

Chapter 3

Using well-being measures to improve policy results in regions and cities

This chapter provides a diagnosis of the common opportunities, challenges and solutions for using regional well-being indicators to improve the effectiveness of policy design and the allocation of funds. The chapter includes seven sections. The first examines possible uses of regional well-being measurement. The second section presents a process composed of different steps and stakeholder engagement mechanisms required for implementing a regional well-being strategy. The remaining sections offer more detailed guidance on each step of the process: translating well-being objectives into policy-relevant indicators; selecting indicators; identifying baselines and targets; monitoring progress and evaluating the potential of different places; and fostering citizen engagement and communication. The chapter concludes with a set of insights and guidelines drawn from international experiences to help develop a regional well-being strategy for better policy results.

Introduction

The overarching value-added of regional well-being measurement initiatives is ultimately to bring data, policies and funding together for building better communities. Although they are intrinsically inter-related in principle, data, policies and funding may operate in isolation in practice. Such fragmentation may be particularly evident at the sub-national level, where different levels of government control different parts of the three strands. Many regions and cities in OECD countries and beyond have launched well-being measurement initiatives aiming to improve the economy and quality of life of their communities. This chapter offers a diagnosis of the common opportunities, challenges and solutions for using regional well-being indicators to improve the effectiveness of policy design and the allocation of funds. It analyses the strategic choices to be made both on the methodological side (how to measure and track progress towards expected outcomes, what baselines and targets to choose, how to capture inequalities across places, etc.) and on the political side (what role indicators can play in the public debate, who should design the indicator system and who should be accountable, how the chosen well-being dimensions are reconciled with the objectives of national policies, who the stakeholders involved are, etc.). The chapter draws from a wide diversity of international experiences, and in particular, from seven case study regions participating in the OECD How's Life in Your Region? project: the region of Southern Denmark (Denmark), the province of Rome (Italy), the region of Sardinia (Italy), the state of Morelos (Mexico), the region of the North of the Netherlands (Netherlands), the city of Newcastle (United Kingdom), and the US federal Partnership on Sustainable Communities (United States).

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What are regional well-being indicators used for?

A clear understanding of the purpose of regional well-being measurement initiatives helps shape the design and the governance of the initiative from the start. Broadly speaking, the spectrum of possible uses of regional well-being indicators includes three types, which are not mutually exclusive and derive from the specific priorities of each region: *i*) monitoring well-being trends at the regional and local level; *ii*) raising awareness of specific well-being dimensions or policy objectives; *iii*) guiding policy prioritisation across dimensions or territories. The following sections review each type of use in more detail.

Monitoring well-being performance at the regional and local level

Well-being indicators are most frequently used for monitoring regional and local performance in a self-diagnosis rationale. The aim is to build regional intelligence by collecting data and knowledge on various dimensions of well-being in specific communities. Several regions launched a well-being measurement initiative to get a “real” or “better” picture of themselves in the aftermath of pressing challenges to the attractiveness and liveability of the region. Such challenges may include weak economic performance, demographic ageing, depopulation or poor health outcomes. For example, in Sardinia (Italy), where the Regional Planning Centre introduced well-being indicators to orient the regional programming of the 2014-2020 Cohesion Policy, the region struggles with the sixth-lowest household disposable income in Italy, higher unemployment than the national average (15.5%, compared to 10.7%) and the lowest share of labour force with at least secondary education in Italy (only 54%). In the United Kingdom, Newcastle has launched its Well-Being for Life Strategy in the face of an employment rate that is almost 10 percentage points below the national average (62.9% versus 71.3%), poorer outcomes in education than the national average (52.3% leaving school with five General Certificates of Secondary Education, versus a national average of 58%), and an average discrepancy of 14.5 years in life expectancy, depending on the ward of residence.

Some measurement initiatives have initially stemmed from a government’s decision to monitor a specific social problem. For example, in the Netherlands, rising awareness of safety challenges in large cities first inspired the term of liveability (*leefbaarheid* in Dutch), which dominated the political agenda of all governing parties in the 1990s. The Dutch Central Bureau of Statistics’ (CBS) Crime Survey included questions on fear of crime, victimisation, crime reporting behaviour, crime prevention measures and social assistance. Local governments participating in the government’s urban policy, which was launched in 1995, monitored physical, social and safety conditions in their neighbourhoods through residential surveys called “liveability and safety monitors”. Dutch housing associations also used tenants’ panel data to check on quality of life in the areas where their property was located and to guide their investment programmes (Koopman et al., 2009). In 2007, a joint survey called the Safety Monitor (from the Departments of the Interior, Royal Relations and Justice and the CBS) was introduced to bring together questions on fear of crime, victimisation, neighbourhood problems and the functioning of the police at the national, regional and local levels (Zauberman, 2010).

Often at the request of national and local authorities, independent institutions or universities collect and analyse data on well-being to support policy and encourage learning on such concepts as sustainable development (Box 3.1). One centrally led initiative involved three federal bodies in the United States that jointly launched the Partnership for Sustainable Communities (PSC) and commissioned the University of Pennsylvania’s Penn Institute for Urban Research to gather a set of nationwide comparable sustainability indicators at different territorial scales. These were made available online to allow comparison across communities. At the local level, provincial authorities in the south of the Netherlands have worked with a research institute, Telos, to explore data on regional and urban sustainable development, while the Young Foundation in the United Kingdom has collaborated with local authorities around the concept of resilient communities.

Box 3.1. Building regional and local capacity to create well-being metrics

Partnership for Sustainable Communities (United States)

In 2009, three US federal bodies – the Department of Housing and Urban Development (HUD), the Department of Transportation (DOT) and the Environmental Protection Agency (EPA) – launched the Partnership for Sustainable Communities (PSC). The Partnership established a series of six “Liveability Principles” as thematic guidelines for building more economically and environmentally sustainable communities:

1. Provide more transport choices: Develop, safe, reliable and economical transport choices to decrease household transport costs, reduce the nation’s dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.
2. Promote equitable, affordable housing: Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities, to increase mobility and lower the combined cost of housing and transport.
3. Enhance economic competitiveness: Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.
4. Support existing communities: Target federal funding toward existing communities, through strategies like transit-oriented, mixed-use development and land recycling, to increase community revitalisation and the efficiency of public works investments and to safeguard rural landscapes.
5. Co-ordinate and leverage federal policies and investment: Align federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices, such as locally generated renewable energy.
6. Value communities and neighbourhoods: Enhance the unique characteristics of all communities.

To establish progress measurements for the Liveability Principles, the PSC worked with the University of Pennsylvania’s Penn Institute for Urban Research (IUR) to build a set of sustainability indicators. Initial research indicated that in the absence of a national sustainable development agenda with associated evaluation mechanisms, a plethora of programmes and assessment models were being developed at the sub-national level by governments, civil society and even the private sector. An indicator set for the PSC’s Liveability Principles was thus seen as an opportunity to develop a national level sustainable development indicator system.

The Penn Institute for Urban Research undertook an extensive survey of existing indicator sets, identifying over 60 different indicator initiatives at the regional, municipal and community levels, and almost 500 instances of indicator use. These were then grouped into three thematic areas – housing, land use and transport – and associated with six qualities – access/equity, health, economic competitiveness, affordability, environment and sense of place – using data available from various official statistics. Ultimately, the result was five sustainability dimensions with associated indicators. The PSC has made these available as HotReport Sustainability Indicators, a nationwide comparable indicator set using data available from the US Census Bureau, the American Community Survey and the Department of Labor (Partnership for Sustainable Communities, n.d.). The results are published online so that policy makers and communities can compare their performance in the various sustainability dimensions with that of other counties, their home state and the US average performance.

Box 3.1. Building regional and local capacity to create well-being metrics (cont.)

Telos (Netherlands)

Telos, the Brabant Centre for Sustainable Development, was established in 1999 as an interdisciplinary and independent research centre in the south of the Netherlands. Its objectives are to study, monitor and support sustainable development in Brabant (the second-largest province in the country, with 2.4 million inhabitants) by collecting, aggregating and analysing data on regional, urban and rural development. To analyse the “sustainability triangle”, Telos focused on measuring three types of capital: economic, socio-cultural and ecological. Its analytical method was applied to four provinces in the Netherlands: Brabant in 2000 and 2001, and Zeeland, Limburg and Flevoland in 2003.

Telos works to support social learning on sustainable development in society and among policy makers. Its assessment is intended to alert policy makers and citizens to what is working well and what needs policy attention. Telos is a network organisation between the provincial authorities of Brabant, Tilburg University and the Centre for Applied Social Research in Brabant (PON). The initiative was partly initiated and largely funded by the then Ministry for Housing, Regional Development and Environment (VROM).

Young Foundation (United Kingdom)

The Young Foundation is an independent foundation that conducts two broad types of activities related with well-being: *i*) research on contemporary life and changing needs; looking at issues as diverse as teenage pregnancy and isolated older people, from night working to civility; *ii*) pioneering social innovation by identifying innovative approaches to meeting social needs. In 2010, it published a report entitled *Taking the Temperature of Local Communities*, as part of the Local Well-being Project – a three-year joint initiative between the Young Foundation, Professor Lord Richard Layard at the London School of Economics’ Centre for Economic Performance, the Local Government Improvement and Development Agency (formerly IDeA) and three local authorities (Hertfordshire County Council, Manchester City Council, South Tyneside Metropolitan Borough Council).

The report describes a measurement tool called the Wellbeing and Resilience Measure (WARM) that has been designed to support local agencies and communities in helping areas decide priorities at a time when public resources are scarce. The structure of WARM falls into three overarching domains: self (personal well-being and resilience, as well as other attributes such as income or health); support (including emotional support as well as broader personal support); systems and structures (including the state of the local economy, the availability of public services, infrastructures and so on, all of which contribute to well-being and resilience).

The report envisions a five-stage process: measuring how the area has fared and is faring; identifying assets and vulnerabilities; benchmarking – to disentangle local trends from national trends; understanding and planning – drawing on this analysis to identify priorities for action, allocating resources or dis-investing; and implementing a plan.

Source: OECD (2014), “US Partnership for Sustainable Communities”, in OECD (2014), *How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris; Telos website, www.telos.nl/default.aspx; Hák, Tomáš, Moldan Bedrich and Lyon Dahl Arthur (eds.) (2007), *Sustainability Indicators: A Scientific Assessment*, Island Press, Young Foundation, www.youngfoundation.org.

Raising social awareness on regional well-being

Non-governmental stakeholders have also been spontaneously monitoring regional well-being performance to raise social awareness. As a vehicle for promoting civic mindedness and advocating for policy change, a Colombian civil society organisation,

Bogotá, Cómo Vamos, has been monitoring quality of life and the performance of the Bogotá City Council, while one of Mexico’s largest newspapers, *El Universal*, launched a website and a report that measure and monitor 13 dimensions of well-being in Mexico City (Box 3.2). Such initiatives offer inspiring examples of a civil society organisation taking the lead to foster greater transparency and mobilise the society at a territorial level. Sometimes long before national and local governments, consulting firms have also developed territorial branding strategies that compiled a diverse range of data to promote the quality of life of specific territories and attract investment.

**Box 3.2. Civil society leading regional well-being measurement:
The examples of Bogotá, Cómo Vamos (Colombia)
and Cómo vamos, Ciudad de México (Mexico)**

Bogotá, Cómo Vamos (Colombia)

Bogotá, Cómo Vamos is a civil society organisation (CSO) in Bogotá, Colombia. For the past 15 years, it has developed, managed, monitored and actively communicated performance around five elements that define quality of life: human capital, urban habitat, culture, good government, and economic development and competitiveness. It has divided these 5 elements into 25 dimensions, including health, education, environment, housing and public services, justice, public administration, labour market, company dynamism, safety, poverty and equality, and civic responsibility. Each dimension is associated with a series of outcome indicators that give citizens and decision makers a global perspective on the aspects that affect quality of life in the city. For example, the environment dimension is monitored through indicators on air quality, water quality in urban rivers, pollution, green space available to citizens and recycling levels. Data are tracked over time and across the territory (i.e. by neighbourhood). It is also monitored and periodically updated, with information published on the Bogotá, Cómo Vamos website.

Every year, the organisation publishes a quality-of-life report, a citizen perception survey and a monitoring and evaluation report on the performance of the Bogotá City Council. This helps build citizen awareness and engagement in local government and the accountability of government to meet its objectives. The website provides information on each city councillor, the political parties, city commissions and city projects. In addition, the organisation sponsors roundtables, forums, citizen events, publications and communications strategies, to keep citizens informed about what is happening in the city. Not only does it communicate online and in print media, but it also actively uses social media, including Twitter and Facebook.

Bogotá, Cómo Vamos is sponsored by the Fundación Corona (a Colombian CSO dedicated to improving quality of life in the country), the El Tiempo publishing group, the Bogotá Chamber of Commerce and the Pontificia Universidad Javeriana. It inspired other cities in Colombia and Latin America to monitor quality of life at a local level. Today, there are 14 other “Cómo Vamos” cities in Colombia, and 78 cities throughout Latin America that are part of the Latin American Network of Just, Democratic, and Sustainable Cities and Territories (*La Red Latinoamericana por Ciudades y Territorios Justos, Democráticos y Sustentables*) which was inspired by the Bogotá model.

“Cómo vamos, Ciudad de México?”, *El Universal* (Mexico City)

Inspired by the Bogotá, Cómo Vamos initiative, one of Mexico’s largest newspapers, *El Universal*, launched a well-being measurement and monitoring initiative called *Cómo vamos, Ciudad de México?* (“How are we doing, Mexico City?”). The aim is to provide citizens with information on the various dimensions that contribute to quality of life in a simple, easy-to-understand manner; to serve as an evidence base for decision makers; and to promote a better informed and participative citizenry and a more transparent government.

**Box 3.2. Civil society leading regional well-being measurement:
The examples of Bogotá, Cómo Vamos (Colombia)
and Cómo vamos, Ciudad de México (Mexico) (cont.)**

Using a combination of quantitative and perception-based measures of well-being, *Cómo vamos, Ciudad de México?* reports on performance in 13 categories: income and jobs; poverty and inequality; education; health; culture, recreation and sports; housing; urban development; transport and mobility; environment; security and justice; government; civic engagement; competitiveness and economy. With the data it gathered, the programme established a website and published a report in 2013 communicating findings in the 13 areas measured. These are reported based on three to four factors: gender, age, socio-economic profiles and geography (results from the Federal District of Mexico versus those of its surrounding urban area). The findings, however, do not provide information by individual municipality, which limits the possibility of making place-based or neighbourhood comparisons. In addition to communicating its findings in each category, it draws general conclusions regarding quality of life in Mexico City and lists the ten greatest challenges to quality of life facing the city (e.g. increased feelings of insecurity, economic pressures on individual households, transport, education, governance, etc.).

