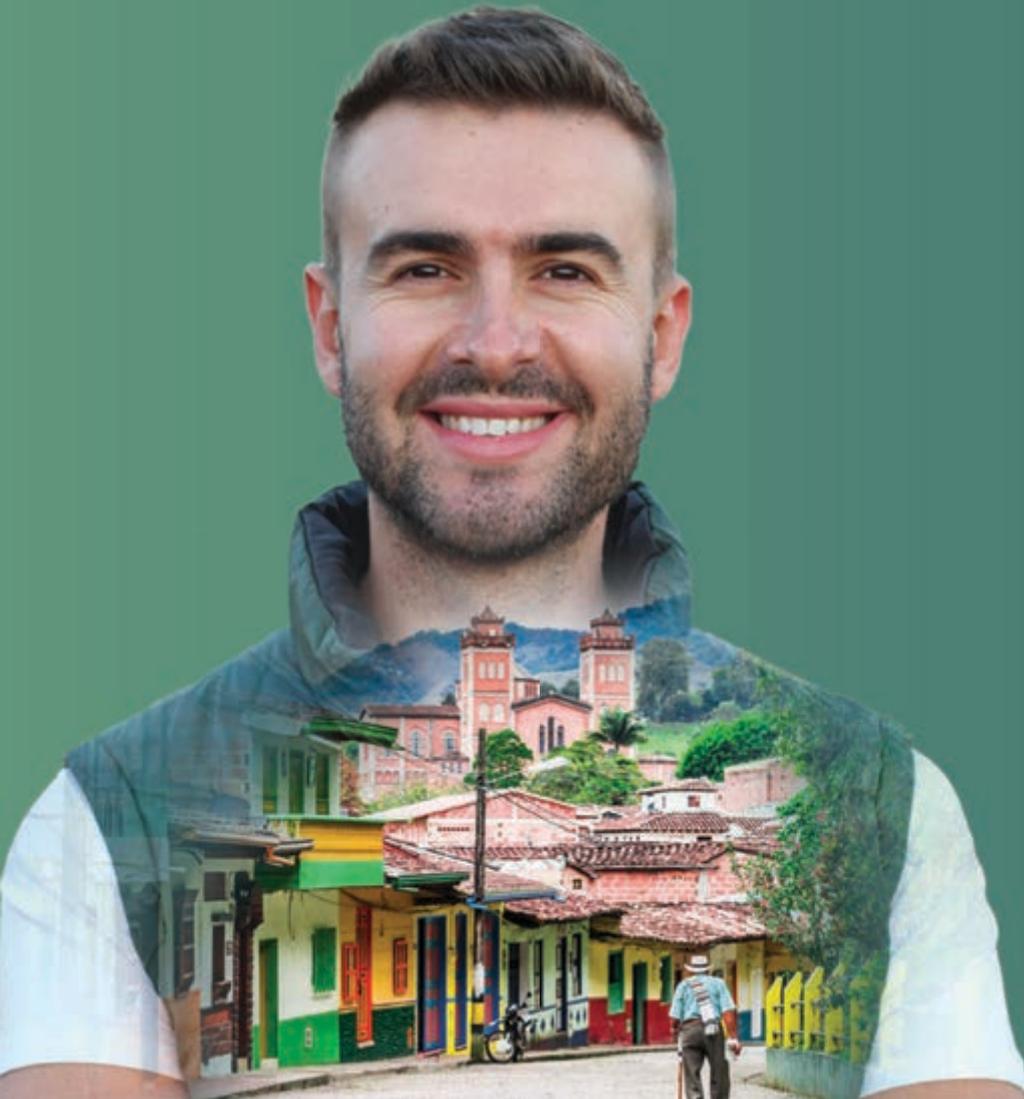


Find out more

[www.oecd.org/cfe/smes](https://www.oecd.org/cfe/smes)



# Regions: Driving Growth and Well-being





# Unlocking the economic potential of all places

Where you live matters. There are huge disparities in outcomes for people living in different places across all domains – economic, social and environmental – gaps that are often greater within countries than between countries. To unlock the potential of all regions, the Centre supports evidence-based policies with data, indicators and statistics.

Large and persistent inequalities in regional economic performance exist within countries throughout the OECD. The flagship OECD **Regional Outlook**, published every two years, discusses the underlying causes of economic disparities across regions. It provides guidance and recommendations to policymakers on how to address these inequalities through effective regional development policy that builds on regional strengths and mobilises different levels of government, private actors and citizens. The 2021 edition addresses the resilience of rural and urban regions in the COVID-19 crisis and in the transition to net zero greenhouse gas emissions. Previous editions of the **Regional Outlook** have focused on regional productivity for inclusive societies (2016) and leveraging megatrends for cities and rural areas (2019).

To tailor our advice to the needs, opportunities and policy framework of each region, the Centre conducts a series of national and regional **OECD Territorial Reviews**. These peer reviews combine the Centre's expertise and peer exchanges from other OECD countries to provide assessments and recommendations to improve urban, rural and regional development policies. Territorial Reviews have been carried out at national level in over 25 countries, including recently on Greece, Sweden, Japan and Colombia; and at regional level, for instance on the state of Hidalgo (Mexico), the province of Cordoba (Argentina), and the Western Scandinavia region (Norway-Sweden).

The Centre also provides evidence and concrete policy advice on what helps regions grow. The work

covers a wide range of topics, e.g. globalisation (**Productivity and Jobs in a Globalised World**), infrastructure (**Making Better Use of Transport Infrastructure**), or innovation (**Broadening Innovation Policy**).

Going forward, the Centre is looking to expand its work on impact evaluation of regional development policies, building on our approach to the Territorial Review of Greece. ■

## OECD Regional Development Ministerial



In March 2019, on the occasion of the OECD Regional Development Policy Committee's 20th anniversary, the Centre organised the fourth OECD Ministerial Conference on Regional Development SMEs in Athens. The 46 participating countries welcomed the **Declaration on Policies for Building Better Futures for Regions, Cities and Rural Areas**.

# Measuring regional performances and inequalities

The Centre produces one-of-a-kind, comparable data and statistics on regions and cities to support evidence-based policy-making on regional development.

National economic performance often hides wide regional differences. While differences in economic growth between countries have declined in recent years, those within countries have not. Differences in labour productivity and labour market participation often drive regional economic disparities. To identify regions that outperform and those that lag behind, and support evidence-based policy making, the Centre regularly develops and publishes new indicators and tools on regions and cities.

