Produtividade, Serviços e Desenvolvimento Territorial

Webinar CCP «Os serviços e a competitividade urbana »
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Plano da apresentação

1) Qual é a contribuição dos diferentes territórios à produtividade nacional?
2) Quais são os diferentes modelos e principais determinantes da produtividade urbana/regional? O papel dos bens & serviços transacionáveis e dos sistemas urbanos
3) Como desenhar uma estratégia nacional de produtividade baseada numa abordagem territorial? O papel da economia urbana é fundamental, sobretudo numa economia de serviços.
4) A implementação de uma abordagem territorial requere um investimento importante em governança e descentralização.
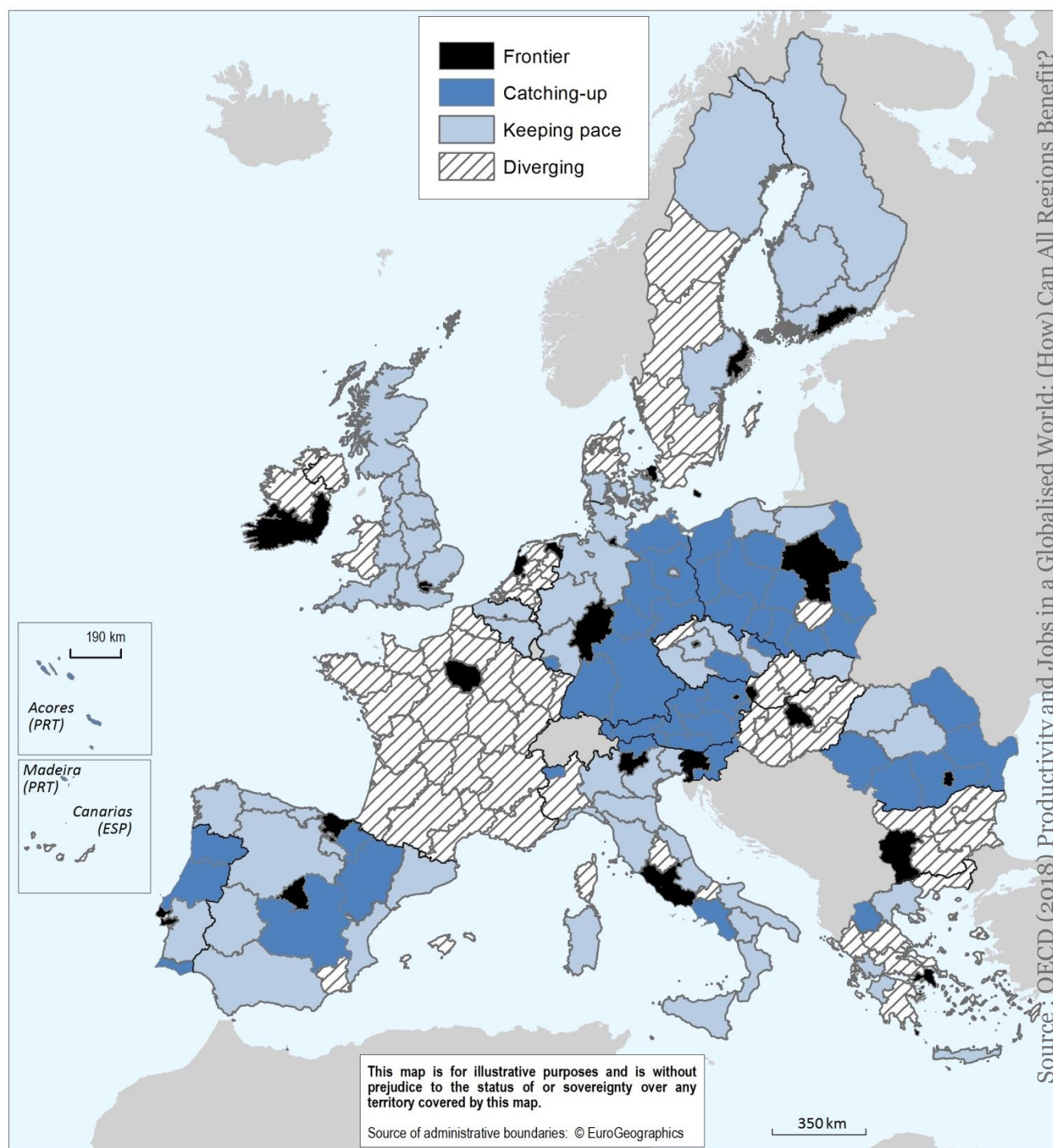5) Cenários a longo-prazo para regiões e cidades

Has **regional productivity converged** to the <u>National frontiers?</u>
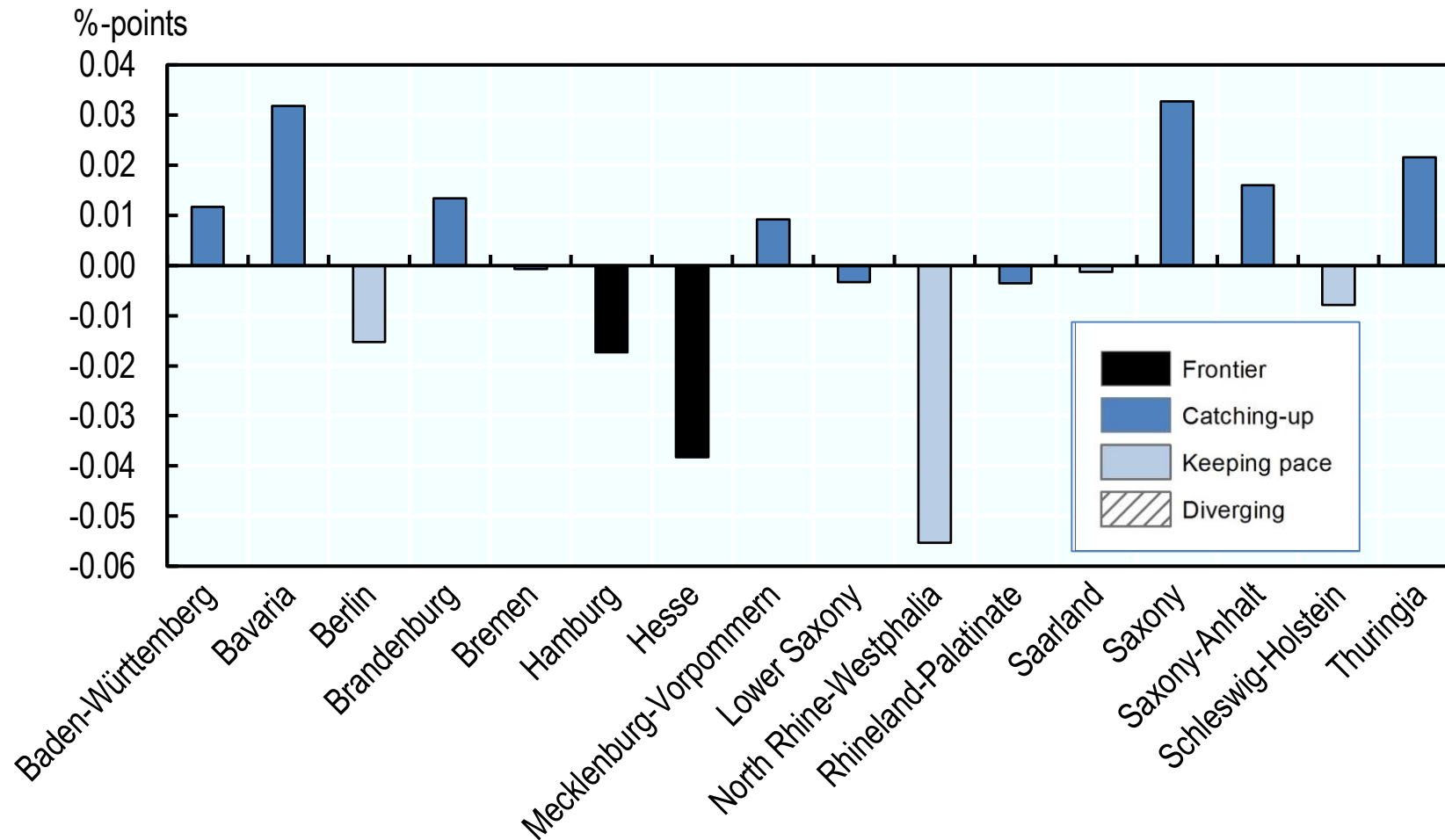
(I) Distributed model:
AUT, CZE, DEU, ESP, ITA, POL, PRT, ROU

