

Regions and Cities at a Glance 2020 provides a comprehensive assessment of how regions and cities across the OECD are progressing in a number of aspects connected to economic development, health, well-being and net zero-carbon transition. In the light of the health crisis caused by the COVID-19 pandemic, the report analyses outcomes and drivers of social, economic and environmental resilience. Consult the full publication [here](#).

OECD REGIONS AND CITIES AT A GLANCE - COUNTRY NOTE

PORTUGAL

A. Resilient regional societies

B. Regional economic disparities and trends in productivity

C. Well-being in regions

D. Industrial transition in regions

E. Transitioning to clean energy in regions

F. Metropolitan trends in growth and sustainability

The data in this note reflect different subnational geographic levels in OECD countries:

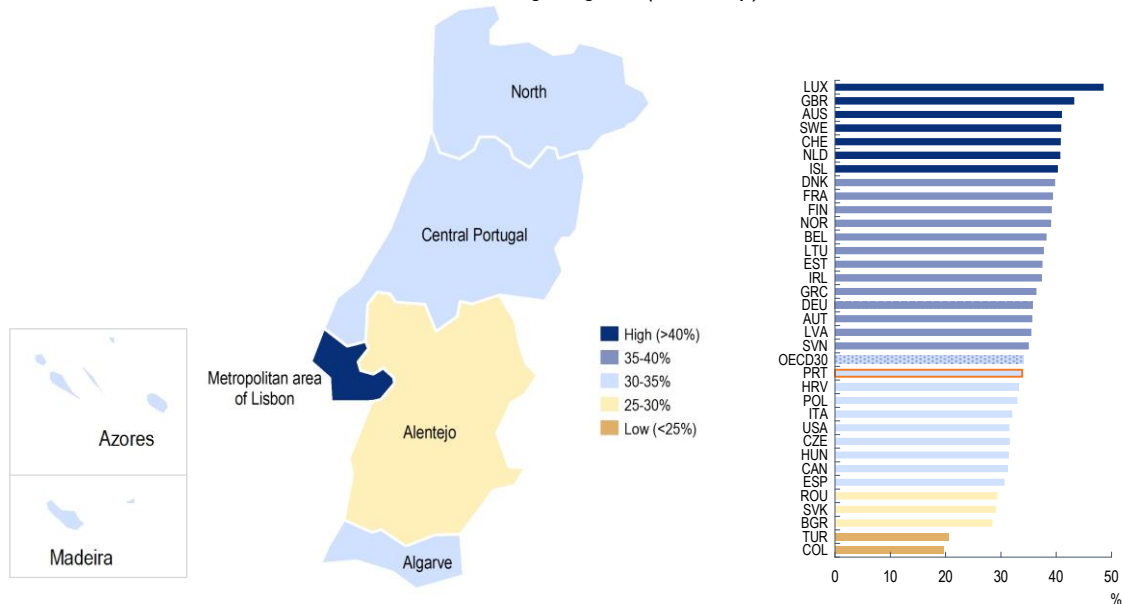
- **Regions** are classified on two territorial levels reflecting the administrative organisation of countries: large regions (TL2) and small regions (TL3). Small regions are classified according to their access to metropolitan areas (see <https://doi.org/10.1787/b902cc00-en>).
- **Functional urban areas** consists of cities – defined as densely populated local units with at least 50 000 inhabitants – and adjacent local units connected to the city (commuting zones) in terms of commuting flows (see <https://doi.org/10.1787/d58cb34d-en>). Metropolitan areas refer to functional urban areas above 250 000 inhabitants.



A. Resilient regional societies

The metropolitan area of Lisbon has the highest potential for remote working in Portugal

A1. Share of jobs amenable to remote working, 2018
Large regions (TL2, map)



The shares of jobs amenable to remote working in the Portuguese regions range from 42% in Lisbon metropolitan area to less than 30% in Alentejo (Figure A1). Such a difference depends on the task content of occupations in the regions – which can be amenable to remote working to different extents – and due to the higher share of the service sector in large metropolitan areas. As for most OECD countries, the occupations available in the capital region tend to be more amenable to remote working than in other regions.

Remote working requires a large part of the population to have access to fast and efficient internet connections. However, the quality of internet infrastructure is not the same across regions. Lisbon, Madeira and Azores have the highest fiber optic availability across Portuguese regions, with more than 75% of the buildings connected to the network in 2019 (Figure A2).

