

Cracow University of Economics
Poland

**“Sources of Real GDP per Capita Growth:
Polish Regional-Macroeconomic Dimensions 2000-2005”**

- Key Note Speech -

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Overview

Real GDP/Capita is the market value of goods and services available to a country’s citizens and as such is regarded as the best measure of welfare.

The Case

Earlier research on growth performance across Poland’s sixteen regions has highlighted the presence of serious economic disparities, especially down the Eastern wall of the country.

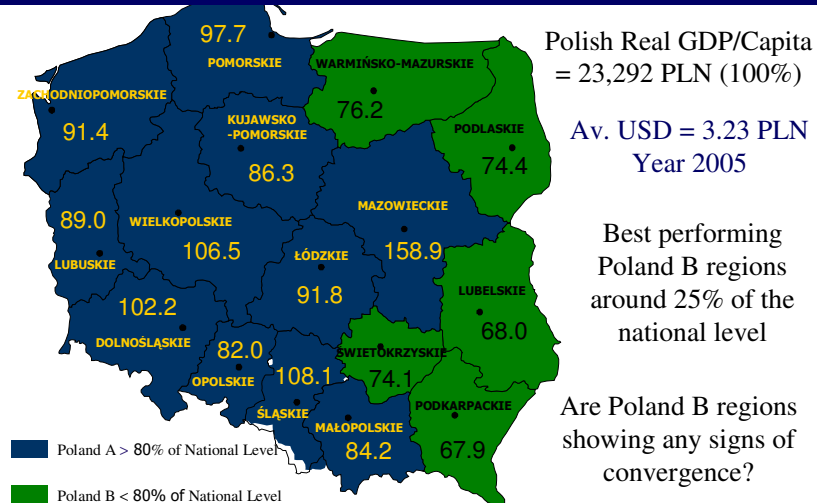
Objective

The aim of this study is to show that a process of convergence between the Eastern regions of the country and the comparatively better developed Western regions has been initiated.

Methodology: The Decomposition Technique

Regional Welfare (Real GDP Capita)

Income Distribution Effects (% of National Level 2005)



Measuring Convergence in Welfare

Chosen Methodology

Decomposition Technique for Real GDP Capita

$$\Delta \frac{gdp}{pop} \equiv \Delta \frac{gdp}{hours} + \Delta \frac{hours}{employment} + \Delta \frac{employment}{pop^{15}} + \Delta \frac{pop^{15}}{pop}$$

Where:

GDP = gross domestic product

Pop = total population

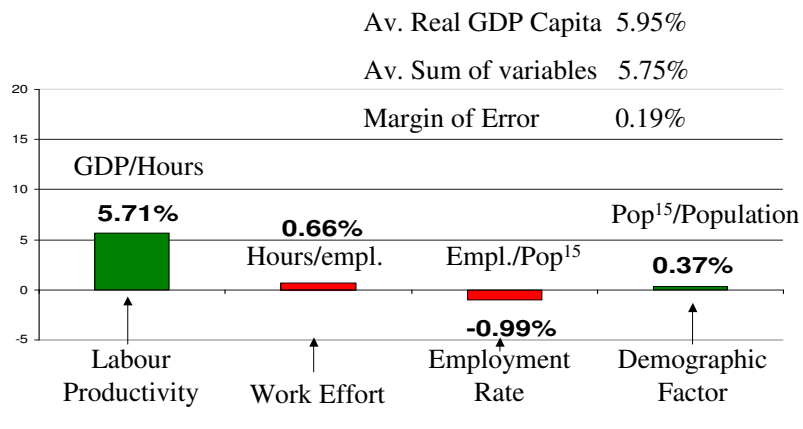
Hours = total number of hours worked

Employment = number of people employed

Pop¹⁵ = Population of working age (aged 15 and above)

