2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

Regional economic disparities

Regional differences in gross domestic product (GDP) per capita within countries are often larger than among OECD countries. According to the Gini index, the emerging economies – Indonesia, the Russian Federation, Colombia and Brazil – displayed the greatest disparity in GDP per capita in 2010, with Chile, Mexico, the Slovak Republic and Turkey among the OECD countries (Figure 2.33).

From 1995 to 2010 regional disparities increased in 20 out of 33 countries considered. Significant increases can be found in the Czech Republic, Hungary, Australia, Sweden and Estonia (Figure 2.33).

Economic output differences are largely attributed to disparities in productivity and in the utilisation of the available labour force. Regional differences in labour productivity, here measured by the range in regional GDP per worker, were markedly high in the United Kingdom, Chile, Mexico, Switzerland, Korea and Poland, where some regions displayed productivity twice as high as the national value (five times as high for the Inner London West), and some other regions had values less than half the national value (Figure 2.34).

The Gini index is a measure of inequality which assigns equal weight to each region of a country regardless of its population size. The number of people living in regions with low GDP per capita (under the national median) can provide an indication of the different economic implications of disparities within a country. For example, while the regional disparities as measured by the Gini index in GDP per capita are of the same magnitude in Chile and Mexico, the percentage of the national population living in regions with low GDP per capita varies from more than half of the population in Mexico to around 30% in Chile (Figure 2.35).

Source


OECD deflator and purchasing power parities, National Accounts (database), http://stats.oecd.org/.

See Annex B for data sources and country-related metadata.

Reference years and territorial level

1995-2010; TL3.

Australia, Canada, Chile, Mexico and the United States TL2 regions.

Brazil, China, India, the Russian Federation and South Africa TL2 regions.

Regional GDP is not available for Iceland and Israel.

Regional GVA for Norway in 2010.

Turkey is excluded for lack of regional GDP after 2001.

Further information


Figure notes


Regional differences in GDP per capita may also depend on the level of commuting from/to a region.

2.35: Brazil, Canada, Chile, China, Colombia, India, Mexico, Russian Federation and United States TL2 regions. Australia is not included due to the limited international comparability of the indicator in the presence of mining activity in sparsely populated regions.

Definition

GDP is the standard measure of the value of the production activity (goods and services) of resident producer units. Regional GDP is measured according to the definition of the System of National Accounts (SNA). To make comparisons over time and across countries, it is expressed at constant prices (year 2005), using the OECD deflator and then it is converted into USD purchasing power parities PPPs) to express each country’s GDP in a common currency.

GDP per capita is calculated by dividing the GDP of a country or a region by its population.

GDP per worker is measured as the ratio of constant GDP in 2005 prices, to total employment where the latter is measured at place of work. This means that productivity and GDP per capita trends may diverge in regions if there is commuting on a substantial scale.

The Gini index is a measure of inequality among all regions of a given country (see Annex C for the formula). The index takes on values between 0 and 1, with zero interpreted as no disparity. It assigns equal weight to each region regardless of its size; therefore differences in the values of the index among countries may be partially due to differences in the average size of regions in each country.
2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

2.33. Gini index of inequality of GDP per capita across TL3 regions, 1995 and 2010

2.34. Range in TL3 regional GDP per worker (as a % of national average), 2010

2.35. Gini index of inequality of GDP per capita across TL3 regions and per cent of population in regions with GDP per capita under national median, 2010
2.36. Regional GDP per capita: Asia and Oceania, 2010
Constant 2005 USD (PPP) in thousands, TL3 regions

This map is for illustrative purposes and is without prejudice to the status of or sovereignity over any territory covered by this map.

StatLink http://dx.doi.org/10.1787/888932915470
2.37. Regional GDP per capita: Europe, 2010
Constant 2005 USD (PPP) in thousands, TL3 regions

This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory covered by this map.

StatLink: http://dx.doi.org/10.1787/888932915489
2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

Regional economic disparities

2.38. Regional GDP per capita: Americas, 2010
Constant 2005 USD (PPP) in thousands, TL2 regions

This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory covered by this map. Source of administrative boundaries: National Statistical Offices and FAO Global Administrative Unit Layers (GAUL).

StatLink: http://dx.doi.org/10.1787/888932915508
2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

Regional economic disparities

2.39. Regional GDP per capita: Emerging economies, 2010
Constant 2005 USD (PPP) in thousands, TL2 regions

This map is for illustrative purposes and is without prejudice to the status of or sovereignty over any territory covered by this map.

StatLink http://dx.doi.org/10.1787/888932915527