WHAT MAKES A REGION ATTRACTIVE IN THE NEW GLOBAL ENVIRONMENT?

HOW TO MEASURE AND MONITOR

Rethinking territorial development policies in the new global environment
November 29, 2021
Claire Charbit –Head of Unit Territorial Dialogue and Migration, OECD/CFE
Diagnosis tool to assess the international profile of a region

- **Infrastructure connections**
  - Access to international Airport
    - Source: European Regional Competitiveness Index, 2016
  - % of buildings with broadband access
    - Source: OECD Regional database, 2020
  - Internet usage on social medias
    - Source: Eurostat, 2020

- **Human connections**
  - Number of beds for 1000 inhabitants
    - Source: Eurostat, 2020
  - % 15-64 year-old foreign-born in total population
    - Source: Données régionales de l’OCDE, 2019
  - % of foreign land-owner
    - Source: OECD Regional database, 2015

- **Knowledge connections**
  - % of foreign student
    - Source: OECD calculations based on ETER, 2016
  - Foreign R&D staff
    - Source: ANCT Territories’ Observatory, 2016
  - % of knowledge-intensive jobs
    - Source: OECD Regional database, 2018

- **Business connections**
  - Trade openness
    - Source: OECD Regional database, 2019
  - % of jobs in foreign companies
    - Source: ANCT Territories’ Observatory, 2016
  - % of jobs in FDI
    - Source: FDI Markets, 2015-2020
Diagnosis tool to assess the attractiveness profile of a region towards investors, talent, visitors and foreign markets

14 dimensions of territorial attractiveness

- Economy
- Innovation
- Labour market
- Tourism
- Cultural capital
- Land
- Housing
- Social cohesion
- Education
- Health
- Digitalisation
- Transport
- Environment
- Natural capital
- Natural Environment
Regional attractiveness indicators towards three principal targets: investors, talent and visitors // Example of Connectedness

Reference indicators are highlighted in green

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Description</th>
<th>Indicators</th>
<th>Investors</th>
<th>Talent</th>
<th>Visitor</th>
<th>Sources ; Latest year available ; Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitalisation</td>
<td>The rapid development of teleworking as a result of COVID-19 has increased the need for access to fast and stable internet connections, but in order to reap the benefits of digitalisation, access to digital infrastructure must also be accompanied by the adoption of digital technologies and a minimum of digital skills and thus improve the digital attractiveness of regions.</td>
<td>% of households with very high-speed access</td>
<td>x</td>
<td>x</td>
<td>OECD Regional database ; 2020 ; OECD regions (TL2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>% fibre optic coverage of buildings</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>Data updated on the basis of the OECD Regions at a Glance 2020 publication, 2020 ; OECD TL2 regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Download time from fixed devices as % of national average time</td>
<td>x</td>
<td>x</td>
<td></td>
<td>OECD calculations based on Ookla database ; 2021 ; OECD TL2 regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Facebook Social Connectivity Index?</td>
<td>x</td>
<td>x</td>
<td></td>
<td>OECD calculation based on data from the Facebook Social Connectivity Index. See details of the calculation in footnote (4).</td>
</tr>
<tr>
<td>Transportation</td>
<td>The transport dimension measures the region’s offerings in terms of quality transport networks and various modalities.</td>
<td>Subjective: % of the population satisfied with public transport, roads and highways</td>
<td>x</td>
<td></td>
<td>Gallup World Poll ; moyenne 2016-20 ; OECD TL2 regions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of passenger flights (accessible within 90’ drive)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>European Regional Competitiveness Index 2019 ; 2018 ; EU regions (TL2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of the population in a 120km radius who can reach a train station within 90 mins</td>
<td>x</td>
<td></td>
<td></td>
<td>European Regional Competitiveness Index 2019 ; 2016 ; EU TL2 regions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of the population within a 120km radius reachable by road within 90 mins</td>
<td>x</td>
<td></td>
<td></td>
<td>European Regional Competitiveness Index 2019 ; 2016 ; EU TL2 regions</td>
</tr>
</tbody>
</table>
Application to the case of France – Example of the Grand Est region

International Profile of the Region

Attractiveness profile

Regional website analysis – word cloud
Attractiveness of French regions: strengths compared to the average of European regions
OECD work on 25 Regions in Globalisation – 10 Countries
Thank you!