The freely accessible and regularly updated **OECD Regional and Metropolitan Databases** provide a unique set of comparable statistics and indicators on about 2700 regions and 600 cities and metropolitan areas (i.e. functional urban areas) in OECD member and selected partner countries. They currently cover yearly time-series for around 80 indicators, ranging from population characteristics to economic output, from industrial specialisation to labour market performance, from innovation activities to education levels, from health status to environmental conditions.

The **OECD Statistical Atlas for Regions and Cities** is an interactive data platform to analyse statistical indicators at the level of regions and cities through maps and charts, and to explore trends over time.

With its more than 100 indicators, the **OECD Measuring the Distance to the SDGs in Regions and Cities Platform** shows the distance towards the Sustainable Development Goals (SDGs) in more than 600 regions and 600 cities of OECD and partner countries.

Drawing from its wealth of statistics, the Centre publishes the flagship report **OECD Regions and**

**Cities at a Glance** every two years, which provides a snapshot of OECD regions and cities, benchmarking performance.

To overcome the substantial differences in the way administrative geographies, such as cities, metropolitan, urban, and rural areas, are defined across countries, the Centre has also developed harmonised geographies to allow us to compare performance, for example through our **Cities in the World** publication.

Moving forward, the Centre is developing new data work to analyse global urbanisation trends, the functional links between rural and urban areas, demographic changes, innovation processes at local level, and digital connectivity gaps for different types of areas. The new **OECD Geospatial Lab** promotes the use of geo-spatial information and spatial modelling in measuring and understanding spatial patterns in urbanisation, land-use, people's well-being and economic development. ■

## How's life in your region?

The **OECD Regional Well-Being Tool** is an interactive platform that allows to visually measure well-being in your region and compare it with 402 other OECD regions based on eleven topics central to the quality of our lives.



 [www.oecdregionalwellbeing.org](http://www.oecdregionalwellbeing.org)





# Supporting regions to adapt to shocks and megatrends

The Centre promotes modern regional development policy to help policymakers anticipate and respond to long term changes and shocks – to build resilience and seize new opportunities for growth.

Megatrends, such as globalisation, ageing and population decline, climate change, and the fourth industrial revolution, create additional pressures on regions to adapt. Proactive place-based policies can help steer regions through these transitions.

Some of these pressures have already proved particularly acute for traditional manufacturing regions, which face challenges in modernising their industrial base, upgrading the skills of the workforce, compensating for job losses in key sectors and raising low productivity that limits income growth. To support these regions, the OECD has organised peer-learning workshops and summarised the key recommendations in **Regions in Industrial Transition**. The report identifies opportunities offered by current megatrends to revive economic growth and productivity, and to develop strategies to seize them.

Other regions are looking ahead to challenges associated with demographic change, including the need to restructure public services. The Centre's work on **Present and Future Service Delivery** provides empirical evidence and policy advice to improve delivery of quality services in all places. This series includes a recent report on **Delivering Quality Education and Health Care to All: Preparing Regions for Demographic Change**.

Most regions are already considering ways to transition to a more sustainable economic model. The CFE is supporting them through our **Territorial Approach to the Sustainable Development Goals**, which provides insights and concrete tools to mainstream SDGs in local policy making.

**Managing Environmental and Energy Transitions**

**for Regions and Cities** summarises lessons from high-level expert workshops to support cities, regions, and rural areas in the transition towards a climate-neutral and circular economy.



## Regional Responses to the pandemic



The COVID-19 crisis has had an uneven impact across places: both in terms of health outcomes and in terms of its economic impact.

Subnational governments – regions and municipalities – have been at the frontline of the crisis management and recovery. Our policy note on **The territorial impact of COVID-19: Managing the crisis across levels of government** provides an assessment of the impacts and policy responses by national and subnational governments to the pandemic, as well as recommendations on how to manage the crisis going forward. Looking forward, the Centre is developing a COVID-19 Territorial Recovery Platform to track the place-based dimension of recovery strategies.

# Enhancing rural prosperity and well-being

Rural communities are vital to the well-being of countries. Yet, they face structural changes that challenge their sustainability. The Centre's work on rural policy provides guidance to unlock opportunities for growth and wellbeing in rural communities.

Rural communities make strong contributions to national economies and are essential providers of food and raw materials, amenities and ecosystem services. However, they face unique challenges and opportunities stemming from low population density.

The Centre's series of **national OECD Rural Policy Reviews** help governments to address main challenges and unlock development opportunities for rural communities and business. A recent review of Poland included a focus on agricultural productivity and economic diversification, while another in Chile highlighted the need to establish a national policy framework for rural development.

Adopted in 2019 by Ministers from all OECD countries, the **OECD Principles on Rural Policy** consolidate lessons from the past 20+ years of work on rural development to guide policymakers in building smart, sustainable and inclusive rural areas.

The **Rural Well-being: Geography of Opportunities framework** focuses on the trends affecting rural areas and shows how rural development policy can deliver more prosperous, connected and inclusive rural places that offer greater well-being.

Our **OECD Rural Development Conferences** provide a knowledge-sharing platform for public, private and civil society representatives to share experiences on rural development. In 2019, Korea hosted the 12th edition of the series, focusing on how to deliver well-being across all rural places.



Natural resource industries are key for rural economies, but also bring challenges including distribution of benefits and land use conflicts. Through the **OECD Mining Regions and Cities Initiative**, the work on **Linking Indigenous Communities with Regional Development** and our work on a just transition to a climate neutral economy, the Centre provides tailored advice for governments to seize the maximum benefits.

The OECD's work on **Enhancing Rural Innovation** seeks to improve governments' understanding of how innovation occurs in rural firms and communities and some of its drivers associated with well-being



Did you know?