A2- Internet infrastructure, 2019

○ % of buildings connected to fiber

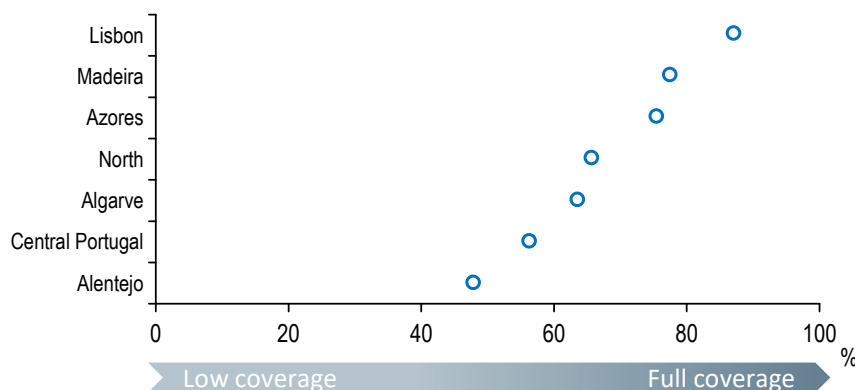
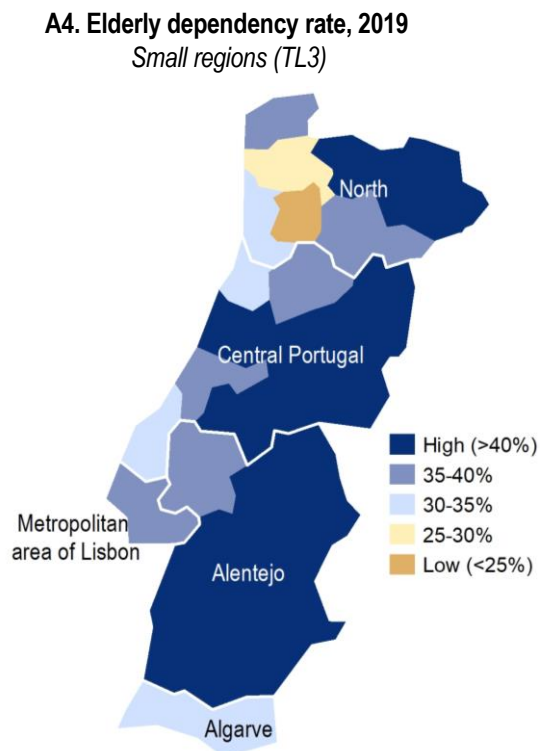
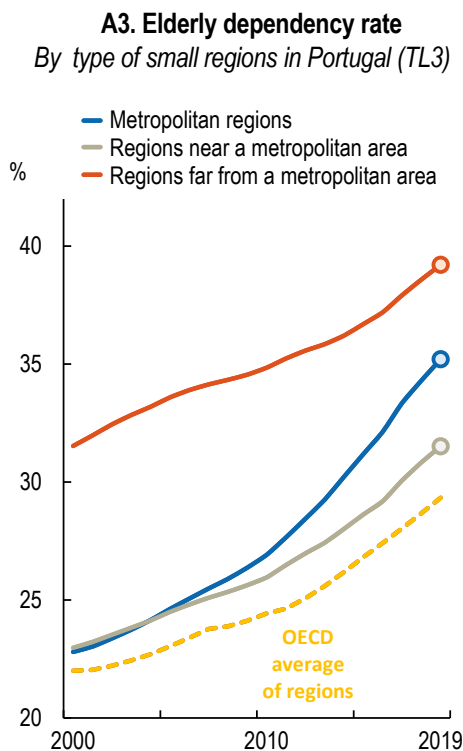


Figure [A1]: The lower percentage range (<25%) depicts the bottom quintile among 370 OECD and EU regions, the following ranges are based on increment of 5 percentage points. Further reading: OECD (2020), Capacity to remote working can affect lockdown costs differently across places, <http://www.oecd.org/coronavirus/policy-responses/capacity-for-remote-working-can-affect-lockdown-costs-differently-across-places-0e85740e/>

Remote regions are much more affected by ageing trends than other regions

The elderly dependency rate, defined as the ratio between the elderly population and the working age (15-64 years) population, has increased in all types of regions in Portugal since 2000 (Figure A3). Regions far from metropolitan areas show the highest elderly dependency rate (39%) compared to other types of regions in Portugal, and 8 percentage points higher than the OECD average of regions far from metropolitan areas. Metropolitan regions are also ageing faster in the latest years in Portugal. In almost half of the small regions in Portugal, there are two elderly for every five persons in their working-age in 2019 (Figure A4).



