

## Did you know?

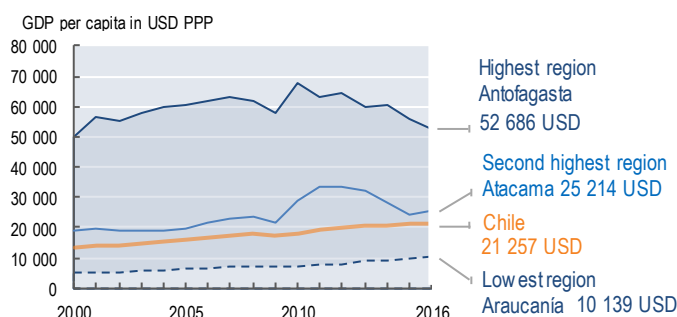
Chile experienced the largest reduction in regional economic disparities of all OECD countries in 2000-16.

The three Metropolitan areas with more than 500 000 inhabitants in Chile account roughly for half of national population and national GDP.

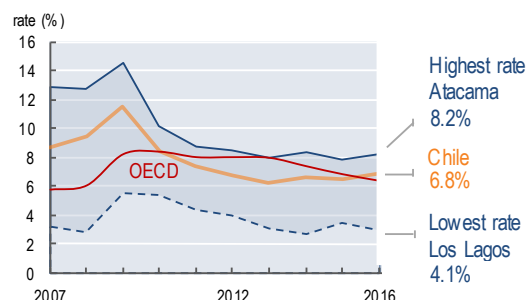
Subnational governments carried out only 12.5% of public investment compared to the OECD average of 56.9% in 2016.

## Economic trends in regions

Regional gap in GDP per capita, 2000-14



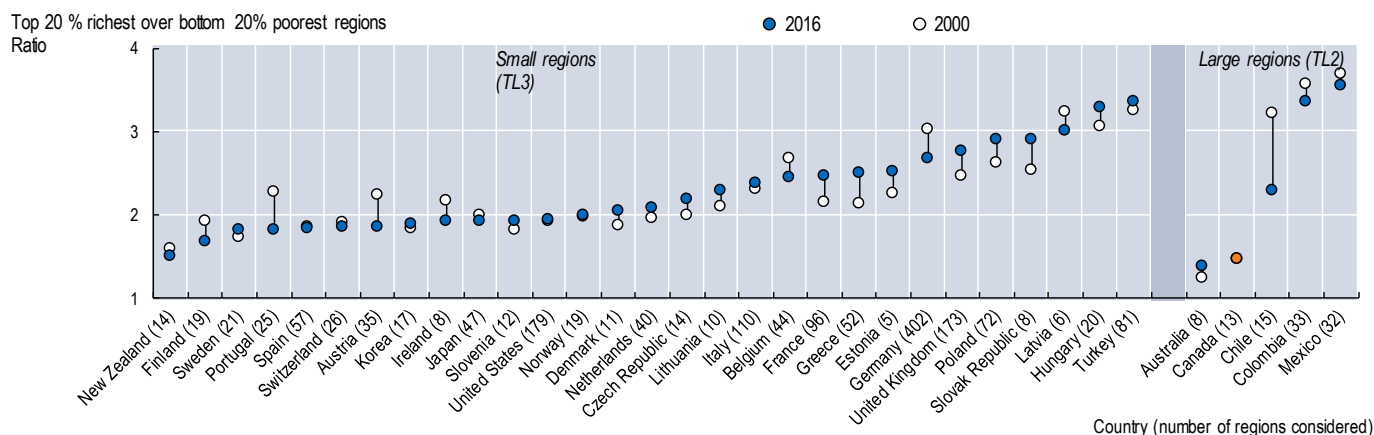
Unemployment rate, 15-64 years old, 2007-16



**Regional economic disparities showed the largest reduction among OECD countries since 2010.** Between 2010 and 2016, the region with the lowest GDP per capita in the country, Araucanía, grew by 5.8% per year in terms of GDP per capita, while in Antofagasta, the richest region, GDP per capita decreased by 4% per year during the same period. Although regional economic disparities between the richest and poorest 20% of regions decreased by 38% in 2000-2016, Chile still has larger regional disparities than the average of OECD countries.

**The unemployment rate** of 6.8% in Chile was close to OECD average in 2016. Regionally, differences in unemployment have narrowed since 2009, but remain significant. The unemployment rate in Atacama was twice as high as in Los Lagos in 2016.