(II) Concentrated model:
BGR, DNK, FIN, FRA, GBR, GRC, HUN, NLD, SVK, SWE

Legend:
- Frontier
- Catching-up
- Keeping pace
- Diverging

190 km

Acores (PRT)

Madeira (PRT)

Canarias (ESP)

This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory covered by this map.

Source of administrative boundaries: © EuroGeographics

350 km

Generation of labour productivity growth by regions, Germany, 2000-2017

%-points

Legend:
- Frontier
- Catching-up
- Keeping pace
- Diverging
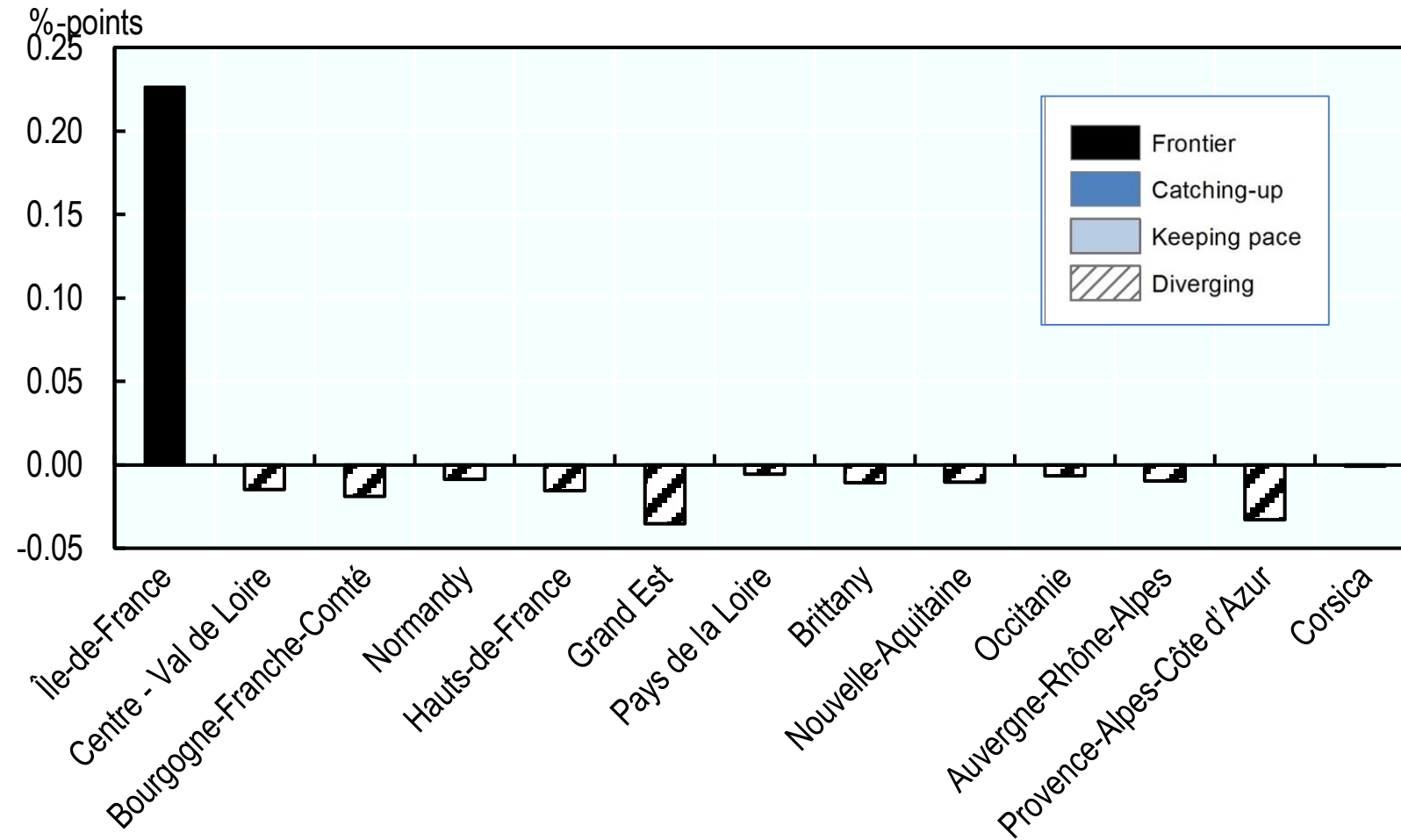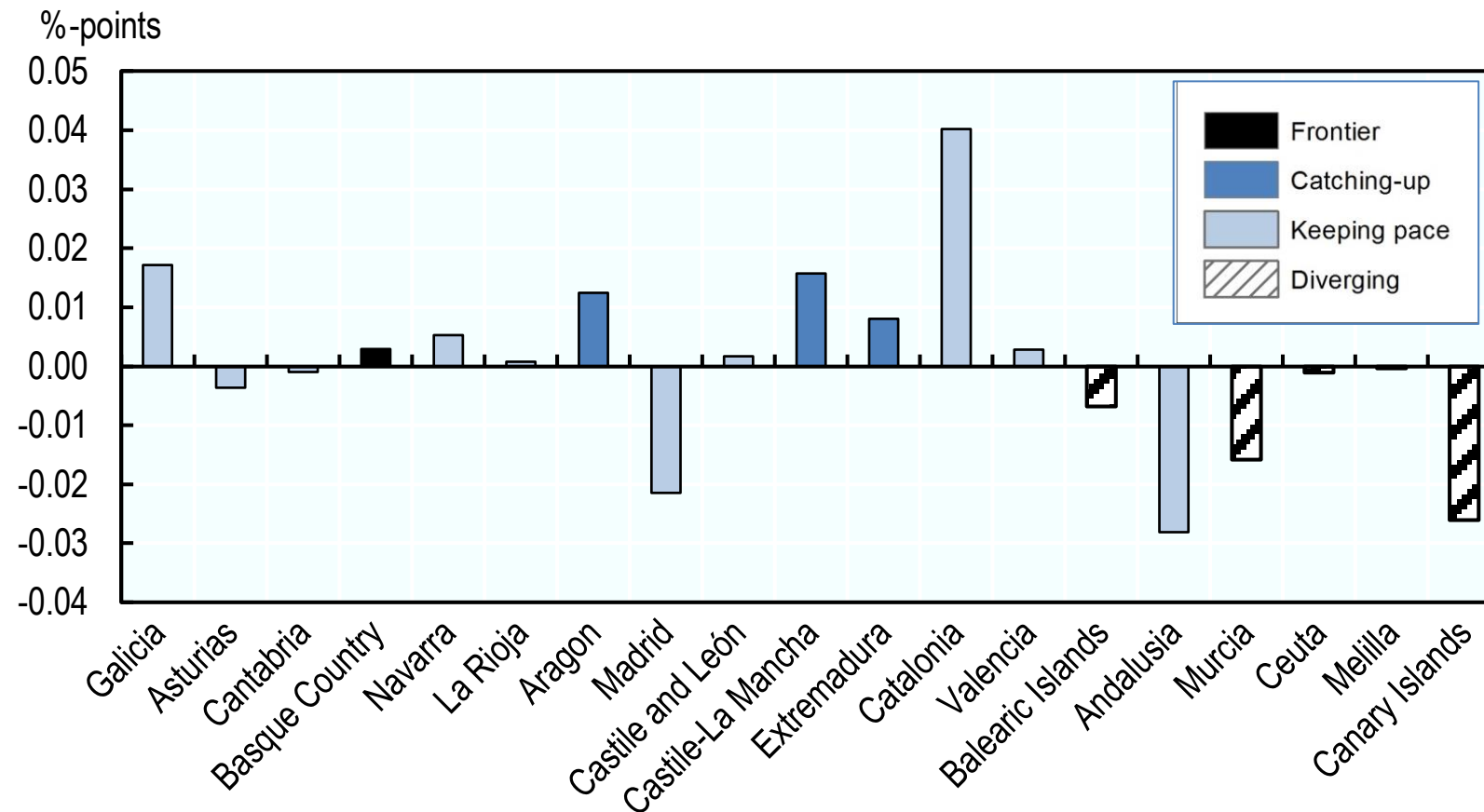
Source: OECD Regional Database 2020.

