



# RETHINKING REGIONAL ATTRACTIVENESS





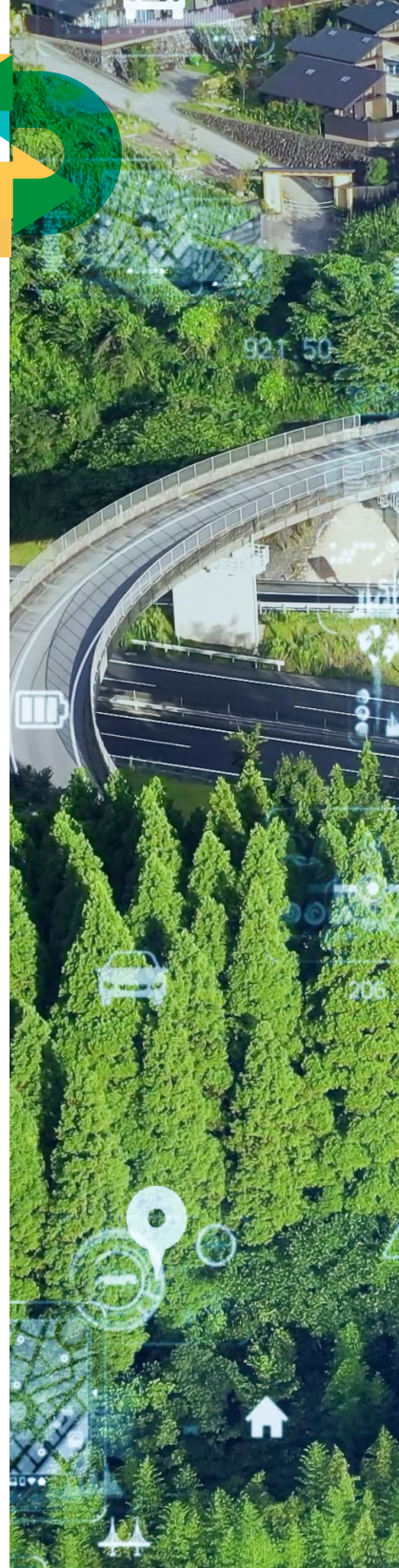
# Regions in Globalisation

## **Rethinking regional attractiveness strategies for inclusive and sustainable development**

**H**ow can we achieve inclusive, resilient, and sustainable development, while positively impacting the well-being of people and the places they live?

This is why the OECD is supporting regions to understand their position in globalisation, as well as the policy levers and tools available to improve their attractiveness to international target groups.

Adopting an innovative and comprehensive methodology, we encourage regions to rethink their approach to territorial development in the wake of the COVID-19 crisis. We focus on understanding regions' international characteristics, identifying existing and new drivers of regional attractiveness, and understanding the regional needs and assets necessary to thrive in the new global environment.





**B**ased on an extensive analysis of strategic dimensions – reflecting both international connections and attractiveness – we provide regions with tailored policy recommendations to enhance their attractiveness to international investors, talent, visitors, and leverage evolving GVCs and reshoring opportunities. We also identify innovative governance and coordination mechanisms to support their implementation.

A selection of tools are provided to improve the visibility of participating regions, including: case-study 'highlights', webinars to share experiences and good practices, exposure in OECD publications and websites, and access to a growing network of regions.

Regions need to fully understand the challenges emerging from or reinforced **by the pandemic**.

The focus of this project has never been more relevant after the COVID-19 pandemic triggered the most severe recession in nearly a century.

Regions are facing a new economic and sanitary environment prompting a rethink of participation in globalisation, as well as their relative attractiveness to investors, talent and visitors. In response, regions need to fully understand the structural challenges emerging or reinforced by the pandemic and how their international profiles may have changed, while maintaining a focus on providing benefits to local residents and businesses, and preserving environmental resources.

The pandemic is also accelerating and reshaping existing megatrends and deepening their impact across different territories. The indicators below highlight both the asymmetric impact of the crisis within and between countries, and megatrends that could further amplify existing regional inequalities.