The website and report also explain the methodology used, which included establishing a Technical Advisory Board of experts to help develop the indicator set and monitor progress. The board is divided into 13 sub-committees, each responsible for one of the 13 dimensions. The website lists each committee and its members.

Source: Bogotá Cómo Vamos (n.d.), “Bogotá Cómo Vamos”, Bogotá, Colombia, available at: www.bogotacomovamos.org/media/uploads/documento/new/librillo1_v4.pdf (accessed on 10 July 2014); Bogotá Cómo Vamos (n.d.), available at: www.bogotacomovamos.org and www.bogotacomovamos.org/concejo (accessed on 10 July 2014); La Red Latinoamericana por Ciudades y Territorios Justos, Democráticos y Sustentables (n.d.), available at: <http://redciudades.net/blog> (accessed on 10 July 2014); Cómo vamos, Ciudad de México? (2013), available at: www.comovamosciudadmexico.com.mx (accessed on 4 July 2014); El Universal (2013), “Cómo Vamos, Ciudad de México? Así percibimos nuestra calidad de vida en la Metrópoli”, El Universal, Federal District, Mexico, available at: www.comovamosciudadmexico.com.mx/wp-content/FB_ComoVamos_enc_2013/#/1 (accessed on 4 July 2014).

Guiding policy prioritisation across dimensions and territories

Well-being indicators can facilitate a finer-grained understanding of where the greatest needs lie. The analysis of well-being performance can therefore help guide the prioritisation of policy action and funding both across policy sectors (by identifying specific dimensions of well-being that need to be improved) or across space (by monitoring spatial disparities and targeting the most challenged areas). For this task, regional well-being indicators need to take into account both individual and territorial characteristics. For example, improving standards of living requires knowing which areas have the highest poverty rate, but also which areas have the highest number of poor people. Some poor areas may be sparsely populated (and thus have only a limited number of poor people) whereas some rich areas may concentrate large pockets of poverty (because many of the poor people live in rich areas, such as on the periphery of large metropolitan areas or specific neighbourhoods).

Some OECD regions have developed their own system of using well-being indicators to prioritise policy actions on key dimensions and objectives. In the period 2007-13, regions in southern Italy were engaged in a performance scheme called *Obiettivi di servizio*, which aimed to improve outcomes in four selected dimensions of

well-being (education, water, waste, and elderly and child care) through a system of measurable and agreed indicators and targets. Although the chosen well-being dimensions were the same for the eight participating regions, they were identified through a consultation process that involved both national and regional policy makers (Box 3.3). In light of these indicators, significant improvements have been achieved in Sardinia, for example, in terms of waste management and child and elderly care. In particular, the amount of urban waste landfilled was halved and the share of recycled urban waste increased from 27% to 48% over five years. The improvements in the waste cycle management have been recognised as a successful instance of engaging institutions, private sectors and civil society around clear and measurable objectives and identifying the actions to pursue these objectives.

Box 3.3. Using indicators to improve policy delivery: The case of *Obiettivi di servizio* in Italy

Obiettivi di servizio is a performance scheme introduced in the south of Italy for the 2007-13 implementation of EU Cohesion Policy. The objective was to help regional authorities focus on improving results in key well-being dimensions. Eight regions were asked to achieve minimum standards in four policy areas where the level and quality of public services were lagging behind other areas of the country. The four policy areas are education, child and elderly care, waste management and water service. A set of 11 indicators, expressed as improvements in citizen well-being, was used to measure the starting point and monitor progress at the regional level. For each indicator, a target was set for 2013 at the same level for all regions (see www.dps.tesoro.it/obiettivi_servizio for the list of indicators and targets).

Before starting the performance scheme, the Ministry of Economic Development (Department for Economic Development and Cohesion) set up a deliberative process to identify the four policy areas and the corresponding statistical indicators, engaging the national statistical office (Istat) and national and regional authorities. Many stakeholders were consulted, including associations of service providers, representatives of local authorities, data providers and socio-economic partners. This process was considered essential for increasing public understanding of the initiative and the accountability of those directly or indirectly responsible for the delivery of services. The analysis and discussion of possible indicators made participants aware of the strengths and weaknesses of each option and gave an indication of the links between policy areas (Brezzi and Utili, 2007).

Once the performance framework was set up, regional authorities were asked to draft an action plan, including the full range of measures needed to reach the targets in the four policy areas. These could include investments supported by all available financing sources, and also legislative, regulatory or organisational action.

During the implementation of the scheme, the original framework was revised and the rules allocating financial rewards to performing regions modified (including the amount allocated, which reduced the planned EUR 3 billion by half). All other features of the framework were maintained (objectives, indicators, targets, action plan). In particular, the ministry has worked closely with the regions to assess the results and update the Action Plan accordingly (Anselmo, 2012).

Source: OECD (2014), “Region of Sardinia (Italy)”, in OECD (2014), *How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris

Many OECD countries have also developed their own well-being indicators to allocate public funds to priority neighbourhoods (Box 3.4). For example, the Dutch government's urban regeneration policy selected certain neighbourhoods to receive funding from the government and housing associations to improve physical and social living conditions. The UK Indices of Multiple Deprivation (IMD), which rank small areas according to their relative levels of deprivation, are extensively used to gear subsidies and target public services to lagging areas. Australia's Socio-Economic Indexes for Areas (SEIFA) rank small areas according to their level of socio-economic advantage and disadvantage and can be used for locating public or private facilities in the areas of greatest need.

Box 3.4. Examples of using well-being indicators to allocate funding to priority communities in the Netherlands, the United Kingdom and Australia

***Krachtwijken* in the Netherlands**

As part of urban regeneration policy, the then Ministry for Housing, Communities and Integration launched the Action Plan for Empowered Neighbourhoods (*Actieplan Krachtwijken*) in 2007. Forty priority neighbourhoods (*Krachtwijken*) were selected from 18 large municipalities on the basis of their high scores in unemployment, liveability and safety, as well as their ageing housing stock. The original plan was intended to improve housing, employment, education, integration and safety over the course of a decade. This was scheduled to be financed through a combination of government funding and contributions from housing associations that had no housing stock in the selected neighbourhoods. However, the plan received funding for only four years, and the contribution from housing associations was scrapped in 2011.

UK Indices of Multiple Deprivation (IMD)

The United Kingdom's Department for Communities and Local Government has established the English Indices of Multiple Deprivation (IMD) that measure relative levels of deprivation. More than 40 separate indicators across administrative, survey and census data sources span seven "domains" of deprivation: employment, income, health, crime, education, living environment and barriers to services. The IMD were initially built at the district ward level in 2000, then at the smaller scale of 32 482 "lower-layer super-output areas" of roughly 1 500 residents in 2004, 2007 and 2010. Most of the statistics used in the latest edition (2010) are from 2008, and new indices are expected to be produced in 2015. Deprivation is a largely local issue, since 56% of local authorities include at least one lower-layer super-output area amongst the 10% most deprived in England.

The IMD are used extensively to target regeneration programmes. These include all domestic regeneration programmes of the 2000 Spending Review, the Neighbourhood Renewal Fund (NRF), the Single Regeneration Budget (SRB), Neighbourhood Management and programmes to attract businesses in disadvantaged areas. The IMD also guided the location of Sure Start centres and Children's Centres, as well as funding for the Neighbourhood Nurseries Initiative and other programmes intended to support vulnerable children and families. Many of the National Lottery grants are explicitly targeted in the most deprived areas based on the IMD, as are other funds, including the Bill and Melinda Gates Foundation gifts for the provision of information technology learning centres. Deprived areas defined by the IMD also benefited from reduced stamp duty on property and land transactions.

Socio-Economic Indexes for Areas (SEIFA) in Australia

Socio-Economic Indexes for Areas (SEIFA) are developed by the Australian Bureau of Statistics (ABS) and rank geographic areas in Australia according to relative socio-economic advantage and disadvantage. The indexes can be used for several purposes, including:

Box 3.4. Examples of using well-being indicators to allocate funding to priority communities in the Netherlands, the United Kingdom and Australia (*cont.*)

- Targeting areas that require funding and services. For example, if a government agency responsible for funding aged care facilities decides to allocate funds to localities that need them the most (e.g. areas with low ratios of existing aged care facilities to population aged 70 years and over), the agency can use the Index of Relative Socio-Economic Disadvantage (IRSD) for each quintile and look for systematic bias in funding for aged care with respect to socio-economic disadvantage.
- Identifying new business opportunities. For example, maps of Index of Economic Resources (IER) quintiles can help businesses to conduct consumer research, decide where to locate outlets and target promotion campaigns.
- Strategic planning and social and economic research into the relationship between socio-economic disadvantage and various health and educational outcomes. For example, the Index of Relative Socio-Economic Advantage/Disadvantage (IRSAD) scores for each statistical local area can be plotted against the fertility rate, to check whether the fertility rate is lower in advantaged areas.

Source: UK Department for Communities and Local Government (n.d.), “English indices of deprivation”, Crown Copyright, London, www.gov.uk/government/collections/english-indices-of-deprivation; Australian Bureau of Statistics (n.d.), “Socio-Economic Indexes for Areas”, ABS, Canberra, www.abs.gov.au/websitedbs/censushome.nsf/home/seifa.

A recent example of using well-being indicators for channelling funds towards priority needs is poverty mapping in the European Union. One of the five headline targets of the Europe 2020 strategy is to reduce the number of people living at risk of poverty or social exclusion by 20 million by the year 2020. Success depends on developing the right policies and programmes and targeting them effectively. In its multiannual financial framework 2014-20, the EU budgeted EUR 1 trillion to support growth and jobs and reduce poverty and social exclusion. According to the latest data from Eurostat, more than 124 million people in the European Union – almost 25% of EU citizens – are at risk of poverty or social exclusion. Rates of poverty and social exclusion vary widely across EU member countries, but also within them (see Chapter 2). Promoting convergence of living standards across the EU requires detailed knowledge of the disparities in living standards within each member country, and especially in those member countries with high levels of poverty and social exclusion. In 2011, the European Commission (EC) and the World Bank agreed to jointly build small area estimation poverty maps for the new EU member countries (Box 3.5). The greater geographic disaggregation of the new poverty maps reveals which parts of these larger regions have particularly high rates of poverty and require greater attention for poverty reduction programmes; and combined with data on population size, they also provide information on where most of the poor are located. The poverty maps not only help guide allocations of EU funds, but may also be used for decision making and policies at the national and sub-national levels in each of the EU member countries. Similarly, the set on indicators on income inequalities and poverty presented in Chapter 2 – if collected regularly in the future – may be used for guiding policy interventions in OECD countries and regions.

Box 3.5. Poverty maps to guide the allocation of EU Structural Funds in 2014-20

The European Parliament approved a deal with the Council on the Fund for European Aid to the Most Deprived (which will replace the Food Distribution Programme). Its budget for the period 2014-20 is EUR 3.5 billion, even though member countries proposed to cut it by EUR 1 billion. The fund will provide food, basic material assistance (e.g. clothing and school materials) and social welfare to people in severe material deprivation. Based on the EU Statistics on Income and Living Conditions (EU-SILC), the severe material deprivation rate (SMDR) is defined as the percentage of the population that cannot afford at least four of the following nine items: to pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or proteins regularly; to go on holiday; to own a television set; a washing machine; a car; and a telephone. According to the interactive map developed by Bruegel,¹ there is a wide dispersion of deprivation across European countries. While the average severe material deprivation rate in EU27 countries was 9.9% in 2012 (up from 9% in 2007), country rates range from 1.3% in Luxembourg to 44.1% in Bulgaria.

In 2011, the European Commission (EC) and the World Bank agreed to construct small area estimation poverty maps for the new EU member countries. The objective is to help the EC and EU member countries target funds and programmes in the 2014-20 budget cycle most efficiently to the areas in highest need. These high-resolution poverty maps combine information from recent national population censuses and EU-SILC household surveys to estimate the rates of monetary poverty for small geographic areas such as counties, districts or municipalities. In previous years, the EC has had to rely on less detailed data and maps at the NUTS 2 level (for example, the eight development regions in Romania) for programme planning and the allocation of EU funds.

Note: 1. More information is available at: www.bruegel.org/nc/blog/detail/article/1290-interactive-map-europes-social-polarisation-and-the-generational-struggle.

A multi-stakeholder process for implementing a regional well-being strategy

In all three types of uses discussed above, well-being outcome indicators represent a strategic tool for regions that want to assess and improve policy results. Evaluating whether and to what extent changes in well-being outcomes are directly attributable to a given policy or derive from other factors is a challenging task. It is all the more complex at the regional and local level, where policies from different levels of government meet on the ground. Well-being indicators can enhance coherence across policies by promoting a better understanding of trade-offs and synergies among the different well-being dimensions. Regions and cities thus need to design and articulate a “well-being strategy” around three building blocks:

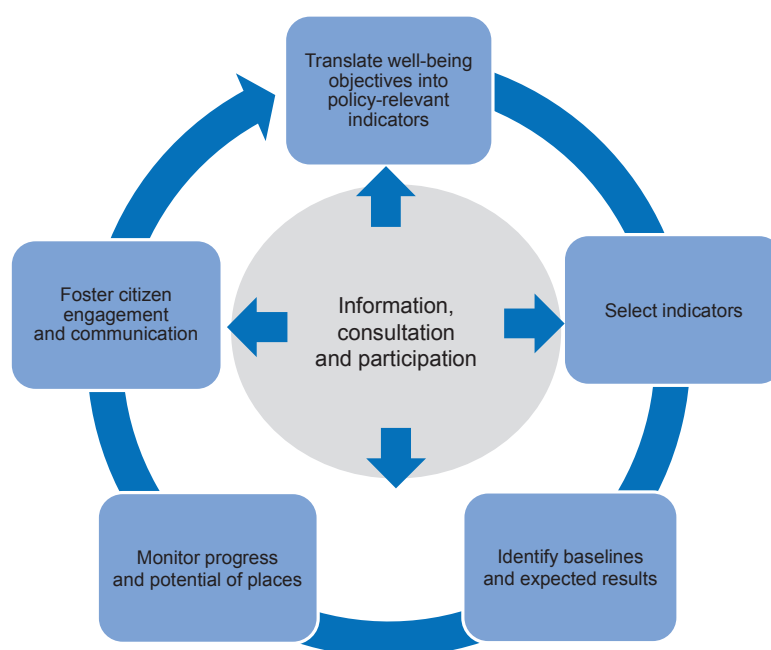
1. Developing a regional well-being metrics that captures people’s daily experience, following the framework presented in Chapter 1: Embracing individual and territorial characteristics, through both material and non-material dimensions of well-being, focusing on outcomes rather than inputs or outputs, taking into consideration the distribution of well-being across territories and across different groups, and assessing regional sustainability and resilience over time.
2. Exploiting complementarities across different dimensions of well-being: Clarifying responsibilities across and within different levels of government and different groups of stakeholders, increasing co-ordination among policies and managing possible trade-offs while maximising synergies.