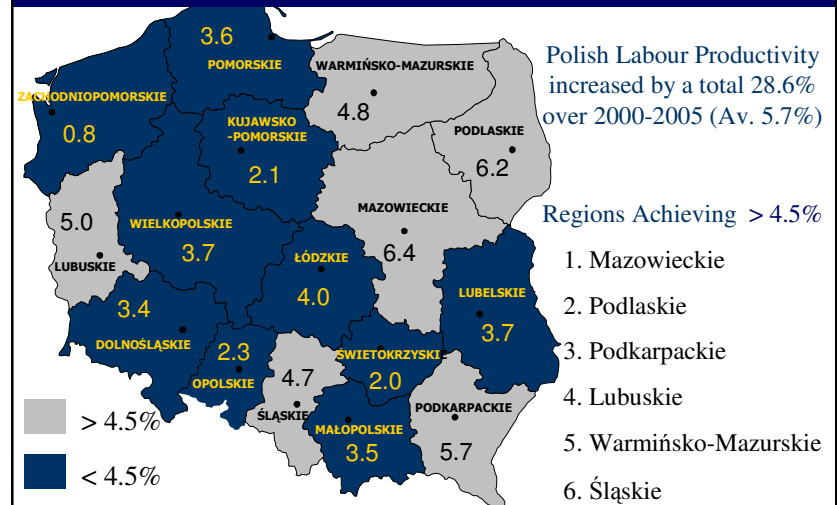
Polish Real GDP Capita Decomposed

Average Annual Percentage Change (2000-2005)

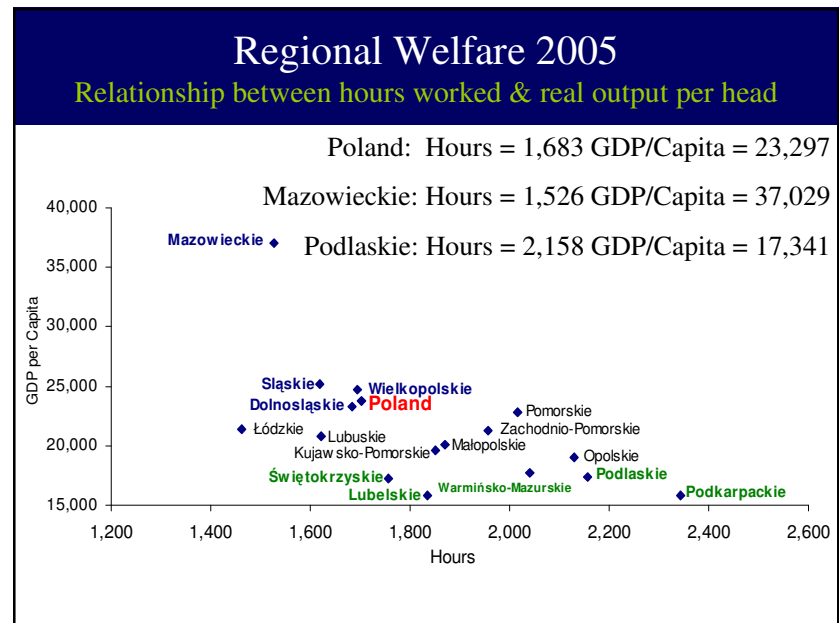


Regional Labour Productivity Performance

Average Yearly Change 2000-2005 (%)



Region	Labour Productivity 2005 GDP/Hours (PLN)	Labour Productivity 2000-2005 (Total Change %↑)
Podkarpackie	9,405	28.6% ↑
Lubelskie	10,710	18.5% ↑
Podlaskie	11,622	30.9% ↑
Warmińsko-Mazurskie	11,630	23.8% ↑
Świętokrzyskie	11,931	10.1% ↑
Opolskie	13,091	11.6% ↑
Małopolskie	14,430	17.5% ↑
Kujawsko-Pomorskie	14,681	10.2% ↑
Lubuskie	15,821	25.0% ↑
Zachodniopomorskie	15,430	3.8% ↑
Łódzkie	16,782	20.0% ↑
Pomorskie	16,961	18.1% ↑
Poland	18,294	28.6% ↑
Dolnośląskie	18,513	17.0% ↑
Wielkopolskie	19,862	18.6% ↑
Śląskie	20,104	23.7% ↑
Mazowieckie	32,554	31.8% ↑



Concluding Points

1. Polish real gdp/capita grew by 6% over the period 2000 2005.
2. Labour productivity was the most important component, increasing by 5.7% over time.
3. Three out of the five Eastern wall regions (Poland B) were among those achieving the highest increases in labour productivity, suggesting that some early signs of convergence are evident.
4. This is also consistent with some of the observed shifts in the structure of employment in the country – agriculture to industry.
5. Poland B regions overall tend to work far greater hours in contrast to the developed west of the country and generate lower output/income per head