Rural is crucial for regional development

**38%**  
energy is  
renewable



**40%**  
total GDP

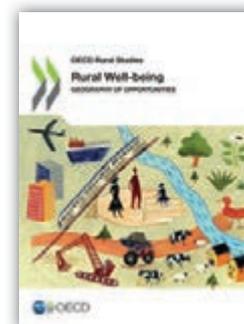
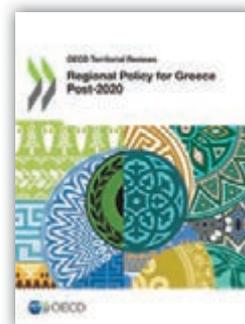
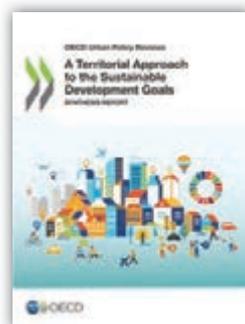
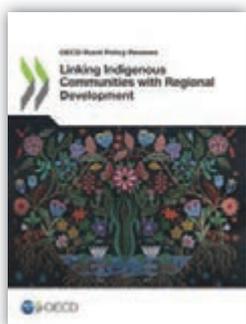
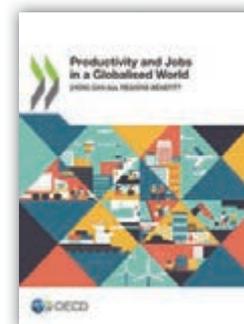
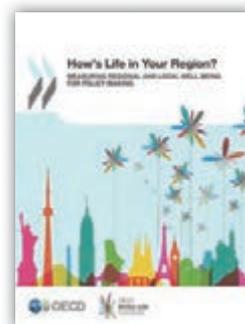
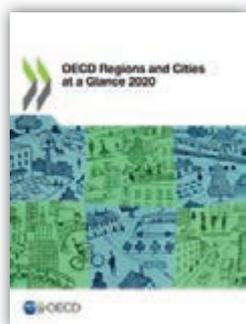
**56%**  
have access  
to broadband



**>25%**  
rural population  
in region have  
higher female  
remote working  
participation

# Reading list

## Key publications



Access the OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)

Find out more

 [www.oecd.org/cfe/regional](https://www.oecd.org/cfe/regional)



# Productive, Inclusive and Sustainable Cities





# Designing policies for competitive cities of all sizes

Cities must address issues like economic growth, inequality and environmental risks. We provide rigorous quantitative analysis and policy guidance to support policy makers in dealing with the most pressing concerns that cities face.

Cities across the OECD face similar challenges, yet there are no one-size-fits-all solutions. Our series of **OECD Metropolitan Reviews** is tailored to the needs of local policy makers seeking to strengthen the economic competitiveness of their cities. Each review analyses the strengths and weaknesses of a city, assesses its governance framework, and develops policy recommendations based on international best practices. While major metropolitan areas have undergone such reviews, including Chicago, Seoul and Johannesburg, they are not limited to large cities. We also work to develop policies designed for cities of all sizes such as Bergamo and The Hague, including as part of a new programme on productivity and inclusive growth in intermediary cities.

While a wide range of challenges can impact urban development, they are rarely managed through a coherent urban lens. With *UN-Habitat* and *Cities Alliance*, the OECD developed a framework for National Urban Policies and launched a **National Urban Policy Programme** to help define a cross-cutting shared vision for urban development. This programme also harnesses the dynamics of urbanisation to achieve both national development goals and implement global agendas, like the UN Sustainable Development Goals.

The series **OECD national Urban Policy Reviews** assess national policies that shape urban areas in a given country and offer policy recommendations. Adopted in 2019 by Ministers from all OECD countries, the **OECD Principles on Urban Policy** consolidate lessons from the past 20+ years of work on cities to

guide policymakers in building smart, sustainable and inclusive cities.

Relevant, accurate and comparable data underpins our work on cities. Our unique OECD Metropolitan Database is the world's only data source of internationally harmonised and comparable data on cities. It includes data on demographics, GDP, productivity, labour markets, inequality, and the environment for more than 600 cities globally. This data allows officials at all levels of government to benchmark cities and facilitates the development of evidence-based policies targeted to local circumstances. New work on **Cities in the World: A New Perspective on Urbanisation**, including a data visualisation tool, presents ground-breaking evidence of recent and future urbanisation trends and on the evolution of metropolitan areas around the globe. ■

## Did you know?

60%  
GDP



66%  
Energy

50%  
Solid  
waste



70%  
GHG  
emissions

55%  
Climate  
spending



64%  
Climate  
investments

# Making cities more livable



Cities are on the frontline of many of the most pressing global challenges. Policies must help them to tackle these megatrends and seize new opportunities to advance growth and well-being in a constantly changing world.

Cities have the greatest concentration of people, jobs, innovation and wealth, but they are also where future challenges related to production, technological revolution and the consequences of climate change are felt most acutely. While urbanisation continues unabated, many cities are struggling to reap the gains from globalisation and to meet the needs of a shifting demographic. The Centre spearheads the OECD's thematic work on urban policy.

The **OECD's work on climate change and green cities** seeks to increase policymakers' understanding of urban green policies likely to contribute to employment growth, urban attractiveness, local production of green goods and services, and urban land values.

The Centre coordinates the **OECD Programme on the Circular Economy in Cities**, supporting cities and regions to cope with rising global energy consumption and waste production. The Programme offers tools to evaluate circular economy strategies and a platform for peer-to-peer learning.

Through its work on **land use, transport, public procurement and housing in cities**, the Centre helps decision makers improve the efficiency of infrastructure investment, facilitate people's access to opportunities, reduce congestion and promote affordable urban housing. For instance, we are working with the Lincoln Institute of Land Policy to develop a **Global Compendium of Land Value Capture**. ■



## Ensuring accessibility in cities

All urban residents, including those without cars, should be able to access schools, workplaces and other facilities within a reasonable amount of time.

In co-operation with the *International Transport Forum (ITF)*, we have developed a new method to benchmark the accessibility of cities using large data sets from online sources.

Our work on **Transport Bridging Divides and Improving Transport Planning for Accessible Cities** offers concrete recommendations for cities to develop sustainable transport networks that bridge social divides.



# Achieving more inclusive urban societies

Inequality is widespread across the world, and it is most keenly felt in cities. The Centre's work on urban inequalities, migrant integration and smart cities contributes to tackling the rising gap between the rich and the poor.

Global Inequality is on the rise, with the richest 10% in OECD countries earning 10 times more than the poorest 10%. Income inequality is especially acute in cities. As part of the OECD agenda on Inclusive growth, the Centre helps local governments analyse rising inequalities, monitor material living standards, promote broader well-being, and design policy packages that encourage equity and growth.

Our work on **inclusive growth in cities** explores how a range of topics including spatial inequality and income segregation, the role of land use and transport policies, education systems, infrastructure decisions, digitalisation, COVID-19 recovery plans, and public service delivery are contributing to cities growing equitably. In addition to thematic case studies, and global reports, the Centre conducts capacity building workshops and webinars.

The Centre works on migrant integration issues and has produced case studies looking at local integration strategies in ten major European cities. This resulted in a **Checklist for Public Action to Migrant Integration at the Local Level** as a tool that cities, regions or national governments can use. The **Database on Migrants in OECD Regions** provides detailed information on the situation of migrants at the regional level.