**80%**

of OECD regions experienced higher unemployment than pre-COVID levels in the second quarter of 2021, with significant differences observed within countries.



**4%-40%**

is the share of jobs at high risk of automation across OECD regions.



**-72%**

in 2021 international tourist arrivals remained well below 2019 pre-pandemic levels, with recovery to pre-COVID levels not expected in some regions for 5 years.



**-40%**

Percentage change in foreign direct investments, on average, across OECD countries between 2019 and 2020.



**-31%  
vs +21%**

compared to national averages in OECD countries, download speeds over fixed networks are on average 31% slower in rural areas, and 21% higher in cities.






**Statistical and policy analysis with case studies are at heart of the project**

To help regions rethink their attractiveness strategies, the OECD seeks to determine their position in the new global environment before and after the pandemic (taking into account the impacts of megatrends such as climate change, digitalisation and demographic change).

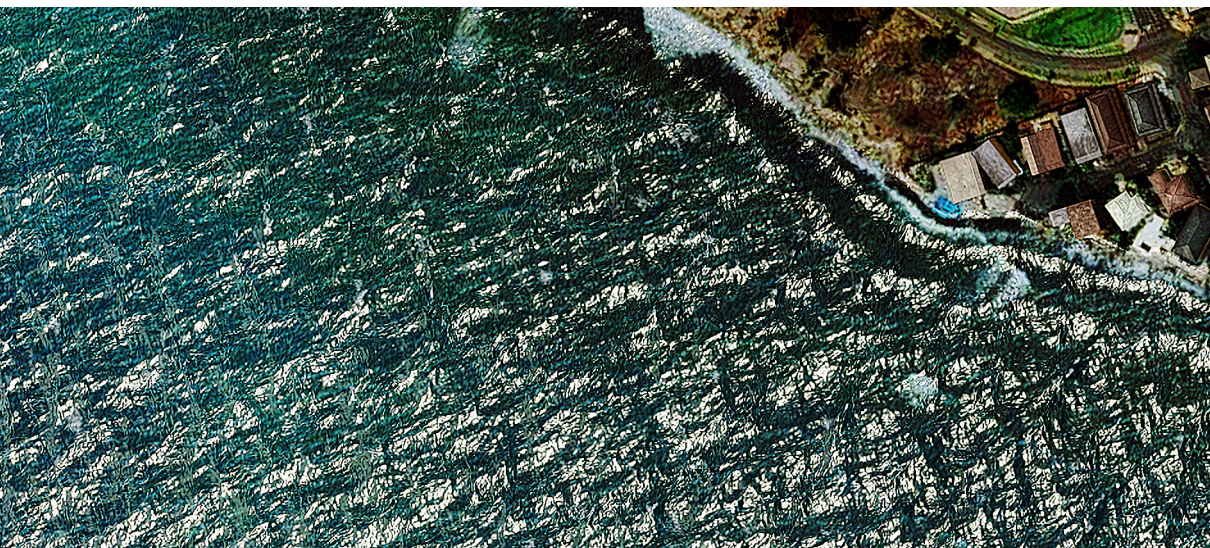
We support national and regional governments to develop and implement policies that enhance inclusive, sustainable and regional attractiveness. This is achieved by:



**Providing statistical analysis based on a quantitative assessment of regional attractiveness in selected OECD member and partner countries.** Providing unique evidence on existing and emerging drivers of regional attractiveness, and internationalisation factors (e.g. exploring the link between well-being and attractiveness, social inclusion and economic resilience, local talent and foreign-born people, etc.)

**Supporting regions to design** policies that enhance regional attractiveness to investors, talent and visitors, while increasing well-being of residents- by building on the experience of OECD and non-OECD peers at national, regional and local level. Supporting the implementation of such policies through improved coordination between public actors across levels and with private stakeholders.

**Developing case studies that enable regions to utilise globalisation as an asset for regional development in the wake of the COVID pandemic.** Focussing on specific territories in terms of industrial or services clusters, urban-rural linkages, and those displaying strong challenges and opportunities in a period of transition due to demographic, environmental and technological changes.



