

Productivity Policy for Places

Workshop 5

Productivity and resilience

9-10 June 2021 | Virtual



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■ 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.

■ Productivity and resilience

The ongoing COVID-19 crisis has demonstrated the uneven effects of recent productivity-enhancing technological advances and economic restructuring on the ability of places to withstand the shock. On the one side of the spectrum, regions actively participating in GVCs often suffered sizable disruptions of productive processes because of transport interruptions and lockdown measures. Likewise, just-in-time delivery left hospitals, wholesalers and retailers without stock, in some cases contributing to aggravation of the sanitary situation and increased mortality. Efficiency-oriented reduction in hospital beds resulted in regions less prepared to face the exploding need in intensive-care units and healthcare facilities more generally. On the other side, connectivity, e-business, cloud computing and data storage, videoconferencing and other technologies allowed many businesses to continue operations, governments to provide public services and people to stay connected to their loved ones, even if only virtually. Yet, the recent experiences in the US illustrate that digitalization is a solution only when other types of infrastructure (electric grid, internet connection) are robust.

Did the pursuit of productivity growth reduce resilience of places in the face of the pandemic and the subsequent economic crisis? How can places be prepared to face similar crises without compromising their productivity performance and what is the role of policy? Which old and emerging solutions are promising?

Other suggested questions are:

- What are regional policy experiences related to productivity and resilience?
- What are the strengths and limitations of the existing policies and policy approaches in the area of productivity and resilience?
- What can be done to improve resilience and to strengthen its link to productivity in all types of regions - is resilience always a necessary sacrifice in the pursuit of growth?
- What are the roles of various actors (private and public) in driving productivity and resilience – is there scope for productivity- and resilience-enhancing synergies?
- What is the likely future of (regional) productivity and resilience 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]

9 June 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 Productivity and resilience – Where do we stand?

MODERATOR **William Hynes**, Head, New Approaches to Economic Challenges, OECD

14.20-14.45 SCENE SETTER **Alessandra Faggian**, Social Sciences Director and Professor, GSSI, Italy

14.45-15.30 REACTIONS **Ron Martin**, Professor, Cambridge University, UK

Maria Tsiapa, Lecturer, University of Thessaly, Greece

Ulrika Geeraedts, Director of Regional Development, Skane County, Sweden

Filomena Berardi, Researcher, Ires Piemonte, Italy

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

10 June 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 Productivity and resilience – Implications for Regional Policy

MODERATOR **Sébastien Miroudot**, Senior Trade Policy Analyst, Trade & Agriculture Directorate, OECD

14.20-14.45 SCENE SETTER **Alexandra Tsvetkova**, Coordinator, Spatial Productivity Lab, Trento Centre for Local Development, OECD

14.45-15.30 REACTIONS **Ryan A. Decker**, Principal Economist, Board of Governors of the Federal Reserve System, USA

Anne-Marie Hitipeuw-Gribnau, Chief Resilience Officer, City of The Hague, Netherlands

Oto Hudec, Professor, Technical University of Kosice, Slovakia

Ludger Odenthal, SME Policy Officer, European Commission

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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