3. Encouraging citizens to adapt well-being measurement to their needs: Mobilising citizens in an early and continuous participative process to collectively identify the dimensions that matter most to the community, provide input for prioritising policy interventions and monitor progress towards the anticipated results, thereby increasing the legitimacy and effectiveness of the regional well-being strategy.

Designing and implementing a regional well-being strategy based on these three building blocks requires a sequential process within a continuous exchange of information, consultation and participation among different stakeholders (Figure 3.1):

- Translating well-being objectives into policy-relevant indicators. A regional well-being measurement strategy needs to provide policy makers and citizens with direct information on people's lives as they are lived in different communities, and on what can be changed through policy to make them better. This requires establishing a clear link between regional well-being measurement and regional development goals, and aligning policy objectives across and within levels of government.
- Selecting indicators. The choice of well-being indicators needs to reflect local priorities and assets. A deliberative process of consultation should be set up to focus on a limited set of key indicators. These will help reflect objective living conditions against what people perceive, helping to target policy attention towards those in greatest need and make the most of existing information.
- Identifying baselines and expected results. Establishing a clear starting point and a range of targets to be achieved helps structure the course of public action around a transparent timeline and intermediate milestones. In a policy environment characterised by uncertainty, building a system of incentives promotes learning and capacity.
- Monitoring progress and assessing the potential of different places. Regional well-being indicators can provide a tool for tracking change over time and identifying the specific assets for development in different communities. This contributes to pooling resources towards policies that maximise a region's potential for progress.
- Fostering citizen engagement and communication of results. Bringing citizens on board from an early stage of the measurement initiative gears efforts towards what matters most to the community and builds momentum for action. Putting in place mechanisms for continuous dialogue allows for a critical assessment of results, facilitates policy adjustments when necessary, and increases accountability and trust.

The starting point of this well-being measurement cycle varies across regions, according to the specific objective of measuring well-being and who is leading the process. Rarely have case study regions fully implemented all the steps. Some regions are more advanced in certain steps than in others, and sometimes they skip one or more steps. Most frequently, regions are seeking effective tools to launch a consultation process or to communicate the results of well-being indicators.

Figure 3.1. **Regional well-being measurement cycle: A possible sequencing of steps**

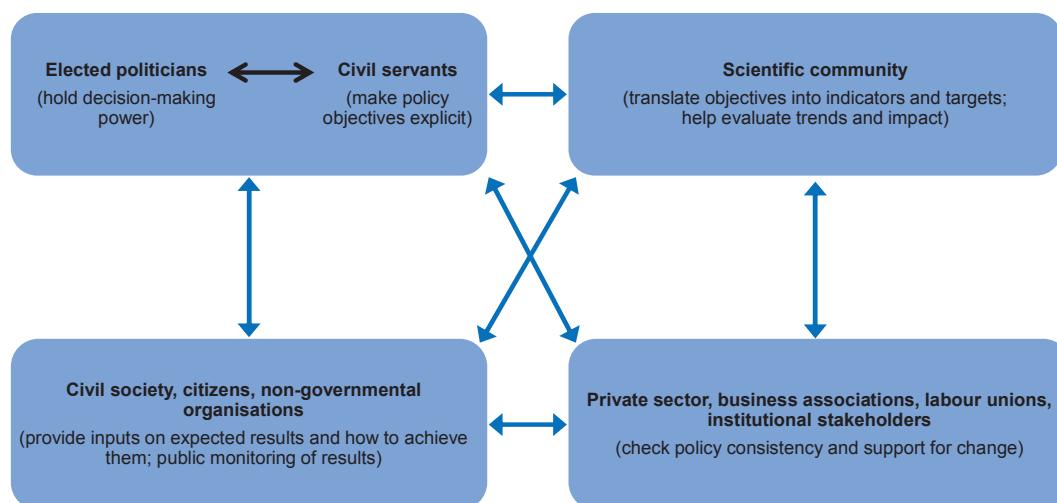
Implementing this process of well-being metrics requires the involvement of relevant stakeholders and constructive interaction among them (Figure 3.2). Four main categories of stakeholders can be identified:

- regional policy makers, including elected officials and civil servants who have the responsibility of designing explicit well-being policy objectives and identifying the priorities of action for achieving these objectives
- the scientific community (statistical offices, academics, etc.) able to help transform these objectives into measurable indicators and targets and provide underlying evidence and analysis
- the private sector, including business associations, labour unions and other institutional stakeholders who play a key role in monitoring policy consistency and supporting change
- civil society and citizens, who can provide input on the dimensions that matter most to them and on the results expected. Citizens can also contribute to achieve the results and publicly monitor progress.

A strategic aspect of enhancing the effectiveness of a regional well-being measurement initiative is to ensure continuity beyond political cycles. The sustainability of regional well-being metrics over time depends on the buy-in of public administration and on effective co-ordination across levels of government. While political leadership is fundamental, and many regional initiatives actually struggle to bring elected officials on board, the buy-in of public administration (i.e. non-elected civil servants) is indispensable to ensure the continuity of well-being initiatives in case of changes in political leadership. In the province of Rome, for example, both the provincial President and the council were fully supportive of the strategic plan and its associated well-being indicators. With this political backing, the necessary consultation processes, stakeholders, funding and

communication tools were put in place in 2011. In 2013, the provincial administration changed as the President of the province moved on to become the President of the region of Lazio, and the strategy appeared to have lost its political support and the mechanisms built to sustain it. The province is currently led by a special commissioner directly appointed by the Minister of the Interior, in anticipation of the move to official metropolitan status, which will result in a change in government structure. Priorities have therefore shifted, and the project of strategic development, with its associated well-being indicators, is no longer officially active. However, many of the strategy's objectives reportedly remain within the work of the departments, which could be a reflection of the ownership of its principles within the public administration.

Figure 3.2. Stakeholders involved in implementing regional well-being initiatives



Co-ordination between the regional government, municipalities and other stakeholders can also be a powerful driver behind the continued application of well-being indicators on the ground. A shift in political support can reduce the availability of resources (human, financial and infrastructure) allocated for the co-ordination and implementation of regional well-being measurement. Again, in the case of Rome, structures that had been established specifically for the well-being project, such as the citizen website and the government enterprise ProvinciaAttiva Spa, are no longer operational today. An institutional reform may also change the competences of the regional or provincial level, so that among the dimensions identified as essential to well-being and the variables selected for measurement, some aspects fall outside of the competences of the regional or provincial level. Promoting well-being across the territory is not only dependent on the actions of the region or province but also on those of municipal authorities. This requires building local technical capacity for data collection and analysis, and fostering buy-in and incentives for participation. In the case of Morelos (Mexico), despite the wide variety of available well-being indicators, many remain under-exploited because municipalities have uneven levels of knowledge of available data and capacity to use them in policy making.

The following sections explore in detail each step of the proposed measurement cycle and the role played by the different categories of stakeholders.

Translating well-being objectives into policy-relevant indicators

Putting well-being at the core of the policy agenda requires formulating the various well-being objectives as policy-relevant indicators. This explains why most of the case study regions have formally linked their regional well-being measurement initiative and their regional policy. Regional well-being indicators are typically included in a regional development plan or strategy. For example, the region of Southern Denmark has included its Good Life indicators in the 2012-2016 Regional Development Plan (RUP) and has produced a wheel of indicators to emphasise the importance of a holistic approach to regional development. The well-being strategy of the state of Morelos in Mexico aims to build a society that guarantees the rights of citizens in order to improve their quality of life, and the 2013-2018 State Development Plan (PED) includes well-being dimensions and indicators to accomplish this objective. The province of Rome incorporated well-being indicators into its Strategic Plan (2012) as a means of achieving inclusive growth, on the principle that a better understanding of territorial inequalities across the province could inform decision making.

However, policy objectives for promoting well-being are sometimes formulated in terms of reducing ill-being. An initiative will typically be described as a well-being initiative, but questions have been raised as to whether, in practice, problems are being measured, rather than opportunities and potential. Newcastle, for example, explicitly stated that well-being was understood as encompassing more than the mere absence of problems. At the same time, its Well-Being Strategy largely draws on the UK Indices of Multiple Deprivation. Similarly, the most compelling territorial metrics developed so far in Sardinia is an index of Multi-Deprivation applied to the Sardinian municipalities (IDMS) (Box 3.6). The question arises whether this orientation involves measuring two sides of the same coin or has a direct effect on policy. Regional experiences nevertheless suggest that a focus on better exploiting assets rather than on attenuating deprivation may increase the sense of ownership from stakeholders in the well-being strategy, as in the case of Morelos, for example.

Box 3.6. The Index of Multi-Deprivation in Sardinia

The Regional Planning Centre of the region of Sardinia, in collaboration with the University of Cagliari, has developed a comprehensive measure of regional internal disparities through an Index of Multi-Deprivation, which was applied to the 377 municipalities of Sardinia in 2011. The index includes seven dimensions: income, jobs, education, health, environment, access to basic services and safety. Each dimension is measured by one or more indicators and illustrates inter-municipal differences in deprivation. Indicators in each of the seven domains are transformed into sub-indices ranging from 0 (lowest deprivation) to 1 (highest deprivation), then compiled into a composite figure of multi-deprivation. Municipalities are ranked both according to their level of deprivation in each dimension and their level of multi-deprivation (composite index). Results are available for each municipality and for each province in the region of Sardinia. Most of the data come from administrative sources, published for the first time, and none of the dimensions include subjective measures.

The results show municipalities where deprivation in one dimension is particularly high and can thus help target policies and financial resources to fight poverty or school dropouts, for example. They can also give indications on which dimensions of deprivation tend to be associated, to help design comprehensive policy packages to tackle inequalities. Future updates and uses of the Multi-Deprivation Index have not been fully defined, but it could potentially become an important instrument to support local and regional decisions and project selection.

Source: OECD (2014), “Region of Sardinia (Italy)”, in OECD (2014), *How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris.

Criteria for defining outcome indicators

Indicators on regional well-being outcomes provide direct information on people's lives as they are lived in different communities, while indicators on inputs reflect what governments have invested, with only partial information on living conditions. For example, assessing people's daily experience with a public service such as water will require data on how satisfied citizens are with the quality of water, rather than the budget for providing water (input) or the kilometres of water pipe that have been laid (output). A number of selection criteria for identifying outcome indicators have been put forward, including in the OECD How's Life? framework, EC Cohesion Policy programming and the US Partnership for Sustainable Communities (Box 3.7). In another regional example, the Good Life initiative in Southern Denmark measures health by studying the number of doctor visits and sick days registered, but also the share of people who feel burdened by health problems in their daily lives – rather than input indicators such as the number of hospital beds or the budget for healthcare. While all these initiatives posit ideal criteria, hardly any indicator will satisfy all criteria equally well. Ultimately, the choice of indicators must be determined through a holistic assessment of validity and practicality. The selection of indicators is an iterative process, building on consultations between policy makers, stakeholders and partners.

Box 3.7. International examples of criteria to select outcome indicators

The OECD How's Life? framework, developed in 2011, orients the selection of well-being indicators towards indicators that capture well-being achievements at the individual or household level; measure well-being outcomes; allow disaggregation to assess the well-being of different population groups; and gauge the joint distributions of achievements, e.g. whether a person with a disadvantage in one dimension also suffers a poor outcome in another. It has also specified that well-being outcome indicators should meet the following statistical requirements:

- have face validity, i.e. the capacity to measure the intended parameter according to a large body of evidence and practices
- focus on summary outcomes, i.e. on relatively broad achievements that can be easily understood and are not open to ambiguity in interpretation
- be amenable to change and sensitive to policy interventions, which is important from the perspective of improving the design of policies that bear on well-being and, ultimately, on people's lives
- be commonly used and accepted as well-being indicators within the statistical and academic communities
- ensure comparability across countries, either by using concepts and definitions that follow internationally agreed standards, data collected through a co-ordinated questionnaire or by putting together broadly comparable instruments
- ensure maximum country coverage: strictly speaking, this is not a data quality criterion but a working constraint, given the aim of producing comparable evidence for OECD and some of other major economies
- be collected through a consistent instrument, which is important for monitoring changes in well-being over time.

Box 3.7. International examples of criteria to select outcome indicators (*cont.*)

EU Cohesion Policy has shifted its approach towards result-oriented investment in the 2014-2020 programming period. Its EUR 352 billion budget for this period will be invested across EU regions according to a new focus on results that can be measured. In the partnership agreements signed between the Commission and each member country that establish commitment for the use of Structural Funds, national and regional governments are required to select their investment priorities according to specific objectives expressed in one (or a select few) result indicator(s) of people's well-being. Outcome indicators should be:

- Responsive to policy: Closely linked to the policy interventions supported. They should capture the essence of a result according to a reasonable argument about which features they can and cannot represent.
- Normative: Having a clear and accepted normative interpretation (i.e. there must be agreement that a movement in a particular direction is a favourable or an unfavourable result).
- Robust: Reliable, statistically validated.
- Based on a timely collection of data: Available when needed, with room built in for debate and for revision when needed and justified.

These indicators can then help managing authorities deliver programmes efficiently and to assess whether the programme has produced the desired effects. To date, Cohesion Policy has focused more on evaluating how programmes were implemented and managed, but in the 2014-2020 period, the aim will be to strengthen evaluation of programmes. The European Commission has asked managing authorities to ensure that independent evaluations are carried out and made public. A carefully designed evaluation process is expected to help disentangle the change in indicators credibly attributed to policy intervention from those due to other factors.

