

### Regional economic disparities

Regional differences in gross domestic product (GDP) per capita within non-OECD countries are often substantial and larger than among OECD countries. According to the Gini index, the emerging economies – Indonesia, Colombia and the Russian Federation – displayed the greatest disparity in GDP per capita in 2013, with Chile, Mexico, the Slovak Republic and Ireland showing greatest disparity among the OECD countries (Figure 2.17).

During 2000-13 regional disparities increased in 18 out of the 32 countries considered. Significant increases can be found in Ireland, Australia, the Slovak Republic and France (Figure 2.17).

Regional differences in GDP per capita, measured by the range between the region with the highest and the lowest GDP per capita, were markedly high in Mexico, Chile and the United States where some regions were at least three times richer than the national average, and other regions had values lower than half of the national average (Figure 2.18).

#### 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 2008). To make comparisons over time and across countries, it is expressed at constant prices (year 2010), 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.

The Gini index is a measure of inequality among all regions of a given country. 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.

The poverty rate is the ratio of the number of people who fall below the poverty line and the total population; the poverty line is here taken as half the median household income.

While the Gini index provides a measure of the overall inter-regional disparities in a country, the poverty rates measure the share of people living in the bottom part of the income distribution and can provide an indication of the different economic implications of disparities within a country. Regional disparities as measured by the Gini index in GDP per capita are of the same magnitude in the United States and in the Czech Republic, for example, while the percentage of the national population in poverty in the former is more than three times higher than in the latter (Figure 2.19).

#### Source

OECD (2015), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

OECD (2015), "Deflator and purchasing power parities", *OECD National Accounts* (database), <http://dx.doi.org/10.1787/na-data-en>.

OECD (2015), "Income distribution", *OECD Social and Welfare Statistics* (database), <http://dx.doi.org/10.1787/socwel-data-en>.

#### Reference years and territorial level

2000-13; TL3.

Australia, Canada, Chile, Mexico, Turkey and the United States TL2 regions. Germany non-official grid regions.

Brazil, China, Colombia, Indonesia, Russian Federation and South Africa TL2 regions.

Regional GVA for Turkey. Regional GDP is not available for Iceland and Israel.

#### Figure notes

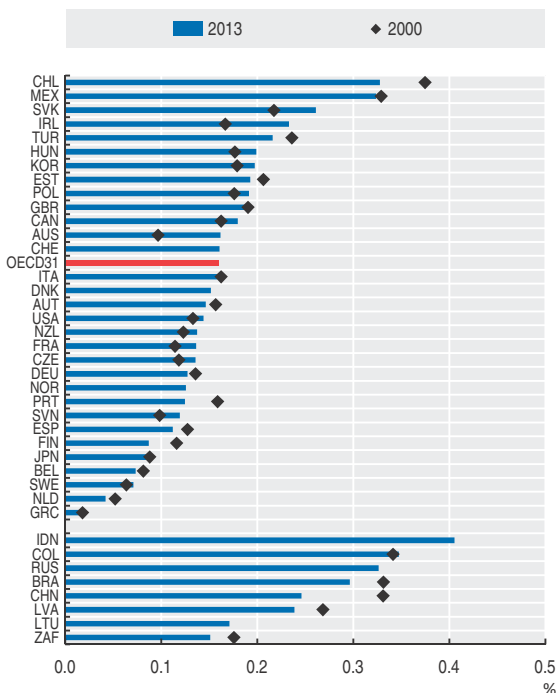
2.17: First available years: Japan and India 2001; Mexico 2003; China 2004.

2.17-2.19: Last available year: Austria, Brazil, China, Colombia, Estonia, Finland, France, Germany, Hungary, Indonesia, Ireland, Italy, Japan, Latvia, Lithuania, Norway, Poland, Russian Federation, Spain, Sweden and Switzerland 2012.

2.19: Poverty rate, all countries 2012, Canada 2011.

