

Did you know?

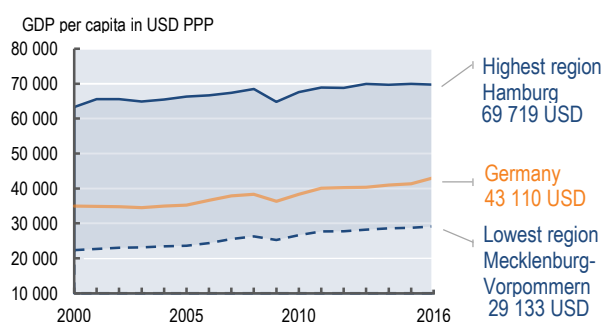
Germany has the 7th largest regional disparities among small regions in OECD countries in terms of GDP per capita.

Metropolitan areas account for 55% of national GDP but contributed only 51% to national GDP growth in 2000-16.

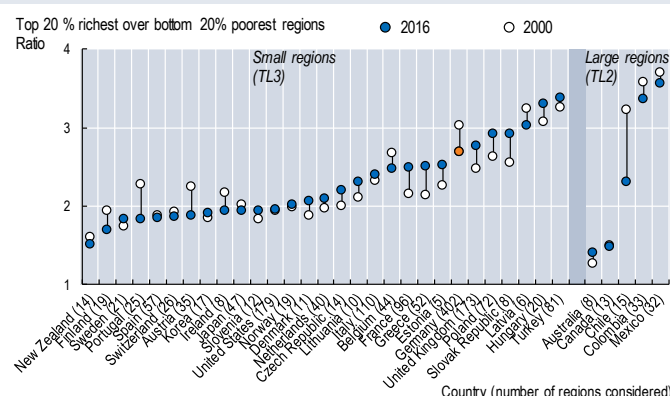
Investments by subnational governments in Germany account for 70% of public investment but still fall below the OECD average.

Economic trends in regions

Regional gap in GDP per capita, 2000-16



Index of regional disparity in GDP per capita, 2016

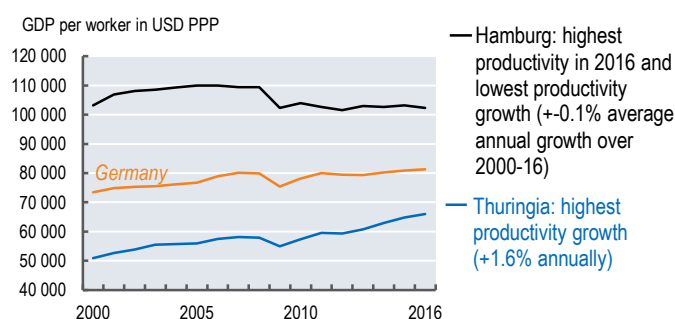


Differences between German regions in terms of GDP per capita have decreased over the last sixteen years. However, regional economic disparities in Germany remain above the median of OECD countries, with Hamburg having 60% higher GDP per capita than Mecklenburg-Vorpommern.

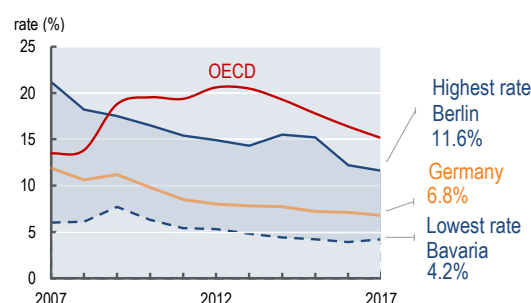
With a productivity growth of 1.6% per year over the period 2000-16, Thuringia is catching-up with respect to Hamburg, the frontier region in terms of productivity in Germany. Hamburg experienced the lowest productivity growth in the same period.

While the youth unemployment rate has declined in practically all regions since 2007, in Berlin it was 11.6% in 2017, more than 7 percentage points higher than in Bavaria and almost 5 percentage points higher than the country average.

