Regional disparities in terms of GDP per capita have increased by 17% in Denmark over the last sixteen years. Behind such a trend is the economic growth of the Copenhagen region (15% growth in GDP per capita over the period 2000-16), twice as high as in Zealand, the region with the lowest level of GDP per capita. Denmark remains a country with regional disparities below the median of OECD countries.

With a productivity growth of 0.9% per year over the period 2000-16, Southern Denmark has kept pace with Copenhagen, whereas the Northern Jutland has grown at only half the rate of the capital region. Zealand has the highest youth unemployment rate (12.1% in 2017). Overall, regional differences in youth unemployment are lower in Denmark compared to the OECD average.

**Economic trends in regions**

**Regional gap in GDP per capita, 2000-16**

<table>
<thead>
<tr>
<th>Year</th>
<th>Highest Region</th>
<th>Lowest Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>Copenhagen Region</td>
<td>Zealand</td>
</tr>
<tr>
<td>2016</td>
<td>57,748 USD</td>
<td>31,515 USD</td>
</tr>
</tbody>
</table>

**Index of regional disparity in GDP per capita, 2016**

**Productivity trends, most and least dynamic regions, 2000-16**

- Copenhagen Region: highest productivity in 2016 (+0.9% average annual growth over 2000-16)
- Southern Denmark: highest productivity growth (+0.9% annually)
- Northern Jutland: lowest productivity growth (+0.5% annually)

**Youth unemployment rate, 15-24 years old, 2007-17**

- Denmark: 12.1%
- Zealand: 11%
- Central Jutland: 9.4%

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); Denmark is composed of 11 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. (3) Productivity is measured as GDP per employee at place of work in constant prices, constant Purchasing Power Parities (reference year 2010).
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.

Compared to other Danish regions, the region of Copenhagen fares better in jobs, education, access to services, life satisfaction and income, while the opposite is true for housing. All five Danish regions rank among the top 20% of the OECD regions in life satisfaction. Denmark has the second lowest regional disparities among OECD countries in jobs outcomes (employment and unemployment rates) and civic engagement.

The top performing Danish regions fare better than the OECD median region in all 13 well-being indicators. In the least performing region, however, the level of labour force with at least upper secondary education is below the OECD median.

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); Denmark is composed of 11 large regions. (2) Household income per capita data are based on USD constant PPP, constant prices (year 2010).
In Denmark, 57% of the population lives in cities with more than 50,000 inhabitants. The share of population in cities with more than 500,000 people is 36% compared to 55% in the OECD area.

The metropolitan area of Copenhagen accounts for 43% of national GDP and 40% of employment. Between 2000 and 2016, the metropolitan area of Copenhagen generated 66% of the national GDP growth.

In terms of GDP per capita, the metropolitan area of Copenhagen is among the top 20% of the 327 OECD metropolitan areas.

When considering people’s exposure to PM 2.5, the metropolitan area of Copenhagen fares better than the median metropolitan area 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*
Updated the 5th of March 2019

Subnational government expenditure by function
As a share of total subnational government expenditure, 2016

<table>
<thead>
<tr>
<th>Function</th>
<th>Denmark</th>
<th>OECD average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social protection</td>
<td>56%</td>
<td>14%</td>
</tr>
<tr>
<td>Health</td>
<td>24%</td>
<td>18%</td>
</tr>
<tr>
<td>Education</td>
<td>9%</td>
<td>25%</td>
</tr>
<tr>
<td>Economic affairs</td>
<td>4%</td>
<td>14%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>General public services</td>
<td>3%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Subnational expenditure per capita: **USD 17 070** USD 6 817

Subnational government expenditure amounts to USD 17 070 per capita in Denmark compared to an OECD average of USD 6 817. In Denmark, this is equivalent to 65% of total public expenditure and to 34.8% of GDP. In comparison, across the OECD, subnational government expenditure accounts for 40.4% of total public expenditure and for 16.2% of GDP. Social protection and health are the two largest spending items for subnational governments in Denmark. Together they represent 80% of subnational expenditure compared to 32% in the OECD area.

In Denmark, **40.4% 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

USD per capita

<table>
<thead>
<tr>
<th>Function</th>
<th>Denmark</th>
<th>OECD average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total public investment</td>
<td>USD 1 819 per capita</td>
<td>USD 1 278 per capita</td>
</tr>
<tr>
<td>Subnational government investment</td>
<td>USD 734 per capita</td>
<td>USD 727 per capita</td>
</tr>
</tbody>
</table>

Total public investment 3.7% of GDP
Subnational government investment 40.4% of public invest.

Total public investment 3.0% of GDP
Subnational government investment 56.9% of public invest.

Source: OECD Subnational Government Structure and Finance Database.
Note: The function ‘Other’ includes housing and community amenities, recreation, culture and religion; environment; public order and safety.

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](https://oe.cd/pub/2n9)