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What makes a region attractive in the new global environment? How to measure and monitor

1st OECD Webinar in the Rethinking Regional Attractiveness Series

29 November 2021

Pio Parma
Senior Consultant - Scenarios & Intelligence Department,
The European House - Ambrosetti
MISSION
Making available to Italian and international decision-makers an innovative country index — the Global Attractiveness Index (GAI) — that can portrait a profile of the attractiveness and sustainability of countries and, as a result, provide dependable information to aid in making system-wide choices about growth and optimization of the pro-business environment.
Key features of the Global Attractiveness Index (GAI)

- **Repliﬁcability**: Updated annually, thanks to the use of variables (KPI) periodically detected from main international institutions.
- **Objectivity**: Based mainly on **objective quantitative variables** derived from major international databases.
- **Robustness**: Few proxy indicators as independent from each other as possible.
- **Signiﬁcance**: Focus on “results” (outputs) rather than "efforts" (inputs).

**Objective**: Measuring a country’s attractiveness, a crucial factor in assessing its development capacity.

- **Internal**: Ability to **retain resources already present** on the territory.
- **External**: Ability to **attract resources not present** on the territory.
The structure of the Global Attractiveness Index 2021 (GAI)

14 years surveyed → 148 Countries (from 144 in 2020 edition)

- Historical Index calculation over six years (2015-2021), the only index with this feature
- More than 75 KPIs analysed and tested for all Countries and for all years
- Over 900,000 data updates and checks

Source: The European House – Ambrosetti, 2021
### GAI’s Key Performance Indicators (KPIs) of attractiveness

<table>
<thead>
<tr>
<th>Openness</th>
<th>Innovation</th>
<th>Efficiency</th>
<th>Endowment</th>
<th>Resilience</th>
<th>Vulnerability</th>
<th>Growth expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (FDI flows + Country’s investments abroad), vs. world tot.</td>
<td>6. Employed in high-tech sectors, compared with employed</td>
<td>11. Unemployment rate</td>
<td>16. Gross Domestic Product, vs. world total</td>
<td>▪ Human Development Index</td>
<td>▪ Debt/GDP</td>
<td>▪ Population share of working-age people, 20 years forecast</td>
</tr>
<tr>
<td>2. (Export+ Import), vs. world tot.</td>
<td>7. Export of high-tech goods, compared with world total</td>
<td>12. Logistics Performance Index</td>
<td>17. Gross National Product (GNP) per capita</td>
<td>▪ Global Peace Index</td>
<td>▪ Inflation rate</td>
<td>▪ GDP (% vs. world tot.), 5 years forecast</td>
</tr>
<tr>
<td>3. (Foreign tourists + national tourists abroad), vs. pop.</td>
<td>8. Technological endowment index</td>
<td>13. Total Factor Productivity</td>
<td>18. Gross Fixed Investment, vs. GDP</td>
<td>▪ World Giving Index</td>
<td>▪ Market concentration index</td>
<td>▪ GDP per capita, 5 years forecast</td>
</tr>
<tr>
<td>4. Foreign university students, vs. youth pop.</td>
<td>9. Number of scientific publications, vs. world total</td>
<td>14. Rule of Law Index</td>
<td>19. Natural Resource Index</td>
<td>▪ Life expectancy at birth</td>
<td>▪ Suicide rate, % total pop.</td>
<td>▪ University enrolment (% vs. total pop. in school-age)</td>
</tr>
<tr>
<td>5. Number of migrants, vs. pop.</td>
<td>10. Internet users, % of population</td>
<td>15. Total Tax Rate</td>
<td>20. College graduates, compared vs. world total</td>
<td>▪ Income of wealthiest 10%</td>
<td>▪ Population exposed to risk of poverty, % total population</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Gender inequality index</td>
<td>▪ People affected by natural disasters per 1,000 people</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Working Poverty Rate</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Pollution deaths, every million inhabitants</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ CO₂ emissions per capita</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Energy share from renewable sources</td>
<td></td>
</tr>
</tbody>
</table>

Source: The European House – Ambrosetti on international database, 2021

*In orange the new KPI introduced in the sixth edition*
## Top 20 GAI 2021 Countries draw almost 30% of global attractiveness

