

# Turkey

The income gap vis-à-vis the upper half of OECD countries was narrowing with a growth deceleration in the last two years. Rising labour force participation and job creation have compensated for declining contributions of capital deepening and labour productivity.

Income inequality remains very high, reflecting important gaps in the education, skills and earning capacity of individuals, in the productivity of the firms employing them, and limited redistribution from the tax-and-transfer system. Greenhouse gas emissions per capita are below the OECD average but continue rising and the population's exposure to particulate matter in the air is one of the highest in OECD.

Progress has been limited on 2017 priorities, as the reforms intended in the successive government action plans were not implemented amid a constitutional referendum in 2017 and early presidential and parliamentary elections in 2018. New legislation was adopted in early 2018 facilitating market entry and infrastructure access by start-ups, as a first step in a broad programme to improve Turkey's business environment.

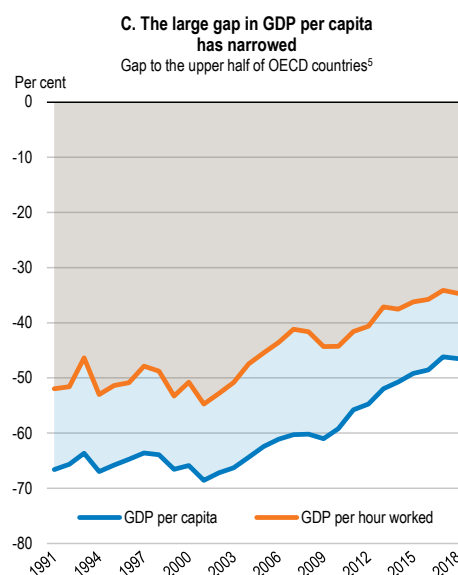
Key education, labour and product market reforms are necessary to converge with good OECD policy practices. Upskilling the labour force and easing the shift of low-skilled workers from low-productivity informal to high-productivity formal firms would significantly boost average labour productivity, human capital formation and social inclusion. Environmental protection should be integrated into economic plans by committing the necessary financial and human resources.

## Growth performance, inequality and environment indicators: Turkey

A. Growth		
Average annual growth rates (%)	2002-08	2012-18
GDP per capita	4.9	4.3
Labour utilisation	-0.3	1.6
of which: Labour force participation rate	-0.2	2.0
Employment rate <sup>1</sup>	0.0	-0.5
Employment coefficient <sup>2</sup>	0.0	0.0
Labour productivity	4.7	2.3
of which: Capital deepening	1.7	1.2
Total factor productivity	3.0	1.1
Dependency ratio	0.4	0.3

B. Inequality and environment		
	Level	Annual variation (percentage points)
	2015	2013-15
Gini coefficient <sup>3</sup>	40.4 (31.7)*	0.7 (0)*
Share of national disposable income held by the poorest 20%	6.1 (7.6)*	0 (0)*
	Average of levels	
	2016	2010-16
GHG emissions per capita <sup>4</sup> (tonnes of CO <sub>2</sub> equivalent)	5.5 (10.9)*	5.2 (11.3)*
GHG emissions per unit of GDP <sup>4</sup> (kg of CO <sub>2</sub> equivalent per USD)	0.2 (0.3)*	0.3 (0.3)*
Share in global GHG emissions <sup>4</sup> (%)	1.1	1.0