In the United States, the Partnership for Sustainable Communities focuses on six “liveability” principles and a set of goals (such as sense of community, equity, health, etc.). Indicators are identified to reflect one of the principles together with one or more policy goals. The University of Pennsylvania built a crowd-sourcing catalogue of indicators, by gathering indicators already in use in different communities. A subset of headline indicators was identified with the help of focus groups and governmental agencies, for communities to select a benchmark over time. Headline indicators must align with the criteria the principles represent and meet the following SMART criteria:

- specific – what is measured is clearly stated and has the appropriate level of disaggregation
- measurable – the indicator shows desirable change and changes are objectively verifiable
- attainable – the results are realistic given available resources
- relevant – the indicator captures the essence of the desired result and is relevant to the intended outcome
- time-related – that is, specify when the results can be achieved.

Source: OECD (2011), *How's Life? Measuring Well-Being*, Box 1.5, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264121164-en>; European Commission (2014), “Guidance document on monitoring and evaluation – European Regional Development Fund and Cohesion Fund, Concepts and recommendations, Programming Period 2014-2020”, DG Regional and Urban Policy, Brussels, March; Birch, E.L., et al. (2011), “Measuring US sustainable development”, *Penn IUR White Paper Series of Sustainable Urban Development*, Penn Institute for Urban Research, Department of City and Regional Planning, University of Pennsylvania, Philadelphia, Pennsylvania.

Aligning policy objectives across and within levels of government

Given that regional well-being outcomes are shaped by a multitude of dimensions and policy interventions, they can rarely be defined and achieved by a single governmental actor. Strong political leadership and active intergovernmental collaboration both across and within levels of government are instrumental in pursuing common regional well-being policy objectives.

Co-ordination across levels of government around common well-being objectives helps align priorities and avoid dispersing resources at cross purposes. Even within a given dimension of well-being, such as housing or transport, responsibilities may be distributed across several bodies and need to be clarified. In the *Obiettivi di servizio* experience in Sardinia, for example, challenges in aligning objectives across different levels of government and institutions were mentioned as the main cause of the poor results in the fight to reduce the number of school dropouts. The percentage of youth without a secondary school diploma actually increased to 25%. The share of 15-year-old students with poor competences remained at 28%, according to the latest two rounds of the OECD PISA Survey (whereas the value for Italy is 19%). In Morelos, implementation of the State Development Plan needs to rely on co-ordination mechanisms between the state and municipalities. However, the capacity to use indicators to assess well-being outcomes may vary across municipal governments, notably depending on their size, since larger municipalities often have more financial and technical resources.

Co-ordination within levels of government across sectoral bodies is also essential in moving the regional well-being policy agenda forward. In Morelos, for example, the State Development Plan offers a widely acknowledged platform for integrating different sectoral policies at the state level. The plan was drawn up following a networked government approach (*gobierno en red*) – formalised by law in early 2013 – which focuses on co-ordination across different state ministries. One example of a programme that takes into account complementarities between sectoral policies is the *beca salario*, a universal scholarship programme that applies to students between the third year of secondary education and the fourth year of higher education. By encouraging students to attend school, this programme aims to influence not only educational outcomes but also safety, health and civic engagement. In Southern Denmark, the Regional Development Plan (RUP) has also provided an umbrella strategy, and the new Growth and Development Strategy will help further co-ordinate programmes around a shared vision. Although the level of government leading the well-being initiative may suffer from institutional shortcomings, the well-being strategy may actually serve as a rallying issue. In Newcastle, a new Combined Authority responsible for transport, skills and economic development was created in April 2014 and the effectiveness of new governance tools such as the “city deals” and “local enterprise partnerships” remains to be seen. At the same time, the Well-Being for Life Initiative also seeks to make the City Council more “fit for purpose” and more strongly committed to working with all relevant partners to improve well-being and health. In Southern Denmark, the region has a relatively weak institutional capacity, particularly since the 2007 territorial reform, but integrating around the Good Life vision has in many ways strengthened the legitimacy of the regional level in relation to municipalities and the national government.

The role of national governments in regional well-being measurement

National governments can play a major enabling role in supporting regional well-being measurement initiatives and trigger change. They can give impetus by providing a general framework for action. For example, in the United Kingdom, the

2012 Health and Social Care Act and the establishment of local health and well-being boards was fundamental in realising Newcastle’s Well-Being for Life Strategy. The Italian Department for Economic Development and Cohesion – the national authority in charge of Cohesion Policy – has not only helped to define the framework for a more result-oriented policy for the period 2014-20, but also to identify instruments to improve the efficiency of public investment, for example through the partnership agreements, the action plans (*Piani d’azione coesione*) and performance frameworks implemented in the previous programming periods. Better co-operation with national authorities can also help evaluate past experiences of regional well-being metrics and share good practices among regional authorities and other stakeholders.

National governments, with their resources, reach and perspective, can also be a significant contributor of information. In many instances, quantitative data gathered depends heavily on statistics gathered at the national level (e.g. census data, indices of deprivation, etc.). Collaboration between the national statistical office and regional authorities helped to collect and make optimal use of existing information. In Italy, the active presence and experience of Istat helped enhance the amount and quality of well-being indicators. In Mexico, the *Instituto Nacional de Estadística y Geografía* (INEGI, or National Institute of Statistics and Geography) provides a wide range of indicators at state level, and is involved in capacity-building programmes with state and local policy makers to make use of this information. Other regions are currently exploring ways to establish such collaboration. For example, the region of Southern Denmark has started to develop co-operation with the Danish Statistical Office.

At the same time, national governments walk a fine line between supporting efforts and being prescriptive. Again in the UK example, the national government established the guidelines or requirements for local councils to follow: establish a Well-Being Board, undertake a future needs assessment and establish a health and well-being strategy. It did not, however, specify what should be included, measured or monitored by the board or in the strategy, leaving this to be tailored to the local context. The US Partnership for Sustainable Communities has taken a hybrid approach, establishing indicators in its HotReport Sustainability Indicators, but also letting the communities that receive partnership funds build their own indicators and assessment techniques.

Selecting indicators

Reflecting regional priorities

While regions usually choose to measure a similar set of well-being dimensions which broadly match those put forward by the OECD How’s Life in Your Region? framework as presented in Chapter 2 (Table 3.1), they also sometimes choose different indicators. This reflects the fact that strategies to promote well-being must be informed by data that capture specific policy objectives and address the particular conditions of a given population (Table 3.2). For example, when measuring the health dimension, the state of Morelos added an indicator on obesity, which affects 34.9% of people of aged 12-19 living in the state, whereas Newcastle added an indicator on the number of alcohol-related admissions to hospital, which is 50% higher than the national average.

Table 3.1. Well-being dimensions covered by the different initiatives of OECD case study regions

OECD		Southern Denmark (Denmark)	Province of Rome (Italy)	Sardinia (Italy)	Morelos (Mexico)	North of the Netherlands (Netherlands)	Newcastle (United Kingdom)	US Partnership for Sustainable Communities	TOTAL
Dimensions covered by the OECD How's Life in Your Region? framework	Income	X	X	X	X		X		5
	Jobs	X	X	X	X	X	X	X	7
	Housing				X		X	X	3
	Education	X	X	X	X	X	X		6
	Health	X	X	X	X	X	X		6
	Environment	X	X	X	X	X	X	X	7
	Safety	X			X		X		3
	Civic engagement		X		X	X	X		4
	Access to services	X	X	X	X			X	5
Additional dimensions covered by the OECD Better Life Index at national level	Social connections		X			X	X		4
	Subjective well-being	X			X	X	X		4
	Work-life balance				X				1

Source: OECD research based on answers provided by case study regions to OECD questionnaires.

Focusing on a limited number of indicators

Streamlining well-being information into a clear set of concrete policy messages is essential for the success of a measurement initiative. Some regional experiences suggest that an oversupply of information can obstruct understanding. A proliferation of measurement initiatives led by different bodies can result in a plethora of indicators at different spatial scales and time lines, which only adds to complexity. In Italy, for example, existing information and multiple national and regional initiatives for measuring well-being could be better articulated around a common framework. In the experience of *Obiettivi di servizio*, selecting a limited number of objectives and indicators (4 policy areas and 11 indicators, respectively) helped national and local policy makers focus and maintain their attention throughout the implementation period. In Morelos, the large number of indicators for each of the five axes of the State Development Plan, without a hierarchical structure or weighted system, may obscure the true status of citizen well-being and fail to communicate it effectively to citizens. Better co-ordination of regional well-being measurement initiatives could promote knowledge spillovers, reduce the cost of producing comparable information and pool resources for generating indicators that are not available from official sources (e.g. perception and life satisfaction measures).

Combining objective indicators and subjective perception data

Any striking gaps between objective socio-economic conditions and perceived quality of life can provide useful indications of where public policy may fail to deliver the expected outcomes, and should be thoroughly reviewed by all relevant actors. Most regions use objective indicators in their well-being measurement initiative, and some also

Table 3.2. Examples of different regional indicators used for measuring the same well-being dimensions

Well-being dimensions	Indicators
Income	<ul style="list-style-type: none"> – Gap between the average weekly wage of the 20% lowest and 20% highest earners (Newcastle) – Share of income held by top 5% of households (US Partnership for Sustainable Communities) – Perceived ability to pay unexpected bills (Southern Denmark) – Perceived level of satisfaction with standard of living (Southern Denmark)
Jobs	<ul style="list-style-type: none"> – Number of workplaces reachable within one hour by car (Southern Denmark) – Workforce training completed and resulting in a job (US Sustainable Knowledge Corridor) – Ratio of births over deaths of businesses (Province of Rome)
Housing	<ul style="list-style-type: none"> – Share of households with housing costs greater than 30% of income (US Partnership for Sustainable Communities) – Foreclosure rate (US Partnership for Sustainable Communities) – Dwellings with sewage facilities (Morelos) – Market value of homes (Province of Rome)
Education	<ul style="list-style-type: none"> – Share of pupils who do not continue with upper secondary level education (Southern Denmark) – Students with poor competences in reading and mathematics (Sardinia)
Health	<ul style="list-style-type: none"> – Gap in disability-free life expectancy at 16 between the most and least disadvantaged individuals (Newcastle) – Smoking prevalence in adults over 18 (Newcastle) – Alcohol-related admissions to hospital (Newcastle) – Share of obese people of total population (Morelos) – Maternal death rate (share of maternal death for 100 000 live births) (Morelos)
Environment	<ul style="list-style-type: none"> – Share of population served by wastewater treatment plans (Sardinia) – Satisfaction with the quality of the local landscape (Sardinia) – Share of proper waste disposal (Morelos) – Perception of the amenity value of natural spaces (HotSpot Monitor analysis) (North of the Netherlands) – Share of people who feel bothered by smoke, noise or odours (Southern Denmark)
Safety	<ul style="list-style-type: none"> – Perception of vandalism and crime in the neighbourhood (Southern Denmark) – Victimisation rate (share of adults who have been victims of a crime) (Morelos) – Perception of safety (share of adults who feel safe in the state) (Morelos)
Civic engagement	<ul style="list-style-type: none"> – Share of residents who agree they can influence decisions affecting their local area (Newcastle) – Transparency Index (quality of information provided by the state's website) (Morelos) – Number of voluntary associations per 10 000 inhabitants (Province of Rome)
Access to services	<ul style="list-style-type: none"> – Average distance from basic services: pharmacy, police station, banks, post office (Sardinia) – Share of elderly who benefit from home assistance (Sardinia) – Share of children in child care (Sardinia) – Share of population with access to child care (Morelos) – External rating of services where available (Newcastle) – Commuter mode share (US Partnership for Sustainable Communities) – Access to parks and open space (US Partnership for Sustainable Communities)

Source: OECD research based on case study reports.

include subjective perception-based measures. For example, Morelos, Newcastle and Southern Denmark include perception survey data in their respective measurement initiatives (Table 3.3 on the example of Southern Denmark). What people perceive can be very different from what the data indicate, as has been illustrated in the example of safety in the province of Rome. Although the incidence of crime in the Lazio region, where the province is located, dropped 10.5 percentage points between 2007 and 2012, the share of people living in the Lazio region (where the province is located) who feel safe walking alone at night is the second-lowest in Italy. The reasons for not incorporating subjective measures vary across regions and may include a deliberate choice for conceptual reasons, the lack of data available at the relevant scale, etc. (see detailed discussion in Chapter 1).

Table 3.3. **Examples of regional well-being dimensions measured through both objective and subjective perception indicators in Southern Denmark**

Well-being dimension	Objective indicators	Subjective perception indicators
Income	– Ratio of population belonging to the low-income group	– Share of people who feel secure about the future
Education	– Ratio of people aged 25-64 with qualifying education	– Share of people who feel they use their abilities and talents in everyday life
Health	– Number of sick days per 1 000 inhabitants – Number of subsidised doctor visits per 1 000 inhabitants	– Overall self-assessment of health – Share of people who feel fit enough to do what they want to do
Environment	– CO ₂ emissions per capita	– Share of people who feel bothered by smoke, noise or odours
Safety	– Number of reported violent crimes per 1 000 inhabitants	– Share of people who worry about being victims of violence

Source: OECD (2014), “Region of Southern Denmark (Denmark)”, in OECD (2014), *How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris.

Exploiting existing information and the value of open data

Policy-relevant information is often already available from statistical or administrative sources, and has tremendous potential to create value for the society as a whole (Box 3.8). When embarking on developing regional well-being metrics, regions may thus not need to start from scratch and generate completely new data, but start by reviewing the extent of existing data and seeking access to it. For example, in the United States, the Partnership for Sustainable Communities carried out a scan of existing indicators used by cities and regions to monitor sustainable development. It found more than 300 indicators for measuring transport, land use and housing outcomes that could be reused and adapted to the needs of specific communities. Such data are sometimes freely accessible, whereas in other cases, they need to be deliberately sought out.

Making data available to the public helps overcome information bottlenecks. It ensures that governments, firms, citizens and other stakeholders have access to information that they could not previously obtain, due to a lack of resources, for example. It also helps save time and funds, as this information can provide feedback on local priorities and contribute to greater effectiveness of policy intervention. The impact of open data on service delivery and public sector performance is often most tangible at the local government level. In the city of San Francisco, for example, the heads of the foster care, juvenile probation and mental health departments agreed with the city’s district attorney to allow the release and limited exchange of case information among public agencies. As a result, the agencies were able to spot overlapping beneficiaries of services. They also realised that only 2 000 children using the services were consuming half of the departments’ resources, and that most of them lived within walking distance. Thanks to this evidence, the Human Service Agency reorganised service delivery to concentrate on specific neighbourhoods and located services delivered by non-institutional care providers in community centres. Sharing data through the new integrated data system helped focus service delivery on the most vulnerable users, upgrade service care and improve case co-ordination and efficiency.