Hospital beds per capita have increased since 2000 in Algarve and Madeira

Overall, hospital beds per capita have increased since 2000, especially in Algarve and Madeira, whereas they have declined in the Lisbon metropolitan area and Central Portugal. Regional disparities in hospital beds per capita are relatively high, with Alentejo having the lowest number of hospital beds per 1 000 inhabitants in 2018, more than half than the one in Madeira. Madeira and Azores have more hospital beds per capita than the OECD average (Figure A5).

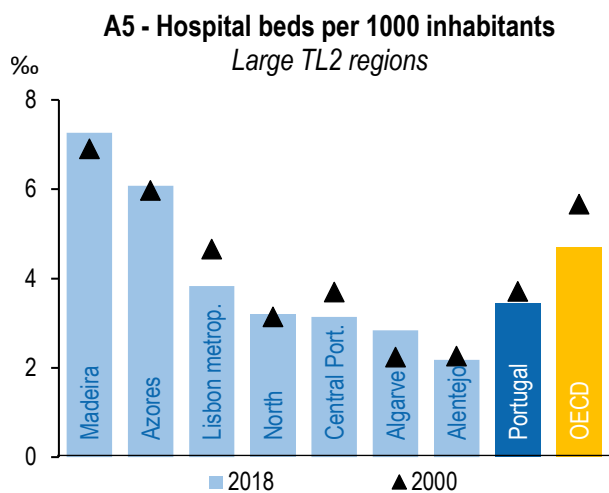


Figure notes. [A3]: OECD (2019), Classification of small (TL3) regions based on metropolitan population, low density and remoteness <https://doi.org/10.1787/b902cc00-en>. Two-year moving averages. [A4]: Small (TL3) regions contained in large regions. TL3 regions in Portugal are composed by 25 Grupos de municípios. Due to limited space, Azores and Madeira are not represented for the map, these regions belong to the 25-30% elderly dependency range.



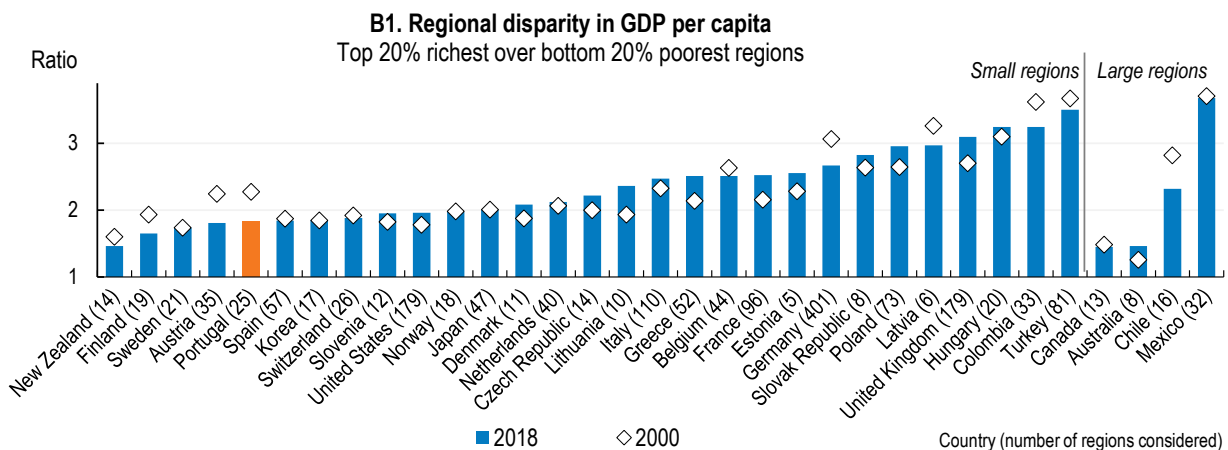
B. Regional economic disparities and trends in productivity

Regional economic gaps have declined since 2000, partially due to higher growth of less developed regions, compared to the Metropolitan area of Lisbon