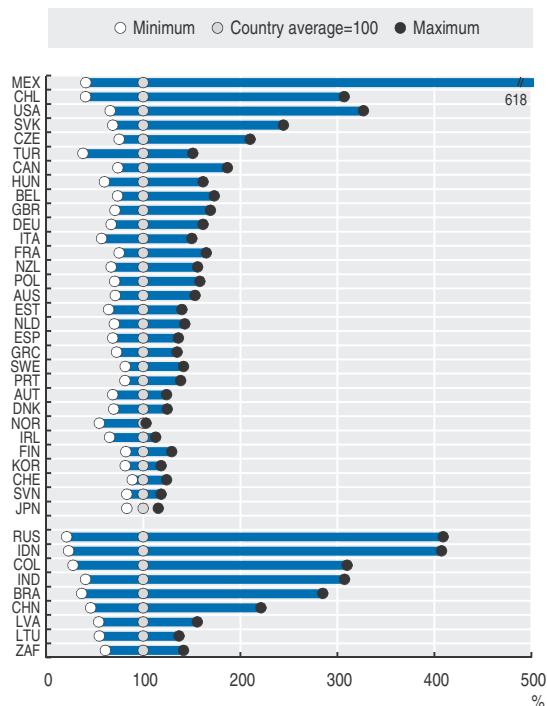
Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

**2.17. Gini index of inequality of GDP per capita across TL3 regions, 2000 and 2013**



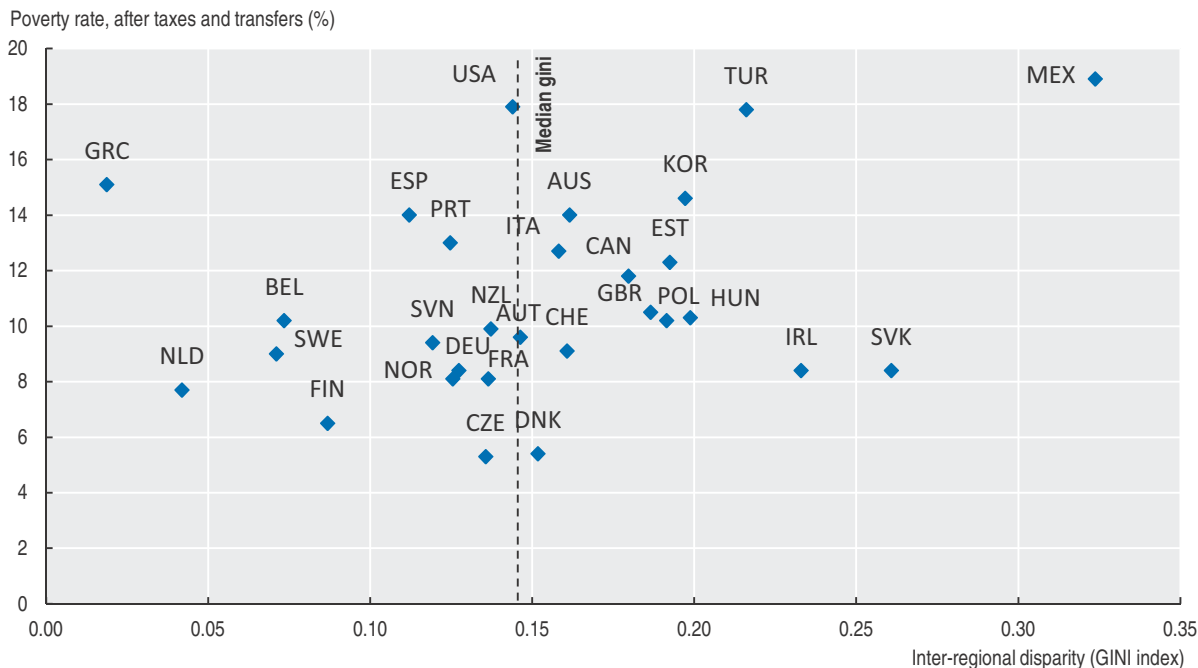
StatLink <http://dx.doi.org/10.1787/888933363221>

**2.18. Regional variation in GDP per capita (as a % of national average), 2013 (TL2)**



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**2.19. Gini index of inequality of GDP per capita across TL3 regions and poverty rate after taxes and transfers (%), 2013**