Assessing **Innovation Capacity & Data-Use in Cities** is a joint effort with *Bloomberg Philanthropies* to analyse how the capacity to innovate and use data is helping cities to improve well-being. This work looks at over 100 cities globally through responses to a unique survey instrument, and assesses if the

efforts to enhance innovation capacity and data-driven city management correspond to improved well-being outcomes for residents. Findings, tools, and recommendations for effective innovation and data-use in cities are shared via an interactive online platform. ■



*“The OECD Champion Mayors Initiative strives for inclusive and sustainable urban growth. It offers a unique opportunity to develop cooperative approaches that help all of us achieve that goal, and elevates our voices in national and international forums. I am pleased to chair this thought-provoking and action-inspiring forum on behalf of Paris.”* Anne Hidalgo, Mayor of Paris and Chair of the OECD Champion Mayors Initiative

# Engaging with local leaders and businesses

With its unique policy forums, the Centre engages with national and local governments, civil society and the private sector to discuss pressing urban policy issues, share good practices and develop solutions to common problems.

The Centre has various platforms to engage with senior political officials, leaders and practitioners that share good practices on urban policy across the OECD and beyond. The **OECD Urban Roundtable of Mayors and Ministers** is a preeminent forum for developing inter-governmental approaches for stronger and more effective urban policies.

Our series of **Roundtables on Circular Economy in Cities** provides a knowledge-sharing platform for stakeholders to share experiences and best practices related to the transition from a linear to a circular economy.

Around the world, governments are making cities “smarter”. These initiatives effectively leverage digitalisation to boost citizen well-being and deliver more efficient, sustainable and inclusive urban services and environments. Our work on smart cities and inclusive growth seeks to bridge efficiency and social inclusion to deliver better opportunities and better lives for all residents.

The **OECD Roundtables on Smart Cities and Inclusive Growth** gather various stakeholders to take stock of research and share policies, practices and knowledge on how to get smart city initiatives right. Understanding that the private sector has led the charge on smart city initiatives, this roundtable also explores the opportunities and challenges brought on by disruptions caused by digital innovation, data disclosure and security, and regulations put forward to manage this growing interaction between private and public sectors in this digital age.

Mayors and local governments are advancing policies that boost equity and economic growth. The Centre facilitates the **OECD Champion Mayors for Inclusive Growth Initiative** — a coalition of 50+ leaders who have committed to tackling inequalities and promoting more inclusive economic growth in cities. The OECD hosts regular meetings for the mayors, at which they discuss innovative ideas and reaffirm their commitments to tackling inequality and promoting inclusivity and sustainability. ■



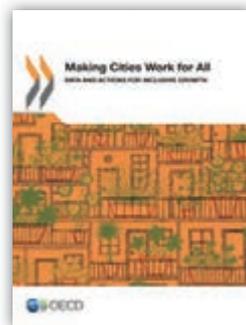
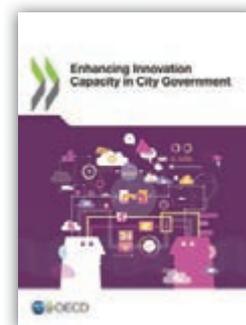
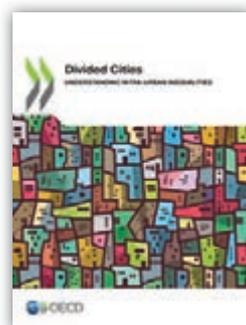
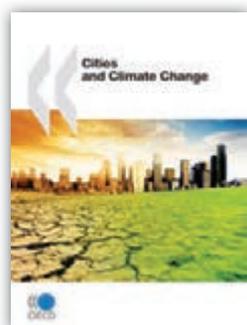
OECD Champion Mayors meeting, Seoul, 2017



OECD Urban Roundtable of Mayors and Ministers, Mexico, 2015

# Reading list

## Key publications



 Access the OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)

Find out more

 [www.oecd.org/cfe/cities/](https://www.oecd.org/cfe/cities/)



# Promoting Better Jobs and Local Development





# Better labour markets for all, everywhere

The world of work is changing. COVID-19 is likely to accelerate automation and digitalisation. The impacts will vary across regions and cities. The Centre helps governments take action so that all people in all communities can prosper.

COVID-19 has led to a labour market shock and is a game changer for the way we work and live. What will the post-COVID labour market look like? And how will these changes play out in different places? Local differences in job outcomes call for a place-specific approach to policy.

Established in 1982, the **Local Employment and Economic Development (LEED) Programme** was borne out of a previous job crisis. LEED provides advice on “what works” to create more and better quality jobs through effective policy design and implementation. It has deep connections with local actors and practitioners, who will be responsible for much of the COVID-19 recovery.

**Job Creation and Local Development** is a biennial publication highlighting the latest trends that are re-shaping local labour markets. It also provides new guidance on how a range of policies - from employment and training to economic and social inclusion - can contribute to better job outcomes across all places.

The **OECD series of Reviews on Local Job Creation** provide unique advice on how national and local policies should be designed to deliver stronger employment outcomes across all regions. Through analysing new data, the reviews provide insights on the impact of labour market megatrends (like automation and digitalisation), and whether or not the education system is meeting the needs of local firms. Around 30 reviews have helped to support policies that ensure more resilient and inclusive local labour markets.

Acquiring relevant skills is a key route out of poverty. A higher level of skills translates into better jobs and more economic development opportunities. The Centre has produced joint publications with the International Labour Organisation (ILO): **Engaging Employers in Apprenticeship Opportunities** and **Better Use of Skills in the Workplace**. These publications provide guidance on how local and regional governments can foster business-education partnerships.

Going forward, the Centre is looking at how employment and skills policies should be designed to respond to changes in how we work, where we work, and the lifelong learning needs to adapt to these changes. ■



## Did you know?

Places with a lower share of jobs at risk of automation are those that:



are more urbanised



have a larger service sector



have more educated workers

# Creating new jobs through the social economy

By linking economic and social value creation, the social economy can provide new jobs and work integration opportunities. It can also boost citizens' participation in their local communities and turn innovative ideas into action for the benefit of the common good.

Social economy organisations, including social enterprises, have proved to be longstanding agents of inclusive growth as they help address inequalities and unemployment. With 25 years of experience in the field, the OECD assists national, regional and local governments in designing and implementing strategies to support the social economy by providing them with tailored and evidence-based policy recommendations.