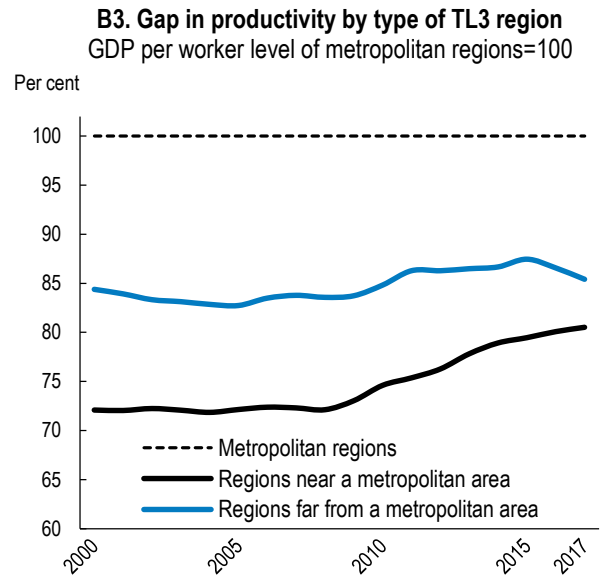
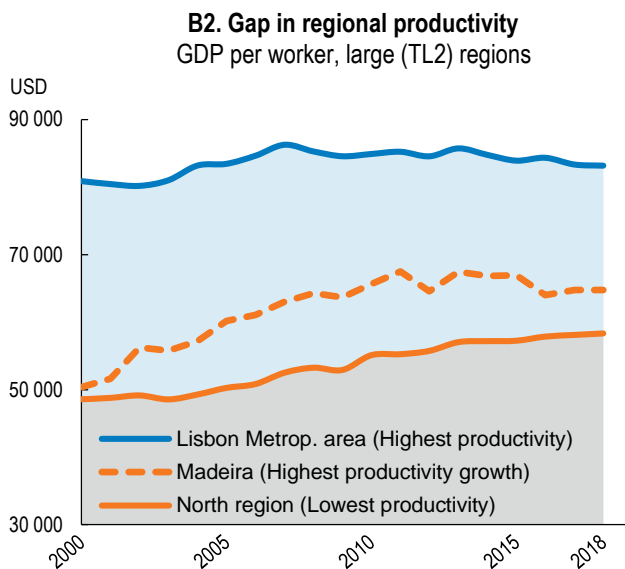
Differences between Portuguese regions in terms of GDP per capita have declined over the last eighteen years. This decrease is due to a flat growth in GDP per capita in Lisbon metropolitan and higher growth in Azores, Madeira and the North region. Portugal recorded the 2nd largest reduction in regional economic disparities between 2000 and 2018 among OECD countries and had the 5th lowest regional economic disparities in 2018 among 29 OECD countries with comparable data (Figure B1).

With a productivity growth of 1.4% per year over the period 2000-18, Madeira had the highest productivity growth among Portuguese regions. The North region, which had the lowest regional productivity in Portugal, narrowed the gap with Lisbon. The Lisbon region remains the most productive region in Portugal, although it has experienced the second lowest growth in productivity (0.2% per year) across all seven regions of Portugal (Figure B2).

Since the economic crisis in 2008, regions far from metropolitan areas have increased their productivity gap with metropolitan regions, whereas regions close to a metropolitan area slightly narrowed their productivity gap (Figure B3).

