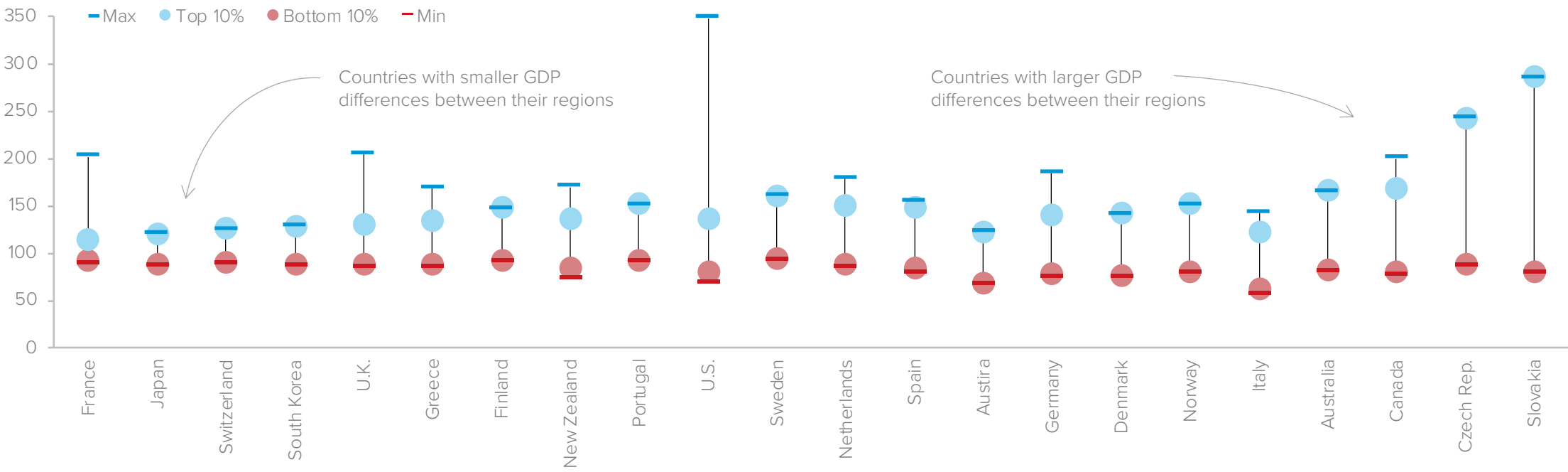


REGIONAL GDP DIFFERENCES WITHIN COUNTRIES

In the last few years, GDP differences among regions in developed countries have increased, according to the IMF’s World Economic Outlook. The organization studies the differences between sub-national entities such as U.S. states, German länder or Italian regions. Of the countries analyzed, wealth differences are largest in Canada, Czech Republic and Slovakia.

Regional GDP differences in 2016

Compared with a country’s regional mean in 2013, set at a value of 100*



*The chart shows the distribution of GDP within countries. Top 10% represent the regions that produce more GDP than in the remaining 90% of regions. Bottom 10% are regions that produce less GDP than the remaining 90% of regions. A value of 100 means that a region’s GDP is the same as the country’s regional mean in 2013. A value of 200 means it’s twice as big.