Our work includes thematic reports, in-depth policy reviews, policy briefs, capacity building seminars, an online self-assessment toolkit, peer learning partnerships and international guides. Over the next three years, the Centre and the European Union have joined forces as part of a **Global Action “Promoting Social and Solidarity Economy Ecosystems”** to increase the scale and impact of the social and solidarity economy globally. This work, which targets all EU countries and Brazil, Canada, India, Korea, Mexico, and the United States, will result in international guides on legal frameworks and social impact measurement for the social economy, peer learning partnerships, and country-specific intelligence.

The **OECD series of Policy Reviews on Social Entrepreneurship or Social Innovation** analyse policy frameworks for the social economy and/or social innovation and offer tailored recommendations for policy makers across all levels of government. Our series of **OECD Policy Briefs on Social Entrepreneurship** examine issues and policies such as social impact measurement and growing social enterprises. These briefs provide

conceptual frameworks and examples of successful policies and practices, which can serve a wide range of stakeholders.

The Centre has established a longstanding cooperation on social entrepreneurship with the European Commission's Directorate General for Employment, Social Affairs and Inclusion. More recently, the Centre is also working with the DG for Internal Market, Industry, Entrepreneurship and SMEs and with the EU Foreign Partnership Instruments services. The Centre is also a member of the European Commission Group of Experts on Social Economy and Social Enterprises and of the UN Inter-Agency Taskforce on Social and Solidarity Economy. ■



## Better Entrepreneurship Policy Tool

The Better Entrepreneurship Policy Tool is an online tool that supports the development of social entrepreneurship. There is a section of the tool that allows users to assess to what extent current policies help social entrepreneurship to achieve real impacts.

 [www.betterentrepreneurship.eu](http://www.betterentrepreneurship.eu)





# Connecting policy makers and practitioners

The Centre promotes cross-stakeholder exchange and peer learning about “what works” in the fields of employment, skills, and social innovation to forge practical solutions to today’s economic and social challenges.

Created in 2004, the **OECD Local Development Forum** has several thousand members from 65 countries, including leading business leaders, start-ups, and social entrepreneurs.

The Forum also makes active efforts to engage national policy makers, mayors, regional authorities, local employment agencies and chambers of commerce, all with the goal of identifying why it is important to “go local” when addressing today’s economic and social challenges.

Each year, a major conference on local development attracts hundreds of participants to discuss key

trends shaping local labour markets and recent policy innovations. Workshops are held in selected countries throughout the year to deepen knowledge-exchange and capacity building. ■

*“We see that workers no longer necessarily have a job for life or even a linear career. And that has its impact on different communities in terms of attracting new employment and economic development opportunities. The OECD Local Development Forum offers a unique opportunity to learn about experiences in tackling similar labour market challenges at the regional and local level.”* Menno Bart – Public Affairs Manager, Adecco Group.



# Culture and global events

Cultural, creative industries and global events can offer an opportunity to generate jobs and new business, and foster inclusion and well-being. The Centre is building new data-rich evidence, allowing for sound policy advice on how these activities can benefit local development.

Museums, cultural heritage sites and global cultural events are powerful assets for local development. The Centre provides evidence and guidance to cities and regions on ways to maximize the economic and social value of cultural heritage and support the emergence of the creative economy.

In 2018, the Centre partnered with the International Council of Museums (ICOM) to produce **Culture and Local Development: Maximising the Impact - Guide for Local Governments, Communities and Museums**. Tested by more than 20 museums and cities in OECD countries, the guide provides a roadmap for local governments, communities and museums on how to define a local development agenda together.

The COVID-19 pandemic has had a dramatic impact on the cultural and creative industries, and the effect of the crisis will be long-lasting. The Centre is analysing policy measures taken by governments to support workers and businesses in the sectors in a policy note **Culture shock: COVID-19 and the cultural and creative sectors**. We also offer advice on how to support cultural and creative industries, and tap into their potential in the recovery. The Centre also supports the G20 Working Group on Culture.

Going forward, the Centre is working on **Cultural and Creative Sectors and Local Development** with the with the European Commission to provide evidence and guidance to European cities and regions on maximising the economic and social value of cultural heritage and support the emergence of the creative economy. ■

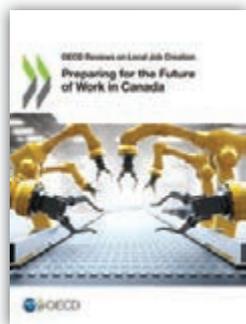
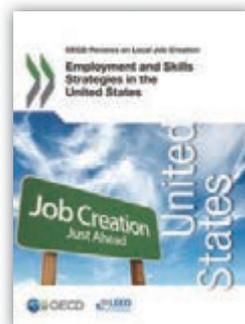
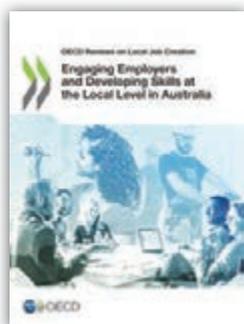
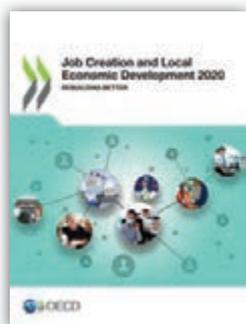


## Global Events and Local Development

The hosting of global events such as the Olympic Games, Expos, World Cups or Cultural Festivals present opportunities to stimulate growth and development in the countries, and particularly the cities that host them. The **OECD Recommendation on Global Events and Local Development** provides an overview of the conditions required to realise more sustainable global events and to build stronger capacities to leverage local benefits. The OECD works with countries and cities to leverage opportunities from global events.

# Reading list

## Key publications



 Access the OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)

Find out more

 [www.oecd.org/cfe/leed/](https://www.oecd.org/cfe/leed/)



# Multi-level Governance and Subnational Finance





# Making multi-level governance work

The impact of megatrends, combined with a strong call for greater inclusiveness, requires all level of governments to work together strategically and coherently for high quality governance arrangements among national, regional and local governments, and other stakeholders.

In light of complex challenges like climate change, disruptive technologies and global health crises, policy-makers are rethinking regional development policies. Optimising how different levels of governments coordinate is essential in addressing the growing divides between places that feel left behind, and those that may benefit from global shifts.