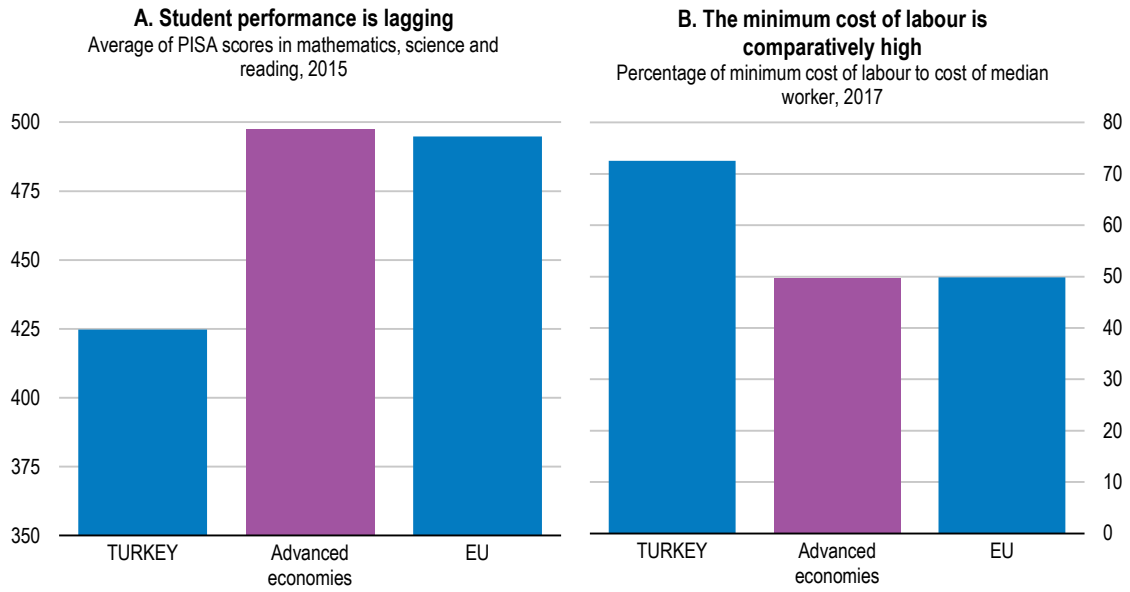
\* OECD simple average (weighted average for emissions data)



Source: Panel A: OECD, Economic Outlook Database; Panel B: OECD, Income Distribution and National Accounts Databases; United Nations Framework Convention on Climate Change (UNFCCC) Database and International Energy Agency (IEA), Energy Database; Panel C: OECD, National Accounts and Productivity Databases.

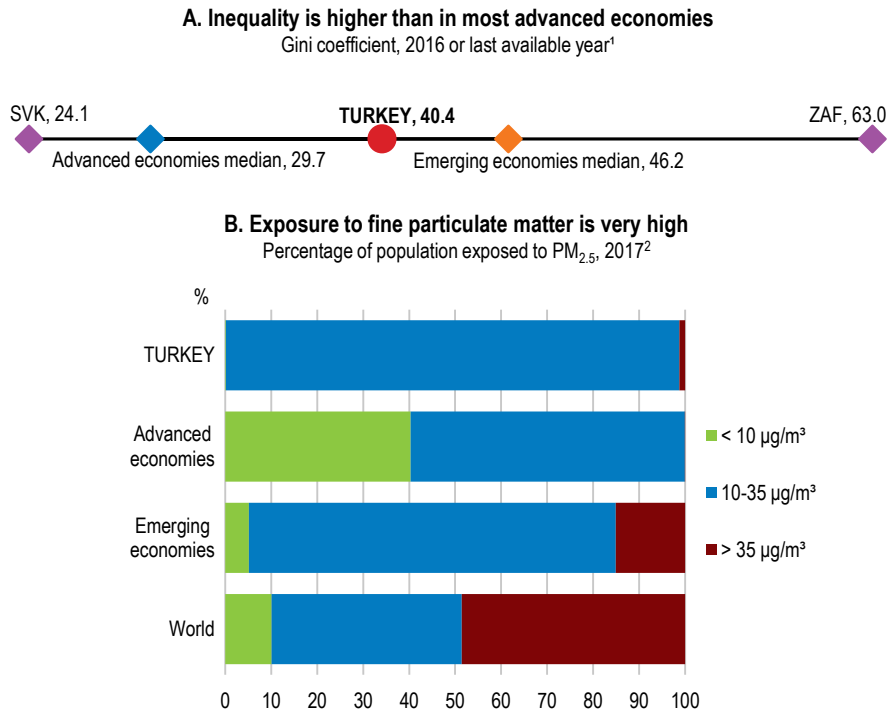
StatLink  <https://doi.org/10.1787/888933955427>

Policy indicators: Turkey



Source: Panel A: PISA Database; Panel B: OECD, calculations based on Taxing Wages and Economic Outlook Databases.  
StatLink <https://doi.org/10.1787/888933956301>

Beyond GDP per capita: Turkey



Source: Panel A: OECD, Income Distribution Database, World Bank, World Development Indicators Database and China National Bureau of Statistics; Panel B: OECD, Environment Database.

Note: For the explanation of the sets of indicators above, please go to the metadata annex at the end of this chapter.  
StatLink <https://doi.org/10.1787/888933957175>

## Turkey: *Going for Growth 2019* priorities

**Improve educational achievement at all levels.** Student enrolment rates are increasing at all levels, but there is ample scope to improve quality and equity.