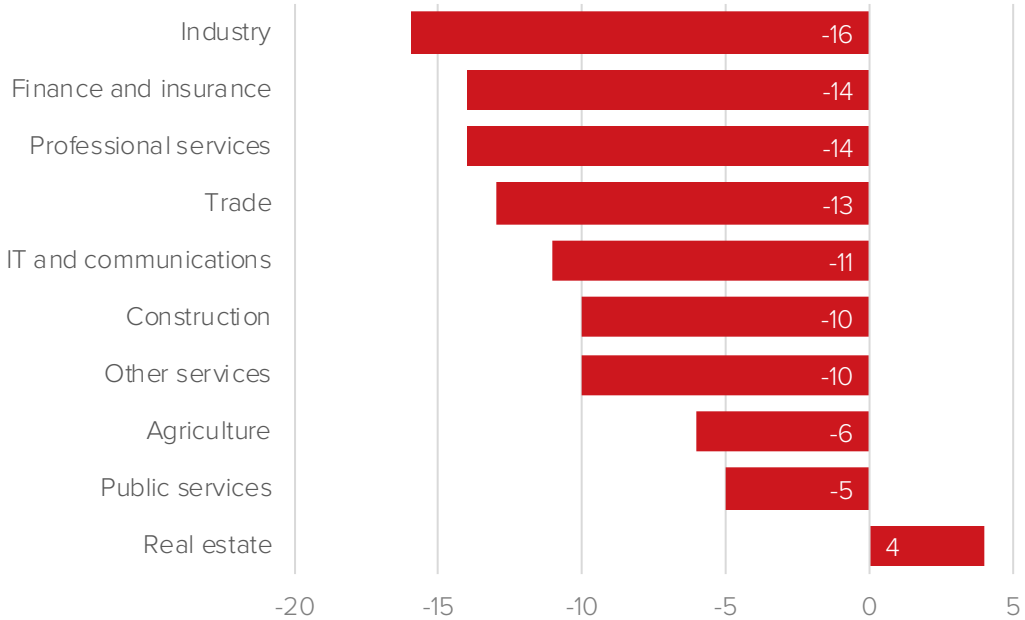
SOURCE: IMF on OECD 2016 data

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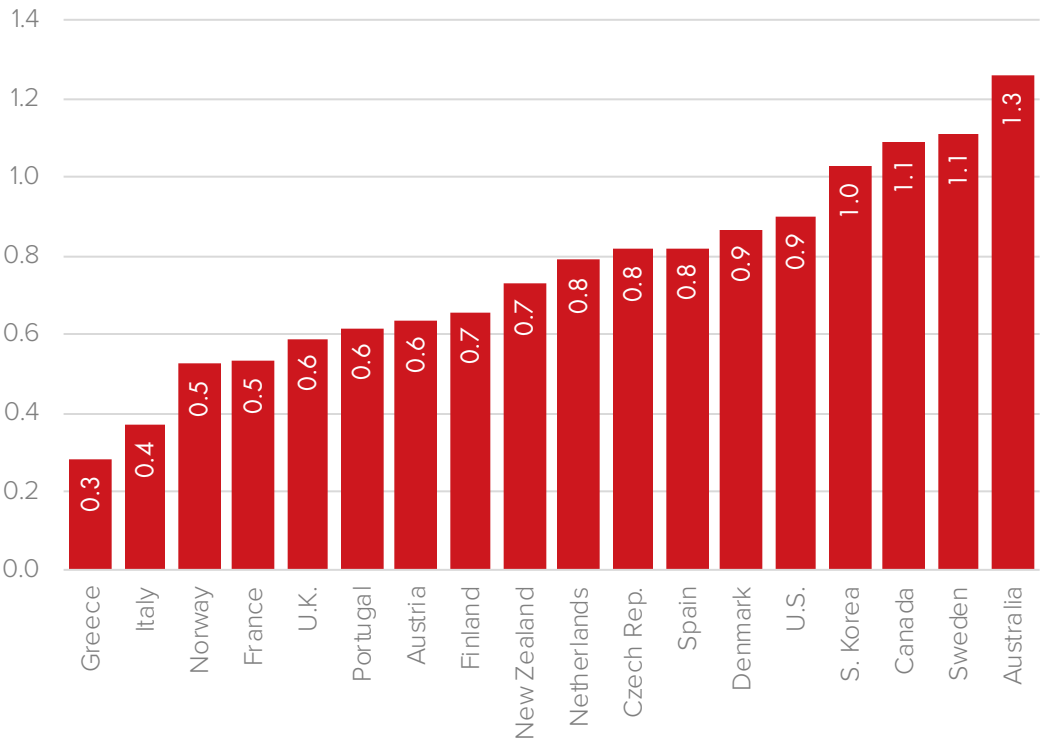
PRODUCTIVITY DIFFERENCES

Australia, Sweden and Canada have large productivity differences among their regions. Poorer regions* tend to be less productive, particularly in sectors such as finance and industry.

Difference in productivity between poorer and average regions, by sector
In productivity differential, 2016 data of sampled countries