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



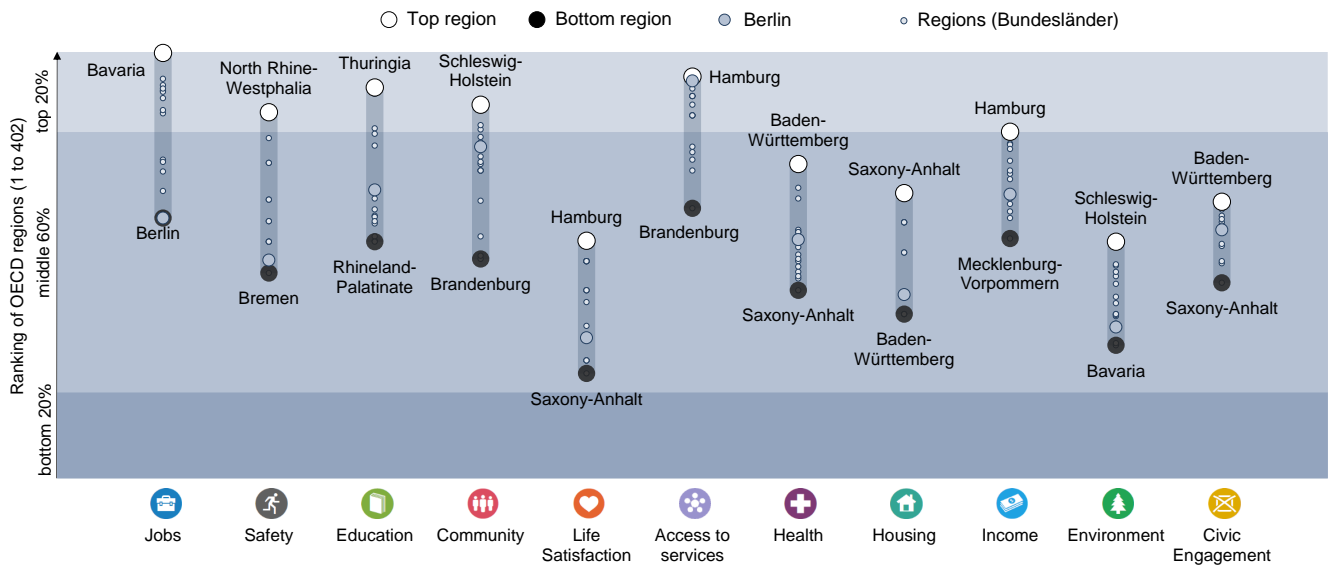
Youth unemployment rate, 15-24 years old, 2007-17



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); Germany is composed of 16 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).

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.

In six out of the eleven **well-being** dimensions, Germany has at least four regions in the top 20% of OECD regions, with the best performance observed in jobs and access to services. However, regional differences are particularly large in jobs, safety, education and sense of community.

The top performing German regions fare better than the OECD median region for all the well-being indicators, except for air pollution.

	Country Average	OECD median region	German regions	
			Top 20%	Bottom 20%
Jobs				
Employment rate 15 to 64 years old (%), 2017	74.9	67.7	78.1	71.6
Unemployment rate 15 to 64 years old (%), 2017	3.9	5.5	2.5	5.5
Safety				
Homicide Rate (per 100 000 people), 2016	0.8	1.3	0.5	1.2
Education				
Labour force with at least upper secondary education (%), 2017	86.7	81.7	91.7	84.2
Community				
Perceived social network support (%), 2013	94.0	91.4	95.0	92.6
Life Satisfaction				
Life satisfaction (scale from 0 to 10), 2013	6.7	6.8	6.9	6.3
Access to services				
Households with broadband access (%), 2017	92.0	78.0	94.4	83.3
Health				
Life Expectancy at birth (years), 2016	81.0	80.4	81.9	80.4
Age adjusted mortality rate (per 1 000 people), 2016	7.8	8.1	7.4	8.2
Housing				
Rooms per person, 2016	1.8	1.8	1.9	1.7
Income				
Disposable income per capita (in USD PPP), 2016	23 887	17 695	26 193	20 618
Environment				
Level of air pollution in PM2.5 (µg/m³), 2015	14.1	12.4	12.5	15.8
Civic engagement				
Voters in last national election (%), 2017 or latest year	76.2	70.9	78.3	73.4

