

18. REGIONAL FACTORS: PRODUCTIVITY AND SPECIALISATION

High growth in GDP per capita for 1998-2003 was a result of a relative increase in GDP per worker in a large majority of OECD regions (77%).

Productivity gains are boosted by specialisation

The rise in GDP per worker was due to a relative increase in average productivity in 53%, while specialisation was a factor in the remaining 47%. More specifically, specialisation in industries with high productivity growth contributed to the rise in GDP per worker in 17% of regions, a change in specialisation towards high productivity industries in 10% and both components in the remaining 20%.

Among the 20 fastest-growing regions (Figure 18.1), productivity growth had the largest impact on GDP per worker in the Northern Territories (19%), Madeira (16%), Stredni Cechy and Wyoming (12%). Specialisation in industries with high productivity growth had the biggest impact in Quintana Roo (12%) and Campeche (9%). Finally, a change in specialisation towards high productivity industries accounted for a 5% increase in GDP per worker in Campeche and 3% in Attiki.

The relative decrease in GDP per capita over 1998-2003 was a result of a relative decrease in GDP per worker in 80% of regions.

Sectors of low productivity undermine growth

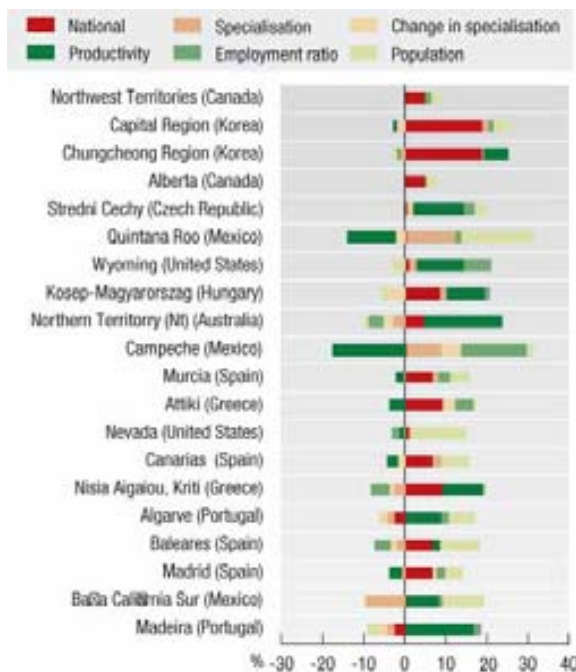
The drop in GDP per worker was due to a relative decline in average productivity in 35% of these regions. Specialisation and changes in specialisation contributed to declines in GDP per worker in the remaining 65% of regions.

In particular, specialisation in industries with low productivity growth was a factor in 25% of regions, a change in specialisation towards industries with low productivity in 15% and both components in the remaining 25%.

Among the 20 slowest-growing regions (Figure 18.2) a decline in productivity had the largest impact on GDP per worker in Champagne-Ardenne (-24%) and Bourgogne (-16%). The effect of specialisation in industries with low productivity growth was the largest in Shikoku (-4%) and Kinki (-1.5%). Finally, a change in specialisation towards industries with low productivity accounted for a 3% decrease in GDP per worker in Berlin and 2% in Mexico and Shikoku.

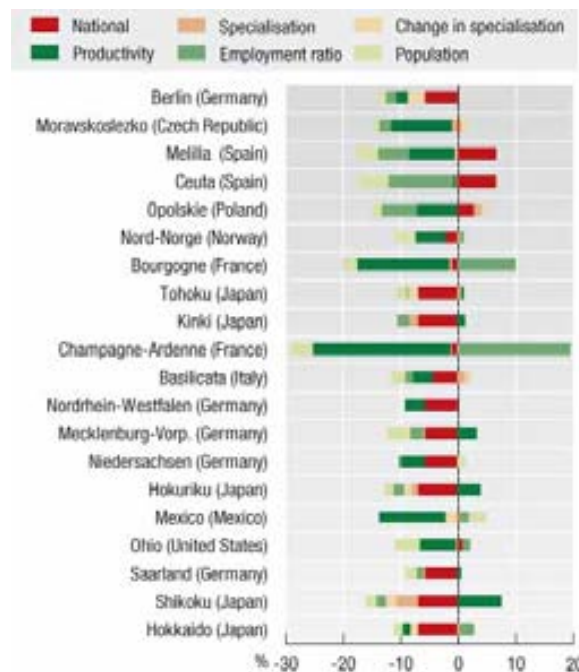
18.1. Factors explaining faster GDP growth in the top 20 OECD regions

Change in the regional GDP share of the OECD 1998-2003 (TL2) due to:



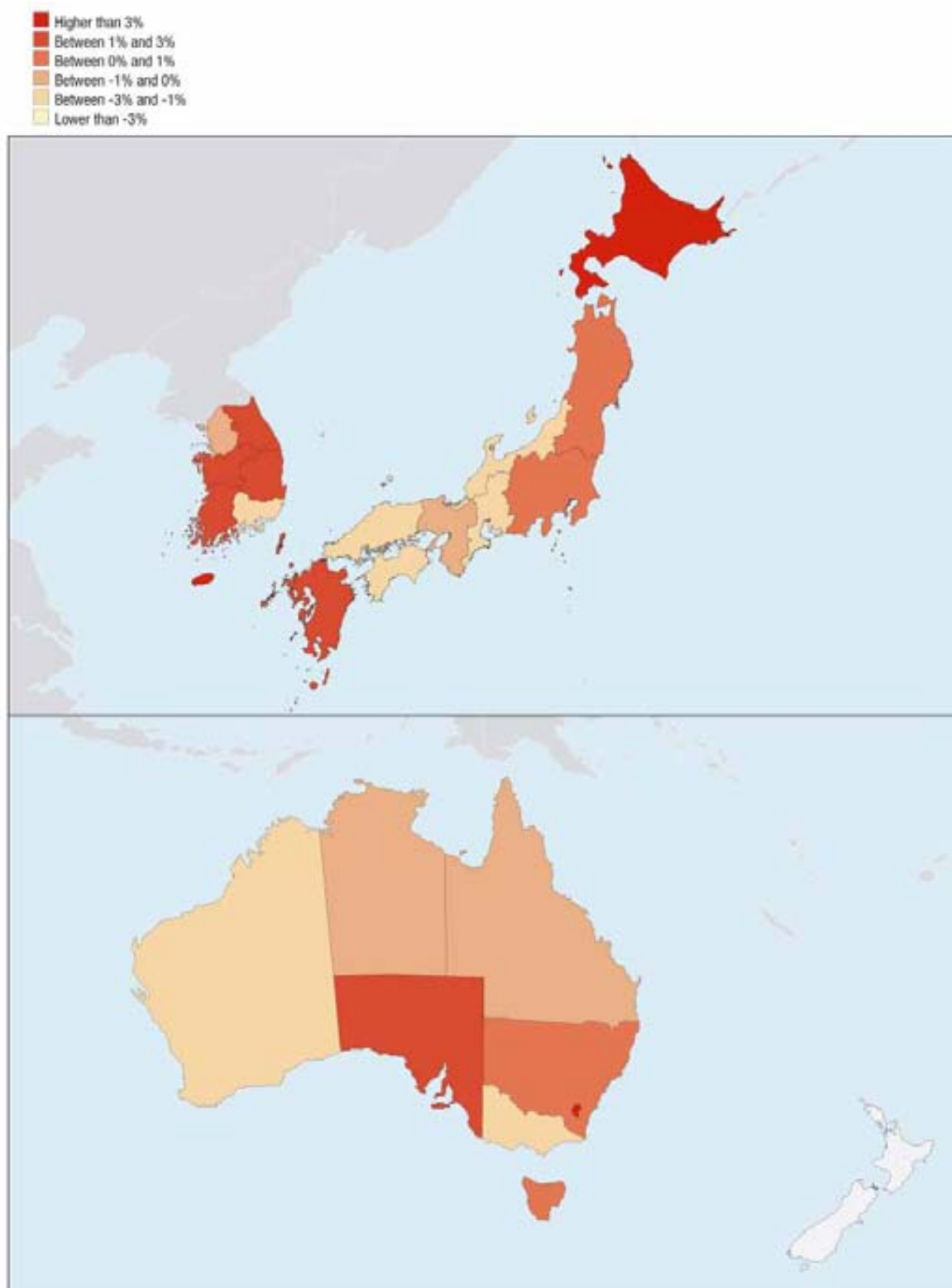
18.2. Factors explaining slower GDP growth in the bottom 20 OECD regions


Change in the regional GDP share of the OECD 1998-2003 (TL2) due to:



18.3. Change in the regional GDP share of the OECD due to change in productivity:
Asia and Oceania

1998-2003

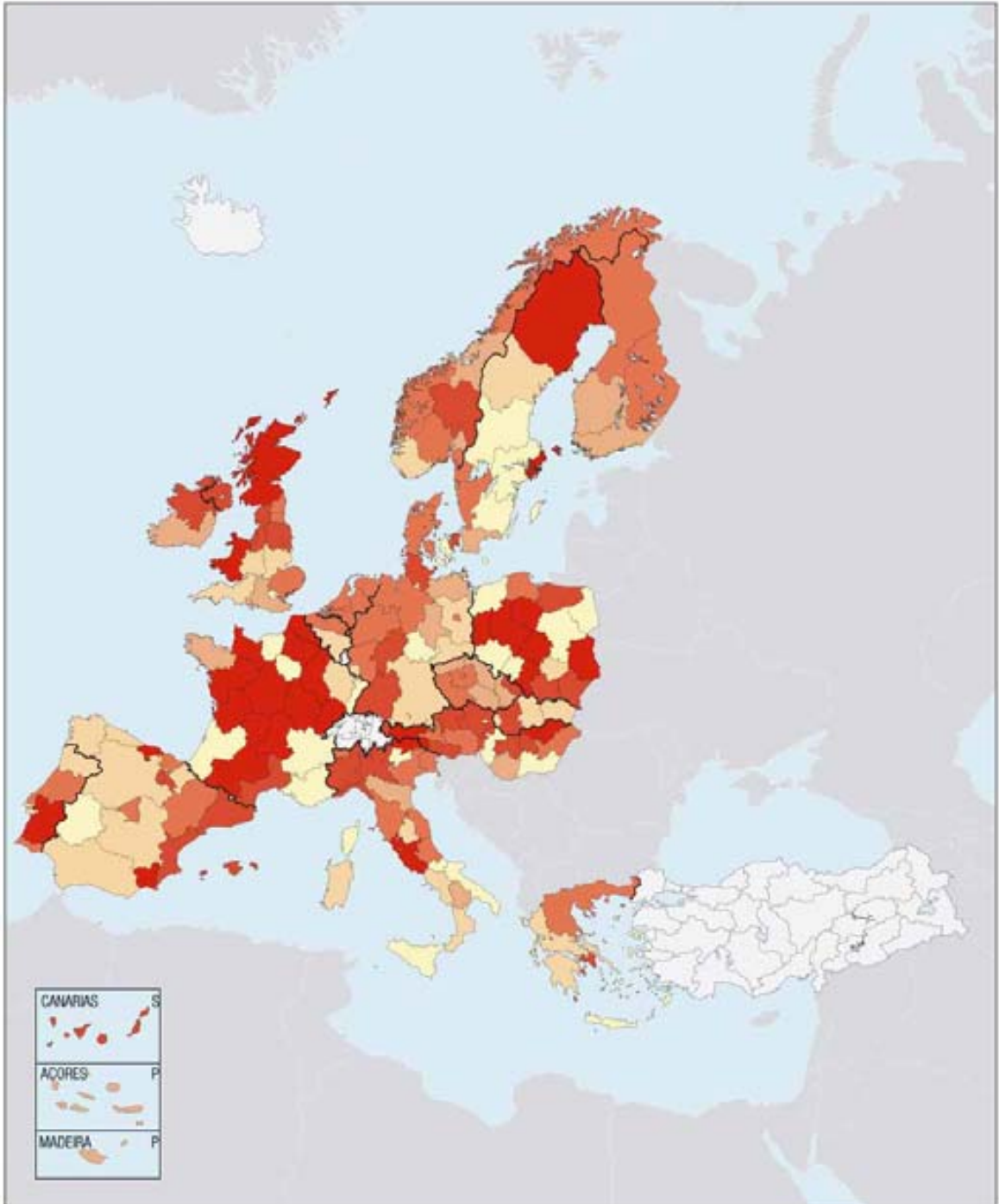
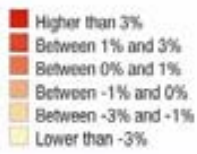