Productivity differences among regions
In productivity variance, 2016 data

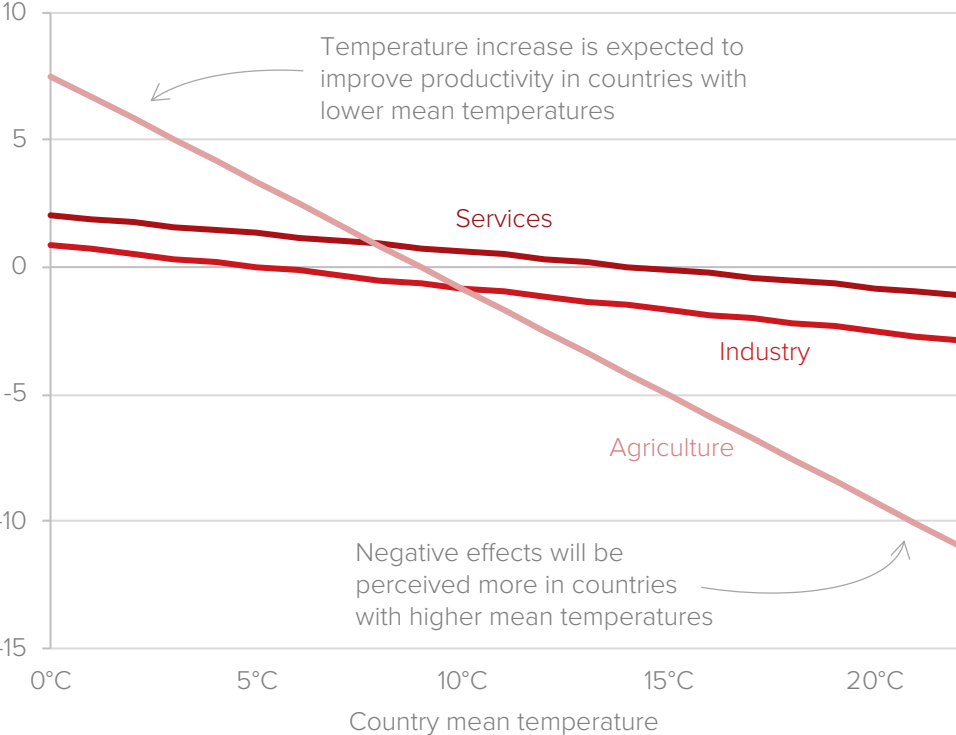


*Poorer, or "lagging," regions are regions whose 2000 GDP was lower than the the regional average and which grew less than 1 percent between 2000 and 2016. Productivity measured as the ratio between output and input.

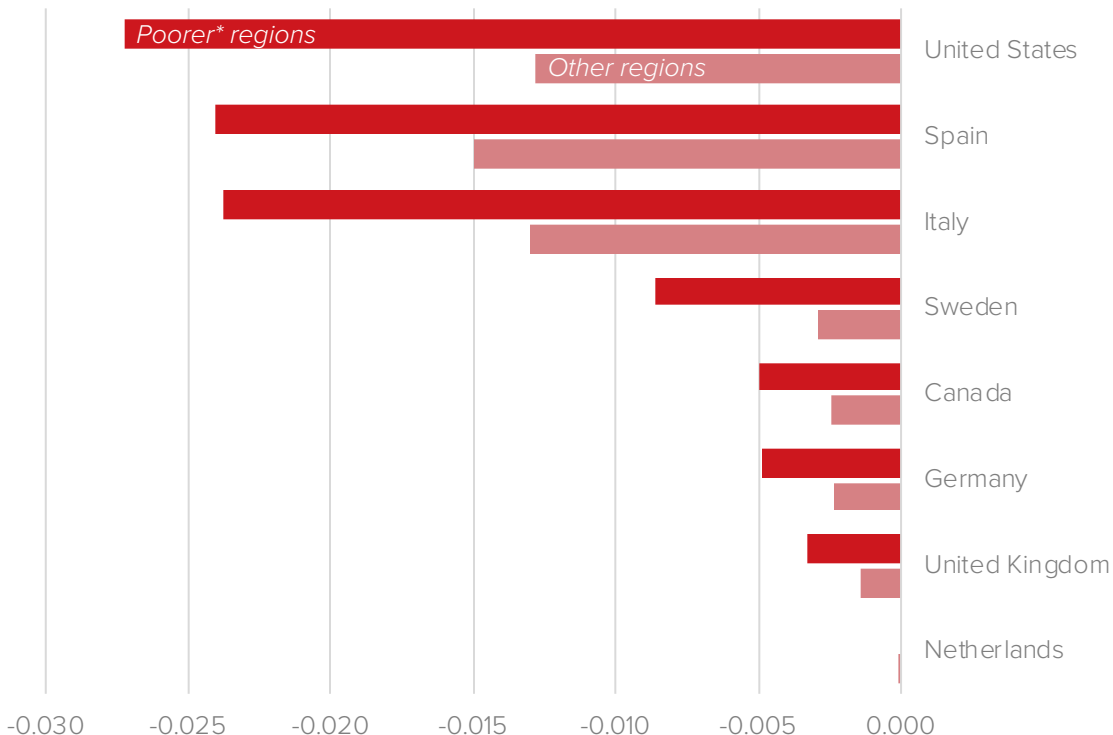
CLIMATE CHANGE TO CURB PRODUCTIVITY

Regions in countries such as Italy, Spain and the U.S. are set to lose more productivity than others as climate conditions worsen. Regions with warmer mean temperatures will suffer more from temperature increases, and the agriculture sector is expected to be more affected than services and industry in warm regions.