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); Germany is composed of 16 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

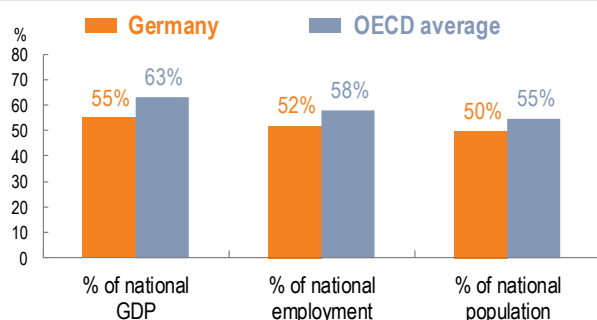


Source: OECD Metropolitan Database. Number of cities: 96 in Germany and 1 138 in the OECD.

In Germany, **74% 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 **50%** compared to 55% in the OECD area.

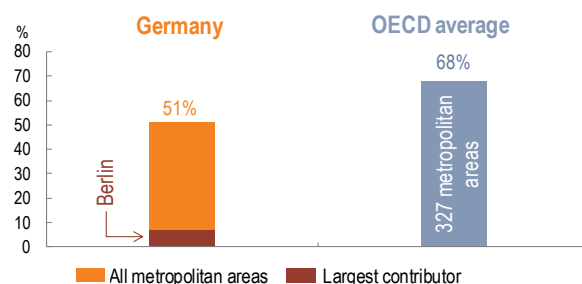
Importance of metropolitan areas

Cities above 500 000 people, 2016



Contribution of metropolitan areas to GDP growth

Cities above 500 000 people, 2000-16



Metropolitan areas in Germany account for **55%** of national **GDP** and **52%** of **employment**. Between 2000 and 2016 they generated **51%** of the national **GDP growth**.

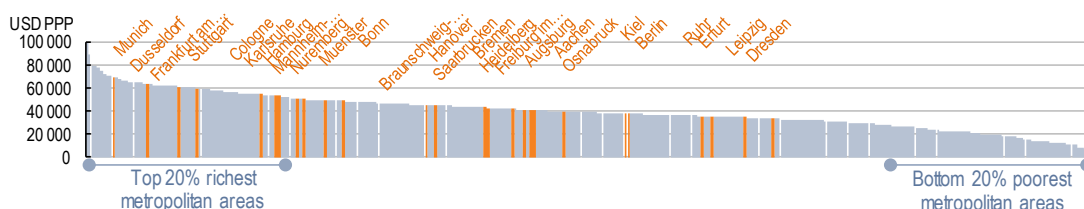
Seven German metropolitan areas are among the top 20% in the OECD in terms of GDP per capita. The richest metropolitan area, **Munich**, ranks 10th out of 327 metropolitan areas.

In terms of **air pollution**, only three German metropolitan areas, **Aachen**, **Saarbrücken** and **Freiburg im Breisgau**, rank better than the OECD median.