Box 3.8. Using open government data to promote value creation and empower citizens

In carrying out their statutory duties, government bodies produce, collect and manage (or provide funds to others to perform these responsibilities) a vast quantity of data. These data are quickly becoming one of the most valuable public goods, and yet they often remain inaccessible or unaffordable to the majority of stakeholders. Enabling access to and reuse of these data has significant potential not only to improve transparency and efficiency in public administration, but also to deliver people-driven governmental actions that increase public value.

The OECD highlights three main sets of values targeted by Open Government Data (OGD) initiatives across OECD member countries, which may simultaneously benefit several actors. Potential benefits are not only envisaged in monetary and economic terms, but also from social and good governance perspectives:

- economic value (e.g. growth and competitiveness in the broad economy, fostering innovation, efficiency and effectiveness in government services)
- social value (e.g. promoting citizens' self-empowerment, social participation and public engagement in policy making and service delivery)
- public governance value (e.g. accountability, transparency, responsiveness and democratic control).

Understanding the different values is essential to identify which type of data to prioritise. Different values require different types of data. Boosting economic growth may require specific datasets to be released to the business community or app developers at a granular level, in a timely manner and with regular updates, so they can be widely and rapidly disseminated. By contrast, many objectives related to accountability and good governance can be served by releasing aggregated data.

It is important to align OGD policy goals with public expectations. The OECD 2013 Open Government Data Survey shows that while political statements include citizens' engagement among the main expected achievements of OGD, public participation is not listed among the top priority objectives of national policies and strategies, which focus on increasing economic value for the private sector and increasing openness and transparency.

The OECD methodology supports countries in conducting national impact assessment exercises and identifying metrics to support the business cases for open government data (i.e. what to measure, why and how). It also helps them design and implement OGD action plans, face challenges and follow up on results. Interestingly, the 2013 OECD survey shows that countries consider institutional and organisational challenges the main obstacles to OGD implementation.

Source: Ubaldi, B. (2013), "Open government data: Towards empirical analysis of open government data initiatives", *OECD Working Papers on Public Governance*, No. 22, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5k46bj4f03s7-en>.

Including open data in regional well-being measurement can help governments actively engage with citizens and encourage more inclusive policy design and implementation. National and local governments around the world are releasing data on government activities (making it accessible, machine-readable and reusable) to promote transparency, fight corruption, empower citizens and use new technologies to make government more effective and accountable (Open Government Partnership Declaration, 2011). In many countries, cities and regions are the driving force for sharing information and providing tools to the public to make sense of data. Many instances can be cited of how web-based access to local information has saved money and time, and helped governments make faster and better decisions. In particular at sub-national level, an

open data approach can increase available information by integrating GIS data with administrative or survey data. In Italy, open data at the territorial level have been implemented in some regions (notably in Piedmont and Emilia-Romagna, and partial data warehouses are also available now in Sardinia’s geo-portal). The Italian government also set up a website, *OpenCoesione*, on the public investments carried out by central and regional administrations with Cohesion Policy funds in the period 2007-13, and civic “monitoring marathons” have been held (Box 3.9). Connecting regional well-being indicators with open public data can help enhance the government’s accountability and generate new insights for more efficient services in both public and private sectors.

Box 3.9. Open data and civic participation on Cohesion Policy in Italy: The *OpenCoesione* web portal

The Italian Open Government Strategy on Cohesion Policy aims to increase transparency in the use of funds, improve decision making and policy design, increase the involvement of stakeholders in ensuring efficient and effective use of funds and encourage the creation of new tools and services. *OpenCoesione* is Italy’s national open data web portal (www.OpenCoesione.gov.it) on the investment projects funded by Cohesion Policy through European and national resources. The *OpenCoesione* initiative is promoted by the Department for Economic Development and Cohesion. Several national and regional public entities are involved in its implementation. The strategy is in line with the national framework of Italy’s Digital Agenda as well as with EU Structural Funds Regulations that require member countries to provide public information on beneficiaries and operations funded, according to specific formats to reuse information.

Bimonthly updates have helped provide open data on almost 800 000 projects so far, which can be freely reused (CC 3.0 BY-SA license) and explored interactively on the portal. Free public access and ease of comparison on projects allow users to evaluate if and how implemented projects meet their needs and whether financial resources are allocated effectively. Users can download raw data available in open format or navigate through interactive diagrams organised by expenditure categories, places and type of intervention. Pages on individual projects and the institutions involved are available for browsing. The *OpenCoesione* portal also publishes local economic and social data to facilitate comparisons at the local level.

Data on the ongoing projects are collected by the Central Monitoring System managed by the General State Accounting Department (*Ragioneria Generale dello Stato*, RGS) of Italy’s Ministry of Economy and Finance. They are provided by the central and regional administrations in charge of these funds. These administrations also participate in a technical group on the dissemination and reuse of public data and information on Cohesion Policy to agree on data standards and improve the quality of monitoring data fed into *OpenCoesione*.

The final aim of the initiative is to encourage greater public participation and collaboration by releasing reliable data and offering a large number of variables at the project level. An independent platform for civic monitoring was launched to publish multimedia reports of groups of interested citizens. More than 50 “citizen monitoring reports”, which take the form of collective investigations on project development and results, are publicly available on the Monithon website (www.monithon.it), many of which spurred further dialogue with public administrations. Monithon (literally “monitoring marathon”), promotes citizen monitoring of Cohesion Policy through active involvement of communities and a shared methodology. Monithon has rapidly evolved from being an innovative new platform into a transferable civic engagement format. Through “monitoring marathons”, groups of citizens, sometimes under the guidance of local community service organisations, set out on explorations around their area, to gather information on specific projects of interest. In doing so, participants collect useful material to evaluate the effectiveness of public spending and practice bottom-up modes of control over public policies and collaboration with all the actors involved.

Box 3.9. Open data and civic participation on Cohesion Policy in Italy: The *OpenCoesione* web portal (cont.)

Monithon has drawn dozens of national and local associations and around 500 people into civic monitoring activities, mostly in southern Italy, where Cohesion Funds are concentrated. Specific activities are carried out by established citizen groups, like Libera, a national anti-Mafia association that has focused on monitoring the reuse of properties seized from the Mafia. Action Aid has partnered with Monithon to promote citizen empowerment. Existing local groups of activists use the Monithon methodology to test local transport systems that benefited from EU funding, while new groups have formed to begin monitoring social innovation and cultural heritage projects.

Finally, Monithons are also conducted in the *OpenCoesione* School project (www.ascuoladiopencoazione.it), an innovative course aimed at engaging high school students through practice-based learning to produce data journalism and storytelling projects about the impact of *OpenCoesione*'s projects. In 2013-14, "*OpenCoesione* School" students engaged local communities by presenting their projects in public events, opened new channels for closer follow-up on projects, and teamed up with local associations to demand more open data.

Source: Ministry of Economy of Italy, Department for Economic Development and Cohesion (DPS) – OpenCoesione, www.opencoazione.gov.it.

Implementing a consultation process to select indicators

The choice of regional well-being outcome indicators needs to be a deliberative and participatory process. As the Stiglitz-Sen-Fitoussi report (2009) argues: "Determining which elements should belong to [the] list of quality of life features [...] inevitably depends on value judgments about which aspects are of greater importance at a given place and time". Regions have used different consultation channels for choosing dimensions and indicators (Table 3.4). The province of Rome, the state of Morelos and the region of Wallonia offer inspiring examples of how regional governments have conducted a consultation process with different groups of stakeholders to prioritise the most important well-being dimensions and indicators that reflect specific local challenges (Box 3.10).

Box 3.10. Engaging citizens to identify well-being dimensions in Rome, Morelos and Wallonia

Province of Rome

The provincial government of Rome developed a well-being strategy in 2011 to take a more systematic approach to policy action. Its aim was to support a new model of territorial development for inclusive growth and to create an information system of well-being indicators to better understand disparities across areas in the province and inequalities among people. The provincial government engaged a civil society organisation, Lunaria/Sbilanciamoci!, to monitor the strategic planning exercise and identify indicators for developing policies that could help smooth out local inequalities. Various groups contributed to the development of well-being indicators, including a Steering Committee composed of representatives from the province's administration, Sbilanciamoci!, the Province of Rome Statistical Office; Provinciativa Spa; a scientific commission including experts on well-being indicators; and citizens and civil society. This form of active consultation, drawing upon diverse stakeholders, is a core component of the well-being measurement cycle and filters through the entire sequencing process.

Box 3.10. Engaging citizens to identify well-being dimensions in Rome, Morelos and Wallonia (*cont.*)

Citizen consultation was considered a keystone for building the legitimacy of the well-being measures, and the process emphasised building dialogue around the scientific and cultural purposes of the project. The idea was to enhance the role of citizens in defining the development model, elaborating associated public policies and supporting local-level programme implementation. The consultation process included meetings organised by local governments to gather input on the strategic choices for the region, events hosted by civil society organisations, and workshops and forums organised by academia (universities and schools). Feedback on key concerns regarding well-being was solicited and gathered to help prioritise and determine the scale of intervention. Community surveys were used to build consensus around strategic choices and build citizen involvement, which was reported as a challenge. However, once citizens did get involved, the province was able to identify how citizens ranked the different well-being dimensions, putting waste and pollution, land consumption, public services, labour and health in the top five citizen concerns. As a means to communicate results and further engage citizens, the province developed an active web tool where citizens could select the well-being dimensions most significant to them, giving the administration more insight into citizens' priorities. Additional channels targeted to communicating results included public meetings, traditional media (i.e. print and television) and other media, such as books, workshops and written reports. An open data portal was also made available for the first year, but due to budget constraints, it is no longer operational in 2014.

Morelos

The state of Morelos has conducted an extensive consultation process to prioritise a set of well-being dimensions consonant with the objectives of the state's *Nueva Vision* strategy and to choose a few indicators to monitor such dimensions, using statistical information already collected by INEGI. The state of Morelos, under the direction of the state Ministry of Finance, has been shaping the well-being agenda through an increasing involvement of civil society, institutional stakeholders and the scientific community. Preparations for the State Development Plan (PED) engaged many different actors, through a hearing process, meetings and forums. This dialogue involved several community committees (*comités comunitarios*), groups of local citizens, often headed by mayors of municipalities, that help identify and prioritise the needs of a given community in various sectors. Although the state government has not allocated specific resources to promote the participation of civil society, it has involved community committees in various phases of the policy cycle. For example, the health committee participated directly in the definition of the goals elaborated in the PED, and the education sector in the state was consulted to account for the main educational needs of local residents. The state has also organised citizen consultation forums.

Wallonia

In 2013–14, the Walloon Institute for Evaluation, Prospective and Statistics (IWEPS) developed an index of conditions of well-being at the level of the 262 municipalities of the Wallonia region, building the well-being criteria from the consultation of more than 1 200 citizens. This approach focused on what matters most to citizens in terms of well-being, taking into account the territorial diversity across municipalities and across different social groups within each municipality, including those people who do not often speak out. The experience highlighted the many facets of well-being far beyond material conditions and was based on the SPIRAL (Societal Progress Indicators and Responsibilities for All) methodology from the Council of Europe. In total, 16 000 opinions of citizens were statistically summarised into 58 indicators that are available across the 262 Walloon municipalities, describing 50 dimensions of well-being that are then aggregated into eight families.

Box 3.10. Engaging citizens to identify well-being dimensions in Rome, Morelos and Wallonia (*cont.*)

In the search of a balance between the wide diversity of ideas expressed and the pragmatic requirements of measurement, the choice of indicators was based both on semantic meaning and statistical relevance. However, at this stage, it was difficult to translate all the inputs received from the citizen consultation into quantitative indicators, notably concerning individual and subjective components, for example. This first proposed measurement is therefore to be seen like a measurement of the conditions of well-being, focusing on the quality of the living environment in the broad sense, which generates conditions that are more or less favorable to the emergence of an individual and collective state of well-being. Subsequent exercises would include a survey to address the components that were missing in this first exercise.

Source: OECD (2014), “Province of Rome (Italy)”, and OECD (2014), “State of Morelos (Mexico)”, in OECD (2014), *How’s Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris; IWEPS, www.iweps.be/indicateurs-complementaires-au-pib-lindice-des-conditions-de-bien-etre-icbe.

Table 3.4. How did case study regions select their regional well-being indicators?

Main objectives of the consultation	Gather inputs on the strategic choices for the region (dimensions of well-being)	Gather feedback on the main concerns about well-being in the region (for prioritisation and scale of intervention)	Build consensus around the strategic choices and involve citizens in their measurement or monitoring
Channels			
Community survey	X (Sardinia) X (Morelos) X (Southern Denmark) X (North of the Netherlands)	X (Sardinia) X (Morelos) X (Southern Denmark – citizen panels) X (North of the Netherlands)	X (Province of Rome)
Social networks (Twitter, Facebook, etc.)	X (Morelos) X (North of the Netherlands)	X (Morelos) X (North of the Netherlands)	
Meetings organised by local or national institutions	X (Province of Rome) X (Sardinia – forthcoming) X (North of the Netherlands)	X (Sardinia – forthcoming) X (Southern Denmark – meetings with each municipality) X (Morelos – consultation forums) X (North of the Netherlands)	X (Southern Denmark – meetings with each municipality) X (North of the Netherlands)
Meetings or participative events organised by NGOs, political parties, cultural or religious associations, etc.	X (Province of Rome)		X (Morelos – Citizen Observatory of Social Development) X (North of the Netherlands)
Forums, workshops organised by universities or schools	X (Province of Rome) X (North of the Netherlands)	X (North of the Netherlands)	X (North of the Netherlands)
Others (please specify)	X (Province of Rome) X (Southern Denmark, through regional conferences)	X (Province of Rome) X (Southern Denmark, through regional conferences)	X (Southern Denmark, through regional conferences)

Source: Answers provided by case study regions to OECD questionnaire.

Identifying baselines and targets

The availability of baseline data is a critical precondition for evaluating policies. A baseline is defined as the value of a result indicator at the beginning of the programming period, before a given policy is put into effect (for example, the share of school dropouts in a region). However, it is often difficult to pinpoint a realistic baseline in practice. It may be readily available in statistical or administrative data, but in some cases (typically in the case of subjective perception indicators), a baseline must be generated, for example by surveys.