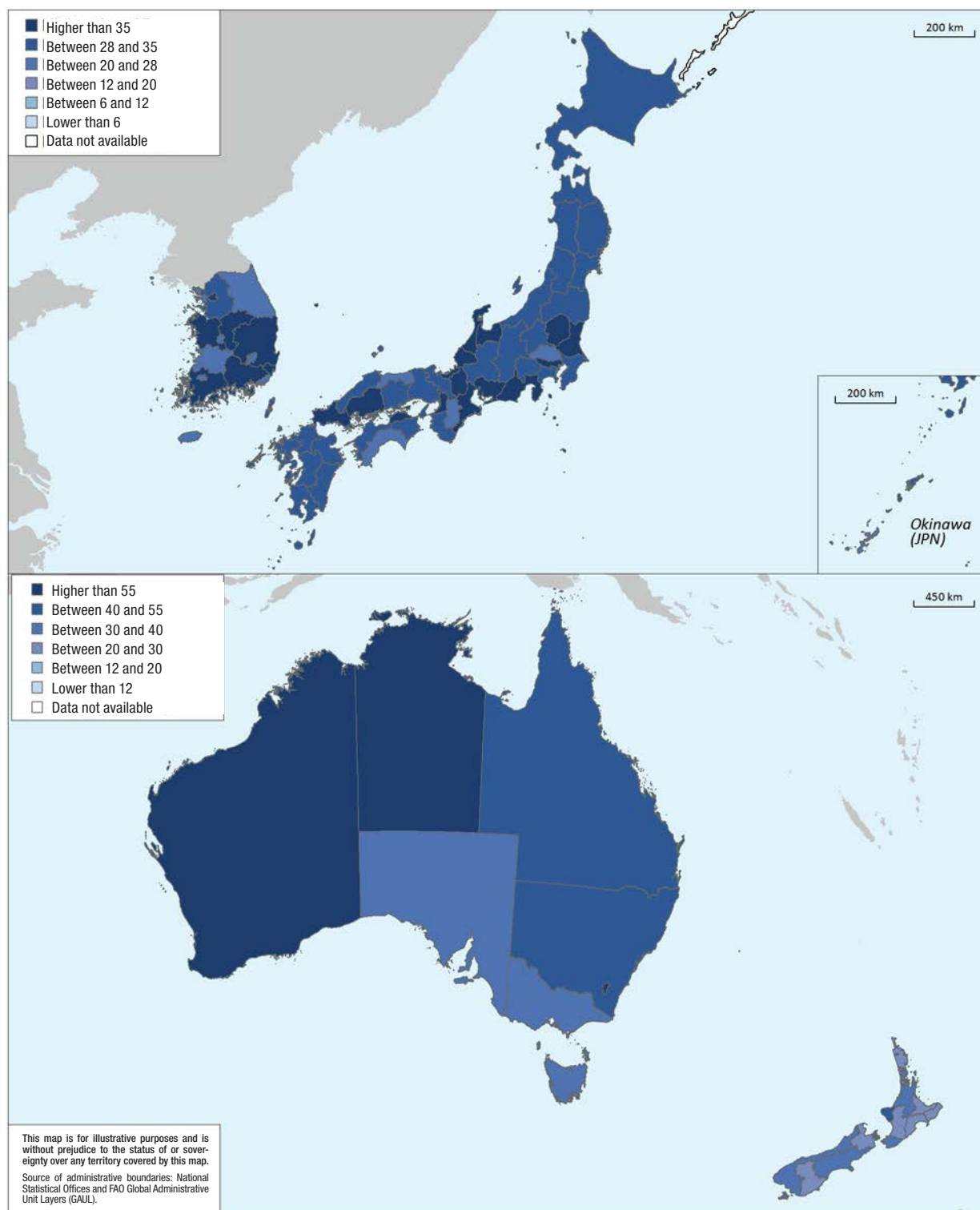
StatLink <http://dx.doi.org/10.1787/888933363243>