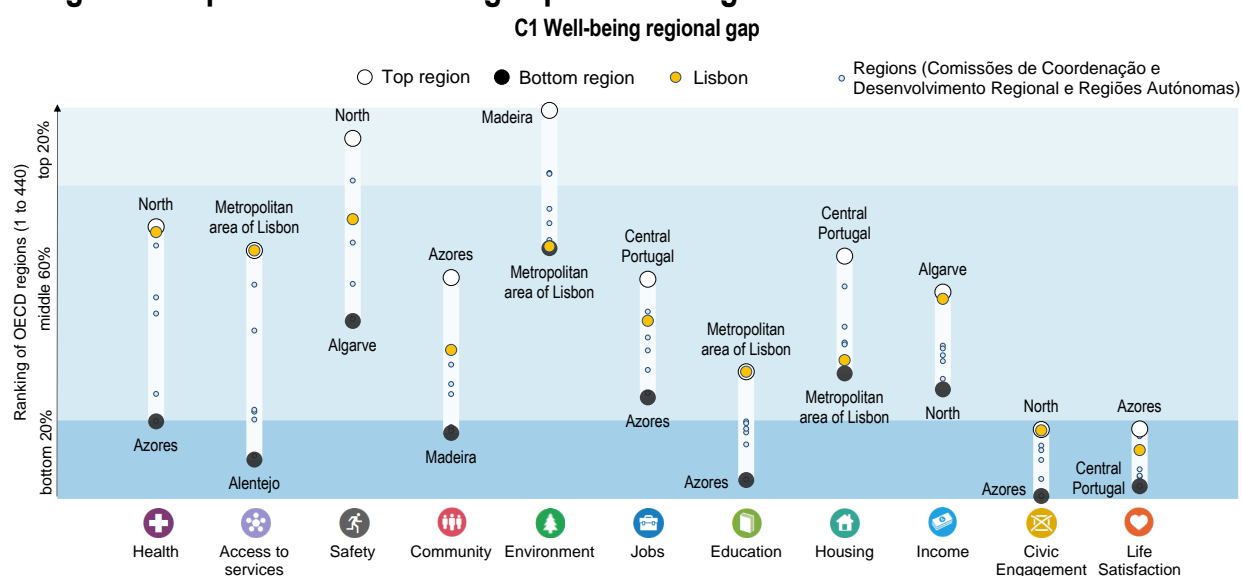


Note: A ratio with a value equal to 2 means that the GDP of the most developed regions accounting for 20% of the national population is twice as high as the GDP of the poorest regions accounting for 20% of the national population.



C. Well-being in regions

Regional disparities in well-being aspects are largest in health and access to services



Note: Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 440 OECD regions. The eleven dimensions are ordered by decreasing regional disparities in the country. Each well-being dimension is measured by the indicators in the table below.

All seven Portuguese regions are among the top 35% of OECD regions in terms of air quality (environment). The largest regional disparities are found in health and access to services (broadband). Regarding the latter, Lisbon ranks among the top 35% of OECD regions and Alentejo in the bottom 10%. All Portuguese regions are among the bottom 20% of OECD regions in terms of civic engagement and self-appreciation of life satisfaction (Figure C1).

C2. How do the top and bottom regions fare on the well-being indicators?

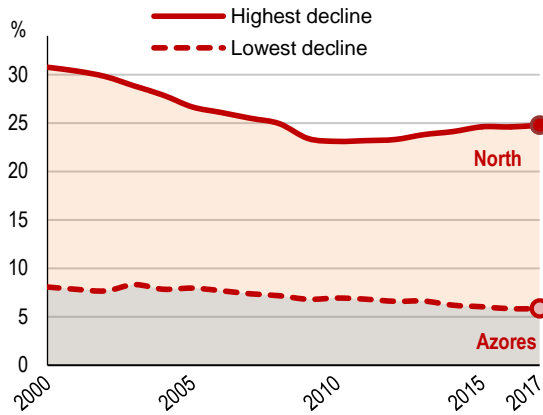
	Country Average	OECD Top 20% regions	Portuguese regions	
			Top 20%	Bottom 20%
Health				
Life Expectancy at birth (years), 2018	80.8	82.6	82.0	80.3
Age adjusted mortality rate (per 1 000 people), 2018	7.6	6.6	7.3	8.5
Access to services				
Households with broadband access (%), 2019	77.0	91.3	85.7	71.4
Safety				
Homicide Rate (per 100 000 people), 2016-18	0.7	0.7	0.4	1.1
Community				
Perceived social network support (%), 2014-18	87.5	94.1	88.7	85.8
Environment				
Level of air pollution in PM2.5 (µg/m³), 2019	10.6	7.0	6.6	9.8
Jobs				
Employment rate 15 to 64 years old (%), 2019	70.5	76.0	72.0	68.5
Unemployment rate 15 to 64 years old (%), 2019	6.8	3.3	5.3	7.5
Education				
Population with at least upper secondary education, 25-64 year-olds (%), 2019	52.2	90.3	64.5	44.7
Housing				
Rooms per person, 2018	1.9	2.3	1.9	1.5
Income				
Disposable income per capita (in USD PPP), 2018	16 956	26 617	19 897	14 986
Civic engagement				
Voters in last national election (%), 2019 or latest year	56.9	84.2	56.5	49.3
Life Satisfaction				
Life satisfaction (scale from 0 to 10), 2014-18	5.4	7.3	5.6	5.2

Note: OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2); Portugal is composed of seven large regions. Visualisation: <https://www.oecdregionalwellbeing.org>.