Similarly, identifying targets introduces powerful impetus for encouraging improvement, but this remains a challenging exercise and must be robust to inform policy decisions effectively. While an ideal measurement cycle would involve choosing a target within a determined time horizon, the characteristics of the policy cycle make it difficult to identify when results will be detectable. Typically, results might materialise only after the specific policy cycle has been completed. Setting precise values to be achieved for each indicator requires, at a minimum, an overall assessment of the current situation and of the feasibility of the objectives, the involvement of the scientific community and extensive consultation with citizens and other stakeholders from civil society.

This challenge in identifying baselines and targets is amply illustrated by the experience of the case study regions. Regional well-being indicators are rarely used to track progress from given baselines towards explicit quantitative targets that have been set up ahead of time. Morelos is a rare example of a region where all indicators included in the State Development Plan come with a baseline and a quantitative target, corresponding to the beginning and the end of the current administration's political term (2013-18). The *Obiettivi di servizio* scheme in Italy also set baselines and targets for all eight participating regions. While the use of indicators helps increase transparency and trust, too many targets and measures can introduce confusion and make it difficult to assess the targets.

Drawing on the experience of OECD regions, the following insights can help orient discussion on setting targets:

- Decide whether to define a range of target values or a single target value for each indicator. Besides offering a politically less threatening prospect, setting a range of target values rather than a single target value is often more appropriate when policy makers do not have full control over the policy realm under consideration and exert only partial influence – which is the case, by definition, for most of the dimensions of regional well-being.
- Consider the possibility of setting intermediate and final targets. When targets are seen as overambitious and discouraging, establishing a set of intermediate targets can offer an option to encourage initial action and build confidence. In the *Obiettivi di servizio* performance scheme, equal targets were set for all participating regions so that they could meet a “minimum standard” of services, but intermediate targets were also set for the year 2011, based on increments from the baseline. This helped maintain focus and motivation towards the final results.
- Combine quantitative and qualitative targets. In the EC 2014-20 programming period, for example, regulations state that programmes shall set targets for programme-specific result indicators for 2023, but that targets may be expressed in quantitative or qualitative terms. To set qualitative targets can mean spelling

out the range of expected values, the expected direction of change and the expected pace of change. If no meaningful indication is possible, certain intermediate steps or barriers can be set to help achieve the final objective.

- Establish a realistic time frame informed by comparable historical benchmarks. Prior experiences in the region, or in regions with similar conditions and resources, may orient the target towards a reasonable rate of progress. Some rare exceptions may be made in case of a clear justification, such as the introduction of a new technology that can significantly reduce the time required for completing a task, or a sizeable increase in the financial and administrative resources set aside for the task. It is useful to test and analyse the sensitivity of targets to variations in the policy environment (OECD, 2007). There is also a distinction to be made between targets attached to inputs and outputs, which are relatively short term, and outcome targets, which tend to materialise over the medium or longer term. The time frame may thus differ from one indicator to another, according to its specific focus. In the case of Morelos, for example, not all the targets set in the PED have the same time horizon. Some objectives are only achievable in a time span greater than the six years of the government mandate.
- Decide whether to link targets to budgetary incentives. Encouraging the achievement of targets can entail a system of rewards and sanctions as incentives for policy makers. An implicit system of rewards and sanctions will be set up if the regional well-being measurement scheme presents information on all territories and facilitates comparisons among them, generating a spirit of competition and pressure for accountability. More explicit systems of incentives consist in offering financial or institutional rewards when targets are met or surpassed. However, such systems need to be designed with caution (OECD, 2007). Benefits associated with information sharing can be attenuated if rewards or sanctions create perverse incentives for misrepresentation of data, gaming, etc. As risks to actors increase, the incentive to reveal complete information declines and the incentive to alter behaviours to avoid risk (in both perverse and legitimate ways) increases. Mechanisms that penalise regional actors by withholding funds may inadvertently exacerbate the situation.

Monitoring progress and evaluating the potential of different places

Tracking change over time

Regional well-being measurement initiatives offer a tool to monitor progress. Indicators not only provide a snapshot of the region at a given point, but when measured over several years, can also be used to illustrate trends over time and identify progress. Many regional well-being measurement initiatives have been implemented in recent years, and data over several years are not yet available. Other regions plan to monitor trends annually, or at least on a regular basis, in the future. However, even some relatively recent initiatives have built in a time feature as an integral component. For example, in Australia, the *Measures of Australia's Progress* provide a summary of information on areas of life that Australians reported as important for national progress. The “Scotland Performs” initiative includes a user-friendly feature that indicates the evolution of performance in each indicator, using a directional arrow – up, down or horizontal – to signal improvement, decline or no change (Box 3.11). This initiative has also adjusted its own set of indicators over time to keep pace with the most relevant

policy goals at stake. In New Zealand, the Quality of Life project launched in 2001 has published several subsequent editions, updating both quantitative and qualitative data, and covering a different group of cities (Box 3.12).

Box 3.11. Scotland Performs

When the new government of Scotland took office in May 2007, it set out to streamline government resources and improve overall territorial performance. To do so, it aligned the government around five strategic objectives – a Scotland that was wealthier and fairer, smarter, healthier, safer and stronger, and greener. From these five objectives, it established a series of 16 national outcomes articulating what Scotland wished to achieve over the subsequent 10 years. It then established a set of 50 indicators that cut across many of the national outcomes, helping decision makers and policy designers identify policy complementarities, and helping citizens identify where progress can be made in more than one area. For instance, one national outcome is stated as: “Our young people are successful learners, confident individuals, effective contributors and responsible citizens”. This is related to three strategic objectives: smarter, healthier, wealthier and fairer; and has 15 associated qualitative and quantitative indicators. These are primarily outcome oriented, and range from improving people’s perception of their neighbourhood to reducing deprivation among children. On its website, the government has taken care to communicate its strategic objectives. It explains why each national outcome is important, the factors that can influence them and the role of the government in achieving them. It also identifies the related strategic objectives and relevant national indicators.

Performance in each indicator is easy to interpret, as it is based on an arrow – up, down or horizontal – to indicate improvement, decline or no change over time. The importance of each indicator is also explained on the website, as well as its current status, the indicator measure, what influences change, the government’s role, how Scotland is performing in the indicator over time (graphic representation), criteria for change, partners engaged in creating change and any other related strategic objectives. These latter two points highlight not only the different stakeholders engaged, but also the multi-dimensionality and complementarity of well-being and taking an integrated approach to policy making.

Scotland constantly monitors its performance and updates its goals accordingly. For example, a national outcome relating to older people was added in 2011. The indicators are also adjusted when necessary, and the original 45 indicators in 2007 have increased to 50 in 2014. Some remain untouched, and the definitions of others have been modified. Twelve were added in 2011, and seven were either removed, since they related to targets that were already achieved, or were replaced by more appropriate measures of progress.

Source: Scottish Government (2014), “Scotland Performs”, www.scotland.gov.uk/About/Performance/scotPerforms (accessed on 4 July 2014).

Another time-oriented approach consists in monitoring progress of well-being over an individual’s life cycle as it is lived in the region. A lifelong approach helps assess how an individual’s needs are met at different stages of his/her life in the region, from birth to education, working life and retirement years. For example, the Well-being for Life Strategy of Newcastle includes a key principle on a lifelong focus to well-being and health, and focuses on improving conditions throughout the life cycle of all people who live, learn and work in Newcastle. In the North of the Netherlands, the Healthy Ageing Network explores the elements of a longer, healthy life (Box 3.13).

Box 3.12. The Quality of Life Project in New Zealand

The Quality of Life Project in New Zealand focuses on well-being in the country's urban areas, and was launched by city councils. It aims to provide information that can help improve the quality of life in New Zealand's urban areas by ensuring consistency in indicators and monitoring methodology; providing data to support advocacy of urban issues; raising the awareness of urban challenges by the central government; and promoting the collaboration of larger urban centres to monitor and address quality-of-life issues.

The project identified 11 domains relevant to well-being in its urban areas: people; knowledge and skills; economic standard of living; economic development; housing; health; built environment; natural environment; safety; social connectedness; and civil and political rights. Within these domains, a series of indicators was built to measure outcomes. Quantitative data, updated annually, are drawn from national and local government sources, including the national census. Qualitative data are obtained through a well-being perception survey of approximately 5 000 citizens and is undertaken every two years, with the most recent results being published for 2012.

Through this project, New Zealand's cities are measuring, reporting and communicating change in well-being over time, and across diverse urban areas. The first Quality of Life Report was issued in 2001 and measured well-being in six cities (Auckland, Christchurch, Manukau, North Shore, Waitakere and Wellington) with subsequent reports launched in 2003 and 2007. Participating cities have changed over time, and the Well-Being Project's core members are currently Auckland, Christchurch Dunedin and Wellington. Contributing to the reports are a broad base of stakeholders, ranging from the participating city councils to national ministries and agencies, regional authorities, academic and research institutes and civil society organisations.

The last Quality of Life Report, published in 2007, covered outcomes in 12 cities, and the next report is likely to be released in 2014 (the delay is due to disruptions in census taking following the 2011 Christchurch earthquake). The report is a comprehensive publication of project objectives, methodology, why the outcome and indicators are important, and the findings. It includes results over time and across participating cities. The project's website makes the report and its findings available on line. It also presents interactive graphs in five areas – age structure, perceptions of happiness, ethnic composition (2006), home ownership and total recorded offences per 10 000 population – that allow users to compare their city's outcomes in one area to those of other participating cities or to New Zealand as a whole. Finally, the project also articulates key points for action needed to promote greater well-being based on its findings.

Source: The Quality of Life Project (n.d.), "Quality of Life in New Zealand's cities", available at: www.qualityoflifeproject.govt.nz/index.htm (accessed on 4 July 2014); Quality of Life Project (2001), "Quality of Life in New Zealand's six largest cities", available at: www.qualityoflifeproject.govt.nz/pdfs/Quality_of_Life_2001.pdf (accessed 6 July 2014); Quality of Life Project (2007), *The Quality of Life Report '07: In Twelve of New Zealand's Cities*, available at: www.qualityoflifeproject.govt.nz/pdfs/2007/Quality_of_Life_2007.pdf (accessed on 6 July 2014).

Addressing well-being inequalities to assess the potential of different communities

Regions often look inward to their own intra-regional inequalities, notably at the municipal level (e.g. Sardinia, Southern Denmark) or the neighbourhood level (e.g. Newcastle). All case study regions participating in the OECD How's Life in Your Region? project acknowledge the importance of assessing inequalities, rather than just averages, in their indicators. A better understanding of territorial disparities and how to reduce them can be a primary objective of the regional well-being measurement initiative, as in Morelos and in Rome. Inequalities can be measured both across places (because different territories, such as cities, distribute opportunities differently for people) and across demographic and/or social groups in the region (Table 3.5).

Box 3.13. A life-cycle approach to the regional well-being strategy: The Well-Being for Life Strategy in Newcastle and the Healthy Ageing Network in the North of the Netherlands

Taking a life-course focus in Newcastle

The Well-Being for Life Strategy of Newcastle applies three key principles:

- **Progressive universalism:** The concept refers to taking actions, particularly policy-level actions, so that everyone can benefit, but so that those with less access to money, power and resources can benefit proportionately more right across the social gradient.
- **Unlocking potential through incorporating asset-based practice:** This approach recognises and builds on people's skills, strengths, aspirations and networks and enables them to be active in improving their own and others' well-being and health, rather than remaining the passive recipients of others' actions.
- **Taking a life-course focus:** Recognising that positive well-being and good health is important at every stage of life and that growing up healthily is an important foundation for growing old healthily. The strategy refers to "people" meaning people of all ages, from newborns through to those in later life.

The first part of the strategy is therefore entitled "Tackling inequalities in well-being and health, and improving well-being and health for all, through improving the conditions in which people are born, grow up, live their lives and grow old". The strategy recognises that well-being and health are created through the economic, physical and social conditions in which people live out their lives and are influenced by many factors across different settings – in homes, in streets, in neighbourhoods, in schools, in workplaces, in hospitals, in other health or social care settings, and in universities. By improving these conditions across different settings and in the city as a whole, the strategy aims to make sustainable improvements to everyone's well-being and health and potentially reduce reliance on services over time.

The Healthy Ageing Network in the North of the Netherlands

The region of the North of the Netherlands faces a shrinking population and an ageing society. The recent decentralisation reform also plans to shift major responsibilities related to youth healthcare, long-term care and labour welfare to municipalities by 2015. In this context, the Northern Netherlands Provinces Alliance (SNN) has launched a knowledge and development cluster in the field of healthy ageing. Promoting healthy ageing not only consists in improving the health of the elderly and ageing population, but in adding more years of healthy life by delaying years of ill health in the life course. Therefore, it focuses on prevention throughout the chain of services provided over the life cycle. Healthy ageing is one of the four key themes of the region's Research and Innovation Strategy for Smart Specialisation (RIS3).

Co-financed by the European Union and the Dutch Ministry of Economic Affairs, the SNN has created a major health database called the Healthy Ageing Monitor. The central question it poses is why some people develop chronic illness relatively early in life, while others remain vital and healthy into old age. A large-scale research programme called LifeLines investigates the complex combination of factors that influence the incidence of chronic disorders such as asthma, diabetes and kidney disease. The basic scientific assumption is that the influence of those factors and the way they act on one another can only be understood by long-term, broad-based monitoring of the health of a large population over different generations. Within the LifeLines research programme, over a period of 30 years, 165 000 residents of the Northern Netherlands will be monitored, from youth through parenthood to old age. This pioneering three-generation study involves an unprecedented number of life aspects, from heredity and lifestyle to physical and social factors. Participants are called in for an examination once every five years. During this examination, they are asked to complete detailed questionnaires about their medical records, their habits, including diet, smoking, lifestyle, use of medicines, etc. In addition, various parameters are measured, including blood pressure, weight, height, lung function, heart function and blood and urine values. The baseline phase has just been completed and the follow-up phase is about to start.

**Box 3.13. A life-cycle approach to the regional well-being strategy:
The Well-Being for Life Strategy in Newcastle
and the Healthy Ageing Network in the North of the Netherlands (cont.)**

The results of LifeLines are expected to lead to a faster identification of diseases, discovering new treatments and even preventing chronic disorders. The challenge of staying healthy longer through innovation calls for fundamental breakthroughs in core areas that determine sickness and health, in particular in the fields of life sciences, food and nutrition, medical technology, care and cure and healthy lifestyles.