## 2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

### Regional economic disparities

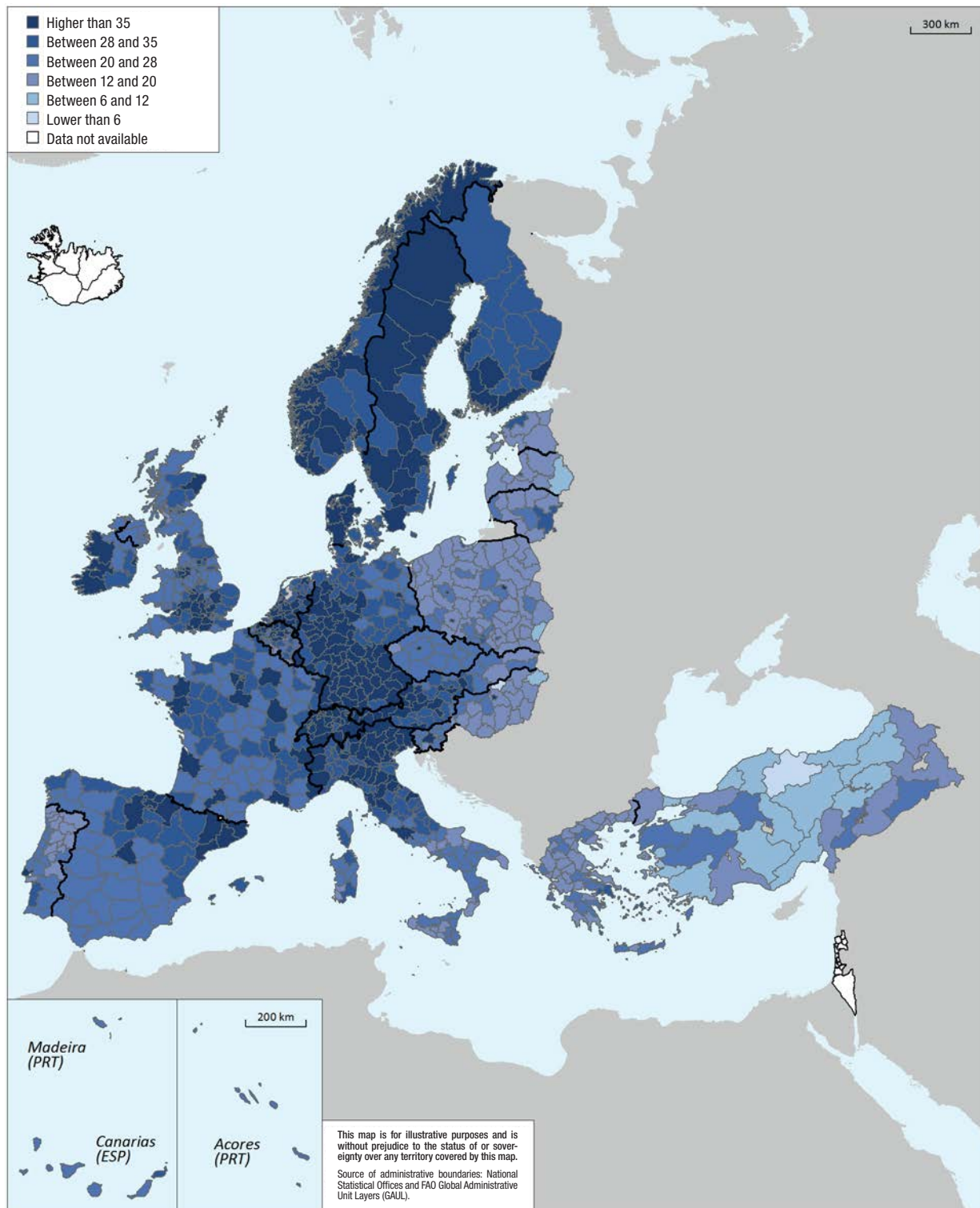
#### 2.20. Regional GDP per capita: Asia and Oceania, 2013