Manufacturing employment has declined in all Portuguese regions since 2000

D1. Manufacturing employment share, regional gap



Between 2000 and 2017, all seven regions in Portugal experienced a decline in the share of manufacturing employment. With a reduction of more than 45% in the share of manufacturing employment, Madeira recorded the largest decrease (Figure D1). In the North region, where manufacturing represents more than one third of total employment (Figure D2), the share of jobs in manufacturing has increased since 2010.

North and Central Portugal accounted for a lower share of total employment in 2017 compared to that in 2000. The decline in manufacturing employment experienced by all regions during the same period has coincided with a reduction in manufacturing gross value-added (Figure D2).

D2. Manufacturing trends, 2000-17

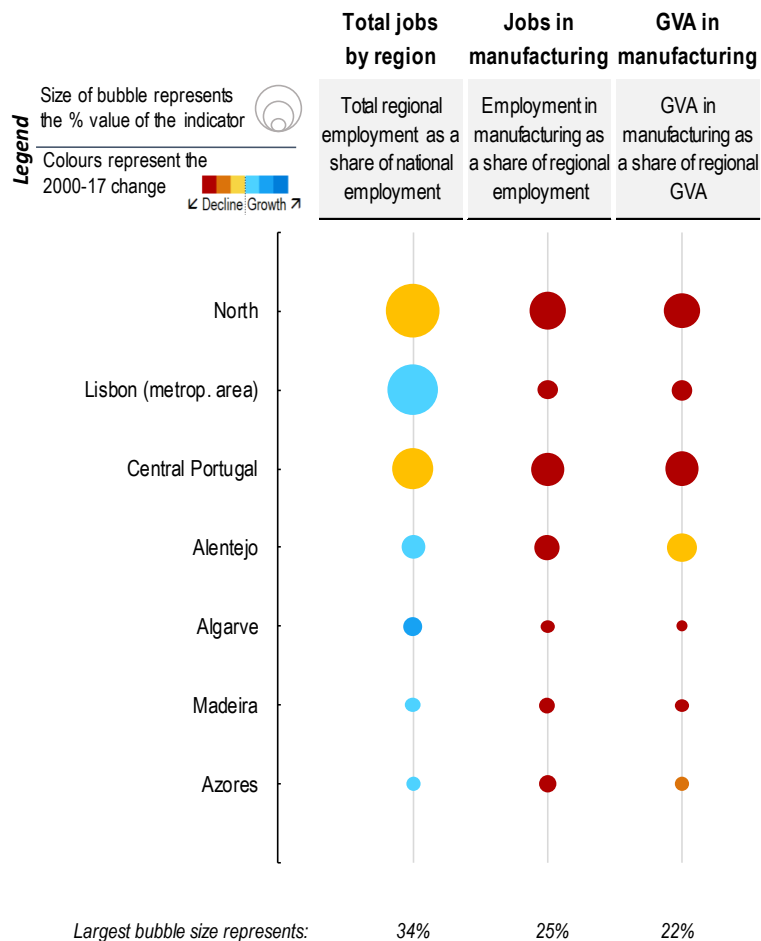


Figure [D.2]: Regions are ordered by regional employment as a share of national employment. Colour of the bubbles represents the evolution of the share over the period 2000-17 in percentage points: red: below -2 pp; orange: between -2 pp and -1 pp; yellow: between -1 pp and 0; light blue: between 0 and +1 pp; medium blue: between +1 pp and +2 pp; dark blue: above +2 pp over the period.



E. Transitioning to clean energy in regions

While 5 out of 7 Portuguese regions are coal-free in electricity production, Central Portugal and Alentejo – among the largest electricity producers – still rely on coal

Most Portuguese regions have abandoned the use of coal in electricity production, with the exception of Central Portugal and Alentejo – which together account for 68% of the country's electricity. In 2017, Central Portugal and Alentejo produced 17% and 91% of their electricity using coal, respectively. In contrast, North Portugal – the second largest producer of electricity in the country, accounting for 27% of the country's electricity production in 2017 – generated 69% of its electricity from renewable sources and without using coal (Figure E1).