**For this project, the OECD has designed an original methodological framework, bringing together four categories of international connections.**

- **Infrastructure connections**, or the physical connections that a region offers to its potential international partners: roads, airports, ports, rails, broadband internet and logistics;
- **Knowledge connections** refer to different dimensions of innovation (foreign researchers, international patent collaborations, etc.) and cultural links;
- **Human connections** consist of foreigners who travel to or settle in a territory, in particular migrants and visitors;
- **Business connections**, or commercial and financial exchanges, consisting of imports, exports and foreign direct investments.



**This approach allows us to assess a region's international profile and attractiveness based on an in-depth analysis of key dimensions, and thus going beyond the criteria of economic exchanges alone.**

In addition to economic indicators, the project considers a range of indicators associated with well-being, inclusiveness, and environmental sustainability, all of which are necessary to make regions attractive (to investors, talent and visitors) and resilient in the long-term.

**50+indicators** are utilised, covering 14 dimensions of attractiveness, across six domains:

**Economic attractiveness:** e.g. Innovation & entrepreneurship, SMEs, and the Labour market

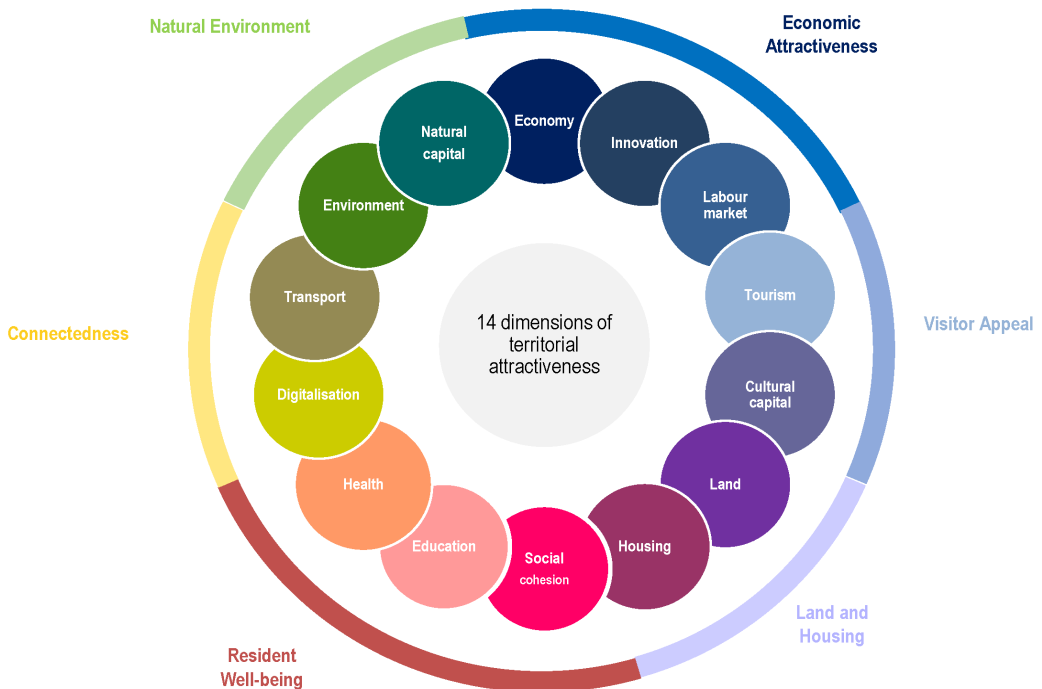
**Connectedness:** e.g. Transportation, Logistics and Digitalisation

**Visitor appeal:** e.g. Tourism and Cultural capital

**Natural environment:** e.g. Environment and Natural capital

**Resident well-being:** e.g. Health, Education, and Social cohesion

**Land and housing**







**The OECD** has drawn together **25 regions** from 10 countries to better understand their international profiles and rethink approaches to regional attractiveness in the new global environment, with more to follow.

A growing network of regions helps us understand the international characteristics of territories.

**Discover more at**

[regions@oecd.org](mailto:regions@oecd.org)

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