- **Actions taken:** Starting from the education year 2017-18, an Orientation Programme is implemented to prevent absenteeism and class repetition in all types of schools, and a Quality Monitoring and Evaluation System is applied in all vocational and technical schools.
- **Recommendations:** Continue to reduce the wide quality gaps persisting among schools, school types and universities, by granting them more autonomy and resources per student, against greater performance accountability. Further develop pre-school education. Continue to strengthen vocational education in co-operation with the business sector and evaluate the outcomes of the many recent initiatives in this area.

**Reduce the cost of employment of the low skilled.** High minimum costs of labour for formal employers discourage the hiring of the low skilled in the formal sector.

- **Actions taken:** The real minimum wage was increased by 0.2% in 2017 and 3.0% in 2018 – more than average labour productivity growth in the latest year, potentially discouraging formal employment. Nominal increases amounted to 8% and 14.2% respectively. Amid very high inflation in 2018, the minimum wage increases for 2019 are not yet settled. Between January 2018 and December 2020, the employment cost of all unemployed workers that a firm hires in addition to its employment level at the end of the previous calendar year will be subsidised by 37 to 50% for a year.
- **Recommendations:** Keep the growth of the real official minimum wage below average productivity gains for a while. Allow regional differentiation of minimum wages through local consultations between government, employer and employee representatives. Grant permanent social contribution cuts for low-skilled workers in the entire country, financing them by widening the tax base.

**Reform employment protection legislation and strengthen active labour market policies.** Existing employment protection rules for permanent and temporary workers nurture a large informal sector.

- **Actions taken:** No action taken. Background studies for the introduction of “portable severance saving accounts” have been discussed with social partners in a Tripartite Advisory Board. No consensus was reached on their financing and the reform has been postponed.
- **Recommendations:** Implement the labour market reforms programmed in various government documents. Replace the severance payment regime (available only for a minority of formal sector workers). Liberalise fixed-term contracts. Make public support for retraining and job search more reliable for those out-of-work.

**Improve competition in network industries and agriculture.** Obstacles to competition in network sectors and in agricultural markets undermine productivity growth.

- **Actions taken:** A “Regulation on the Organisation of the Natural Gas Wholesale Market and Procedures and Principles for Market Usage” was adopted in 2017. As a result, a wholesale market for natural gas started to operate in September 2018.
- **Recommendations:** Identify the remaining obstacles to the opening of network sectors to competition, with the help of an OECD Competition Assessment Review. Delink agricultural support from production and shift its composition away from price measures towards direct support.

\***Improve environmental performance.** Strong economic and population growth, rapid urbanisation and expansion of coal power production are increasing environmental pressures, in particular air pollution, carbon emissions and water scarcity.

- **Recommendations:** Integrate environmental protection into economic plans and raise awareness of environmental challenges. Increase the scope and level of carbon pricing. Commit the necessary financial and human resources to the implementation of key environmental policies.

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\* New policy priorities identified in *Going for Growth 2019* (with respect to *Going for Growth 2017*). No action can be reported for new priorities.

## Annex 4.A. Metadata annex

### Argentina

#### ***Growth performance, inequality and environment indicators***

1. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
2. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
3. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of total employment has been estimated for Australia, Canada, Japan and the United States.

#### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Argentina.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

### Australia

#### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. OECD=100. The variance components in mathematics, sciences and reading were estimated for all students in participating countries with data on socio-economic background and study programmes. The variance in student performance is calculated as the square of the standard deviation of PISA scores in reading, mathematics and science for the students used in the analysis.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Austria**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Situation of a single person at average earnings without children.

2. Defined as the estimated coefficient from the country-specific regression of PISA reading performance on corresponding index of economic, social and cultural status (ESCS).

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Belgium**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. This composite indicator aggregates 13 insolvency indicators across 4 dimensions: treatment of failed entrepreneurs, prevention and streamlining, restructuring tools and other factors. Calculations are based on the OECD questionnaire on insolvency regimes which collected specific information about personal and corporate insolvency regimes.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Brazil

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of total employment has been estimated for Australia, Canada, Japan and the United States.

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Brazil.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Canada

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.



5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The gap is unadjusted and defined as the difference between median earnings of men and women relative to median earnings of men. Data refer to full-time employees and self-employed.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Chile**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For Chile, the last available year is 2013. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Chile.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural

sources, in  $\mu\text{g}/\text{m}^3$ ) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## China

### ***Growth performance, inequality and environment indicators***

1. Labour utilisation is defined as the ratio of total employment over population.
2. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
3. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
4. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of total employment has been estimated for Australia, Canada, Japan and the United States.

