Regional disparities in terms of GDP per capita are high and have increased in the United Kingdom over the last sixteen years. In 2016, the GDP per capita in Wales was equivalent to 41% of the GDP per capita in Greater London. The United Kingdom has the 6th highest regional economic disparities among 30 OECD countries with comparable data and recorded the 4th largest increase in disparities between 2000 and 2016.

With a productivity growth of 1.3% per year over the period 2000-16, Greater London has not only the highest productivity level among UK regions but also experienced the largest productivity growth. In contrast, productivity in South West England grew by 0.4% per year, widening the gap to Greater London, the productivity frontier in the United Kingdom.

While youth unemployment in regions of the United Kingdom has been falling more rapidly than the OECD average since the crisis, large regional differences exist. West Midlands has the highest youth unemployment rate (17.7% in 2017), almost twice as high as the youth unemployment rate in Scotland.

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); the United Kingdom is composed of 12 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 an 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, at least one UK region ranks in the top 20% of OECD regions. Greater London is the British region with the highest well-being outcomes in health, income, education and access to services, but the lowest ones in housing. The largest regional disparities are found in the dimensions health, safety and jobs. In terms of jobs, South East England ranks in the top 5% of OECD regions whereas Northern Ireland is close to the OECD median region.

Apart from voter turnout, the high performing UK regions fare better than the OECD median region in all well-being indicators. For example, their disposable income per capita is around 45% higher than the OECD median. In the low performing regions, the percentage of voters in the last election was about 62%, eight percentage points below the OECD median, while the share of households with broadband access is more than ten percentage points above the OECD median.


Notes: (1) OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2); the United Kingdom is composed of 12 large regions. (2) Household income per capita data are based on USD constant PPP, constant prices (year 2010).
In the United Kingdom, **79% 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 **53%**, in line with the OECD average (55%).

Metropolitan areas in the United Kingdom account for **59%** of national **GDP** and **56%** of employment. Between 2000 and 2016, the UK metropolitan areas generated **65%** of national **GDP growth**. The metropolitan area of London contributed 38% to national GDP growth.

In terms of **GDP per capita**, **London** is among the richest 20% of the 327 OECD metropolitan areas. **Kingston upon Hull** and **Sheffield** are among the bottom 20% of OECD metropolitan areas.

When considering **levels of PM 2.5**, **Edinburgh** is in the 20% least polluted OECD metropolitan areas.
Subnational government expenditure by function
As a share of total subnational government expenditure, 2016

**United Kingdom**
- Social protection: 36%
- Education: 27%
- Other: 19%
- Economic affairs: 9%
- General public services: 7%
- Health: 2%

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

Subnational expenditure per capita: **USD 4,283**

Subnational government expenditure amounts to **USD 4,283 per capita** in the United Kingdom compared to an OECD average of **USD 6,817**. In the United Kingdom, this is equivalent to **24.2% of total public expenditure** and to **10% 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 education are the two largest spending items for subnational governments in the United Kingdom. Together they represent **63% of subnational expenditure** compared to 39% in the OECD area.

In United Kingdom, **34.8%** 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

![Graph showing subnational government investment vs. total public investment]

**United Kingdom**
- Total public investment: USD 1,057 per capita
- Subnational government investment: USD 367 per capita

**OECD average**
- Total public investment: USD 1,278 per capita
- Subnational government investment: USD 727 per capita

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)