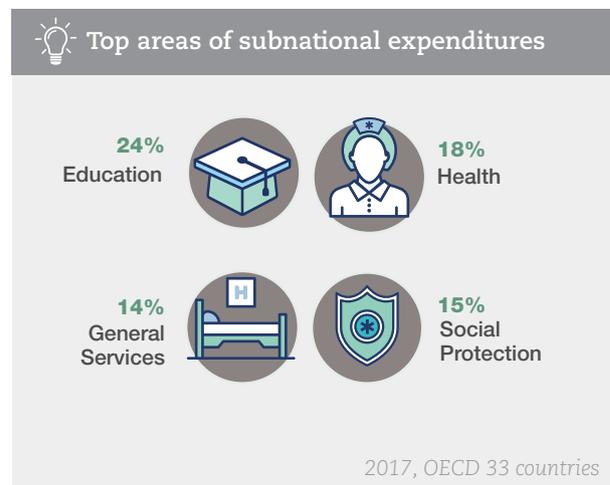
Relying on an **Expert Group on Multi-level Governance**, the Centre helps governments design strong multi-level governance systems to ensure effective public service delivery and improve regional development. We gather data and monitor policies and trends in inter-governmental and inter-municipal coordination, decentralisation and citizen engagement.

Through examining best practices, policy trends and their implications, we are able to provide actionable recommendations to governments. Developed during the COVID-19 crisis, our policy note **The territorial impact of COVID-19: Managing the crisis across levels of government** offers advice on how to manage the varied impact that the crisis has had across regions of the same country and on how to implement effective recovery strategies.

Decentralisation is among the most important reforms of the past 50 years, but paths to decentralisation vary considerably across countries. The Centre has developed the **Making Decentralisation Work handbook** that offers 10 practical guidelines for policy-makers to deliver effective decentralisation reforms.

Our series of **Multi-level Governance Reviews** explore governance practices supporting regional development. In-depth reviews have been undertaken with countries, regions and municipalities, including Bulgaria, Colombia, Poland, Portugal, the Slovak Republic, Ukraine, and Wales (UK). These reviews look at governance systems and offer practical recommendations for policy-makers. Developed through collaborative workshops, seminars and other interactive events, they involve a broad range of stakeholders and promote international exchange.

The Centre also provides roadmaps for action, trainings, self-assessment tools, and other instruments to support governments advance their policy and reform implementation, as well as monitor their progress. ■



# Data collection and analysis for subnational policies

We collect and analyse up-to-date data on subnational government structures, as well as regional and local public finance, in order to support evidence-based policy-making.

In the OECD, subnational governments - states, regions, municipalities - are key actors in public spending and investment, as well as in raising revenues and borrowing. We publish **Subnational Governments in OECD Countries: Key Data** annually. This brochure provides data on current subnational government structure, municipal size, expenditure, investment, revenue, tax receipts, budget balance and debt, as well as other information. All data are available on the **OECD.Stat regional database** where users can access and extract data in a customised way.

At the global level, there is growing demand from national and subnational governments, academics, development banks, donors and NGOs for evidence that supports decision-making. They need data that is relevant, reliable, objective, comparative, and presented in a systematic way. The **World Observatory on Subnational Government Finance and Investment** fills this need. Launched in 2017 by the OECD and the United Cities and Local Government, the Observatory offers information on more than 120 countries.

In addition to ensuring comprehensive data collection, we are dedicated to improving data granularity and specificity. With the support of the European Commission's DG for Regional and Urban Policy the OECD is piloting innovative databases, such as the **Regional Government Finance and Investment Database (REGOFI)**. It provides comparative data for 494 state/regional government accounts in 24 OECD and European Union countries. We are collecting comparative data for municipal

finance in pilot countries.

Finally, the Centre is looking at the impact of the COVID-19 crisis on regional and local finance through a survey with the European Committee of the Regions to assess the impact of the crisis on subnational finance and work on the investment recovery strategies for regions and municipalities. ■



## » Compare your country

The **World Observatory on Subnational Government Finance and Investment** is the world's leading source of comparable data on subnational government structure and finance.

 [www.sng-wofi.org/](http://www.sng-wofi.org/)





# Subnational public finance and investment

Public investment shapes choices about where people live and work, and affects their quality of life. We help national and subnational governments make the most of their public resources to address development needs across levels of government.

Regional and local governments are responsible for approximately 40% of total public spending and almost 60% of public investment in OECD countries. When effectively managed, public investment can support growth and sustainable development at the national and subnational level. It can also increase citizen trust and well-being.

The **OECD Recommendation on Effective Public Investment across Levels of Government** features 12 Principles for Action to help national and subnational governments address systematic challenges in managing public investment. Since its adoption by the OECD Council in 2014, 24 out of 27 countries reformed their existing policies or adopted new ones following at least one of the Recommendation's Principles.

We support governments at all levels to optimise their public investment cycles, from strategic planning and coordination, to stakeholder engagement, and monitoring and evaluation. This is especially critical in a tight fiscal environment. The project **Strengthening the Governance of EU funds under Cohesion Policy** recommends concrete actions for building investment management capacity when using EU funds. The findings can also benefit non-EU public actors that actively manage public investment.

The Centre also helps governments track and enhance subnational public finance for **climate action**, through specific case studies and a new international database on subnational **climate finance**. Regions and cities contribute 55% to public spending and 64% to public investment for climate

mitigation and adaptation and environment protection. Greening subnational government policies and budgets, both on the expenditure and revenue side, is a critical course of action, and much remains to be done.

We also support all levels of government diversify their infrastructure finance, such as via Public-Private Partnerships (PPPs) and land-value capture. The report **Subnational Public-Private Partnerships**, for example, highlights PPPs as one way to improve value for money in infrastructure investment. The ongoing project, **Delivering Sustainable Infrastructure in Regions and Cities** explores ways to reduce regional disparities in access to infrastructure, as well as the governance, planning, and financing mechanisms available to subnational infrastructure investment. This project contributes to the OECD-G20 initiative for sustainable infrastructure. ■

## Regions and cities are responsible for:

**40%**  
of total public  
spending



**60%**  
of total public  
investment



**55%**  
of climate and  
environment  
related  
spending



**64%**  
of climate and  
environment  
related  
investments



2000-2016, OECD countries

# Multi-level governance in the water sector

Water challenges require robust policies and governance frameworks for widespread coordination. The Centre provides policy analysis, dialogues, recommendations and a policy forum to enhance water security now and in the future.

Economic systems and social well-being are strictly dependent on water availability, water quality and access to safe drinking water and sanitation. Water security cannot be taken for granted.

Today, floods, droughts and other water-related disasters affect millions of people around the world, while climate change, growing populations and urbanisation are likely to affect not only water availability, but also food security, agriculture and energy production, amongst others.

The OECD argues that water crises are often water governance crises. Key governance challenges include institutional and territorial fragmentation and poorly managed multi-level governance. As such, it is not only what to do, but also how, why and with whom.