### ***Policy indicators***

1. Data refer to 2016 for China.
2. Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for China.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in  $\mu\text{g}/\text{m}^3$ ) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Colombia

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of total employment has been estimated for Australia, Canada, Japan and the United States.

### ***Policy indicators***

1. The trade facilitation indicator (TFI) identify areas for action and enable the potential impact of reforms to be assessed and help governments to improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade. The TFI presented here is an average of information, advanced rulings and procedures.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Colombia.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Costa Rica**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Data refer to 2017 for Costa Rica, 2016 for Chile and Colombia and 2014 for Argentina.
2. LAC-5 refer to Argentina, Brazil, Chile, Colombia and Mexico.
3. The trade facilitation indicator (TFI) identify areas for action and enable the potential impact of reforms to be assessed and help governments to improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade. The TFI presented here is an average of information, advanced rulings and procedures.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Costa Rica.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Czech Republic**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Mothers with young children refer to working-age mothers with at least one child aged 0 to 14 years. The employment gap is the difference between the employment rate of prime-age men (25-54 year-olds) and that of mothers with young children, expressed as a percentage of the employment rate of prime-age men.
2. The normal retirement age is defined as the age of eligibility to all components of the pension system in 2016, assuming labour market entry at age 20.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Denmark**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
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5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Denmark.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Estonia**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. This composite indicator aggregates 13 insolvency indicators across 4 dimensions: treatment of failed entrepreneurs, prevention and streamlining, restructuring tools and other factors. Calculations are based on the OECD questionnaire on insolvency regimes which collected specific information about personal and corporate insolvency regimes.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## European Union

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Policy indicators*

1. OECD Services Trade Restrictiveness Index (STRI).
2. EU refers to all 28 members of the European Union.

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Finland

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.



4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The VAT revenue ratio (VRR) is the ratio of the actual value-added tax (VAT) revenue collected and the revenue that would theoretically be raised if VAT was applied at the standard rate to all final consumption. This ratio gives an indication of the efficiency and the broadness of the tax base of the VAT regime in a country compared to a standard norm. It is calculated by the following formula:  $VRR = \text{VAT revenue} / ([\text{consumption} - \text{VAT revenue}] \times \text{standard VAT rate})$ . VAT rates used are standard rates applicable as at 1 January.

2. Couples where the first earner earns 100% of the average wage and the second earns 67% of the average wage. For Finland childcare benefits refer to childcare and other benefits.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Finland.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **France**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.



5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Situation of a single person at average earnings without children.
2. Defined as the estimated coefficient from the country-specific regression of PISA reading performance on corresponding index of economic, social and cultural status (ESCS).

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Germany**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. The main earner earns the average earnings and the secondary earner earns 67% of the average earnings of a full-time worker in a family of a married couple with two children.
2. A socio-economically disadvantaged student is a student in the bottom quarter of the distribution of the PISA index of economic, social and cultural status (ESCS) within the country.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Greece**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The VAT revenue ratio (VRR) is the ratio of the actual value-added tax (VAT) revenue collected and the revenue that would theoretically be raised if VAT was applied at the standard rate to all final consumption. This ratio gives an indication of the efficiency and the broadness of the tax base of the VAT regime in a country compared to a standard norm. It is calculated by the following formula:  $VRR = \text{VAT revenue} / ([\text{consumption} - \text{VAT revenue}] \times \text{standard VAT rate})$ . VAT rates used are standard rates applicable as at 1 January.

2. PIAAC level of proficiency in literacy is defined by particular score-point ranges and the level of difficulty of the tasks within these ranges. Adults scoring at proficiency level 1 or below are only able to perform basic arithmetic operations with whole numbers, whereas adults attaining the highest scores have proven to master analysis and more complex reasoning about quantities and data (level 4) or the ability to draw inferences and work with mathematical arguments and models (level 5).

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Hungary**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. Average labour tax wedge for a single person without children earning 67% of the average wage.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2014 for Hungary.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Iceland**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. EU refers to all 28 members of the European Union.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Iceland.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## India

### ***Growth performance, inequality and environment indicators***

1. Labour utilisation is defined as the ratio of total employment over population.
2. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
3. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
4. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of total employment has been estimated for Australia, Canada, Japan and the United States.

### ***Policy indicators***

1. Non-performing loans (NPLs) are loans which ceased to generate income for the bank.
2. For India, data refer to 2015 and include capital expenditure by health care providers.