Generation of labour productivity growth by regions, France, 2000-2017
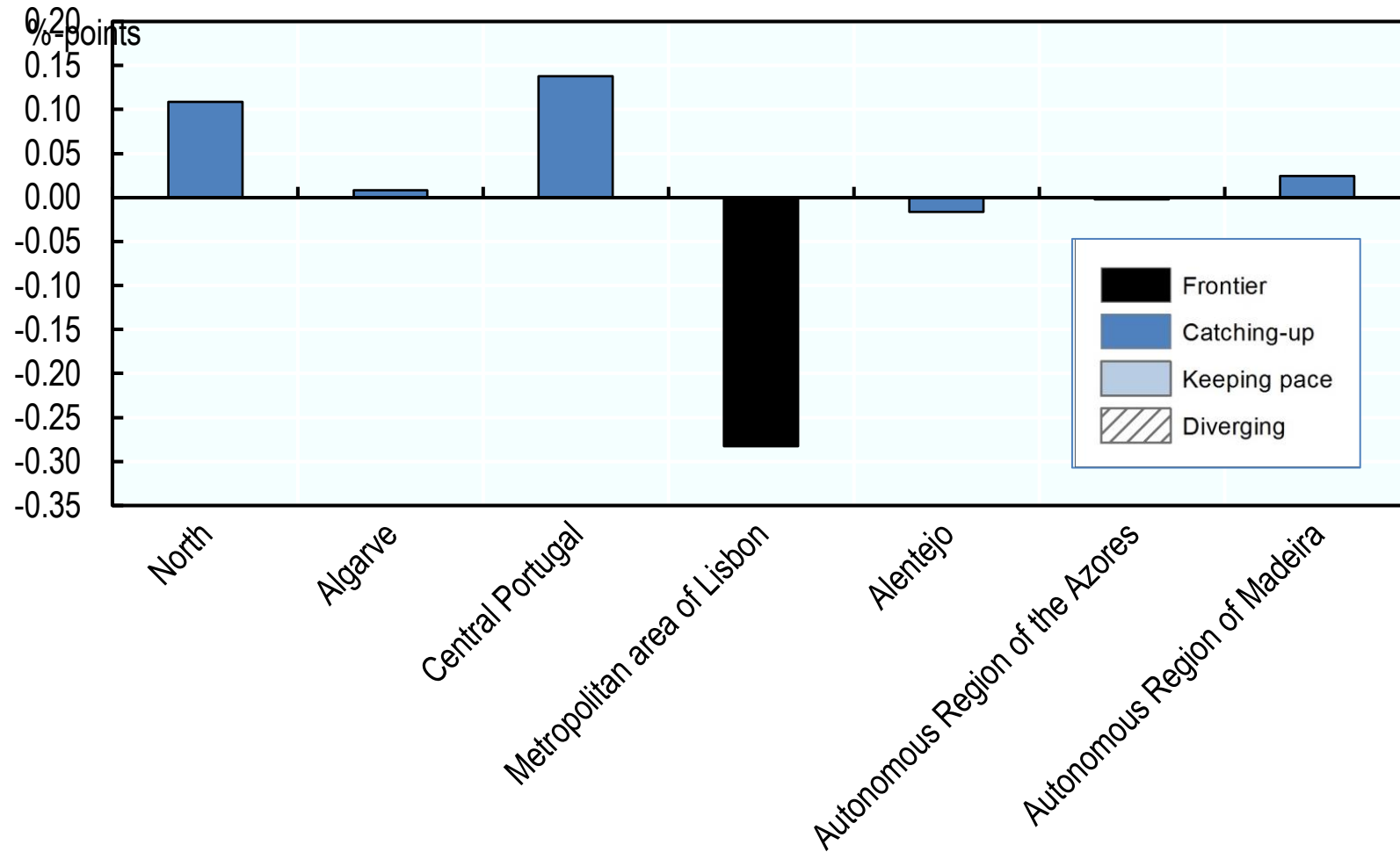

Source: OECD Regional Database 2020.

Generation of labour productivity growth by regions, Spain, 2000-2017
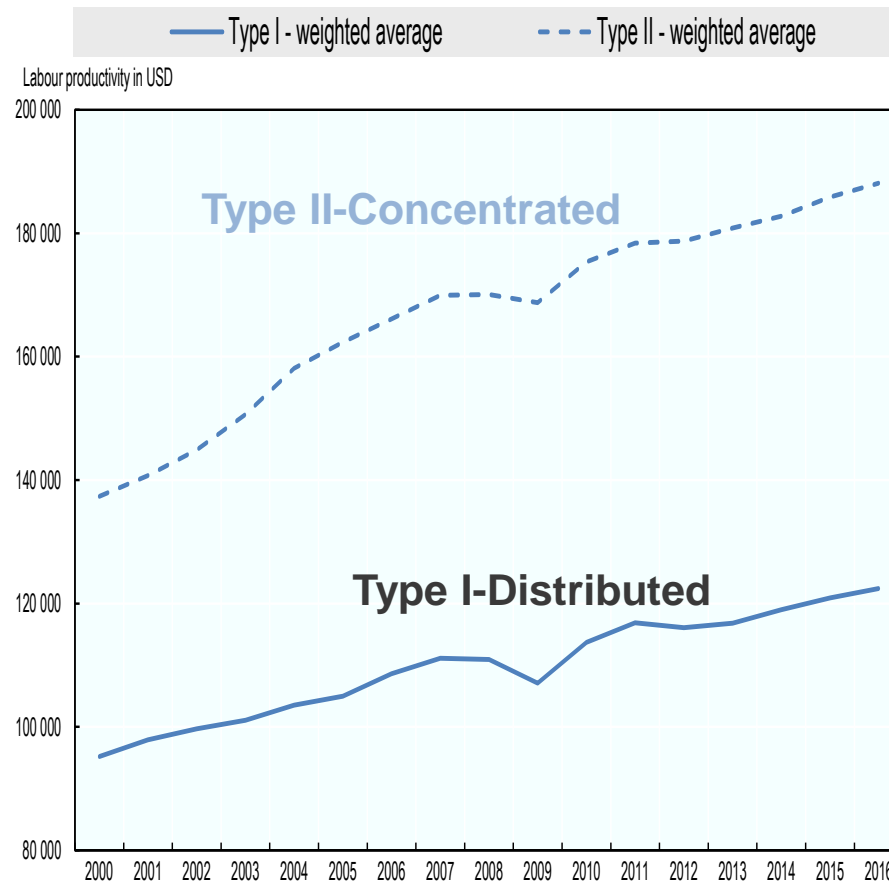

Source: OECD Regional Database 2020.