E1. Transition to renewable energy, 2017

	Total electricity generation (in GWh per year)	Regional share of renewables in electricity generation (%)	Regional share of coal in electricity generation (%)	Greenhouse gas emissions from electricity generated (in Ktons of CO ₂ eq.)	
Central Portugal	19 214	62%	21%	5 580	Gen.
North	16 381	87%	0%	1 352	Nor.
Alentejo	8 646	9%	91%	6 445	Ale.
Metropolitan area of Lisbon	1 020	100%	0%	104	Met.
Algarve	623	100%	0%	10	Alg.
Madeira	466	100%	0%	10	Mad.
Azores	303	100%	0%	9	Azo.

Carbon efficiency in the production of electricity is very unequal across Portuguese regions. While Alentejo emits 750 tons of CO₂ per gigawatt hour of electricity produced, North Portugal releases less than 170 tons of CO₂ per gigawatt hour. Relative to total national levels, although Alentejo accounts for 18% of electricity produced in the country, it accounts for almost twice the share of CO₂ emissions related to electricity generation (E2).

E2. Contribution to total CO₂ emissions from electricity production, 2017

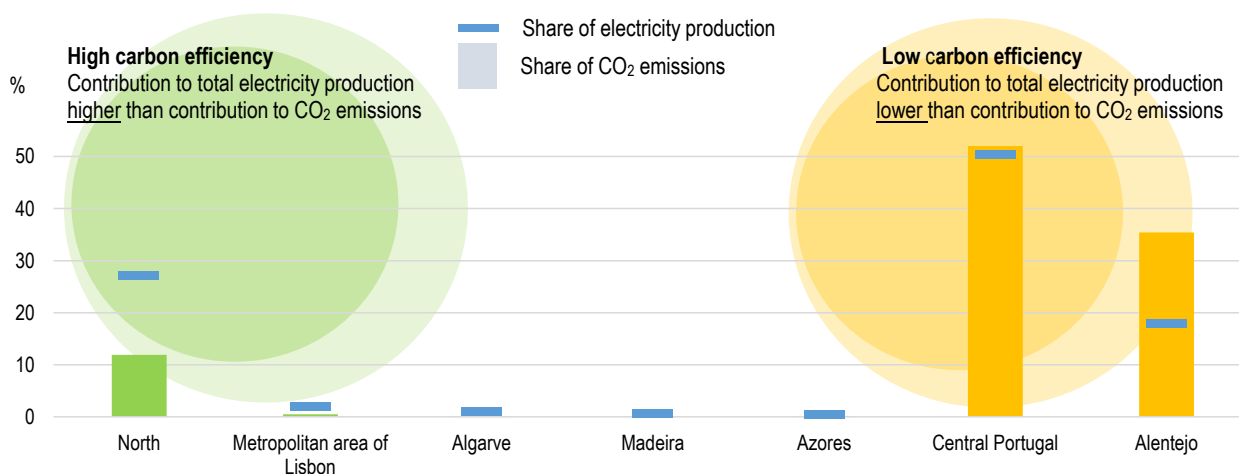


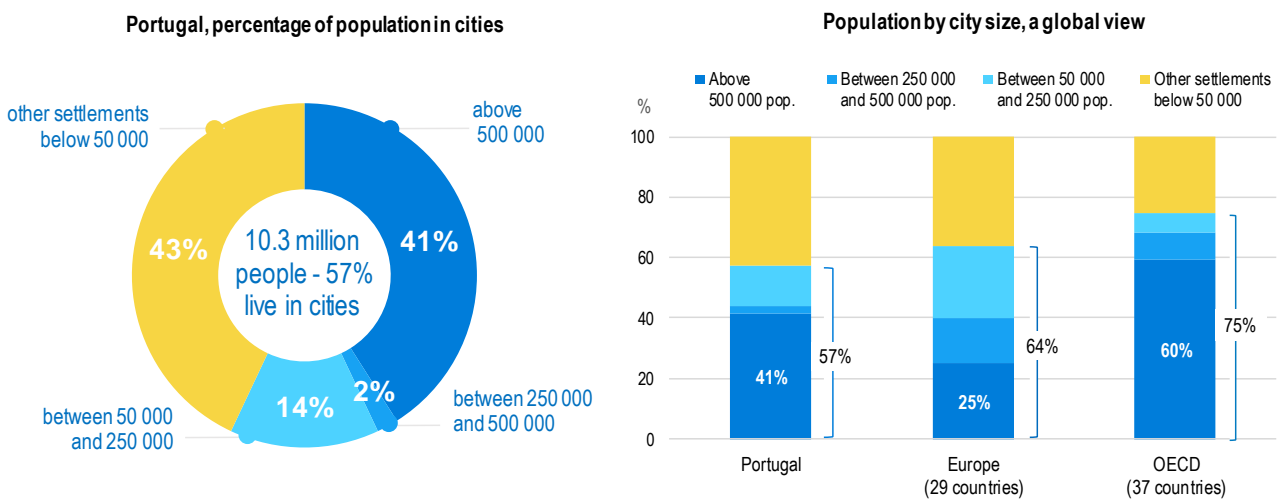
Figure notes: Regions are arranged in Figure E1 by total generation, and in Figure E2 according to gap between share of electricity generation and share of CO₂ emissions (most positive to most negative). These estimates refer to electricity production from the power plants connected to the national power grid, as registered in the Power Plants Database. As a result, small electricity generation facilities disconnected from the national power grid might not be captured. Renewable energy sources include hydropower, geothermal power, biomass, wind, solar, wave and tidal and waste. See [here](#) for more details.