The Healthy Ageing Network of the North of the Netherlands (HANNN) acts as an intermediary between research (including the University Medical Centre of Groningen), medical institutions and business units. It combines a focus on improving quality of life for ageing people and an economic perspective to minimise the social burden of healthcare and to investigate economic motivation in this field. Within the network, the private sector, government organisations and knowledge institutions are brought together in a systematic collaborative approach to ensure better quality of life in old age, while creating substantial new economic and social activities.

HANNN is financed 60% by the three provinces of the SNN and 40% by other entities (including the university, companies and healthcare companies). HANNN does not set health targets to reach over time (e.g. how many years of healthy life to add), but it does agree on economic targets with each of the three provinces, with a focus on different sectors (e.g. food, tourism).

Source: OECD (2014), “City of Newcastle (United Kingdom)”, in OECD (2014), *How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris; OECD (2014), “Region of the North of the Netherlands” in OECD (2014), *How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris.

Table 3.5. Measuring well-being performance at different territorial scales and across different social groups: Examples from case study regions

	Territorial scales			Demographic/social groups
	Supra-municipal scale	Municipal scale	Sub-municipal scale	
Examples	<ul style="list-style-type: none"> – Province of Rome (six “territorial systems”: Citavecchia, Fiano Romano, Pomezia, Roma, Tivoli, Velletri) – US HotReport Sustainability Indicators (county level) 	<ul style="list-style-type: none"> – Sardinia (377 municipalities) – Southern Denmark (22 municipalities) 	<ul style="list-style-type: none"> – Newcastle (wards, and “lower-layer super-output areas” as defined by the Indices of Multiple Deprivation) 	<ul style="list-style-type: none"> – Morelos (e.g. the National Council for the Evaluation of Social Development Policy, or CONEVAL’s poverty analysis, for example the share of young people aged between 6 and 12 with no access to food) – Southern Denmark (ratio of people belonging to the low-income group)

Some measurement initiatives also allow for outward benchmarking, allowing the region to compare itself with other regions in the country or the national average on a given indicator. For example, Australia’s Department of Infrastructure and Regional Development, through its “My Region” website, provides information on performance outcomes for Australia’s eight regions and territories in seven areas – economy; employment; education and skills; family, community and social cohesion; housing; income; population and population growth – each linked with one to three quantitative indicators. The data are presented as a time series, may be viewed graphically or numerically, and make it possible to compare performance among a selected community (e.g. Sydney), its region (New South Wales) and the nation. The US Partnership for Sustainable Communities’ HotReport Sustainability Indicators also allow

decision makers and citizens to compare their county's performance against the performance of their state and the country as a whole. This can help counties and their stakeholders situate themselves within an overall context. It does not, however, offer an easy and automatic, built-in feature to compare performance against neighbouring counties or counties in other states.

Fostering citizen engagement and communication

A regional well-being strategy needs to monitor whether the region is moving in the direction desired by citizens. An essential prerequisite for improving policy effectiveness is therefore to mobilise citizens upfront, starting by identifying the dimensions that matter most to the community. In practice, mechanisms to promote citizen engagement and facilitate the communication of well-being data often come late in regional initiatives. Citizen engagement can take different forms, from consulting citizens on the well-being dimensions that should be monitored to receiving their evaluation on the quality of services available (through perception indicators), and asking citizens to contribute in measuring well-being and progress. Communication of regional well-being results builds an indispensable bridge between providers and the beneficiaries of public policy.

Facilitating different forms of citizen engagement

By actively engaging with citizens about their well-being, all levels of government can benefit from critical public input when deliberating, deciding and acting. Effective citizen engagement can also yield a number of benefits, including building trust in government; generating better outcomes at lower cost; securing higher compliance levels with decisions reached; enhancing equity of access to public policy making and services; leveraging knowledge and resources; and developing innovative solutions.

Three main stages of citizen engagement can be identified (as summarised in Table 3.6):

- **Citizen information:** Information is conveyed in one direction only, from the government to the public. There is no involvement of the public (e.g. public feedback is not required or specifically solicited) and no mechanisms through which citizens are invited to react. Providing information is a critical first stage of more open and transparent government. Communicating information to citizens on decision making, policy development and implementation puts governments in a position to be scrutinised and builds citizen trust. Informing citizens helps educate them about their rights and entitlements and can communicate the rationale, objectives and achievement of government. This is important for ensuring buy-in to changes and reforms and for providing a platform from which citizens can engage with government. Examples of techniques used for citizen information include setting up websites and granting access to public records and data.
- **Citizen consultation:** Information is conveyed from the public to the government, following a process the government initiates: it provides information and invites citizens to contribute their views and opinions. The main purpose of citizen consultation is to improve decision making, by ensuring that the views and experience of those affected are considered, that innovative and creative options are taken into account and that new arrangements are workable. Examples include

public opinion surveys, focus groups, workshops/seminars, public hearings and public comment on draft legislation.

- Citizen participation and empowerment: Information is exchanged “two ways”, between the public and the government, through a dialogue into which opinions of both parties feed. Citizen participation and empowerment require a relationship founded on the principle of partnership. It recognises the autonomous capacity of citizens to discuss and generate policy options; it requires governments to share the agenda-setting power and to commit to taking into account policy proposals generated jointly in reaching a final decision. Finally, it requires citizens to accept the higher responsibility for their role in policy making that accompanies greater rights of participation. Examples of participatory decision making and participatory budgeting include citizen juries and citizen forums.

Table 3.6. **Different stages of citizen engagement in regional well-being measurement initiatives**

	Citizen information	Citizen consultation	Citizen participation and empowerment
Flow of information	Public administration ⇒ citizens	Citizens ⇒ Public administration	Public administration ⇔ Citizens
Nature of interaction	Inform citizens	Collect information and feedback from citizens	Two-way dialogue, deliberation and co-decision
Examples of techniques	Websites Access to public records and data	– Public opinion surveys – Focus groups – Workshops/seminars – Public hearings – Public comment on draft legislation	– Participatory decision making – Participatory budgeting – Citizen juries – Citizen forums

Source: Various sources, including: OECD (2010), *Finland: Working Together to Sustain Success*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264086081-en>; OECD (2009), *Focus on Citizens: Public Engagement for Better Policy and Services*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264048874-en>; OECD (2001), *Citizens as Partners: Information, Consultation and Public Participation in Policy-Making*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264195561-en>; OECD (2013), *Policy Making after Disasters: Helping Regions Become Resilient – The Case of Post-Earthquake Abruzzo*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264189577-en>, based on Lenihan, D. (2008), “It’s more than talk: Listen, learn and act: A new model for public engagement”, the final report of the Public Engagement Initiative, Province of New Brunswick, www.gnb.ca/0012/PDF/LLA-e.pdf and the International Association for Public Participation, www.iap2.org.

Citizen engagement in regional well-being measurement initiatives can comprise all three stages. Information and consultation allow citizens to understand government orientations, discuss priorities and therefore help identify the available options for a regional well-being strategy. Two-way participation leads to a greater sense of ownership of policies and greater commitment to generating results on both sides. Participation before the fact can be particularly critical for shaping policy results at a neighbourhood level, as experienced by government and community stakeholders in Valparaíso, Chile (Box 3.14). Actively encouraging participation from the private sector, trade unions and the university sector could make a significant contribution in gathering evidence bases measuring outcomes and communicating results. For example, establishing a “well-being observatory” could help in continually monitoring progress, based on the experience of the Observatory of Cultures in Bogotá, Colombia.

Carefully planning the governance of citizen engagement is often instrumental in ensuring a mutually beneficial process. In Australia, for example, the Australian Bureau of Statistics (ABS) conducted a comprehensive consultation process in revisiting its first well-being measurement initiative of 2002 and bringing out a new edition in 2013, with an additional chapter on regional progress. The establishment of an Expert Reference Group (ERG) to provide advice and support for the consultation approach and model – particularly the idea of identifying Australians’ aspirations for progress – was critical to the success of the Measures of Australia’s Progress (MAP) consultative process (Box 3.15). Conversely, in the case of the *Obiettivi di servizio* performance scheme, objectives, indicators and targets were defined in a robust partnership between the central government and regions, but mechanisms to engage citizens in drawing up the well-being agenda were not included.

Box 3.14. Two examples of community involvement: The *Recuperación Barrios* programme (Valparaíso, Chile) and the Observatory of Cultures (Bogotá, Colombia)

***Recuperación Barrios* programme (Valparaíso, Chile)**

In 2006, Chile’s Ministry of Housing and Urbanism (MINVU) launched its nationwide *Recuperación de Barrios* programme, aimed at recovering disadvantaged neighbourhoods. Programme implementation requires management plans to be submitted by the relevant communities. The MINVU’s Valparaíso regional secretariat (*Secretaría Regional Ministerial*, or SEREMI) noticed that in the communities where programme results were poor, no inclusive planning before the fact had been undertaken by neighbourhood leaders. Those communities where results were strong had established plans that included advance participation among stakeholders (i.e. representatives from the community, the municipal administration and the MINVU/SEREMI) who came together to identify the problems to address and develop a list of priorities.

Observatory of Cultures (Bogotá, Colombia)

As mayor of Bogotá, Colombia, Antanas Mockus Sivickas established the Observatory of Urban Culture (*Observatorio de Cultura Urbana*) to analyse and evaluate municipal institutions and programmes through a multi-disciplinary approach. The objective was to use such information to make better-informed decisions, for example when constructing Bogotá’s development plan (*plan de desarrollo*). The observatory undertook short-, medium- and long-term research projects, including developing polls and questionnaires to obtain citizens’ views on policies and actions of the administration, creating and managing a database and establishing a documentation centre. With successive mayors, the scope of the observatory’s activities has been adjusted to meet changing needs, and its name changed to reflect them. It is now called the Observatory of Cultures. Under the administration of Gustavo Petro (2012-15), the observatory aims to build knowledge bases covering the cultural subjects of the city. Research focusing on the design, formulation and monitoring of programmes, projects and activities articulated in Bogotá’s development plan are prioritised. Since 2001, the observatory has undertaken a thorough biennial survey of the city – the Biennial Survey of Cultures (*Encuesta Bienal de Culturas*) – focusing on the cultural transformations of Bogotá’s residents in two areas: culture, recreation and sports, and how the capital city’s residents relate to the district state and other citizens. The survey feeds indicators and analysis on the city’s diversity and multiculturalism.

Source: Adapted from OECD (2013), *OECD Urban Policy Reviews: Chile*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264191808-en>; Ministry of Housing and Urbanism/SEREMI (2012), OECD interview, June 2012, Valparaíso, Chile; Montezuma, R. (2005), “The transformation of Bogotá, Colombia, 1995-2000: Investing in citizenship and urban mobility”, *Global Urban Development*, Vol. 1, No. 1; Secretaría Distrital de Cultural Recreación y Deporte (2012), “Observatorio de Culturas”, Bogotá, Colombia, www.culturarecreacionydeporte.gov.co/observatorio/acercade.html (accessed 20 August 2012).

Box 3.15. A two-year dialogue on the Measures of Australia's Progress

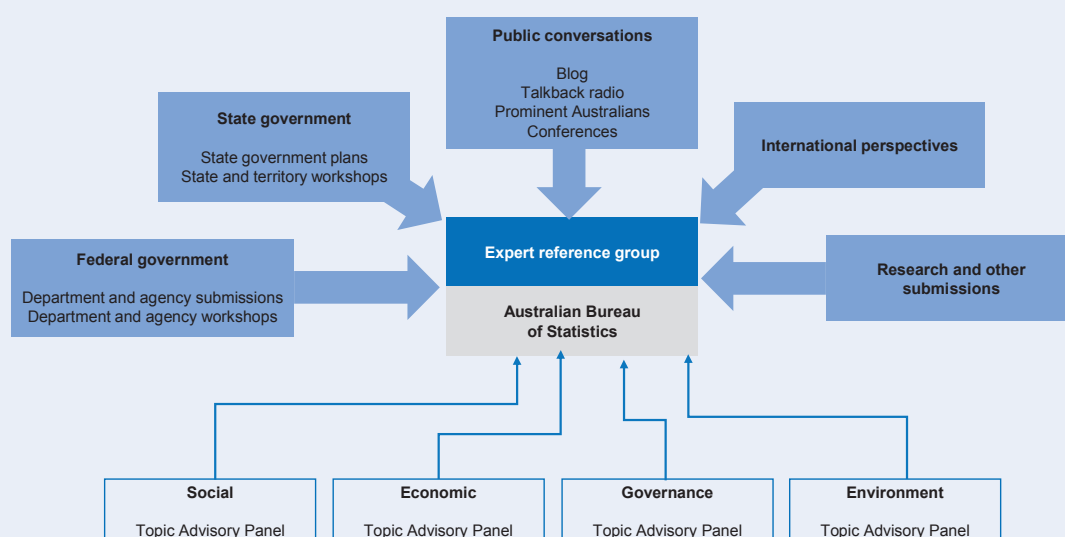
First published in 2002, the Australian Bureau of Statistics' flagship publication *Measures of Australia's Progress* (MAP) has been bringing together selected statistics about society, the economy and the environment, to provide insight into national progress (ABS, 2002). The MAP is part of the ABS's commitment to providing high-quality, objective and responsive data to assist informed decision making, research and discussion. It aims to help Australians answer the question: "Is life in Australia getting better?" After widespread international and national interest in measuring societal progress, the ABS considered it was timely to review whether the MAP is still measuring the aspects of life that matter most to Australians. In 2011-12, it undertook a broad-ranging consultation that asked Australians "What is important to you for national progress?"

Governance of the process

The ABS's approach to the MAP consultation has been guided and endorsed by a MAP Expert Reference Group (ERG). The ERG is chaired by the Australian Statistician, Brian Pink, and includes eminent representatives from business, community, research and government organisations. A similar group had provided broad direction and advice to the ABS since the MAP's inception, and was reconvened to guide the 2011-12 consultation. The ERG has provided feedback to the ABS at each step of the consultation process and continued to advise it throughout the redevelopment of the MAP 2013. The ERG members also participated directly in the consultation by attending and leading the MAP forum.