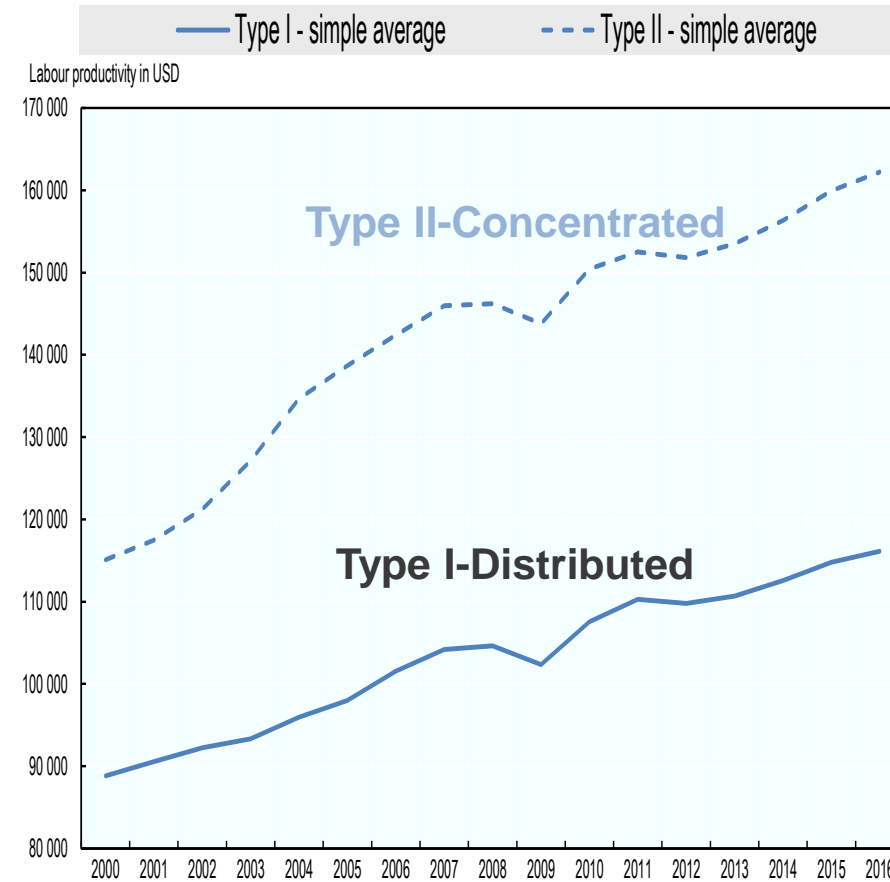# Generation of labour productivity growth by regions, Portugal, 2000-2017

Source: OECD Regional Database 2020.

Labour productivity in the service sectors is larger in the concentrated model

Weighted averages

Type I - weighted average — — Type II - weighted average

Labour productivity in USD

Type II-Concentrated

Type I-Distributed

Simple averages

Type I - simple average — — Type II - simple average

Labour productivity in USD

Type II-Concentrated

Type I-Distributed

Tertiarization of the Portuguese economy

Value added by Economic Activity, Portugal, 1995-2018 (in % of Total)
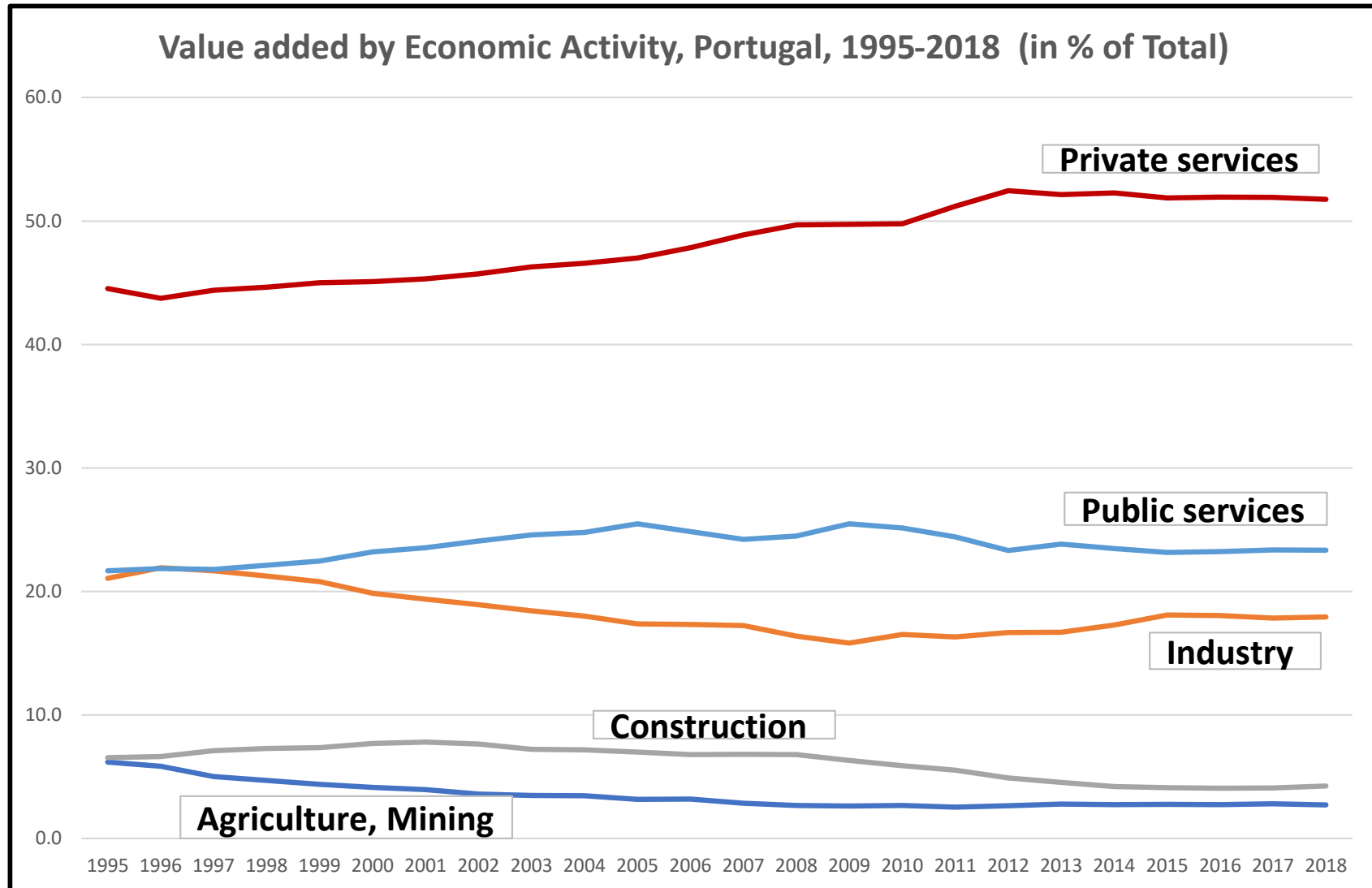
Source: PORDATA 2021