### ***Beyond GDP per capita***

1. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Indonesia

### ***Growth performance, inequality and environment indicators***

1. Labour utilisation is defined as the ratio of total employment over population.
2. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality. For Indonesia, the Gini coefficient is based on consumption.
3. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

4. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of total employment has been estimated for Australia, Canada, Japan and the United States.

### ***Policy indicators***

1. The Corruption Perceptions Index aggregates data from different sources that provide perceptions of business people and country experts of the level of corruption in the public sector. Index scale of 0-100 where 0 corresponds to the highest level of perceived corruption and 100 to the lowest level of perceived corruption.

### ***Beyond GDP per capita***

1. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Ireland**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The VAT revenue ratio (VRR) is the ratio of the actual value-added tax (VAT) revenue collected and the revenue that would theoretically be raised if VAT was applied at the standard rate to all final consumption. This ratio gives an indication of the efficiency and the broadness of the tax base of the VAT regime in a country compared to a standard norm. It is calculated by the following formula:  $VRR = \text{VAT revenue} / ([\text{consumption} - \text{VAT revenue}] \times \text{standard VAT rate})$ . VAT rates used are standard rates applicable as at 1 January.

2. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. Marginal labour tax wedge for a single person earning 67% of the average wage, with two children.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Ireland.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Israel**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For Israel, the last available year is 2014. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Israel.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.



## Italy

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Policy indicators*

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. At 100% of average worker earnings for the first earner and average of the three situations regarding the wage of the second earner (0%, 33% and 67% of average earnings).

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Japan

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.



4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The gap is unadjusted and defined as the difference between median earnings of men and women relative to median earnings of men. Data refer to full-time employees and self-employed.

2. EU refers to all 28 members of the European Union.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Japan.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Korea**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For Korea, the last available year is 2014. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

**Policy indicators**

1. The gap is unadjusted and defined as the difference between median earnings of men and women relative to median earnings of men. Data refer to full-time employees and self-employed.
2. EU refers to all 28 members of the European Union.

**Beyond GDP per capita**

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Korea.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

**Latvia****Growth performance, inequality and environment indicators**

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

**Policy indicators**

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. Average labour tax wedge for a single person without children earning 67% of the average wage.

**Beyond GDP per capita**

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health

problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Lithuania

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Policy indicators*

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. Average labour tax wedge for a single person without children earning 50% of the average wage.
2. The World Bank strength of insolvency framework index is based on four other indices: commencement of proceedings index, management of debtor's assets index, reorganization proceedings index and creditor participation index. The index ranges from 0 to 16, with higher values indicating insolvency legislation that is better designed for rehabilitating viable firms and liquidating nonviable ones.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Luxembourg**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). In the case of Luxembourg, the population is augmented by the number of cross-border workers in order to take into account their contribution to GDP. The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Measured as the increase in the level of pension entitlement one gains by remaining in employment for an additional year. The calculation is the annual average increase in males' pension wealth when working from age 60 to 64 (old-age pension). Net pension wealth is the present value of the flow of pension benefits, taking account of the taxes and social security contributions that retirees have to pay on their pensions. It is measured and expressed as a multiple of gross annual individual earnings in the respective country.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Mexico**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For Mexico, the last available year is 2013. Instead of 2010-16, data refer to the average of years 2010 and 2013. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. LAC-5 refer to Argentina, Brazil, Chile, Colombia and Peru. Graduation rate data are missing for Peru and STRI data are missing for Argentina and Peru.
2. Index scale from 0-1 from least to most restrictive. Geometric average of all sectors.
3. Restrictions are evaluated on a 0 (open) to 1 (closed) scale.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Netherlands**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. Marginal labour tax wedge for a single person without children at average earnings.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## New Zealand

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Policy indicators*

1. The last available year is 2014 for New Zealand. Share of household gross adjusted disposable income spent on housing and maintenance of the house, as defined in the System of National Accounts. It includes actual and imputed rentals for housing, expenditure on maintenance and repair of the dwelling, on water supply, electricity, gas and other fuels, as well as the expenditure on furniture, furnishings, household equipment and goods and services for routine home maintenance.
2. OECD=100. The variance components in mathematics, sciences and reading were estimated for all students in participating countries with data on socio-economic background and study programmes. The variance in student performance is calculated as the square of the standard deviation of PISA scores in reading, mathematics and science for the students used in the analysis.