Compared to the OECD average, Portugal has a higher concentration of the population in small- and medium-sized cities

In Portugal, 57% of the population lives in cities of more than 50 000 inhabitants and their respective commuting areas (functional urban areas, FUAs). Such a share is 18 percentage points lower than the OECD average. The share of population in metropolitan areas over half a million inhabitants is 41%, compared to 60% in the OECD area (Figure F1).

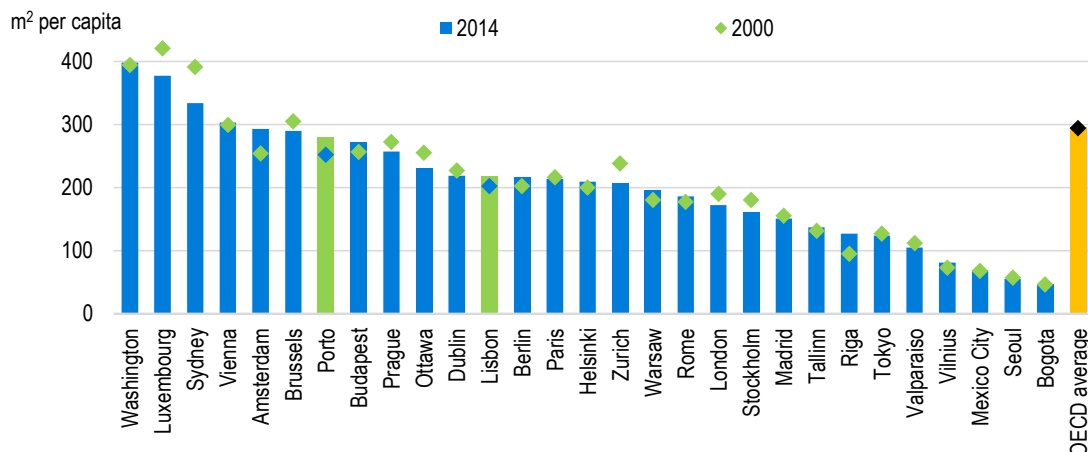
F1. Distribution of population in cities by city size
Functional urban areas, 2018



Built-up area has increased faster than population in Porto and Lisbon metropolitan areas since 2000

Levels of built-up area per capita in the metropolitan area of Porto in close to the OECD average of metropolitan areas, while in Lisbon those levels are below the OECD average. Built-up area per capita has increased in both Lisbon and Porto metropolitan areas since 2000 (Figure F2).

F2. Built-up area per capita
Selection of functional urban areas with more than 500 000 population



Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500 000: two in Portugal compared to 351 in the OECD.

The GDP per capita in the metropolitan area of Porto has grown faster than in Lisbon, but at a slower pace than in its neighbour metropolitan area of Vigo, Spain.

Lisbon metropolitan area is among the bottom 30% of OECD metropolitan areas with more than 500 000 inhabitants in terms of GDP per capita, but among the bottom 10% in terms of GDP per capita growth between 2001 and 2018.

E3. Trends in GDP per capita in metropolitan areas
Functional urban areas above 500 000 people in Portugal and Spain