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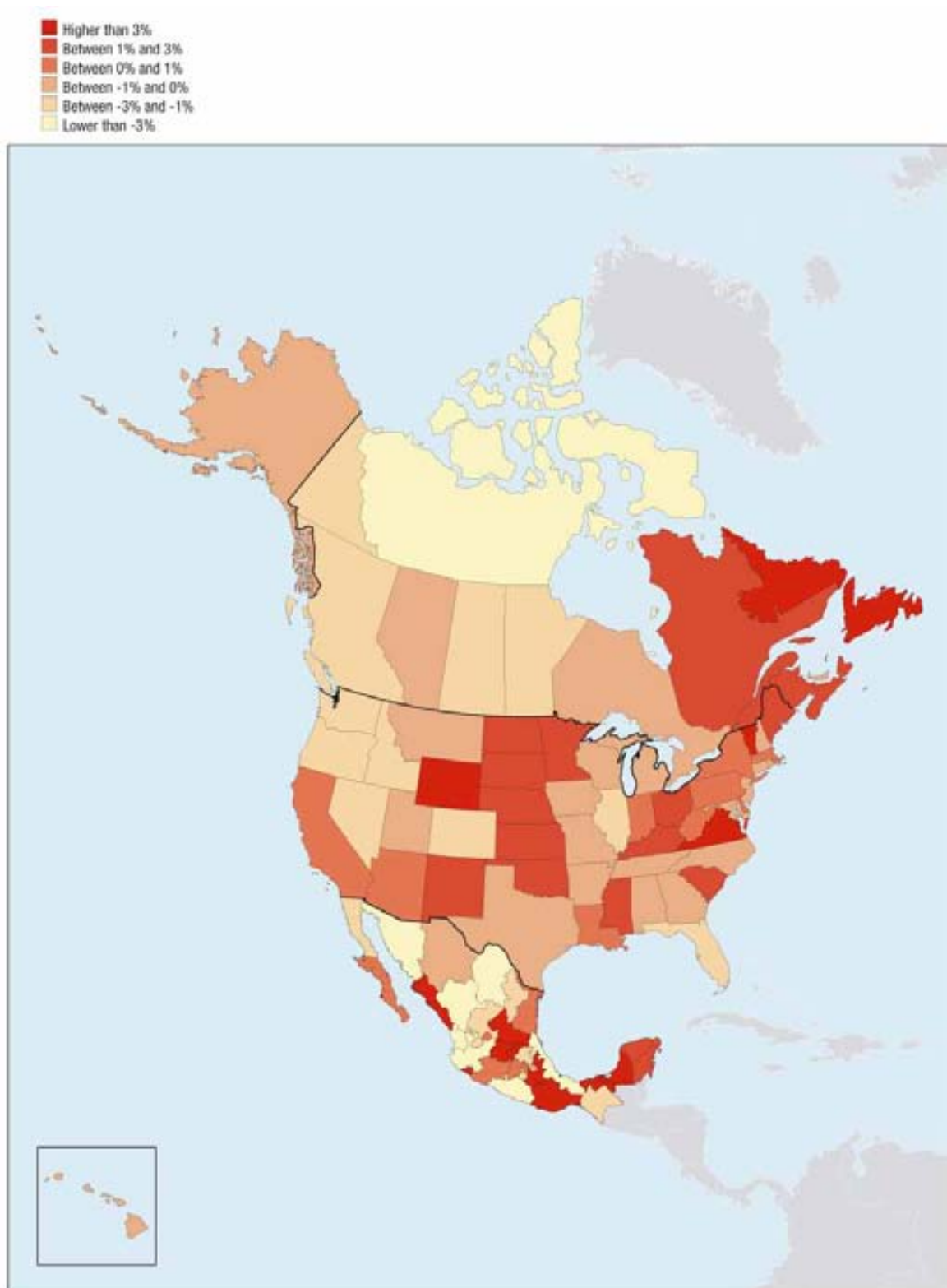
18.4. Change in the regional GDP share of the OECD due to change in productivity: Europe


1998-2003



18.5. Change in the regional GDP share of the OECD due to change in productivity:
North America

1998-2003



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Symbols and Abbreviations

OECD (25) average	Unweighted average of 25 OECD countries.
OECD (25) total	Sum over all regions of 25 OECD countries.
OECD (25)	Range of variation over all regions of 25 OECD countries.
TL2	Territorial Level 2.
TL3	Territorial Level 3
NOG	Non Official Grid
*	Differences in the definition of data or regions. Please check the “Sources and Methodology” section.
PU	Predominantly Urban
IN	Intermediate
PR	Predominantly Rural
PPP	Purchasing Power Parity
USD	United States Dollar





I. REGIONS AS ACTORS OF NATIONAL GROWTH

1. GEOGRAPHIC CONCENTRATION OF POPULATION
2. GEOGRAPHIC CONCENTRATION OF THE ELDERLY POPULATION
3. GEOGRAPHIC CONCENTRATION OF GDP
4. REGIONAL CONTRIBUTIONS TO GROWTH IN NATIONAL GDP
5. GEOGRAPHIC CONCENTRATION OF INDUSTRIES
6. REGIONAL CONTRIBUTIONS TO CHANGES IN EMPLOYMENT
7. GEOGRAPHIC CONCENTRATION OF PATENTS

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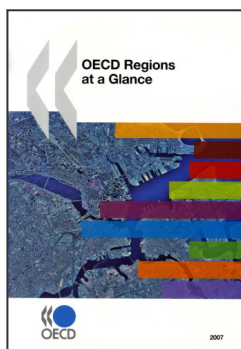
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