<table>
<thead>
<tr>
<th>Country</th>
<th>GAI rank 2021</th>
<th>GAI score 2021</th>
<th>GAI rank 2020</th>
<th>GAI score 2020</th>
<th>Dynamicity 2021</th>
<th>Sustainability 2021</th>
<th>Growth Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1</td>
<td>100.00</td>
<td>1</td>
<td>100.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>2</td>
<td>93.30</td>
<td>2</td>
<td>97.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>3</td>
<td>91.55</td>
<td>3</td>
<td>91.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>4</td>
<td>89.61</td>
<td>4</td>
<td>88.62</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>5</td>
<td>89.03</td>
<td>7</td>
<td>83.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>6</td>
<td>84.84</td>
<td>6</td>
<td>83.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>7</td>
<td>82.82</td>
<td>5</td>
<td>84.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>8</td>
<td>81.26</td>
<td>8</td>
<td>81.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arab Emirates</td>
<td>9</td>
<td>77.66</td>
<td>10</td>
<td>76.31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>10</td>
<td>76.19</td>
<td>9</td>
<td>77.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>11</td>
<td>72.13</td>
<td>12</td>
<td>72.51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>12</td>
<td>71.54</td>
<td>13</td>
<td>70.17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>13</td>
<td>69.62</td>
<td>15</td>
<td>65.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>14</td>
<td>68.71</td>
<td>14</td>
<td>65.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>15</td>
<td>65.18</td>
<td>11</td>
<td>72.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>16</td>
<td>64.12</td>
<td>16</td>
<td>63.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>17</td>
<td>62.73</td>
<td>17</td>
<td>61.16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>18</td>
<td>62.71</td>
<td>22</td>
<td>57.39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>19</td>
<td>61.55</td>
<td>19</td>
<td>58.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>20</td>
<td>61.32</td>
<td>18</td>
<td>59.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Global Attractiveness Index, 2021
Today, the Global Attractiveness Index has been...

- Introduced in **10 Countries** and to the **European Commission**
- Included in the set of indexes monitored by **4 Governments**
- Supported by **international Institutions of research**: The Joint Research Centre and the European Political Strategy Centre
- Introduced at the **OECD** in Paris and included among the official indexes of the OECD
- Introduced to over **10,000 CEOs and investors** focused on Italy’s placement on Country-ratings
- Introduced as preview to **all Country Governments** in formal and informal meetings, to the Parliamentary Commissions and in 4 editions of the Forum The European House – Ambrosetti in Cernobbio, on Como Lake
The European House - Ambrosetti has applied and adapted the methodology of the national Global Attractiveness Index on a local scale in order to measure the positioning of Italian territories (Regions/Provinces) as an attractive and competitive destination for the settlement of companies, people and investments, also considering the expected impacts of the pandemic on the local socio-economic system.

Some examples of implementation of the national GAI methodology on a local scale (on-going projects)

Source: The European House – Ambrosetti, 2021
LIGURIA REGION: FROM SEA TO LIFE

Tableau de Bord – 2021 edition

**GDP per Inhabitant (€)**
- Liguria 29,840
- Italy 36,300
- 24,980

**Young Population (% of total)**
- Liguria 16.7
- Italy 22.2

**Satisfaction with one’s own life (%)**
- Liguria 68.9
- Italy 65.6

**Transport and Infrastructure**
- Total transport expenditure (€ billion)
  - Liguria 70
  - Italy 82.7
  - 65

**Tourism and Culture**
- Average annual income of visitors (€)
  - Liguria 18

**Production Structure**
- Value added in manufacturing industry (€ billion)
  - Liguria 20

**Work and Training**
- Employment rate (%)
  - Liguria 53.0

**Innovation and Research**
- R&D expenditure on GDP (%)
  - Liguria 4.4

**Health and Society**
- Life expectancy at birth for males (years)
  - Liguria 80

**Environment and Territory**
- UN stabilized missions
  - Liguria 4

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*Source of data: Istat (2021)*
The Tableau de Bord of territorial attractiveness allows to monitor the progress achieved on a set of key dimensions

- The Tableau de Bord of territorial attractiveness enables decision-makers and policy-maker to understand and monitor, according to criteria of comparability over time, the **performance** expressed by a specific territory on:
  - **“Macro-objectives”** associated to the most relevant and/or strengthening areas deriving from the analysis of the structural dynamics of the territory
  - A portfolio of **key operational domains**

- When integrated with local planning tools (Regions, Provinces, Municipalities), this Tableau de Bord allows to:
  - **Monitor the evolution** of the territory over time in terms of priority macro-areas and specific indicators in comparison with other comparable areas (peers)
  - Identify **priority areas of intervention** (dimensions of weakness compared to other territories or with a critical performance)
  - Activate **corrective actions** in the medium-long term

Source: The European House – Ambrosetti, 2021
Again in 2021, for the eighth consecutive year, The European House – Ambrosetti was named — in the category “Best Private Think Tanks” — the no. 1 think tank in Italy, the no. 4 think tank in the European Union and among the most respected independents in the world out of 11,175 on a global level in the latest “Global Go To Think Tanks Report” of the University of Pennsylvania.
We want every city to be a more youthful place to live, work and play by focusing on what youth need to thrive and embracing the attitudes that youth offer.
Youthful Cities

Since 2012

Youth (15-29 yrs)

Information

Cities

Action

In 80+ cities so far
youth
youthful
according to 30,000 youth in 75 cities in all regions of the world

youthful =

Inventive
Connected
Curious
Dynamic
Open
Playful
a youthful city/region brings:

- prosperity
- adaptability
- openness
- entrepreneurship
- happiness
- growth
Then Covid-19 hit...
“A new sales pitch is needed for domestic and foreign YOUTH talent”
What do youth need in cities?

