

Trade and entrepreneurship for growth in all regions

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OECD countries are facing a dual challenge: slow – if not stagnant – productivity growth and an increasing divide both in terms of productivity and income within countries. Reigniting productivity growth and ensuring the diffusion of its benefits across all types of regions is essential for inclusiveness and resilience.

To further the understanding of (the lack of) regional productivity growth and the growing regional divide, this session considers two key drivers for regional economic growth and job creation: trade and entrepreneurship. Exposure to international competition creates strong incentives to innovate and invest in productivity growth. Findings in the OECD Regional Outlook 2016 suggest that strong tradable sectors are key drivers of “catching up” in those regions that defy the trend towards a growing regional divide. But tradable sectors often face direct and indirect barriers that can vary significantly across regions, even within the same country. The same is true for entrepreneurship and business start-ups, which contribute disproportionately to employment growth, as highlighted, for example, in the 2015 OECD report “The Future of Productivity”.

This session invites contribution that highlight the role of tradable sectors and entrepreneurship for regional development in OECD countries. In particular, it looks to gather empirical evidence that highlight what framework conditions countries and regions can put into place to support the development of thriving tradable sectors. What (inadvertent) barriers exist to the development of tradable activities and how policy makers can try to overcome these barriers. It also invites contributions that assess the role of entrepreneurship and business start-ups in creating jobs and growth in regions. Contributions that address the role regional characteristics play for the creation and survival of new firms and how these characteristics interact with policy in effectively fostering entrepreneurship are particularly encouraged.