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.

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).
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.

<table>
<thead>
<tr>
<th>German regions</th>
<th>Jobs</th>
<th>Safety</th>
<th>Education</th>
<th>Community</th>
<th>Life Satisfaction</th>
<th>Access to services</th>
<th>Health</th>
<th>Housing</th>
<th>Income</th>
<th>Environment</th>
<th>Civic engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 20%</td>
<td>78.1</td>
<td>2.5</td>
<td>91.7</td>
<td>95.0</td>
<td>94.4</td>
<td>94.4</td>
<td>81.9</td>
<td>7.4</td>
<td>26.193</td>
<td>12.5</td>
<td>78.3</td>
</tr>
<tr>
<td>Bottom 20%</td>
<td>71.6</td>
<td>5.5</td>
<td>84.2</td>
<td>92.6</td>
<td>83.3</td>
<td>83.3</td>
<td>80.4</td>
<td>8.2</td>
<td>20.618</td>
<td>15.8</td>
<td>73.4</td>
</tr>
</tbody>
</table>

Source: OECD Regional Database. Visualisation: [https://www.oecdregionalwellbeing.org](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).
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.

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, Saarbrucken and Freiburg im Breisgau, rank better than the OECD median.

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.

OECD Metropolitan areas ranking
Cities above 500 000 people

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/functionalurbanareasybcountry.htm.

Updated the 5th of March 2019
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**Subnational government expenditure**

**As a share of total subnational government expenditure, 2016**

**Germany**

- Social protection: 26%
- General public services: 23%
- Education: 22%
- Other: 16%
- Economic affairs: 12%
- Health: 2%

**OECD average**

- Social protection: 14%
- General public services: 14%
- Education: 25%
- Other: 15%
- Economic affairs: 14%
- Health: 18%

**Subnational expenditure per capita:**

- **Germany:** USD 10,394
- **OECD average:** USD 6,817

**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**

**Germany**

- Total public investment: USD 1,020 per capita (2.1% of GDP)
- Subnational government investment: USD 682 per capita (66.9% of public invest.)

**OECD average**

- Total public investment: USD 1,278 per capita (3.0% of GDP)
- Subnational government investment: USD 727 per capita (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)