To better support countries in improving water governance, the OECD developed the **Principles on Water Governance**. The 12 Principles set standards for more effective, efficient and inclusive design and implementation of water policies.

These Principles have been developed under the guidance of the **OECD Water Governance Initiative**. This international network of public, private and not-for-profit sectors representatives gathers regularly to share good practices and consult on better water governance.

Countries, basins, regions and cities can self-assess their water governance systems through the **OECD Water Governance Indicators** and learn from

evolving water governance practices, a collection of 50+ experiences on how water governance implementation around the world.

The OECD supports countries in improving the governance conditions that can lead to enhanced water security through policy dialogues and analyses. In 2018, the OECD was awarded the King Hassan II Great World Water Prize and kicked off the **OECD Programme on Water Security for Sustainable Development in Africa**, which develops new policy work on water in Africa, including the improvement of water governance in African cities.

As such, since 2011 the OECD carried out benchmarking studies across OECD countries, Latin America and the Caribbean (2012) and cities (2016). The OECD also carried out country reviews in Mexico, the Netherlands, Tunisia, Jordan, Brazil, Korea, Argentina and Peru, as well as analyses on stakeholder engagement for inclusive water governance (2015) and on integrity (2014). ■

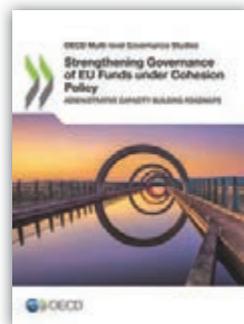
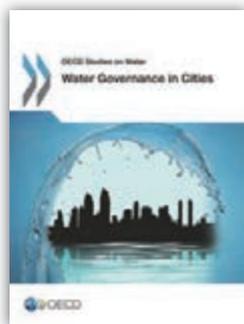
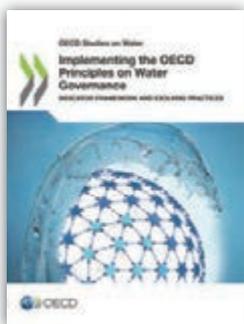
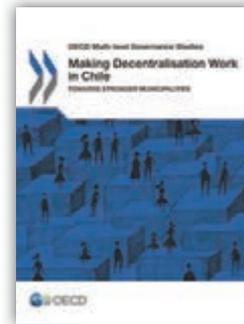
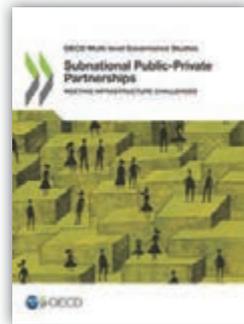
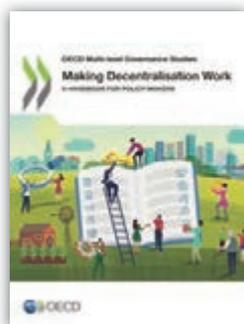


*“240 million people are expected to not have access to clean water by 2050. The OECD Principles on Water Governance support countries in improving water management and water services for everybody.”*

Peter Glas - OECD Water Governance Initiative Chair, Delta Commissioner of the Netherlands

# Reading list

## Key publications



 Access the OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)

Find out more

 [www.oecd.org/regional/](https://www.oecd.org/regional/)



# Shaping the Future of Tourism





---

# Designing policies for a sustainable tourism recovery

---

Tourism is an important economic sector in OECD countries, globally and locally. The Centre is supporting governments in developing recovery measures to build a stronger, more sustainable and resilient tourism economy.

---

After six decades of continued growth, tourism virtually halted in the first half of 2020. The COVID-19 pandemic has triggered an unprecedented crisis in the tourism economy. The Centre has produced a policy note **Tourism Policy Responses to the coronavirus (COVID-19)** to keep tabs on the immediate measures countries have adopted to support the tourism sector, but also how they are developing recovery measures to change how the sector works for the better.

Rebuilding the tourism sector will play a key role in supporting the economic recovery of countries. Tourism, as a labour-intensive industry, can provide diverse employment opportunities and foster economic development opportunities for cities, regions and rural areas. Additionally, tourism can provide support for innovative small-scale business operations and the promotion of cultural authenticity and assets of the destination.

Looking ahead, the crisis is an opportunity to rethink tourism development, and introduce policies that encourage the digital, low carbon and structural transitions needed to rebuild stronger, more sustainable and resilient destinations. We are actively engaged in international discussions on the topic, including as part of the **UN World Tourism Organization's Global Tourism Crisis Group**. The Centre also contributes to the **G20 Working Tourism Group**, in particular on the G20 Guidelines for resilient, sustainable and inclusive tourism.

The Centre supports governments in designing better tourism policies to rebuild a more resilient tourism sector. The OECD Policy Statement -

**Tourism Policies for Sustainable and Inclusive Growth** - highlights the importance of tourism as an engine for sustainable and inclusive economic growth. **OECD Tourism Trends and Policies** analyses key policy and governance reforms in tourism across about 50 OECD countries and partner economies. Published biennially, it has become an international benchmark on how effectively countries are supporting competitiveness, innovation and growth in tourism.

Megatrends, such as changing demographics, digitalisation, and the transition to a low carbon economy, will continue to impact the tourism economy. Building on the **OECD Tourism Trends and Policies 2020** flagship publication, a report on **Preparing the Tourism Workforce for the Digital Future** will adopt a forward-looking approach to tourism skills and workforce issues, and provide policy recommendations to support the transition to the tourism labour market of the future. The **Impact of the COVID-19 on Destinations and Potential Policy Responses** work will also highlight response and recovery plans to support the green transition and sustainable tourism development.

Tailored tourism policy advice and implementation supports country efforts to enhance tourism performance, competitiveness and innovations. These can include **Tourism strategy support**, **Tourism policy reviews** at national or subnational level and **Thematic policy studies**. **OECD Tourism Papers** are available to a wider readership and cover a range of the work of the OECD Tourism Committee. ■

# Measuring tourism for the future

The demand within governments and the tourism industry for in-depth analysis and robust information on tourism policies, data and issues is strong. The OECD works with governments to further improve the quality and accessibility of tourism data.

Measuring the economic contribution and impact of tourism requires consistent approaches to the collection and analysis of data. The application of evaluation frameworks helps policy makers increase overall competitiveness, sustainability and performance of tourism policies and programmes. The coronavirus crisis has further highlighted the need for tourism policy makers to have access to timely, granular and robust data.

