

Productivity Policy for Places

Workshop 4

Inclusive Productivity?

18-19 May 2021 | Virtual



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Inclusive Productivity?

■ Background

Productivity is the main determinant of living standards. Productivity growth, however, has been falling since the beginning of the century in many OECD countries, accompanied by the increasing interregional divergence in productivity performance within countries. A sole focus on national drivers of productivity at the level of industries and firms appears to be ill-equipped to offer solutions that would contribute to closing the gap across regions. An explicit focus on the spatial dimension of productivity is needed in order to better understand the recent productivity dynamics and to devise policy approaches able to boost the aggregate productivity growth and to decrease interregional inequalities.

Different levels of government play an important role in enhancing productivity. National-level regulation is crucial to create an environment that sets incentives for innovation and productivity upgrading and steers innovative activity towards labour augmenting, rather than labour saving, technologies. The provision of the basic building blocks for higher productivity, such as training and education at the individual level, access to capital for firms, and, more generally, access to knowledge fall to varying degrees into the mandate of all levels of government.

■ Inclusive productivity?

Are productivity gains inclusive? The answer is: It depends. It cannot be taken for granted that technological advances, innovation and entrepreneurship will automatically lead to stronger, more sustainable growth. Nor is there any guarantee that the benefits of higher levels of growth or productivity – if and when they emerge – will be broadly shared across the population.

Many channels raise productivity of individual workers, but not necessarily for workers of all skill levels. Technological progress is often “skill-biased”, i.e. workers with high levels of education or, generally, “skills” gain more than workers with lower skill-levels or lower levels of education. Capital investment is often “labour saving” while “reallocation” is highly disruptive in the lives of people. What’s more, the capacity of regions to absorb shocks in the labour market and transition workers towards new sectors can be limited.

The practical challenge is to link productivity growth with gains in well-being and inclusiveness. Below are suggested questions to guide the discussion.

- What are regional policy experiences related to the productivity-inclusion nexus?
- What are the strengths and limitations of the existing policies and policy approaches in the area of productivity and inclusion?
- What can be done to improve inclusion and to strengthen its link to productivity in all types of regions - is inequality always a necessary sacrifice in the pursuit of growth?
- What are the roles of various actors (private and public) in driving productivity and reducing inequality – is there scope for inclusion-enhancing synergies?
- What is the likely future of (regional) productivity and inclusion policies (the short-term Covid-19 perspective and the long-term global megatrends perspective)? How to “build back better”?

■ Venue

Virtual via Zoom

Agenda

[Central European Summer Time]

18 May 2021

14.00-14.20 Welcome & opening remarks

Rudiger Ahrend, Head of Economic Analysis, Data and Statistics Division, Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), OECD

Peter Berkowitz, Head of Unit, Smart and Sustainable Growth, Directorate General for Regional and Urban Policy, European Commission

14.20-15.30 Inclusive productivity – Where do we stand?

MODERATOR **Romina Boarini**, Director of Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE), OECD

14.20-14.45 SCENE SETTER **Alexander Lembcke**, Head of Unit, CFE, OECD

14.45-15.30 REACTIONS **Dimitris Ballas**, Professor, University of Groningen, Netherlands

Pete Tyler, Professor, Cambridge University, UK

Cecilia García-Peñalosa, Gender, Growth and Development Chair, EHESS, France

Armando Garcia Schmidt, Senior Project Manager, Bertelsmann Stiftung Foundation, Germany

15.30-15.45 Break

15.45-16.45 Open discussion with all workshop participants

16.45-17.00 Summary and closing remarks

Rudiger Ahrend and Peter Berkowitz

19 May 2021

14.00-14.20 Welcome & opening remarks

Rudiger Ahrend, Head of Economic Analysis, Data and Statistics Division, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD

Peter Berkowitz, Head of Unit, Smart and Sustainable Growth, Directorate General for Regional and Urban Policy, European Commission

14.20-15.30 Inclusive productivity – Implications for Regional Policy

MODERATOR **Nadim Ahmad**, Deputy Director, CFE, OECD

14.20-14.45 SCENE SETTER **Jens Suedekum**, Professor of International Economics, Heinrich Heine University Düsseldorf, Germany

14.45-15.30 REACTIONS **Francisca Lecourt Miranda**, Studies Advisor, Programs and Strategic Development Division, Chilean Economic Development Agency, CORFO

Amir Rubin, Senior Manager, Policy, Ministry of Economy, Israel

Frank Siebern-Thomas, Deputy Head of Unit A4 thematic analysis, EC

Emilija Stojmenova Duh, Head of 4P DIH, Slovenia

Brett Theodos, Senior Fellow, Urban Institute, USA

15.30-15.45 Break

15.45-16.45 Open discussion with all workshop participants

16.45-17.00 Summary and closing remarks

Rudiger Ahrend and Peter Berkowitz

■ About the high-level expert workshops

This workshop is part of a series in the context of an EC-OECD project “Productivity Policy for Places”.

The workshops consider the topic from five angles: The productivity-innovation paradox; Productivity in the private sector; Productivity in the public sector; Productivity and inclusiveness; and Productivity and resilience.

The outcomes of the workshops will underpin an OECD report and form the basis for a broader discussion with stakeholders on the future direction of policy design for sustainable transitions for more productive regions and cities. As such, the work will be relevant for policy-makers at all levels of government interested in improving the long-term perspective of regional policies and their contribution to sustainable economic development.

The OECD Centre for Entrepreneurship, SMEs, Regions and Cities provides comparative statistics, analysis and capacity building for local and national actors to work together to unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation, and support sound tourism policies.

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