



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation, and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Norway¹

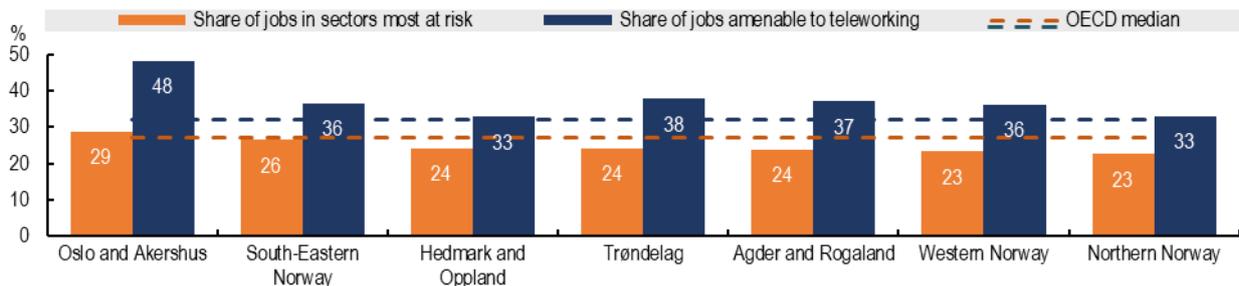
The share of jobs amenable to teleworking varies roughly 15 percentage points across regions, from 33% in Northern Norway and Hedmark and Oppland to 48% in Oslo and Akershus.

In the decade following the 2008 crisis, unemployment rates had not returned to pre-crisis levels in all but one Norwegian region.

All Norwegian regions saw the share of middle-skill jobs decline between 2000 and 2018, and in three regions, it shrank by 9 percentage points or more.

The potential impacts of COVID-19 on local labour markets

Jobs in sectors most at risk and amenable to teleworking



Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. Share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.

Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>; and OECD (2020), *OECD Regions and Cities at a Glance 2020*, <https://doi.org/10.1787/959d5ba0-en>.

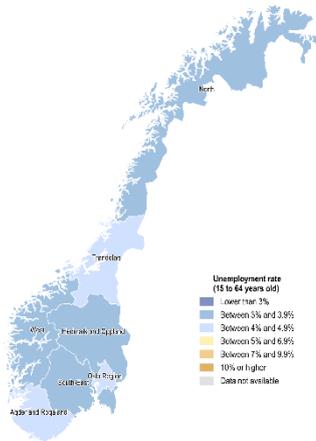
COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Norway, disparities between regions are relatively small: the share of jobs in sectors most at risk ranges from 23% in Northern Norway and Western Norway to 29% in Oslo and Akershus. All regions but Oslo and Akershus had a lower share of jobs at risk than the OECD median region.

While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. The share of jobs amenable to teleworking in all regions is higher than the OECD median region, but widespread teleworking is more feasible in some regions than others. The share of jobs amenable to teleworking varies roughly 15 percentage points across regions, from 33% in Northern Norway and Hedmark and Oppland, to 48% in Oslo and Akershus.

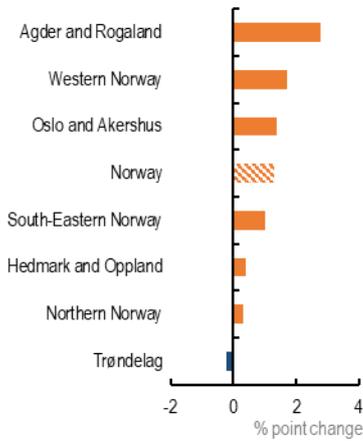
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Local labour market performance prior to COVID-19

Unemployment rate, 2019



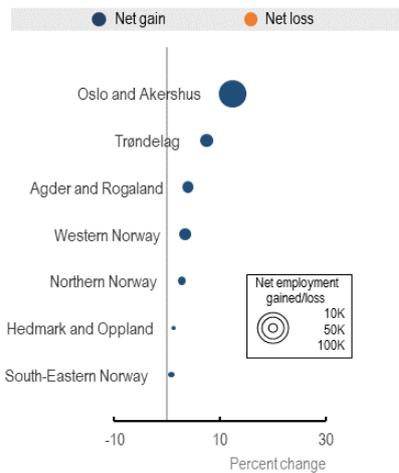
Change in unemployment rate, 2008-2018



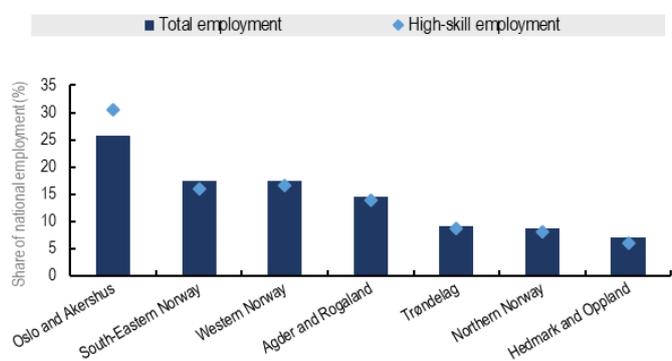
Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64. Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