Productivity change after 1°C growth on the mean temperature
In percentage



Productivity loss due to global warming in poorer regions*
In percentage points



*Poorer, or "lagging," regions are regions whose 2000 GDP was lower than the the regional average and which grew less than 1 percent between 2000 and 2016. Productivity measured as the ratio between output and input.

SOURCE: IMF

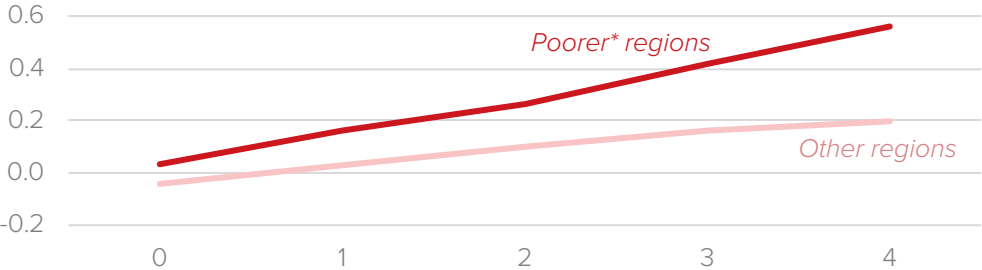
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MIGRATION AND UNEMPLOYMENT AFTER AUTOMATION SHOCK

Whenever an automation shock* strikes, with costs of machinery declining, the following four years are expected to see a larger growth of unemployment and a contraction of intra-national migration flows in poorer regions.