Services structurally sustain the Current Account

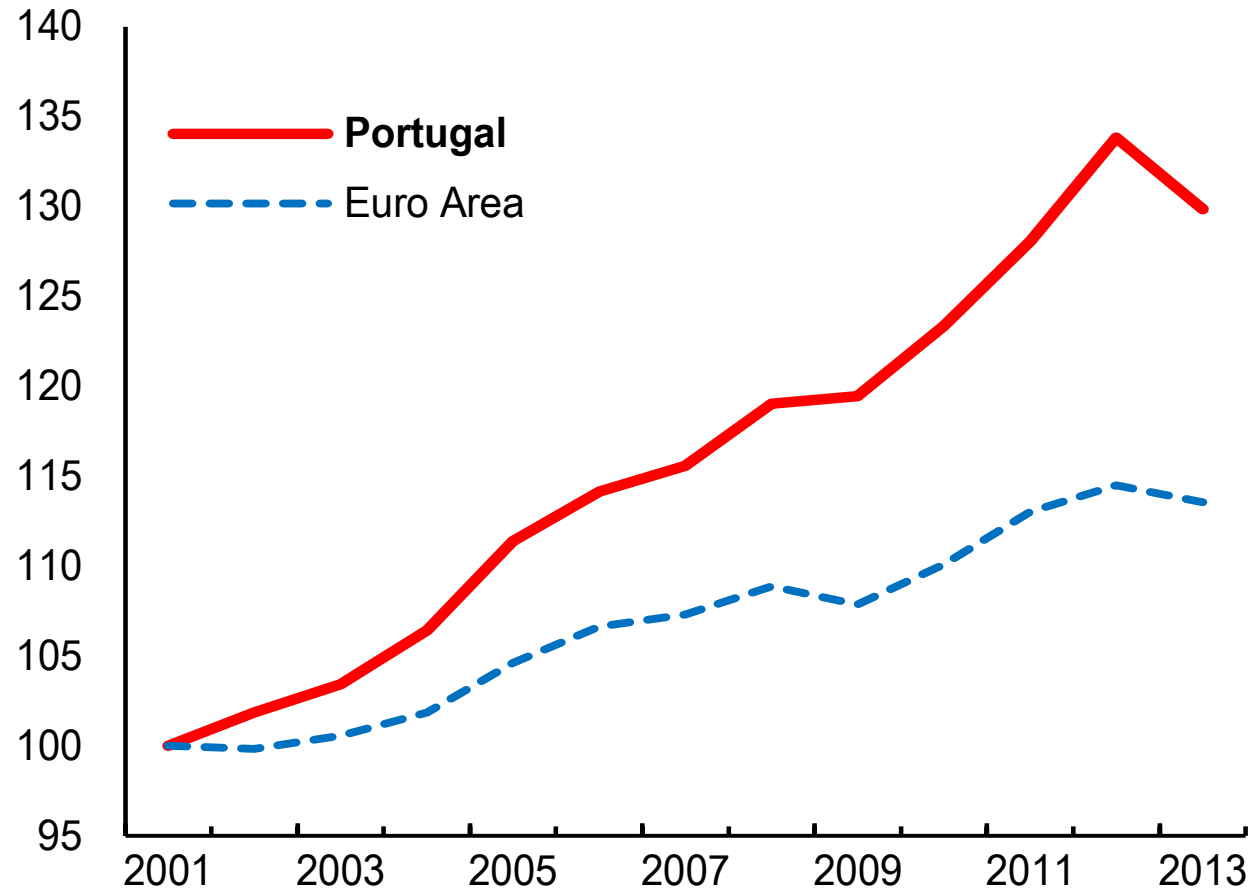Contributions to the Current Account Balance, Portugal, 1985-2019
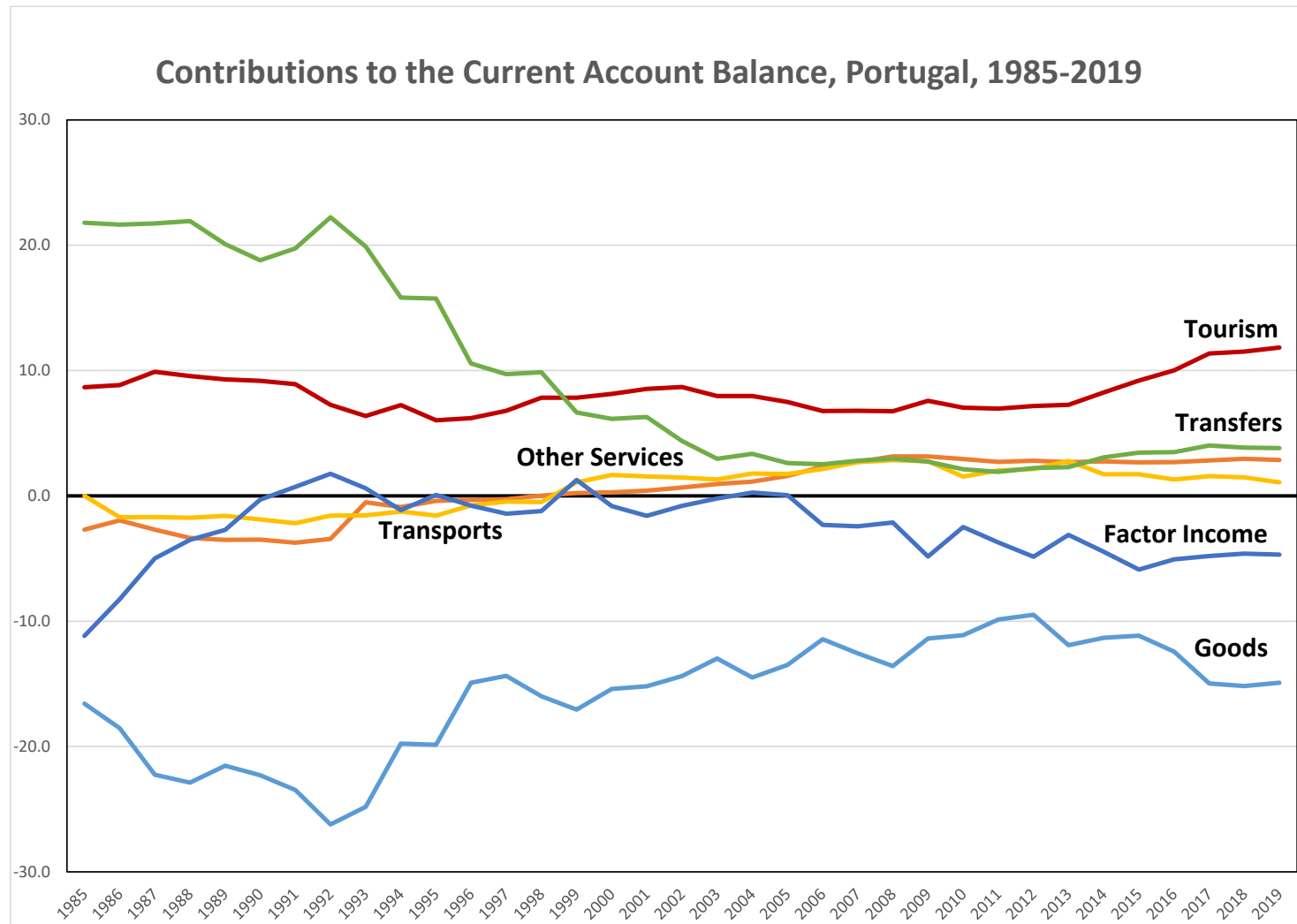
NB: The contributions to the Current Account are calculated as $C_i = (X_i / \Sigma X_i - M_i / \Sigma M_i)*100$

