

3. GDP per capita

Gross Domestic Product (GDP) per capita is a core indicator of economic performance and commonly used as a broad measure of average living standards or economic well-being; despite some recognised shortcomings.

For example average GDP per capita gives no indication of how GDP is distributed between citizens. Average GDP per capita may rise for example but more people may be worse off if income inequalities also increase.

Equally, in some countries (see Comparability on the right), there may be a significant number of non-resident border or seasonal workers or indeed inflows and outflows of property income and both phenomena imply that the value of production differs from the income of residents, thereby over or understating their living standards.

A full discussion of these issues can be found in the Stiglitz-Sen-Fitoussi report (see references).

Definition

The definition for GDP is described in section 1 and population estimates are described in the Reader Notes section.

A focus on per capita GDP is also useful in decomposing drivers of overall GDP growth. For example real GDP can grow without there being any improvement in real GDP per capita. Decomposing per capita growth into two parts, labour productivity growth (measured as GDP per hour worked) and labour utilisation growth (measured as hours worked per capita) is helpful in this context.

Comparability

Generally, particularly because all countries follow the 1993 *System of National Accounts*, the comparability of population and GDP estimates across countries is good (see Section 1). However, some care is needed in

interpretation, for example Luxembourg and, to a lesser extent, Switzerland have a relatively large number of frontier workers. Such workers contribute to GDP but are excluded from the population figures, which is one of the reasons why cross-country comparisons of income per capita based on gross or net national income (GDI and NNI) are often preferred, see Chapter 2 on Income. (See also “Reader’s Guide”, relating to PPP based comparisons.)

Source

- OECD (2009), *National Accounts of OECD Countries 2009, Volume I, Main Aggregates*, OECD Publishing, http://dx.doi.org/10.1787/na_vol_1-2009-en-fr.

Online database

- OECD (2009), “Aggregate national accounts: gross domestic product”, *OECD National Accounts Statistics (database)*, <http://dx.doi.org/10.1787/data-00001-en>.

Further reading

- Report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz-Sen-Fitoussi Report), www.stiglitz-sen-fitoussi.fr.
- OECD (2002), *Measuring the Non-Observed Economy: A Handbook*, International Labour Office/International Monetary Fund/International Statistical Committee of the Commonwealth of Independent States, OECD Publishing, <http://dx.doi.org/10.1787/9789264175358-en>.
- Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF, Eurostat (eds.) (1993), *System of National Accounts 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

Table 3.1. **Gross domestic product per capita, OECD=100**

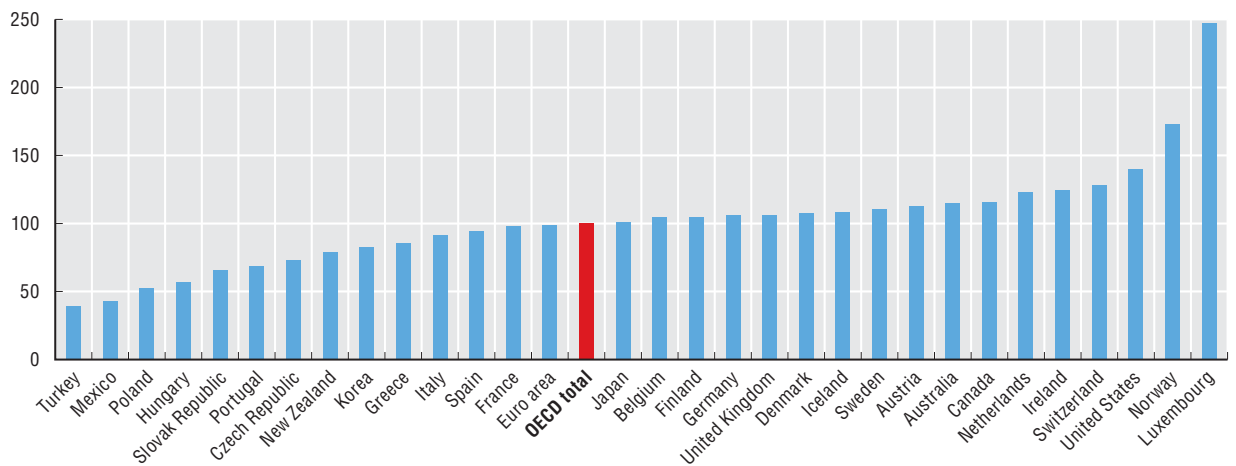
Based on current PPPs

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	110	109	109	111	113	111	112	114	116	115	114	113	114	115 e
Austria	120	119	116	117	117	117	114	116	116	115	112	112	113	113
Belgium	114	111	111	109	109	112	112	115	112	110	108	107	107	105
Canada	116	114	114	115	117	116	116	115	116	116	118	117	117	116 e
Czech Republic	65	67	64	63	62	61	64	65	67	68	68	70	73	73
Denmark	117	117	117	118	116	118	116	118	113	114	112	111	109	108
Finland	96	94	98	102	102	105	105	106	103	106	103	104	105	105
France	103	102	101	103	102	103	105	107	102	100	100	98	99	98
Germany	115	113	110	109	109	106	106	106	107	106	105	105	104	106
Greece	75	74	75	74	74	75	79	83	85	85	83	84	86	86
Hungary	46	46	47	49	49	49	54	57	57	58	57	57	57	57
Iceland	118	118	121	125	124	118	120	119	115	119	118	112	110	108
Ireland	91	95	101	108	112	117	121	127	129	129	130	133	136	125
Italy	108	106	105	107	105	104	107	103	101	97	95	94	93	92
Japan	115	115	113	108	105	104	103	103	102	103	102	102	102	101 e
Korea	68 e	70 e	71 e	64 e	68 e	70	72	75	75	77	77	79	81	83
Luxembourg	198	196	189	194	211	218	213	221	226	230	230	243	250	248
Mexico	38 e	39 e	40 e	40 e	40 e	41 e	40 e	40 e	41	41	42	43	43	43 e
Netherlands	110	110	112	115	116	120	122	123	118	117	118	118	119	123
New Zealand	87	86	85	84	86	84	85	85	85	85	83	82	82	79 e
Norway	120	127	130	123	129	147	147	142	143	149	159	166	162	173
Poland	38	40	41	43	43	43	43	44	45	46	46	47	49	53
Portugal	67	66	67	68	70	70	70	71	70	68	69	69	69	69
Slovak Republic	42	44	45	46	45	45	48	50	51	52	54	57	61	66
Spain	81	82	82	85	86	87	89	92	92	92	92	94	96	94
Sweden	111	110	109	109	111	113	111	111	112	113	109	110	111	111
Switzerland	136	133	132	133	130	129	127	128	124	122	119	122	125	128
Turkey	35 e	36 e	38 e	38	35	36	32	32	31	34	36	38	39	40
United Kingdom	100	102	104	105	105	106	109	111	111	112	110	109	108	107
United States	140	141	141	142	144	143	142	141	142	142	143	142	141	140
Euro area	102	101	100	101	100	100	102	102	101	100	99	99	99	99
OECD-Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100

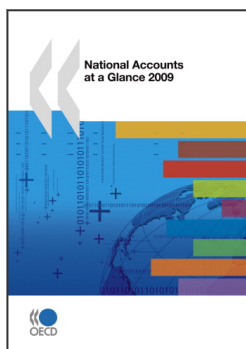
StatLink  <http://dx.doi.org/10.1787/740577530321>

Figure 3.1. **Gross domestic product per capita, OECD=100**

Based on current PPPs, 2008



StatLink  <http://dx.doi.org/10.1787/738633261342>



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