



IV. KEY DRIVERS OF REGIONAL GROWTH

20. Overall regional performance
21. Regional factors and performance
22. Regional factors: Population and GDP per capita
23. Regional factors: Labour productivity
24. Regional factors: Employment, participation and ageing

National factors of growth are strongly localised in a small number of regions (Part II). At the same time differences in economic performance at the regional level are often much larger than at the national level (Part III). Marked variations in regional growth rates occur as a result of differences in endowments and assets within regions, as well as regions' ability to mobilise these resources. Successful, competitive regions tend to grow relatively faster and therefore increase their share of OECD GDP. Regional benchmarking helps identify the factors behind certain regions' success and the existence of unused resources in others by comparing a region's growth rate to that of all other OECD regions. This is the joint result of several factors, both regional and national. In order to account for the contribution of these different factors, this part breaks down changes in each region's share of total OECD GDP into: 1) national factors; 2) labour productivity; 3) employment rates; 4) participation rates; 5) age activity rates; and 6) population. Each of these factors can be viewed as an indicator of a determinant of regional economic performance.

20. OVERALL REGIONAL PERFORMANCE

Regional performance is a result of both national and common factors (e.g. national policies and the business cycle) and regional factors (e.g. demographic trends and regional policies). If all regions in a country grow faster than the regions in other OECD countries, this faster growth can be ascribed to that country's good performances (national factors) or to factors influencing the performance of all regions within that country (a common factor such as the business cycle). On the other hand, if a region exhibits faster growth than all other OECD regions, including those in the same country, that growth can be ascribed to the region's good performance (regional factors). In sum, overall movements in a region's share of GDP are ascribed to regional and national factors.

During 1999-2005 less than half of OECD TL2 regions – 112 regions out of 313 – increased their share of total OECD GDP. The 20 regions with the largest increase of OECD GDP were: the United States: Nevada, Wyoming, Florida and Arizona; Korea: Chungcheong, Gyeongbuk, Gyeongnam, and the Capital Region; Canada: Alberta and Newfoundland and Labrador; Ireland: Border, Midlands Western and Southern and Eastern; Australia: Western Australia, Northern Territory and Queensland; Hungary: Kosep-Magyarország; Mexico: Quintana Roo; Greece: Attiki; Spain: Murcia; and the Slovak Republic: Bratislav Kraj (Figure 20.1).

Over the same period, more than half – 201 out of 313 – of regions reduced their share of total OECD GDP. The 20 regions with the largest per cent decline in their share of OECD were: Italy: Molise, Basilicata, Piemonte, Liguria, Valle d'Aosta, P.A. Bolzano-Bozen, Puglia, Sicilia, Umbria, Campania, P.A. Trento; Turkey: Balıkesir, Adana, Ankara, Bursa; Germany: Berlin; Portugal: Norte; France: Picardie; and Greece: Voreia Ellada and Kentriki Ellada (Figure 20.2).

Among the 20 fastest-growing regions the strong performance of the Irish regions Border, Midlands Western and Southern and Eastern is largely due to national and common factors; the same applies to four Korean regions: Chungcheong, Gyeongbuk, Gyeongnam and Gangwon (Figure 20.3). In contrast regional factors were mainly responsible for the good performance of the Mexican region Quintana Roo, and the Greek region Attiki.

Among the 20 slowest-growing regions, national factors were most strongly at play in the case of the Italian regions (Figure 20.4). However, it was regional factors, rather than national, that was mainly responsible for the poor performance of Kentriki Ellada from Greece, Berlin from Germany, Scotland from the United Kingdom, Picardie from France, and Balıkesir, Adana, Ankara, and Bursa from Turkey.

Definition

Gross domestic product (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 1993 System of National Accounts. To make comparisons over time and across countries, it is expressed at constant prices (year 2000), using the OECD deflator and then it is converted into USD purchasing power parities (PPPs) to express each country's GDP into a common currency.

Source

OECD Regional Database, <http://dotstat/wbos/>, theme: Regional Statistics.

See Annex B for data sources and country related metadata.

Reference years and territorial level

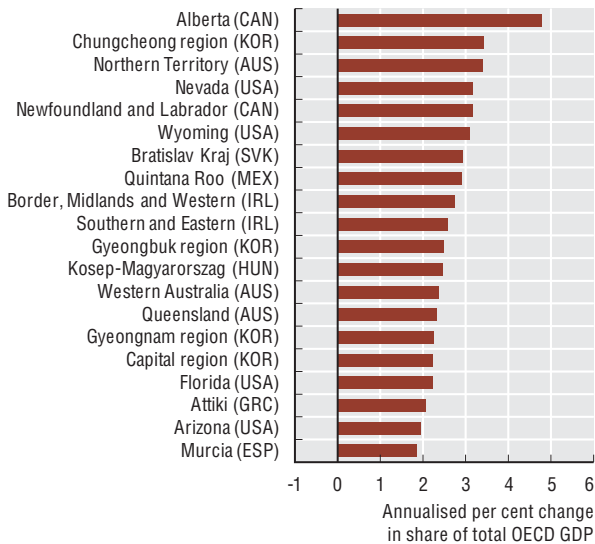
The decomposition of a region's share of OECD GDP is run in this section on TL2 regions over the period 1999-2005, with the following exceptions: Australia, Canada, Germany, Greece and Korea 1995-2005; Japan, Norway and the United States 1997-2005; Mexico 1998-2004; Turkey 1995-2001.

