Youth unemployment in Turkey is above the OECD average and the already large regional differences are increasing.

In the OECD, Turkey has the largest regional disparities in terms of GDP per capita across small regions.

In Turkey, only 27% of the total public investment is carried out by subnational governments, compared to 57% in the OECD area.

**Economic trends in regions**

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

Youth unemployment is higher than the OECD average in 17 out of 26 Turkish regions. While youth unemployment has on average decreased in OECD countries since the economic crisis, it has increased in most Turkish regions. South East Anatolia East had the highest youth unemployment rate at 40% in 2017, almost four times as high as the rate observed in West Black Sea - Middle East.

Regional disparities in terms of GDP per capita have slightly decreased in Turkey over the last ten years. With a growth of GDP per capita of 5.4% per year over the period 2004-14, Eastern Anatolia has been catching up with Istanbul, the richest Turkish region in terms of GDP per capita, which grew by 3.6% per year over the same period. **Turkey has the highest regional disparity** among 30 OECD countries with comparable data, when the richest and poorest regions representing at least 20% of the population are taken into account.

**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); Turkey is composed of 26 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.

All Turkish regions rank in the top 40% of OECD regions in terms of civic engagement, due to a compulsory voting system. In eight out of the eleven well-being dimensions, Turkey has at least one region that ranks in the bottom 5% of the OECD regional ranking: in housing, environment, community, life satisfaction, jobs, education, access to services and income.

Apart from voter turnout, the high performing Turkish regions fare worse than the OECD median region in all well-being dimensions. In the high performing regions, 54% of the labour force has at least a secondary degree, 27 percentage points below the OECD median region.

Notes: (1) OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2), Turkey is composed of 26 large regions. (2) Household income per capita data are based on USD constant PPP, constant prices (year 2010).
Subnational government expenditure by function
As a share of total subnational government expenditure, 2016

<table>
<thead>
<tr>
<th>Function</th>
<th>Turkey</th>
<th>OECD average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>40%</td>
<td>15%</td>
</tr>
<tr>
<td>General public services</td>
<td>35%</td>
<td>14%</td>
</tr>
<tr>
<td>Economic affairs</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Education</td>
<td>2%</td>
<td>25%</td>
</tr>
<tr>
<td>Social protection</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td>Health</td>
<td>1%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Subnational expenditure per capita: USD 859 USD 6,817

Subnational government expenditure amounts to USD 859 per capita in Turkey compared to an OECD average of USD 6,817. In Turkey, this is equivalent to 10.3% of total public expenditure and to 3.4% of GDP. In comparison, across the OECD, subnational government expenditure accounts for 40.4% of total public expenditure and for 16.2% of GDP. General public services and the function ‘Other’ (housing and community amenities, recreation, culture and religion; environment; public order and safety) are the two largest spending items for subnational governments in Turkey. Together they represent 75% of subnational expenditure compared to 29% in the OECD area.

In Turkey, subnational governments carried out 27% of total public investment, 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