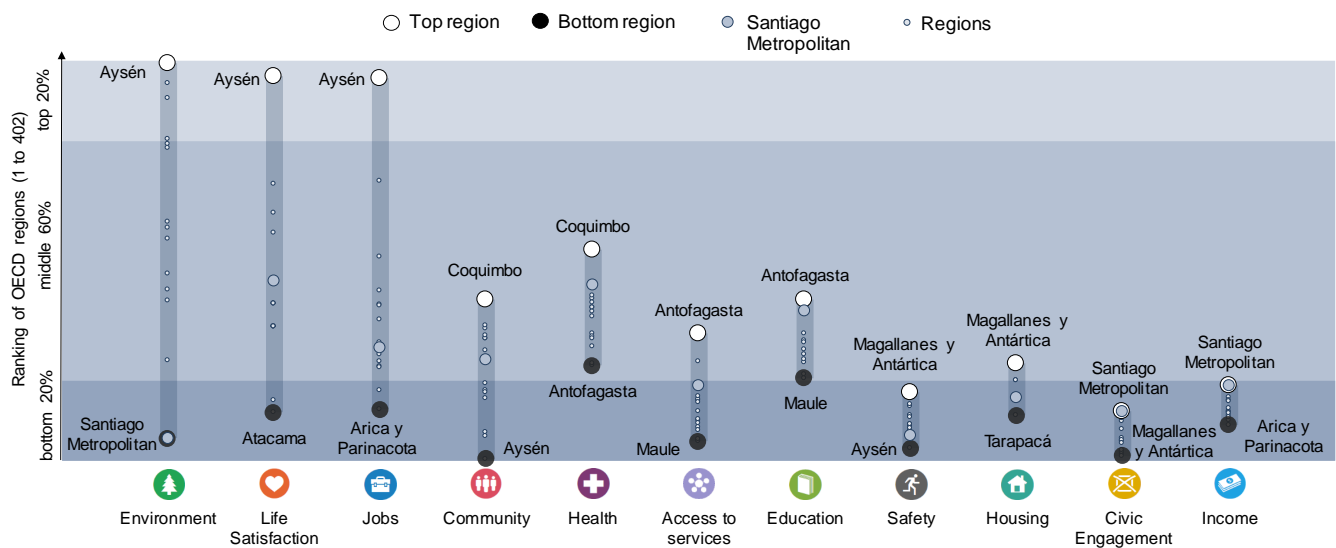
Index of regional disparity in GDP per capita, 2016



Source: OECD Regional Database.

Notes: (1) Figure on regional gap in GDP per capita: OECD regions refer to the administrative tier of subnational government (large regions, Territorial Level 2); Chile is composed of 15 large regions. (2) Figure on index of regional disparity: top (bottom) 20% regions are defined as those with the highest (lowest) GDP per capita until the equivalent of 20% of national population is reached, this indicator provides a harmonised measure to rank OECD countries, using data for small regions (Territorial Level 3) when available.

## Differences in well-being across regions



Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 402 OECD regions. The eleven dimensions are ordered by decreasing regional disparities in the country. Each well-being dimension is measured by the indicators in the table below.

Large regional disparities in Chile are found in the well-being dimensions of environment, life satisfaction and jobs. In each of these dimensions, at least one Chilean region ranks among the top 20% of OECD regions and at least one region among the bottom 20% of OECD regions. All Chilean regions are among the bottom 20% of OECD regions in terms of safety, civic engagement and income.

The high performing Chilean regions fare better than the OECD median region in air pollution, self-assessed life satisfaction and mortality rate. In the low performing regions, the share of households with broadband connection is 35 percentage points lower than the OECD average.

		Country Average	OECD median region	Chilean regions	
				Top 20%	Bottom 20%
	<b>Environment</b>				
	Level of air pollution in PM2.5 (µg/m³), 2015	16.3	12.4	5.9	24.8
	<b>Life Satisfaction</b>				
	Life satisfaction (scale from 0 to 10), 2013	6.4	6.8	7.2	6.3
	<b>Jobs</b>				
	Employment rate 15 to 64 years old (%), 2017	62.2	67.7	65.8	58.7
	Unemployment rate 15 to 64 years old (%), 2017	6.8	5.5	4.7	7.8
	<b>Community</b>				
	Perceived social network support (%), 2013	83.5	91.4	88.2	78.6
	<b>Health</b>				
	Life Expectancy at birth (years), 2016	79.2	80.4	79.7	78.4
	Age adjusted mortality rate (per 1 000 people), 2016	8.3	8.1	7.9	9.1
	<b>Access to services</b>				
	Households with broadband access (%), 2017	54.0	78.0	63.7	43.1
	<b>Education</b>				
	Labour force with at least upper secondary education (%), 2017	68.4	81.7	73.4	57.8
	<b>Safety</b>				
	Homicide Rate (per 100 000 people), 2016	8.9	1.3	7.0	10.0
	<b>Housing</b>				
	Rooms per person, 2016	1.2	1.8	1.3	1.2
	<b>Civic engagement</b>				
	Voters in last national election (%), 2017 or latest year	46.7	70.9	48.5	42.1
	<b>Income</b>				
	Disposable income per capita (in USD PPP), 2016	6 871	17 695	8 562	5 094