Regional GDP not available for Iceland, New Zealand and Switzerland.

20. OVERALL REGIONAL PERFORMANCE

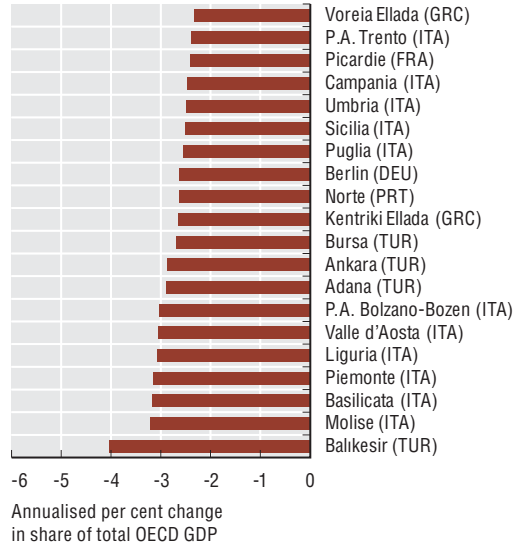
20.1 Annual increase in GDP share of the 20 fastest-growing TL2 regions, 1999-2005

Among fastest-growing regions, GDP increased the most in Alberta, Canada, and the least in Murcia, Spain.



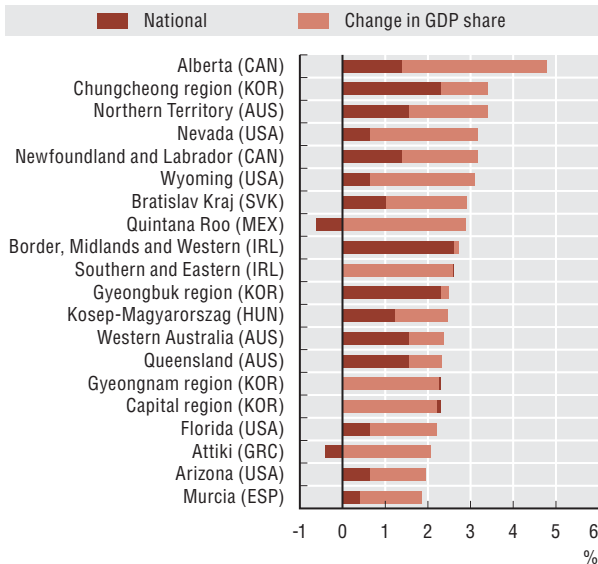
20.2 Annual decrease in GDP share of the 20 slowest-growing TL2 regions, 1999-2005

Among slowest-growing regions, GDP decreased the most in Balıkesir, Turkey, and the least in Voreia Ellada, Greece.



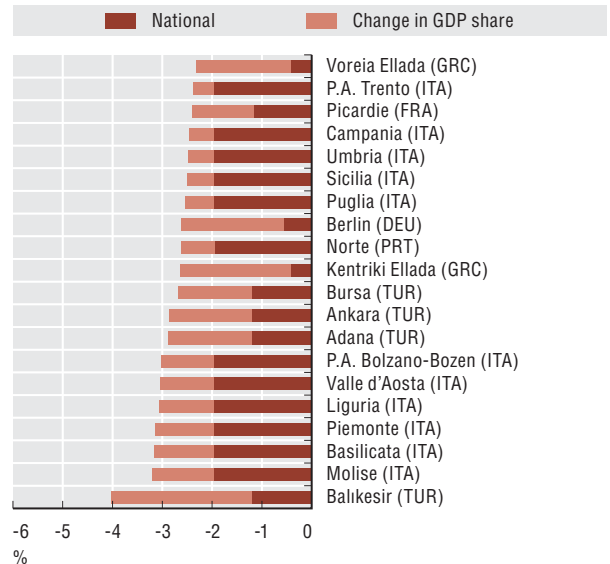
20.3 Contribution of national factors in the top 20 OECD TL2 regions, 1999-2005

Among fastest-growing regions, national factors supported growth most in the Irish regions and in four Korean regions.

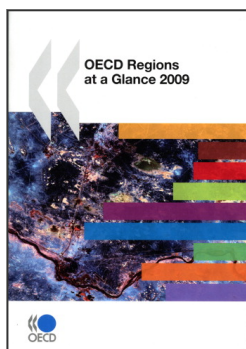


20.4 Contribution of national factors in the bottom 20 TL2 OECD regions, 1999-2005

Among slowest-growing regions, regional factors affected growth in France, Germany, Greece, Turkey and the UK.



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