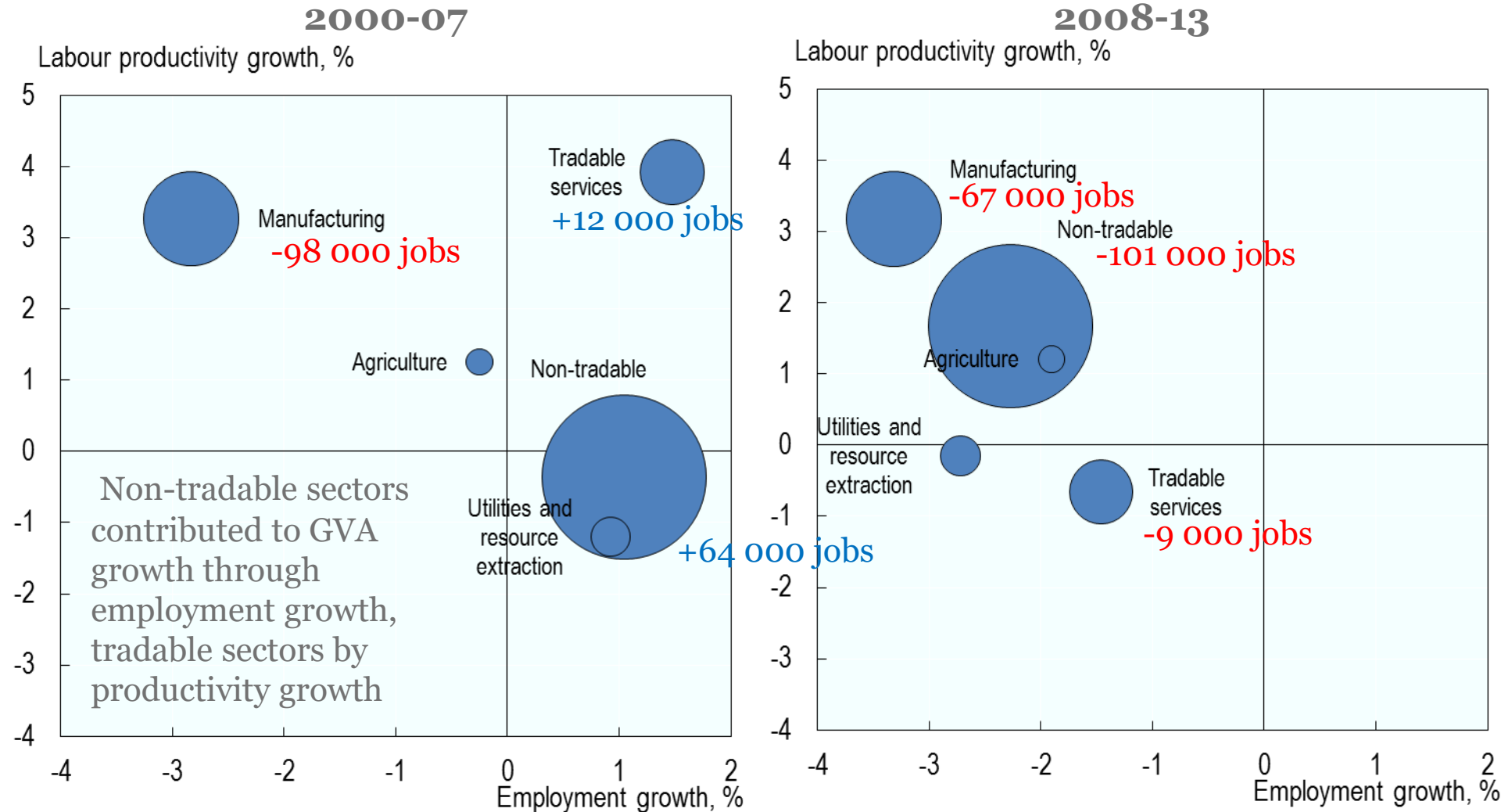Source: CEPII, BoP Database and author's calculations

Increase in the relative price of non-tradable sectors

Prices of NT relative to T

The structural adjustment between the industry and services: Norte region, Portugal

2000-07

Labour productivity growth, %

Manufacturing
-98 000 jobs

Tradable services
+12 000 jobs

Agriculture

Non-tradable

Utilities and resource extraction

+64 000 jobs

Non-tradable sectors contributed to GVA growth through employment growth, tradable sectors by productivity growth

Employment growth, %

2008-13

Labour productivity growth, %

Manufacturing
-67 000 jobs

Non-tradable
-101 000 jobs

Agriculture

Utilities and resource extraction

Tradable services
-9 000 jobs

Employment growth, %

How to address these aggregate vs. regional development trade-offs?

There are two polar policy models:

**I.** ***Compensating*** the lagging regions and promote labour mobility

➔ *This do not seem to work over the long-run and my promote the "geography of discontent" (McCann) or "the revenge of places that don't matter" (Rodrigues-Pose)*

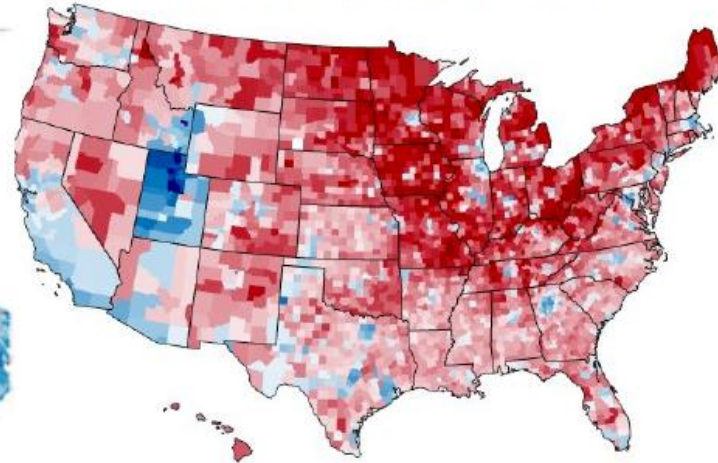**II.** Adopt a ***place-based*** (or territorial) approach for regional development

➔ *Quite demanding to adopt tailored development strategies, in particular a strong investment in governance*
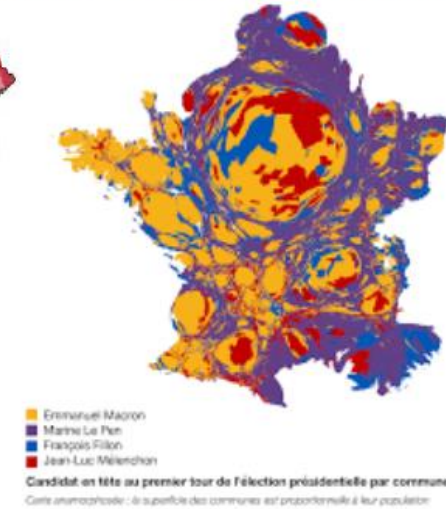
The geography of discontent