(Constant 2010 USD PPP in thousands), TL3 regions



StatLink  <http://dx.doi.org/10.1787/888933364154>

**2.21. Regional GDP per capita: Europe, 2013**  
 (Constant 2010 USD PPP in thousands), TL3 regions



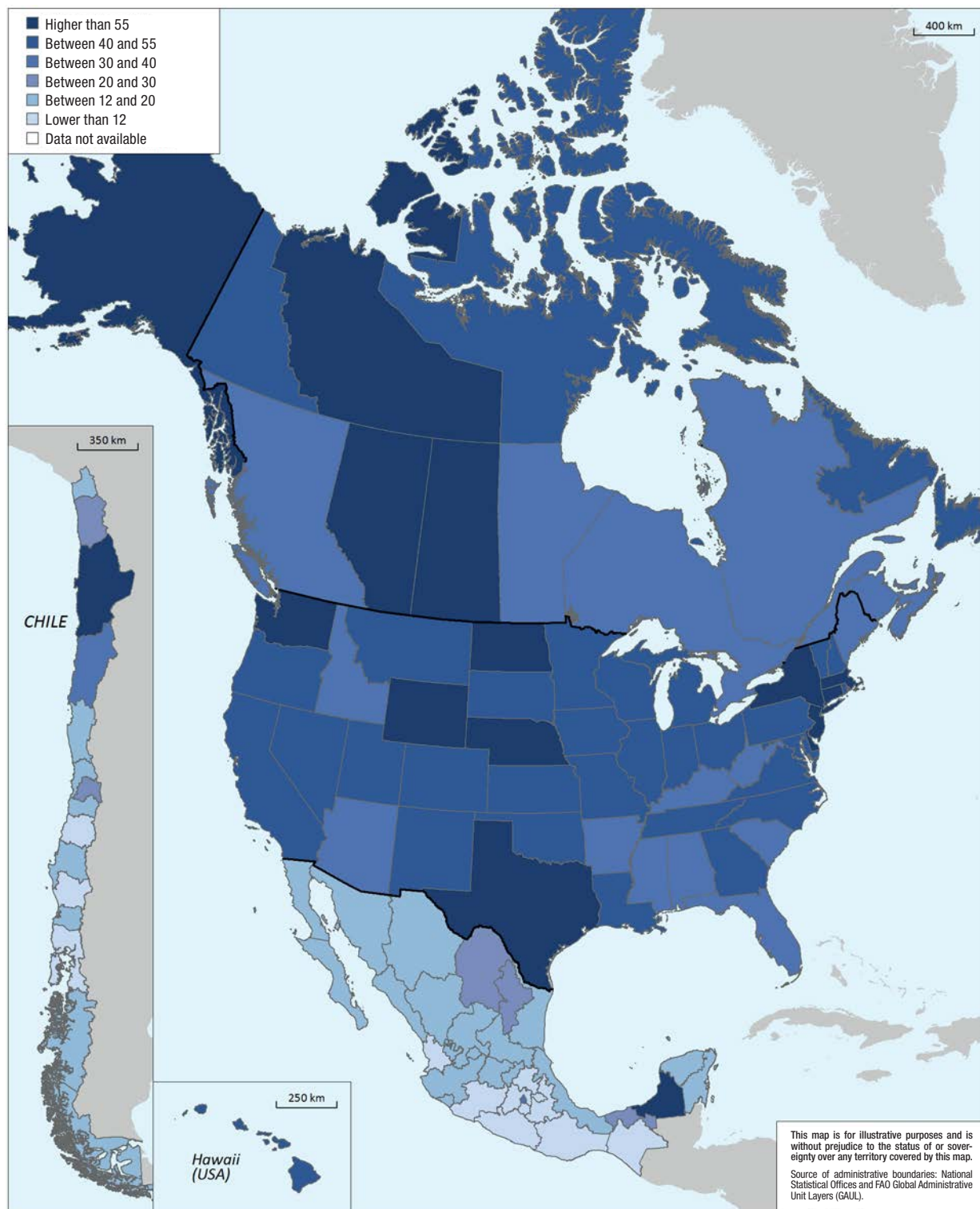
StatLink  <http://dx.doi.org/10.1787/888933364166>

## 2. REGIONS AS DRIVERS OF NATIONAL COMPETITIVENESS

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#### 2.22. Regional GDP per capita: Americas, 2013