Prior to the COVID-19 pandemic, the unemployment rate in Norway was generally low. It only varied 1 percentage point across regions, from a low of 3.1% in Northern Norway to a high of 4.1% in Oslo and Akershus, and Agder and Rogaland. However, looking at the decade following the 2008 crisis, most regions had unemployment rates higher in 2018 than in 2008.

Change in net employment, 2008-2018



Employment by region and skill level, 2018

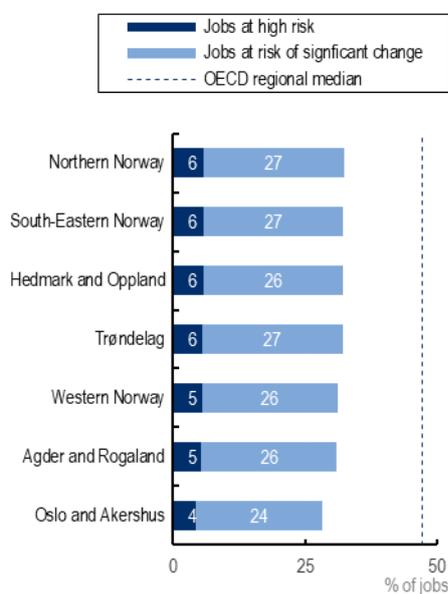


Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en> and EU Labour Force Survey.

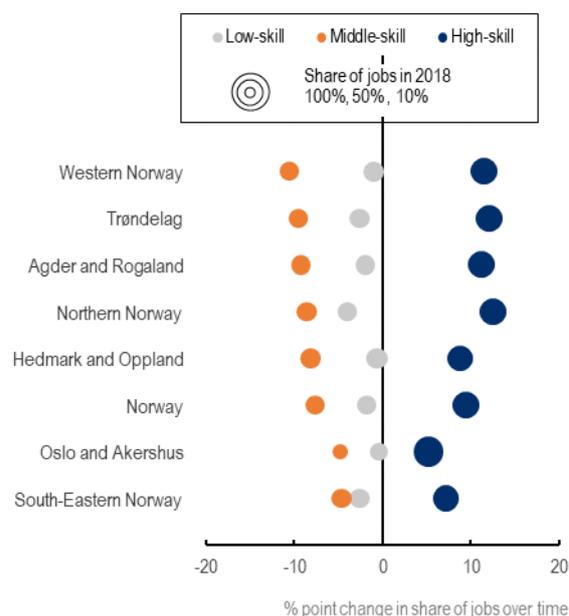
In all regions, the number of people employed grew between 2008 and 2018. Oslo and Akershus, the capital region, was responsible for over 50% of net employment growth over this period. In 2018, it accounted for a quarter of all employment in the Norway and roughly 31% of all high-skill employment. Looking at a longer time period (2000-2018), the geographic concentration of jobs (as measured by the number of people employed) increased in Norway, but actually decreased for high-skill jobs.

Local labour market transitions

Share of jobs at risk of automation, 2018



Job polarisation, 2000-2018



Note: In Panel A, “high risk” refers to the share of workers whose job faces a risk of automation of 70% or above. “Significant risk of change” reflects the share of workers whose job faces a risk of automation between 50% and 70%.

In Panel B, high-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations based on Survey of Adult Skills (PIAAC) (2012) and EU Labour Force Survey; Nedelkoska L. and G. Quintini (2018), “Automation, skills use and training”, <https://doi.org/10.1787/2e2f4eea-en>; and OECD (2020), *OECD Employment Outlook 2019: The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

COVID-19 will likely accelerate automation, putting additional pressures on places with relatively high shares of jobs at risk. All regions in Norway have a lower share of jobs at high risk or risk of significant change from automation than the OECD median region. The share of jobs at risk ranges from 28% in Oslo and Akershus to 32% in Northern Norway, South-Eastern Norway, Hedmark and Oppland, and Trøndelag. These are amongst the lowest values out of all OECD regions.

Following general OECD patterns, in Norway, all regions saw the share of middle-skill jobs decrease between 2000 and 2018. The share of middle-skill jobs decreased by 9 percentage points or more in Western Norway, Trøndelag as well as Agder and Rogaland. In Western Norway, this represents a net decrease of almost 25 000 middle-skill jobs. In all regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs.

Notes

¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.