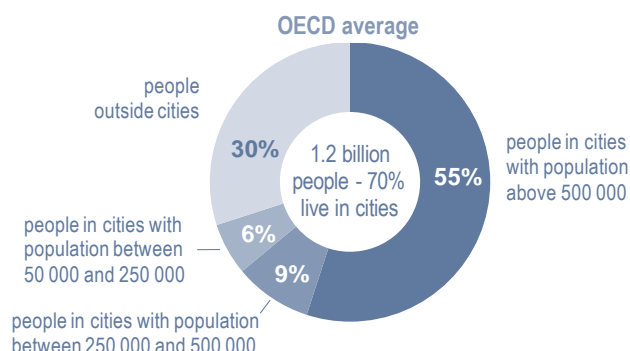
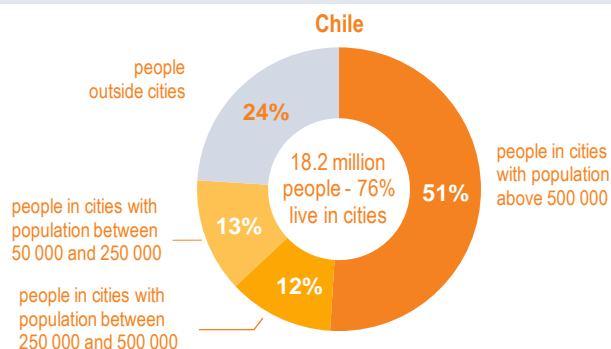
Source: OECD Regional Database. Visualisation: <https://www.oecdregionalwellbeing.org>. Notes: (1) OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2); Chile is composed of 15 large regions. (2) Household income per capita data are based on USD constant PPP, constant prices (year 2010).

# Metropolitan areas in the national economy



## OECD population is concentrated in cities\*

Percentage of population in cities, 2016

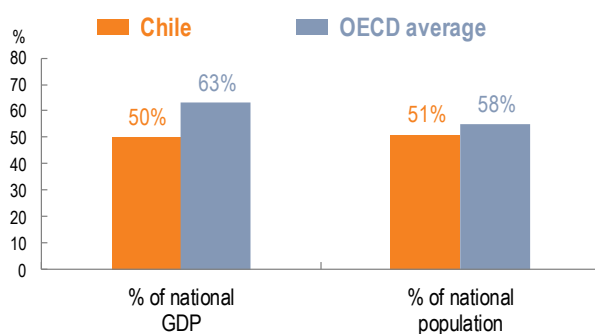


Source: OECD Metropolitan Database. Number of cities: 26 in Chile and 1 138 in the OECD.

In Chile, **76% of the population lives in cities** of more than 50 000 inhabitants. The share of population in cities with more than 500 000 people is **51%** compared to 55% in the OECD area.