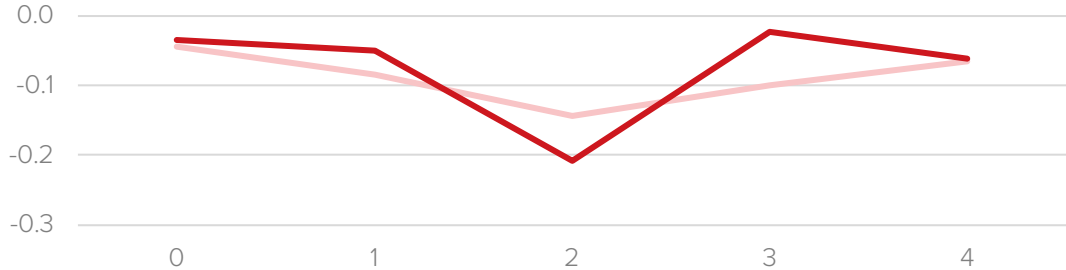
Unemployment rate

In percentage points



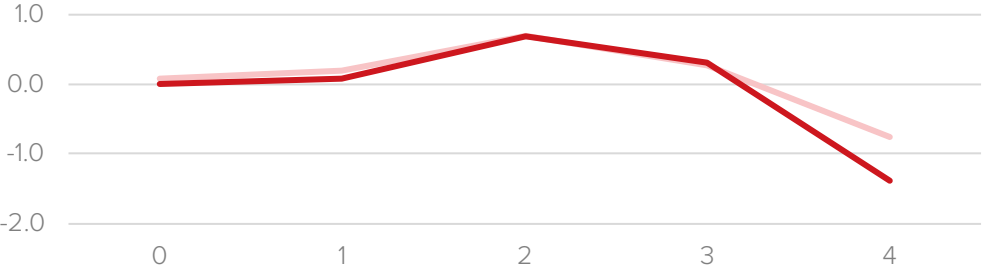
Labor participation rate

In percentage points



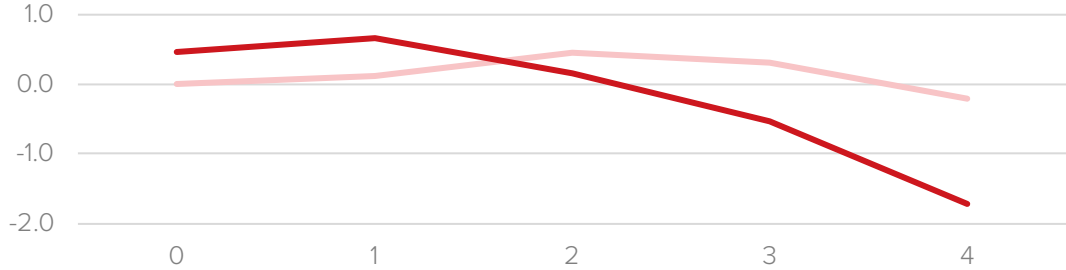
In-migration rate

In percentage



Out-migration rate

In percentage



*An "automation shocks happen" when the cost of machinery declines and regions get more vulnerable to automation. Vulnerability to automation grows as automated tasks become cheaper to perform by a machine. 0 is the year of the shock. Poorer, or "lagging," regions are regions whose 2000 GDP was lower than the the regional average and which grew less than 1 percent between 2000 and 2016.

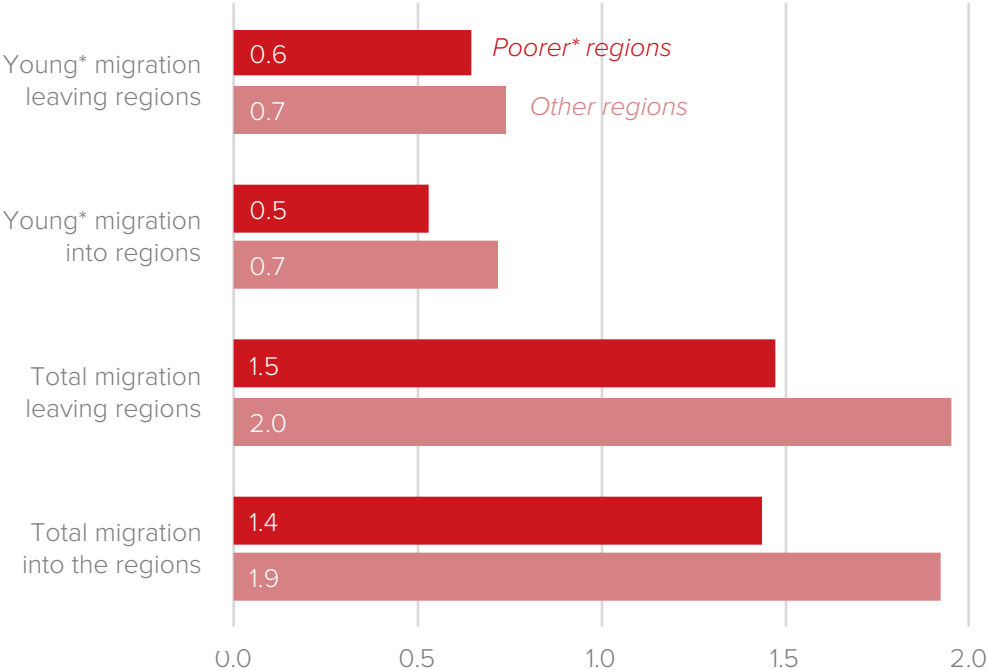
SOURCE: IMF

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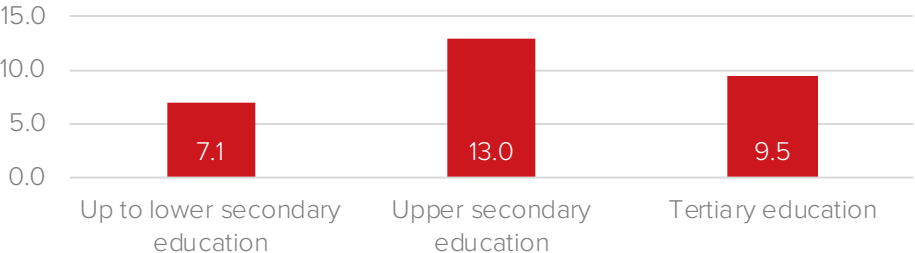
WHO MIGRATES WITHIN COUNTRIES

Better educated and employed people tend to migrate more than others within their country. Migration flows tend to be smaller in poorer regions.

Migration flows within countries
In share of population, 2000-2016 data



Who moves within countries, by education
In share of population in poorer* regions, 2000-2016 data



Who moves within countries, by employment status
In share of population in poorer* regions, 2000-2016 data



*Poorer, or "lagging," regions are regions whose 2000 GDP was lower than the the regional average and which grew less than 1 percent between 2000 and 2016. Young migration refers to those between 15 and 29 years old; inactive population refers to those attending educational institutions, retired or engaged in family duties.