Brexit 2016
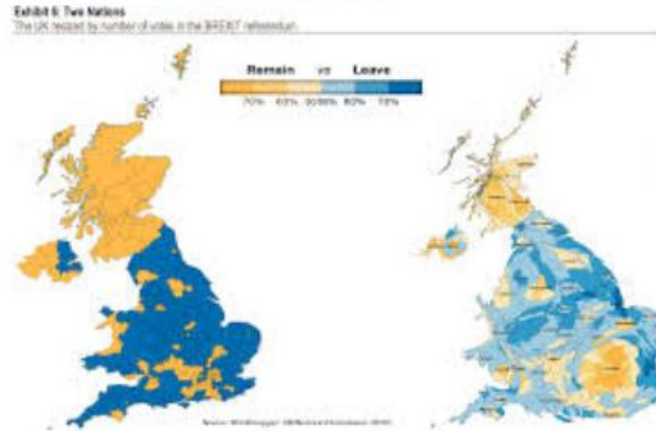
USA Trump swing 2016

France first round 2016

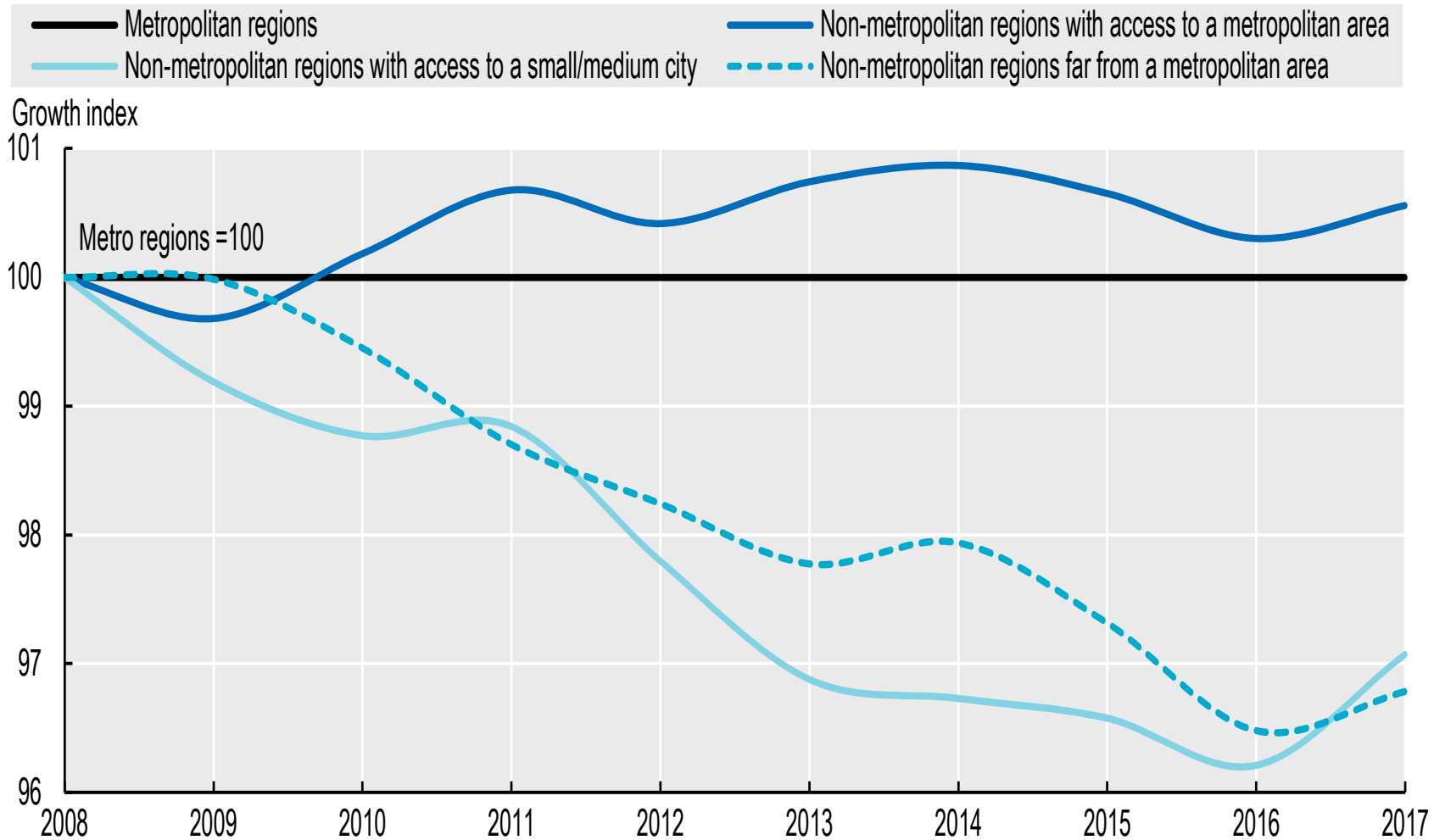Germany 2017

Hungary 2018

Italy 2018

A National territorial productivity strategy

A spatial productivity approach can be viewed as a complement to macroeconomic and sectoral productivity strategies. It is based on three pillars:

1) Benefit from **agglomeration economies** in large and dense urban areas (promoting urban growth is not a *zero-sum* game)

2) Promote **regional productivity catching-up** in the regions intermediate & rural close to cities. Key role of proximity to agglomeration and tradable sectors.

3) Address the specific problems of **remote rural areas.** Challenge of developing tradable sectors. Use of Smart Specialisation strategies.

Remote and less densely populated places have been more vulnerable to the 2008 crisis

Legend:
- Metropolitan regions
- Non-metropolitan regions with access to a metropolitan area
- Non-metropolitan regions with access to a small/medium city
- Non-metropolitan regions far from a metropolitan area

Growth index

Metro regions =100

The strategic role of Multi-level Governance

❑ A central government cannot have as many policies as different types of cities and regions. Designing place-based policies is a **too complex task to be centralised**.

❑ But decentralisation needs to be organised as a **partnership** and not only as a process of autonomy and devolution of competencies. By delegating certain tasks central governments can be more strategic

❑ Decentralisation works better when it is done in a **process allowing for the asymmetry of capacities at the local level** and experimentation (learning-by-doing)

❑ To find the right scale: address governance fragmentation of **metropolitan area**s, promote **supra-municipal cooperation** and use of a **regional level**

Portugal is a centralized country
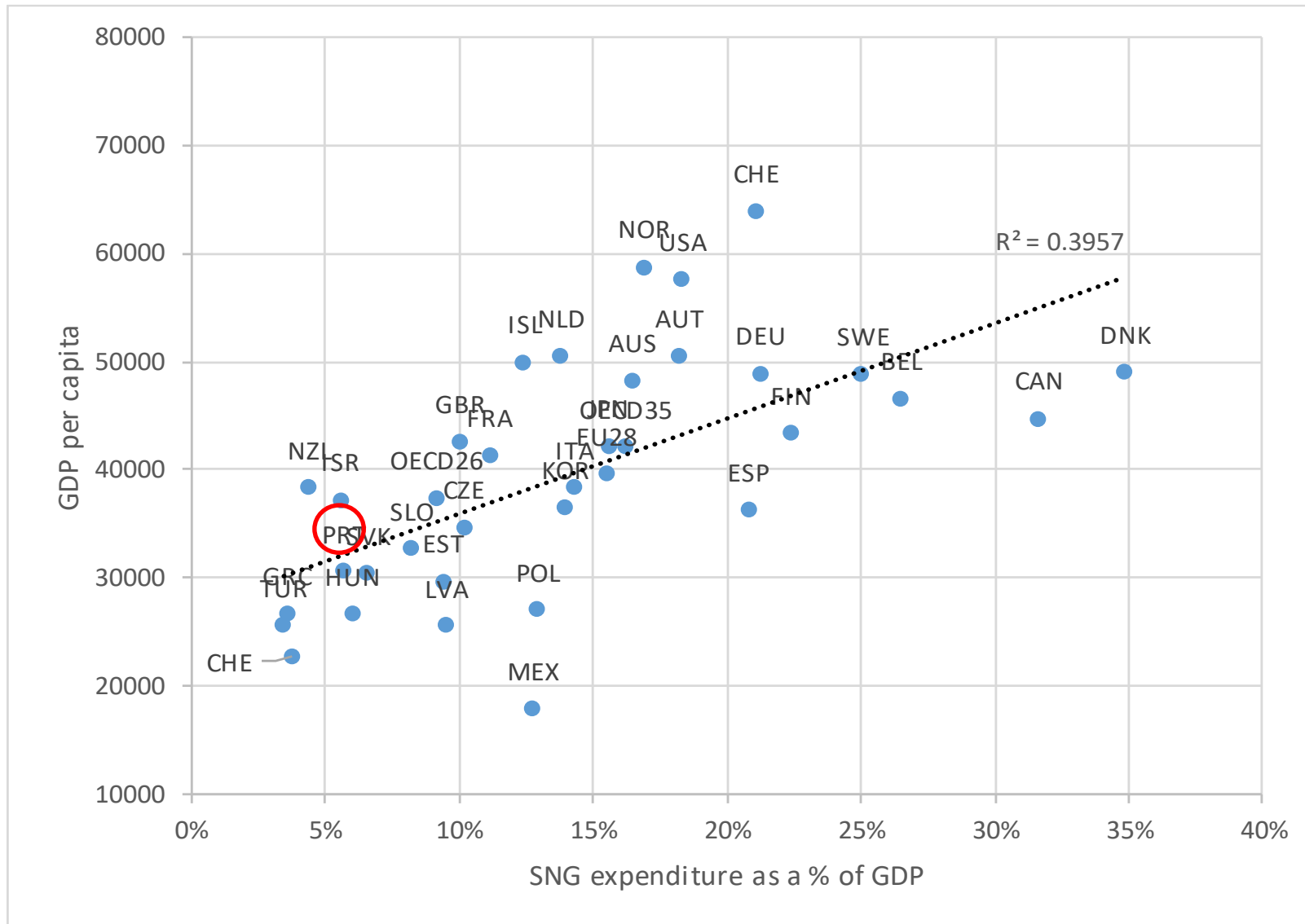
The share of subnational governments in Public expenditure is low compared with most OECD countries