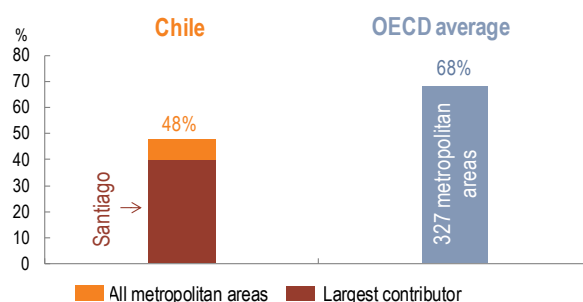
## Importance of metropolitan areas

Cities above 500 000 people, 2016



## Contribution of metropolitan areas to GDP growth

Cities above 500 000 people, 2000-16

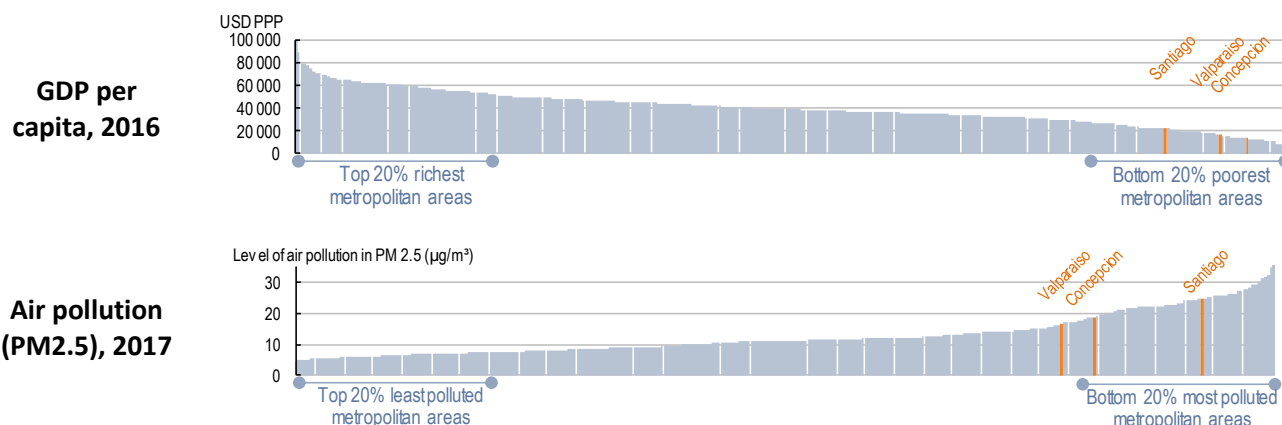


Metropolitan areas in Chile account for **50%** of national **GDP**. Between 2000 and 2016 they generated **48%** of the national **GDP growth**. The metropolitan area of **Santiago** accounted for **40%** of national **GDP growth**.

The three Chilean metropolitan areas are among the 20% metropolitan areas with lowest **GDP per capita** in the OECD. **Santiago** and Concepción is among the **20% most polluted** (in terms of levels of PM 2.5) metropolitan areas across the OECD.

## OECD Metropolitan areas ranking

Cities above 500 000 people



Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500 000: three in Chile compared to 327 in the OECD.

\* Note: Cities are defined here as functional urban areas, which are composed by high-density urban centres of at least 50 000 people and their areas of influence (commuting zone). For more information, see: <http://www.oecd.org/cfe/regional-policy/functionalurbanareasbycountry.htm>.

## Subnational government finance

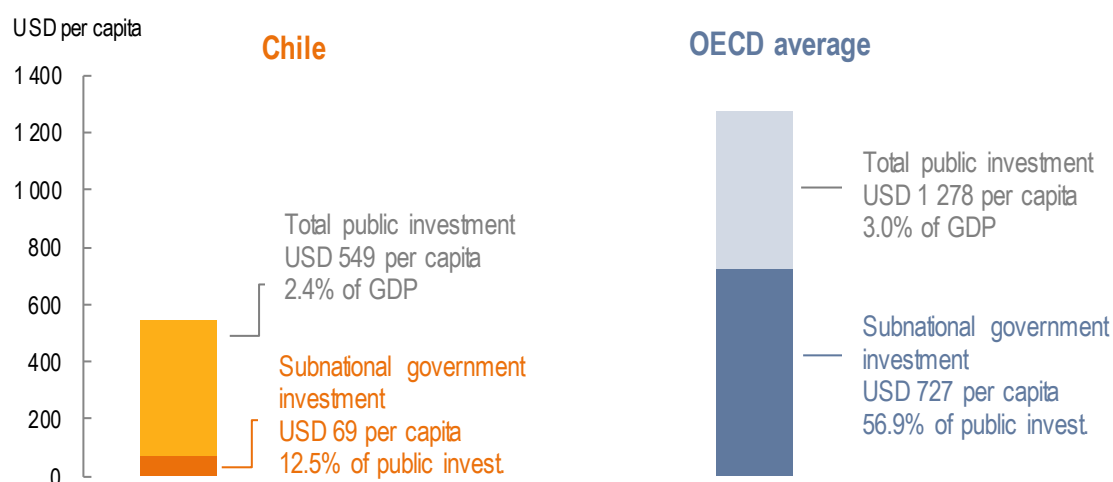


**Subnational governments play a subordinate role in Chile in terms of public finance and expenditure.** Their **expenditure** amounts to **USD 846 per capita** compared to an OECD average of USD 6 817. In Chile, this is equivalent to **0.1% of total public expenditure** and to **0.04% of GDP**. In comparison, across the OECD, subnational government expenditure accounts for 40.4% of total public expenditure and for 16.2% of GDP.

In Chile, **12.5% of total public investment** was carried out by subnational governments compared to an OECD average of 56.9%.

### Role of subnational governments in public investment

*Subnational government public investment per capita, 2016*



Source: OECD Subnational Government Structure and Finance Database.

### OECD Regions and Cities at a Glance 2018

The 2018 edition of OECD Regions and Cities at a Glance shows how regions and cities contribute to national growth and the well-being of societies. It updates its regular set of region-by-region indicators, examining a wide range of policies and trends and identifying those regions that are outperforming or lagging behind in their country.

Consult this publication on line: <https://oe.cd/pub/2n9>