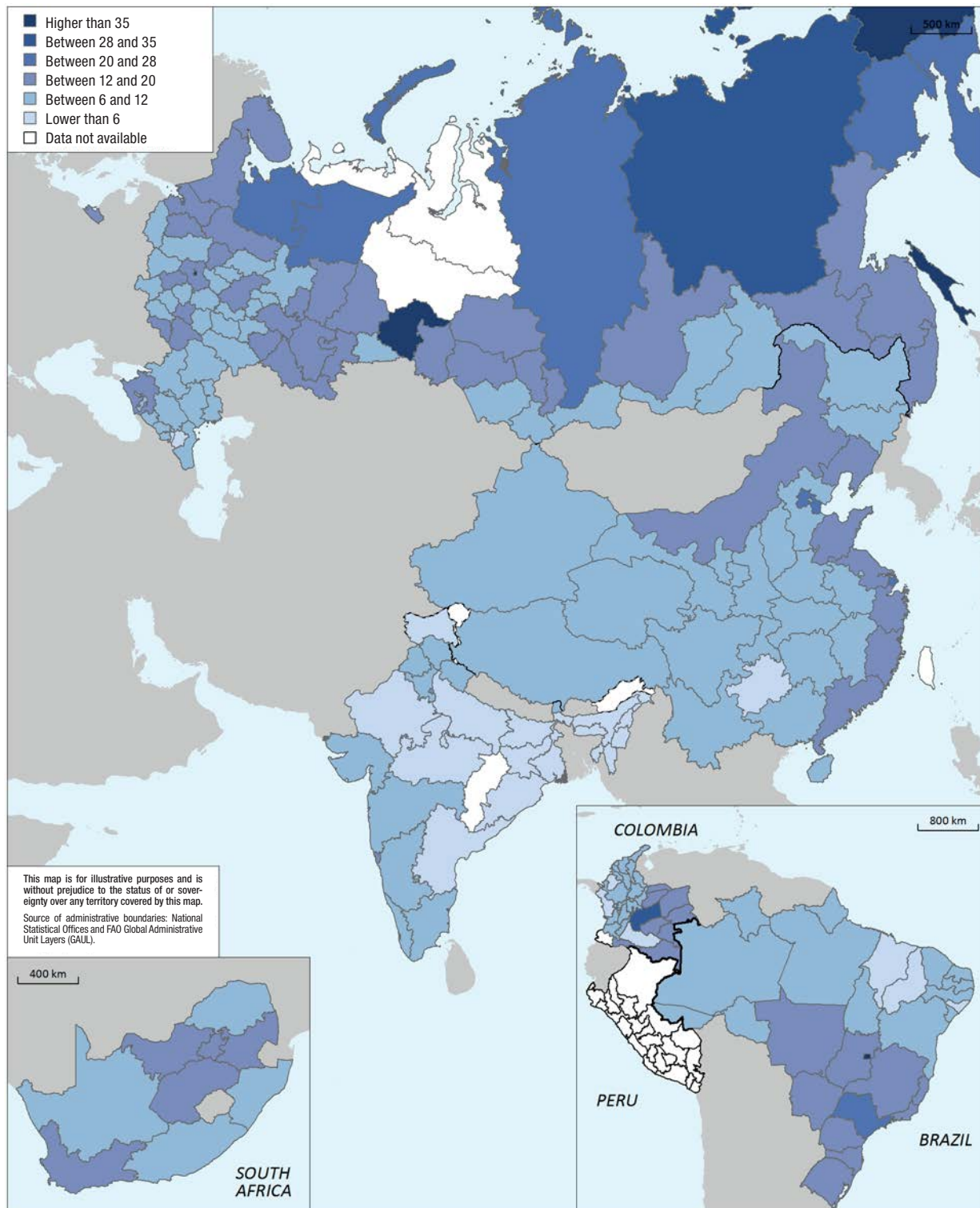
(Constant 2010 USD PPP in thousands), TL2 regions



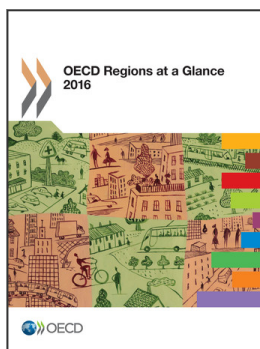
StatLink  <http://dx.doi.org/10.1787/888933364179>

2.23. Regional GDP per capita: Emerging economies, 2013

(Constant 2010 USD PPP in thousands), TL2 regions



StatLink <http://dx.doi.org/10.1787/888933364183>



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