Post-COVID possible long-term scenarios for regions and cities

Accelerating the digital transition

- More rapid automation of jobs
- Rise in teleworking
- Online delivery of local education and training
- Greater shift to online commerce
- Increased need for digital infrastructure and tools for all communities and households

Revisiting globalisation

- Re-location of production in strategic/ essential goods and services
- Restrictions on international movements of people
- Diversification of suppliers

Increasing preferences towards public goods
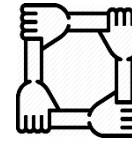
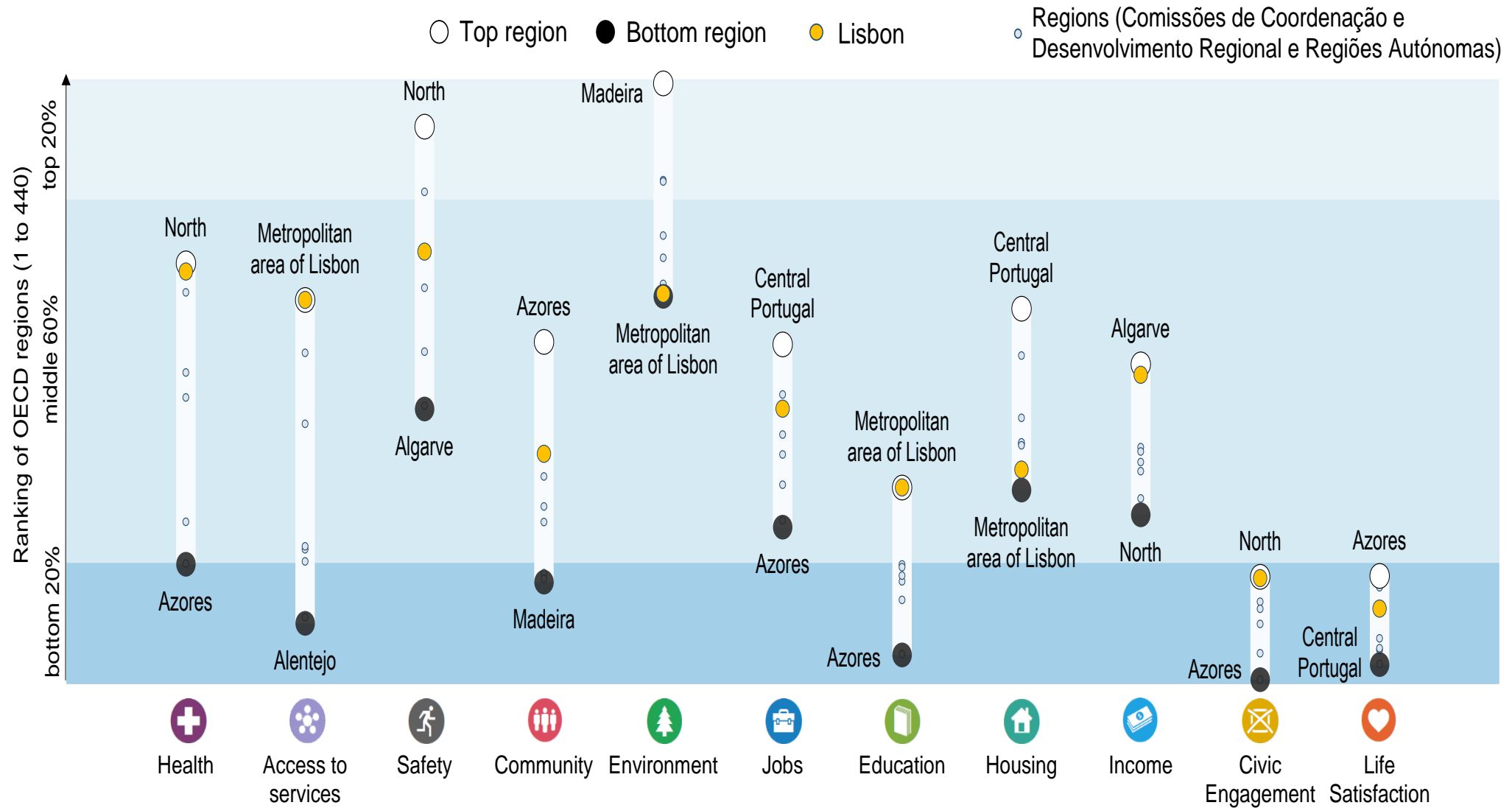

- Increased willingness to implement green measures, albeit pressure to create any job fast
- Greater role for the social economy and corporate social responsibility in local development
- Revisiting job quality for essential workers
- Resilient health systems

Re-engineering cities

- Changes to local spatial planning and design of public spaces
- Rethinking cultural and sporting events

Regional Well-being gaps in Portugal

○ Top region ● Bottom region ● Lisbon ○ Regions (Comissões de Coordenação e Desenvolvimento Regional e Regiões Autónomas)

Ranking of OECD regions (1 to 440)

top 20%
middle 60%
bottom 20%

North
Madeira
Central Portugal

North
Metropolitan area of Lisbon
Central Portugal
Algarve

Azores
Metropolitan area of Lisbon
Central Portugal

Algarve
Azores

North
Azores

Azores
Alentejo
Algarve
Madeira
Azores
Metropolitan area of Lisbon
Metropolitan area of Lisbon
North
Azores
Central Portugal

Health | Access to services | Safety | Community | Environment | Jobs | Education | Housing | Income | Civic Engagement | Life Satisfaction

Muito obrigado!

Main references :

- OECD (2016, 2018), *OECD Regional Outlook*, OECD Publishing, Paris

- OECD (2020), *Regions and Cities at a Glance*, OECD Publishing, Paris

- OECD/CFE Territorial Impact of Covid-19