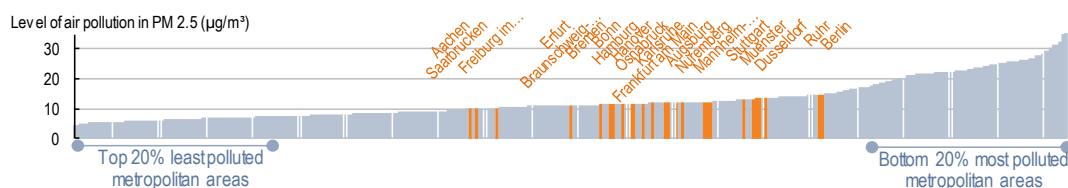
OECD Metropolitan areas ranking

Cities above 500 000 people

GDP per capita, 2016



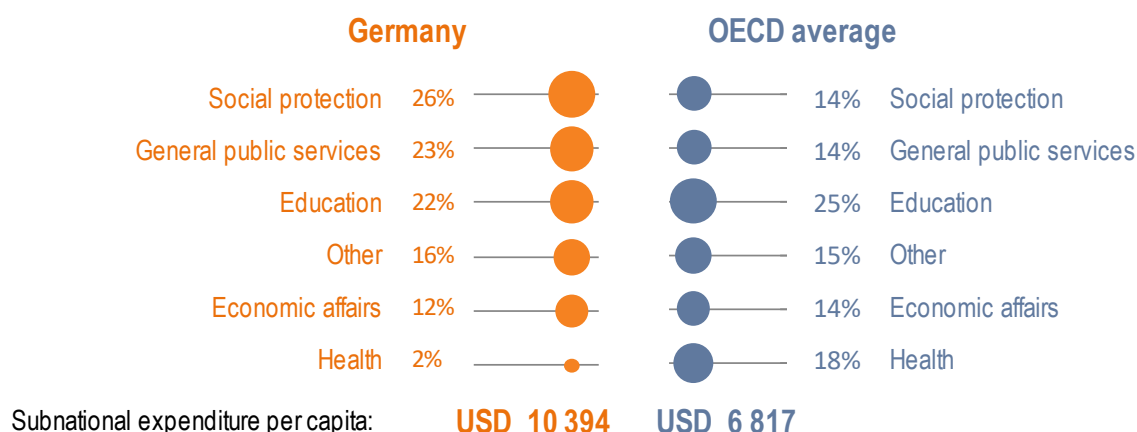
Air pollution (PM2.5), 2017



Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500 000: 26 in Germany 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>.

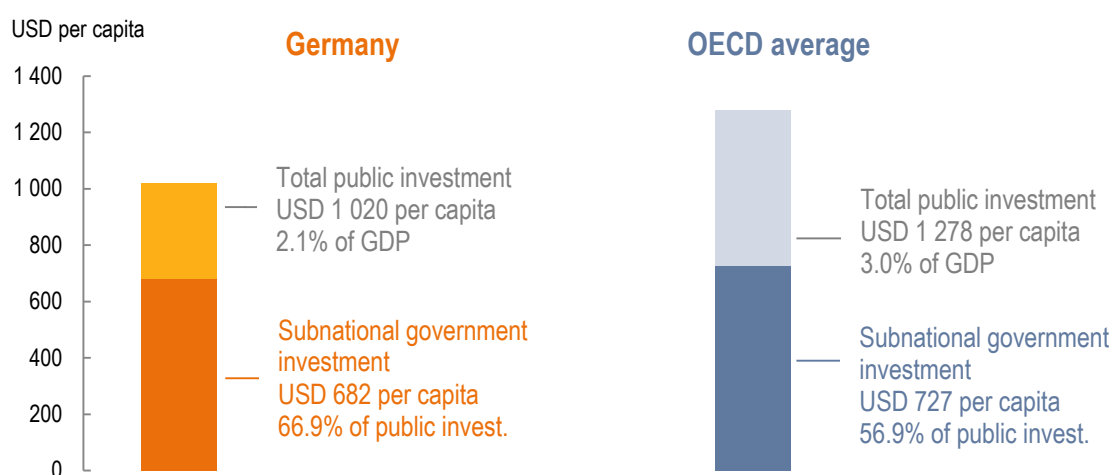
Subnational government expenditure by function As a share of total subnational government expenditure, 2016



Subnational government expenditure amounts to **USD 10 394 per capita** in Germany compared to an OECD average of USD 6 817. In Germany, this is equivalent to **48.1% of total public expenditure** and to **21.2% 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 general public services are the two largest spending items for subnational governments in Germany: together they represent **49%** of subnational expenditure compared to 28% in the OECD area.

In Germany, **66.9% 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.

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>

