

Review of: "Differences in Regional Productivity and Imbalance in Regional Growth"

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Potential competing interests: No potential competing interests to declare.

The paper deals with TFP and different productivity levels across regions in Denmark, whose influence on economic growth may vary. The aim is built upon an observation, that is, there are historical data that clearly indicates the possibility of the existence of differences on productivity levels across regions.

Literature review is well done, though there are many other works on the relationship of productivity levels and macro variables (spatial/regional). In face of this abundance, old works for historical purposes should be cited, while giving preference to those most recent. In fact, I miss a reference of Solow or many other old authors that investigated TFP and economic growth.

The introduction towards the model and application is made with a section that points out some trends through data, which helps in justifying the selection of the different areas to be studied. However, there is no section that explains and justifies the data and period coverage used in the model simulations, and this is a classic must-have.

Also, the method used in the analysis can easily be open to criticism. Precisely because most of the literature has proven there are some important variables that influence productivity and economic growth by means of econometric models, a new question arises: why don't we do this in a similar way but with a different purpose? That is, the natural answer is to use an econometric model to test for regional differences. Therefore, if one is about to use the proposed general equilibrium-based model, there must be some gains in it with respect to the classic econometric approach, even if the purpose is different from the majority of the literature. There is no explanation on the origins and selection of the model applied other than three references and that its danish (that should be pointed out as advantages, if they really are).

Discussions and conclusions are fine, but they are conditioned to the results obtained by the aforementioned model. In addition, future research should be remarked, preferably at the near end of this section.

In sum, the aim and contribution are valuable. With this on mind, I suggest: 1) to focus on a recent literature, citing the old references for historical purposes if necessary, 2) to clarify sample and data, noting its improvement with respect to previous works, 3) to justify the model election and 4) to conclude with weaknesses that should lead to future research.