The OECD works with governments and other relevant international organisations to further improve the quality and accessibility of tourism data and projections, and more effectively demonstrate the added value of tourism to decision makers.

The OECD has worked to advance the recognition and measurement of tourism's contribution to national economies for nearly 40 years. As a strong proponent of international standards in the measurement of tourism, the OECD was a main developer of the **Tourism Satellite Account (TSA)**. More recently it has undertaken work on **Providing New Evidence on Tourism Trade in Value Added**, **Indicators for Measuring Competitiveness in Tourism**, and **Measuring Tourism at Subnational Level**. Through its **Working Party on Tourism Statistics**, the OECD seeks to address data gaps underscored by the unprecedented crisis and the need to fill the data gaps and provide timely, comparable data.

The **OECD Tourism Statistics Database (OECD.Stat)** provides robust, comparable and timely data and projections on tourism services across OECD member and partner countries. Freely accessible online, it is

a single, consolidated source of tourism statistics, with 7 datasets and 48 indicators, covering domestic, inbound and outbound tourism, enterprises and employment, internal tourism consumption, and key economic tourism indicators.

The OECD co-hosts workshops, seminars, and virtual policy dialogues that bring policy makers and representatives from the private sector together to inform ongoing work and better incorporate an essential industry perspective in the development and implementation of tourism policy – and thus maximise the relevance of tourism policy responses for the sector. ■



## Global Forum on Tourism Statistics, Knowledge and Policies

The inaugural edition of the **OECD Global Forum on Tourism Statistics, Knowledge and Policies**, co-hosted by Korea in 2021, will bring together tourism policy makers, statisticians, the private sector and other stakeholders to discuss policy, statistics and practical implementation issues. The 2021 Global Forum will serve as a platform to learn the lessons of COVID-19, shape a common, long-term agenda, and build the resilience of the sector.





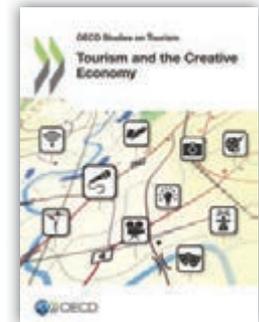
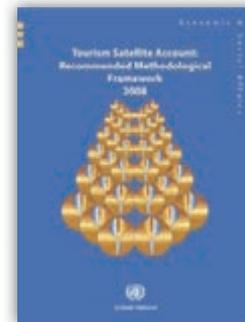
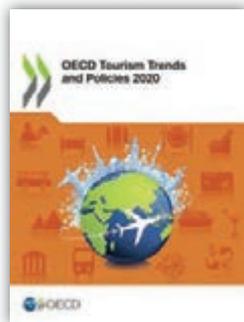
---

# Reading list

---

## Key publications

---



 Access the Tourism Paper series on OECD iLibrary: [oecd-ilibrary.org](https://oecd-ilibrary.org)

Find out more

 [www.oecd.org/cfe/tourism/](https://www.oecd.org/cfe/tourism/)



# The OECD Trento Centre

The Trento Centre helps build capacities for local development in OECD member and non-member countries.





# Building capacities for local development

Since 2003, the Trento Centre for Local Development has been an OECD frontrunner in capacity building through its academies, workshops, and tailored support for local leaders.

Founded in 2003 as an integral part of the Local Employment and Economic Development (LEED) Programme, the OECD Trento Centre for Local Development offers an extensive capacity building programme consisting of academies, workshops, seminars and tailored support for local leaders. Thousands of policymakers and practitioners from over 75 countries have participated to date. In Trento, capacity-building is based on an active, participatory approach, with participants learning from concrete examples in each other's communities, "field visits" to local initiatives, and via international experts and speakers.

An example of a capacity building activity is the **International Summer School on Community and Local Development**, which recently celebrated its 10th anniversary. Hundreds of local development practitioners from Latin America have attended the school. Other activities include the **Winter Academy on Tourism Management for UNESCO Designated Sites in Natural Areas**, the **Summer School on Local Development Strategies and European Projects**, and the **Summer Academy on Cultural and Creative Industries and Local Development**.

The Trento Centre also hosts the **Spatial Productivity Lab (SPL)**, a dedicated research laboratory that generates and disseminates knowledge on the complex ways regional and local processes are linked to productivity performance at the

subnational level. The SPL works with local and global partners to address the challenges faced by regions, cities and rural areas in supporting and stimulating their growth.

The Trento Centre is supported by the Autonomous Province of Trento (Italy) and the Autonomous Region of Trentino-Alto Adige/Südtirol (Italy). ■



Find out more



[www.trento.oecd.org](http://www.trento.oecd.org)



# Contact us

## Our Management Team



**Lamia KAMAL-CHAOUI**

*Director*

[Lamia.KAMAL-CHAOUI@oecd.org](mailto:Lamia.KAMAL-CHAOUI@oecd.org)



**Nadim AHMAD**

*Deputy Director*

[Nadim.AHMAD@oecd.org](mailto:Nadim.AHMAD@oecd.org)



**Rudiger AHREND**

*Head of Division | Economic Analysis,  
Data and Statistics*

[Rudiger.AHREND@oecd.org](mailto:Rudiger.AHREND@oecd.org)



**Aziza AKHMOUCH**

*Head of Division | Cities, Urban Policies  
and Sustainable Development*

[Aziza.AKHMOUCH@oecd.org](mailto:Aziza.AKHMOUCH@oecd.org)



**Celine KAUFFMANN**

*Head of Division | Entrepreneurship,  
SME and Tourism*

[Celine.KAUFFMANN@oecd.org](mailto:Celine.KAUFFMANN@oecd.org)



**Dorothee ALLAIN-DUPRE**

*Head of Division | Regional Development  
and Multi-level Governance*

[Dorothee.ALLAIN-DUPRE@oecd.org](mailto:Dorothee.ALLAIN-DUPRE@oecd.org)



**Karen MAGUIRE**

*Head of Division | Local Employment,  
Skills and Social Innovation*

[Karen.MAGUIRE@oecd.org](mailto:Karen.MAGUIRE@oecd.org)



**Alette WERNBERG**

*Head of Management Support Unit*

[Alette.WERNBERG@oecd.org](mailto:Alette.WERNBERG@oecd.org)

## Stay in touch

Find us at [www.oecd.org/cfe](http://www.oecd.org/cfe) | [oecdcoito.blog](http://oecdcoito.blog)



Twitter: [@OECD\\_local](https://twitter.com/OECD_local)



LinkedIn: [company/oecd-local](https://www.linkedin.com/company/oecd-local)