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2014 for New Zealand.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Norway

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). GDP per capita (Mainland) excludes petroleum production and shipping. While total GDP overestimates the sustainable income potential, mainland GDP slightly underestimates it since returns on the financial assets the petroleum fund holds abroad are not included. The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Policy indicators*

1. For Norway, data refer to non-oil tax revenue as a percentage of mainland GDP.

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Norway.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Poland

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.



4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.

2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Portugal**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.

2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.

3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.

4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The VAT revenue ratio (VRR) is the ratio of the actual value-added tax (VAT) revenue collected and the revenue that would theoretically be raised if VAT was applied at the standard rate to all final consumption. This ratio gives an indication of the efficiency and the broadness of the tax base of the VAT regime in a country compared to a standard norm. It is calculated by the following formula:  $VRR = \text{VAT revenue} / ([\text{consumption} - \text{VAT revenue}] \times \text{standard VAT rate})$ . VAT rates used are standard rates applicable as at 1 January.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Russian Federation**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Geometric average of all sectors.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for the Russian Federation.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Slovak Republic

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Slovenia

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Labour taxes include personal income tax and employee plus employer social security contributions and any payroll tax less cash transfers. Marginal labour tax wedge for a single person without children earning 167% of the average wage.
2. The normal retirement age is defined as the age of eligibility to all components of the pension system in 2016, assuming labour market entry at age 20.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **South Africa**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Total GHG emissions in CO<sub>2</sub> equivalents from the International Energy Agency (IEA) database. This data conform to UNFCCC GHG emission calculations but are not directly comparable to data for Annex I countries due to definitional issues. The OECD average is calculated according to the same definition. GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The last available year is 2013 for South Africa.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2014 for South Africa.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Spain**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Sweden

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### *Beyond GDP per capita*

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2017 for Sweden.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## Switzerland

### *Growth performance, inequality and environment indicators*

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality. Interpretation of developments in inequality is limited by the short time period of the data.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.

5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. The gap is unadjusted and defined as the difference between median earnings of men and women relative to median earnings of men. Data refer to full-time employees and self-employed.
2. EU refers to all 28 members of the European Union.

### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Switzerland.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **Turkey**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.



### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia. Data refer to 2015 for Turkey.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data. Data refer to 2015 for Turkey.

## **United Kingdom**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
5. Percentage gap with respect to the population-weighted average of the highest 18 OECD countries in terms of GDP per capita (in constant 2010 PPPs). The 2018 value of the average hours worked per person employed has been estimated for Australia, Canada, Finland, Israel, Mexico, Switzerland, Turkey and the United States.

### ***Policy indicators***

1. Second earner taking up employment at 67% of average wage with the first earner at the average wage.
2. PIAAC level of proficiency in literacy is defined by particular score-point ranges and the level of difficulty of the tasks within these ranges. Adults scoring at proficiency level 1 or below are only able to perform basic arithmetic operations with whole numbers, whereas adults attaining the highest scores have proven to master analysis and more complex reasoning about quantities and data (level 4) or the ability to draw inferences and work with mathematical arguments and models (level 5).



### ***Beyond GDP per capita***

1. Inequality is measured by the Gini coefficient for disposable income. Emerging economies median excludes India and Indonesia.
2. According to the World Health Organisation (WHO), exposure to fine particulate matter (PM<sub>2.5</sub>) has significant adverse effects on health compared to other pollutants. Inhaled PM<sub>2.5</sub> cause serious health problems (respiratory and cardiovascular diseases), having most serious effects on children and elderly persons. The estimates of chronic outdoor exposure to PM<sub>2.5</sub> (from both anthropogenic and natural sources, in µg/m<sup>3</sup>) are derived from satellite observations, chemical transport models and ground monitoring stations. Population exposure to air pollution is calculated by weighting concentrations with populations in each cell of the underlying gridded data.

## **United States**

### ***Growth performance, inequality and environment indicators***

1. The employment rate is defined with respect to the economically active population; a positive growth rate corresponds to a decline in the structural unemployment rate and vice-versa.
2. This adjustment variable is added to the decomposition to capture the impact of non-resident workers.
3. The Gini coefficient measures the extent to which the distribution of disposable income among households deviates from perfect equal distribution. A value of zero represents perfect equality and a value of 100 extreme inequality.
4. Greenhouse gas (GHG) emissions including emissions or removals from land-use, land-use change and forestry (LULUCF). GDP is expressed in USD, at constant 2010 prices and PPPs. For the share in global GHG emissions, the last available year is 2015.
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