

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

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**Potential competing interests:** No potential competing interests to declare.

This article is well written and structured. The authors examined the relationship between changes in labor productivity and economic growth in Danish regions at the municipal level or identified how changing productivity trends within selected sectors (the knowledge-based services sector and industry of machines) have direct and spillover effects on regional growth, especially urban, rural and peripheral.

The literature review is well structured, and the authors contributed to the existing literature examining how changing productivity assumptions in a regional economy can have both inter-sectoral and inter-regional spillover effects.

The methodology and results are well explained. Indeed, the authors implemented a SAM-K/LINE model of the Danish inter-regional macroeconomic model with Computable General Equilibrium and Social Accounting Matrix frameworks in order to examine how changes in productivity in the two sectors affect economic growth in Danish regions, especially urban, rural and peripheral. They found positive productivity effects of each sector on employment in these different types of municipalities. They showed that total productivity effects are highest among municipality types.

They found that the machine industry sector has stronger backlinks than the knowledge-based service sectors. They also highlighted that the machine industry sector is characterized by higher intermediate consumption, which explains the higher spillover effect from increased productivity in that sector. They argued that the spillover effects are unidirectional in both sectors: rural to urban, suburb to urban, and suburb to rural. Their results highlighted the importance of location for the spillover effects of changes in gross output, particularly in the mechanical engineering sector.

In demonstrating the main hypotheses of this article, it is necessary to cite the recent literature. There is an article that can strengthen the discussion of these results:

Santolini, R. (2020). Territorial effects on the efficiency of local government. *Regional Science Articles*, 99(1): 183–200.  
<https://doi.org/10.1111/pirs.12475>