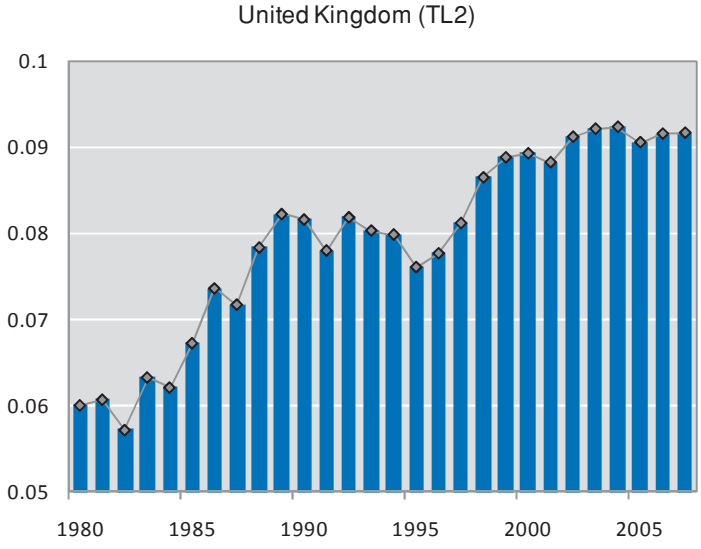
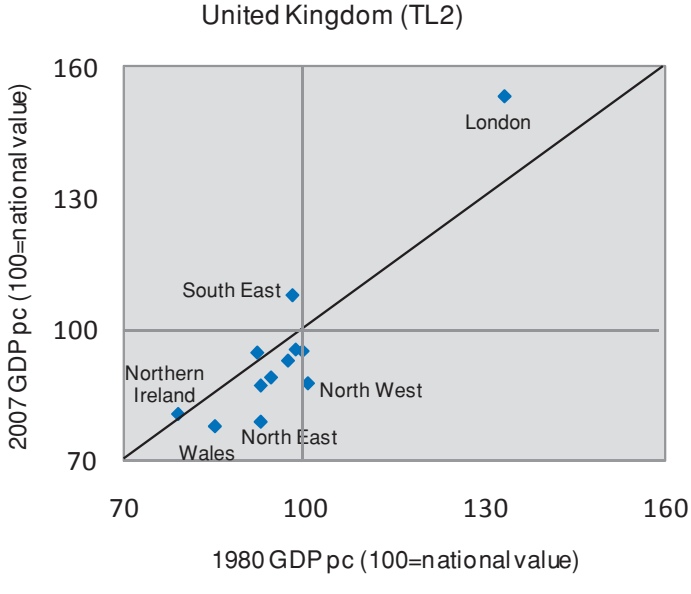
United Kingdom

Gini index of inequality of GDP per capita across TL2 regions, 1980-2007



Regional performance in GDP per capita over time, 1980 and 2007



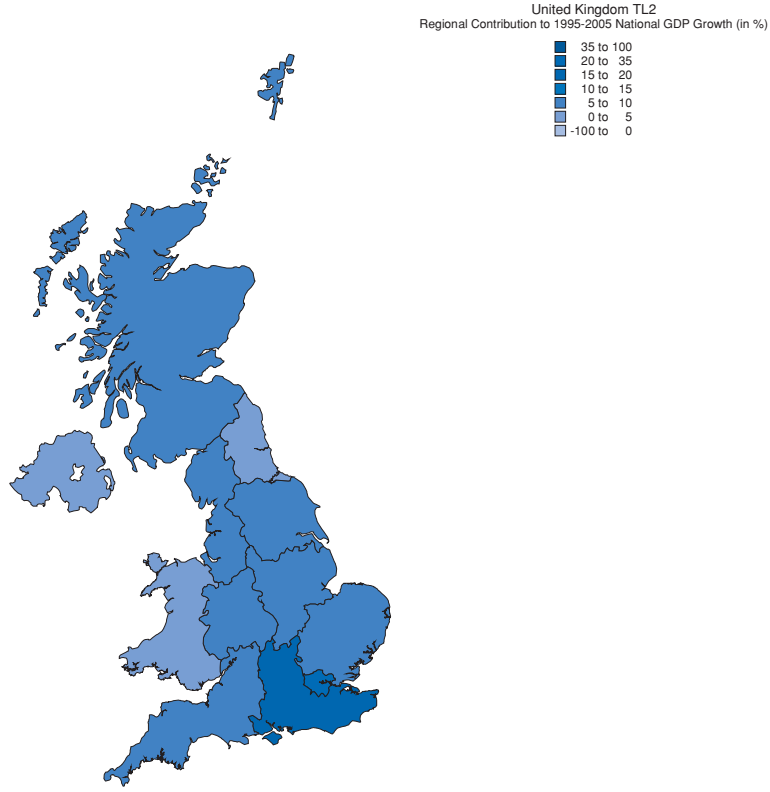
The United Kingdom displays the third highest concentration of economic activity among TL3 regions within OECD countries according to the index of geographic concentration. The TL2 region of London alone produces almost one-fifth of United Kingdom's GDP.

Inequality in GDP per capita among TL2 regions has been steadily increasing since the early 1980's. The increase has been driven by London's buoyant growth in GDP per capita (3.2%) outperforming the national average (2.6%) during the past decade. The gap in London's GDP per capita relative to the national average increased from being 33% above the national value in 1980 to 53% in 2007. Consequently London's contribution to national GDP growth over the past decade was quite significant (25%). Following London, South East recorded the second highest growth rate (3.1%) in GDP per capita over the past decade contributing to almost one fifth (17.9%) of the national GDP growth.

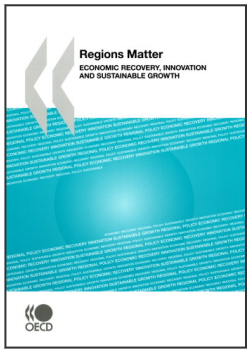
The further decline of lagging regions over 1980-2007 contributes to inequality; in particular the low growth rate in GDP per capita displayed by the lagging regions Wales (1.9%), North East (2.2%) and North West (2.2%).

Despite the lower growth rate of lagging regions, their combined contribution to national growth remains quite significant, 57.4% during the past decade.

Regional contribution (%) to national GDP growth, 1995-2005



Source: OECD calculations based on OECD Regional Database (2009) and Cambridge Econometrics.



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