**Live**
- Civic Engagement
- Diversity + Inclusion
- Climate Action
- Public Safety
- Public Health
- Public Transportation

**Work**
- Digital Access
- Affordability
- Education + Training
- Good Jobs
- Entrepreneurship
- Financial Services
- Public Transportation
- Public Safety

**Play**
- Economic Growth
- Creative Arts + Design
- Food, Restaurant + Nightlife
- Shopping + Entertainment
- Sports + Recreation
- Travel + Tourism
- Public Green Space
- Public Built Space
WELCOME TO THE YOUTHFUL CITIES 2021 URBAN WORK INDEX

WHERE SHOULD YOU WORK?

OÙ DEVRIEZ-VOUS TRAVAILLER?

presented by
Future Launch

27
CITIES

76
INDICATORS

15769
POINTS OF DATA
TOPICS IN THE URBAN WORK INDEX

The importance of these topics to youth 15-29 are captured through a weighting out of 1.00.

Based on their importance to youth

- Good Youth Jobs: 0.93
- Public Health: 0.93
- Income Generation: 0.92
- Cost of Living: 0.92
- Education + Training: 0.91
- Equity + Inclusion: 0.90
- Climate Change: 0.88
- Public Transportation: 0.85
- Digital Access: 0.80
- City Economy: 0.79
- Entrepreneurial Spirit: 0.73
Example Indicators

**Costs**
1 bedroom apartment Cost per month in $ - City centre, Scaled to minimum wage of each city respectively

**Rates**
% of Full Time Youth Employment

**Counts**
# hours per week dedicated public transit operates

**Scales**
Yes or No (1 or 0):
1. Does open urban data exist?
2. Is it available in bulk?
3. Is it easy to download the whole dataset?
4. Is it in spreadsheet form? (.cvs or .xls - not .pdf)
5. Is open data publicly available?
6. Is open data free of charge?
#1 place for youth to work in Canada

Vancouver
The Pivot Hub *highlights* youth-driven data and insights about important topics relating to Canadian cities as they emerge from COVID-19.
WHAT HAPPENS NEXT?

PRE-COVID

COVID-19

POST-COVID

20% OF GEN Z FORMATIVE YEARS
Genz will be the bellwether for what’s next

Which way will they tilt?

Resilience ← Trust ← Connect ← Trauma → Cocoon → Doubt

Shaping future markets and workplaces, consumers and employees
This world demands the qualities of youth: not a time of life but a state of mind, a temper of the will, a quality of imagination, a predominance of courage over timidity, of the appetite for adventure over the life of ease.

DAY OF AFFIRMATION ADDRESS, UNIVERSITY OF CAPE TOWN, CAPE TOWN, SOUTH AFRICA, JUNE 6, 1966
Robert F. Kennedy
The Magallanes and Chilean Antarctic Region is one of the 3 most important tourist destinations in the country along with Easter Island and San Pedro de Atacama.

The Magallanes & Antarctica Region is the biggest region in the country with 132,291 km² and the second less populated with 165,593 inhabitants (2017).

In 2019, Tourism generated a contribution to the national GDP (gross domestic product) of 3.3%, while in the Magallanes Region it generated the 10%.

In 2018, more than a million arrivals were made by sea, air and land where the composition of visitors is 50% national and 50% foreign travellers.

Main international markets of origin: United States, Germany, United Kingdom, France, Spain and Brazil, among others.

CHALLENGES

- Breaking seasonality, generating year-round tourism
- Diversify the destination
- Develop sustainable tourism in the territory
- Increase employment, training and preparing our young people
- Strengthen the Promotion and Marketing campaigns.
- Tourism as a development engine for local communities

IMPORTANCE OF DATA for Strategic Planning:

- Efficient use of resources
- Decision making for both the public and private sectors
- Segmentation of markets and travellers, defining more precisely which markets to invest in (What / How / When).
- Raise the profile of the traveller: what are they looking for, what motivates them to choose a destination
- Public Investments: infrastructure, connectivity, basic services, communications, security
- Investments from the private world: new ventures.