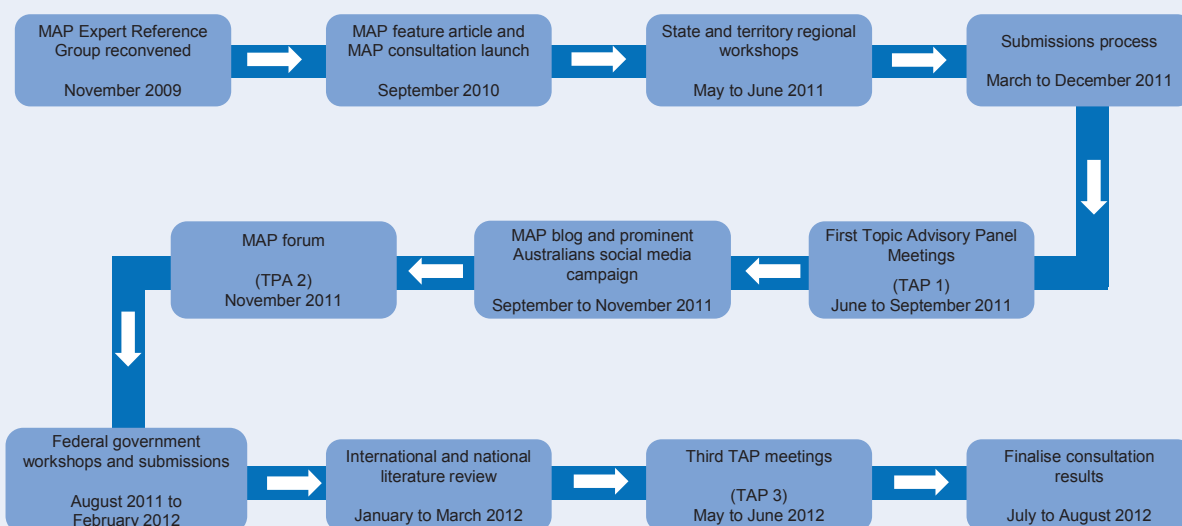
Consultation channels and stakeholders

The viewpoints of Australians were initially gathered during state-based workshops where people from state, local government and community organisations provided valuable source ideas for the consultation. Topic advisory panels were then engaged to provide expert guidance and analysis of the evolving aspirational ideas, which they did at several stages in the consultation process. The ABS asked a number of well-known Australians to share their views on progress and to launch a social media conversation with people who might not otherwise engage with statistics. The ABS looked at how state governments have articulated the aspirations of their constituents in state plans or similar documents; and met with and received the submissions of a number of federal government agencies. Submissions were invited and received from a broad range of organisations across government, business, community and academic sectors. In addition, the ABS has researched what international statistical agencies and other organisations (including the OECD) have found when considering progress and related ideas.



Box 3.15. A two-year dialogue on the Measures of Australia's Progress (*cont.*)

Timeline and milestones



Source: Adapted from ABS (2012), *Measures of Australia's Progress: Aspirations for Our Nation: A Conversation with Australians about Progress*, Australian Bureau of Statistics, Canberra, available at: [www.ausstats.abs.gov.au/ausstats/subscriber.nsf/LookupAttach/1370.0.00.002Publication20.11.121/\\$File/Measures%20of%20Australia's%20Progress%20Consultation%20Report.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/LookupAttach/1370.0.00.002Publication20.11.121/$File/Measures%20of%20Australia's%20Progress%20Consultation%20Report.pdf).

Communicating regional well-being results

A strategy to communicate regional well-being indicators to a broader constituency needs to define in what form they will be exposed to the public and through which channels. In the case of the form, the dilemma between a regional well-being composite index (which conveys a single unified message, but dilutes information) and a wider dashboard of indicators (which offers more fine-tuned information, but may take more time to communicate) remains an open question, both in conceptual and operational terms. Most of the case study regions currently do not have a single composite well-being index. Sardinia is an exception, with its Multiple Deprivation Index (IDMS). Rome has developed aggregated indices for each of the six axes prioritised by the Strategy Project of the former Council of the Province (i.e. clean environment; local infrastructure; smart development; social cohesion; innovation culture; citizenship, equal opportunities and participation in public life). Newcastle produced its own Vitality Index, but its well-being strategy embraces a comprehensive set of thematic indicators. The interesting example of Southern Denmark illustrates the advantages and drawbacks of both approaches: after the region invested a sizeable amount of time and resources in developing a composite Good Life index, the Good Life initiative was re-deployed into a “wheel” of thematic indicators including both objective and subjective indicators (Box 3.16).

Communication channels need to be further developed in most OECD regions. Communication is a powerful tool to reduce the risk that the regional well-being measurement initiative remains a technocratic exercise with limited impact on the daily lives of citizens. In Sardinia, effective dialogue with economic actors has co-existed with a lack of high-level political engagement on achieving measurable objectives and

difficulties in engaging civil society. Southern Denmark has successfully developed a yearly publication (*Kontur*), which covers a range of well-being indicators by municipality and is used when designing strategies throughout the region, but it is currently working on developing concrete tools for communicating and publicly debating the Good Life results. The example of the province of Rome offers interesting insights. Solid campaigns of consultation and communication have been conducted. Results were publicly discussed with civil society and policy makers. Among a variety of communication tools, case study regions have most easily chosen to run a website as well as written materials and workshops (Table 3.7). However, the potential of social networks and social media has so far not been fully exploited.

**Box 3.16. Composite index vs. headline indicators:
The dual experience of the region of Southern Denmark**

Southern Denmark’s vision embraces a wide spectrum of material and immaterial dimensions that are considered to contribute to a “Good Life”. The multi-dimensionality of well-being was measured through two approaches successively: a composite index, which was eventually replaced with a dashboard of indicators.

The Good Life was initially measured through a composite index encompassing five sub-indices: residents’ health, security, relationships, self-fulfilment and surroundings. These five dimensions are considered to help enhance chances of living the Good Life. Each of the sub-indices was measured using five socio-economic indicators and five indicators of perceived individual conditions. An exception was self-fulfilment, which was only measured by individual indicators.

Extensive discussions conducted by the region with each of the 22 municipalities indicated that the composite index was difficult to understand per se (the index was expressed as standard deviations and included variables at both individual and municipal level) and was not able to point out the exact areas in which policy intervention was required. The composite index was revised into a “wheel” that organises 40 indicators in 2 categories: community conditions (including a municipality profile and a citizen profile) and individuals’ own perception of life. Socio-economic indicators are measured using existing sources of data: registry data (indicators mainly available from the Danish Statistical Bureau) and model data (from a regional version of the national ADAM economic model run by the Ministry of Finance, and the region’s own GIS analysis). Individual perception indicators are measured using panel survey data collected annually by a private consulting firm (Jysk Analyse) from up to 4 300 respondents (out of 1.2 million inhabitants). The region carries out citizen surveys three to four times per year. Once a year, citizens are asked to assess their level of well-being, both in general and in terms of different well-being dimensions, such as health, relationships, etc. The remaining surveys are dedicated to different themes regarding the Good Life and regional development. There is also an extensive national health survey “How are you?” (“*Hvordan har du det?*”), which is run regionally every fourth year by the health department of the region of Southern Denmark.

Table 3.7. **How do case study regions communicate (or plan to communicate) well-being indicators?**

	Southern Denmark (Denmark)	Province of Rome (Italy)	Sardinia (Italy)	Morelos (Mexico)	North of the Netherlands (Netherlands)	Newcastle (United Kingdom)	US Partnership for Sustainable Communities
Dedicated public website	X (planned)	X	X	X	X	X	X
Public meetings		X	X	X			Up to the community
Media	X	X		X			Up to the community
Social networks (e.g. Twitter, Facebook, etc.)				X			Up to the community
Reports, books, dedicated workshops	X	X	X	X	X	X	Up to the community
Others (please specify)							Up to the community

Source: Answers provided by case study regions to OECD questionnaire.

Conclusion: Guidelines for using regional well-being data to build stronger communities

Comparing experiences across case study regions and beyond has pointed to the wide variety of approaches to regional well-being measurement initiatives, but also to common opportunities and challenges that require strategic choices. Using existing data in new ways opens up valuable possibilities for building stronger and more inclusive communities, based on a shared understanding that a joint ownership of the regional well-being agenda can make positive change happen where people live. Insights and lessons from the international experiences presented in this chapter can be briefly summarised in the following guidelines.

Overarching considerations

- Well-being is a positive narrative. Many regions perform better at measuring challenges and ill-being rather than assessing opportunities and well-being. Fostering well-being for people in different places requires more than reducing specific problems; the goal is to create conditions that enable different individuals to flourish throughout the course of their lives.
- Well-being can motivate mobility across regions. Well-being is a defining characteristic of a territory and thus shapes its competitiveness and attractiveness. Making a better place for people to live in also helps equip it better to grow, cultivate existing and innovative potential and attract new resources.
- Time is critical. The well-being of individuals in places does not change overnight (except in extreme cases, such as natural disasters and war). While inputs can be changed in the short term, well-being outcomes tend to materialise in the medium to longer term.

Methodological guidelines

- Map and cross-check existing data before exploring the possibility of generating new data. Policy-relevant information can often already be extracted from identifying, releasing and crossing available data. By contrast, oversupply of data may obscure their reading and policy interpretation.
- Combine objective indicators and subjective perception data. A balance between objective conditions and subjective perceptions provides critical insights into policy achievements and unmet needs. Great potential exists for improving perception information at different territorial details in key issues such as satisfaction with public services; trust in local and regional authorities; perceptions of corruption, discrimination or the lack of impartiality.
- Facilitate the identification of the right scale for action. Reflection grounded in regional well-being data can help all levels of government understand whether the policy issue at stake is a neighbourhood issue, a municipal issue, a city and hinterland issue, a labour market issue or a larger regional issue.

Governance guidelines

- Well-being is a shared responsibility between governments, the private sector and citizens. Providing for citizen well-being is not the duty solely of the government, nor should citizens be passive recipients of government policies. Building better communities requires commitment and action from all spheres of society.
- Invest in building strategic and technical capacity to design and select projects that fit with expected well-being results. Once relevant well-being indicators have been chosen, selecting the right projects that will help improve them calls for different skill sets (e.g. knowledge of specific territories or specific policy sectors), which lie in different constituencies. Training, monitoring and evaluation mechanisms can help build capacity at all levels.
- Build a multi-stakeholder governance mechanism that balances clear leadership and shared ownership from the outset. While opening well-being measurement to public debate and participation takes time in the initial stages, it can help avoid the risk of technocratic initiatives that have only marginal impact on people's lives. The benefits of mobilising stakeholders from the onset materialise throughout the entire process and nurture progress of society.

Annex 3.A1

Overview of regional well-being measurement initiatives in seven OECD case study regions

	Region of Southern Denmark (Denmark)	Province of Rome (Italy)	Region of Sardinia (Italy)	State of Morelos (Mexico)	Region of the North of the Netherlands (Netherlands)	City of Newcastle (United Kingdom)	US Partnership for Sustainable Communities
Territorial scale	Region OECD TL2 region.	Province OECD TL3 region.	Region OECD TL2 region.	State OECD TL2 region.	3 provinces (Friesland, Groningen and Drenthe) OECD TL2 region.	Metropolitan area (Metropolitan District of Newcastle upon Tyne)	National initiative for jurisdictions of all sizes (regions, counties, municipalities and neighbourhoods)
Population	1.2 million	4 million	1.6 million	1.8 million	1.8 million	279 100	Not applicable
Well-being outcomes at a glance	Ranks high in most well-being dimensions, particularly in terms of access to services, civic engagement and safety	Lazio region performs better than the national average in education, environment, access to services and civic engagement, but worse in income and jobs	Scores well in environment, health, safety, civic engagement and access to services, but poorly in income, jobs and education	High employment outcomes (although this might be skewed by informal employment)	The North of the Netherlands ranks high in safety, access to services and civic engagement.	North East England scores above the national and OECD values in education and environment, but scores worse in jobs, health and civic engagement	HotReport sustainability indicators on transport, housing, equity, economic development and income
	Patchy progress on well-being performance as compared with other OECD regions over the 2000-13 period	Improvements in the province of Rome in environment (air quality) and access to services (broadband connections) over the past ten years	Rural internal areas suffer from ageing and depopulation	Low levels of safety and income, together with substantial inequality	Frequent earthquakes due to gas extraction are a major concern for people's well-being.	Overall well-being performance has improved relative to other OECD regions since 2000	
	Municipalities within the region are struggling with various types of well-being challenges	High inequalities among the province's six territories	Substantial inequality in income, education and access to services	Higher levels than other Mexican states in education, health and civic engagement	Ageing and depopulation in the most remote areas challenge liveability.	Significant disparities in life expectancy rates in Newcastle, with an average discrepancy of about 14.5 years depending on people's ward of residence	

	Region of Southern Denmark (Denmark)	Province of Rome (Italy)	Region of Sardinia (Italy)	State of Morelos (Mexico)	Region of the North of the Netherlands (Netherlands)	City of Newcastle (United Kingdom)	US Partnership for Sustainable Communities
Leadership of regional well-being measurement initiative	Region of Southern Denmark (Department of Regional Development, Strategy and Analysis unit)	Province of Rome	Region of Sardinia (Regional Planning Centre)	Undersecretary of Planning of the state of Morelos	No single leading entity, but several key actors including the Northern Provinces Alliance and the University of Groningen	Newcastle City Council	Federal partnership between US Department of Housing and Urban Development, Department of Transportation, and the Environmental Protection Agency
Framework for measuring regional well-being	<p>"Good Life" measurement was included in the Regional Development Plan (RUP) for 2012-16 (transformed into a new Growth and Development Strategy)</p> <p>The Good Life Index initially included a composite of five sub-indices (residents' health, security, relationships, self-fulfilment and surroundings); this was later transformed into a "wheel" of headline indicators (15 socio-economic indicators and 25 perception-based indicators, included in the statistical yearbook <i>Koritur</i>, with a detailed profile for each of the 22 municipalities)</p>	Well-being measures were introduced in 2012 by the province's government to support the territorial development strategy for inclusive growth and take a more strategic approach to political and policy action	Well-being measures were introduced in regional programming for the 2014-20 EU and national Cohesion Policy	Well-being measurement is included in the State Development Plan (PED) 2013-18 through five strategic axes:	No single regional strategy for well-being but several initiatives in the fields of: innovation (Research and Innovation Strategy for Smart Specialisation (RIS3), bringing together the provinces of Friesland, Groningen and Drenthe); health (Healthy Ageing Network Northern Netherlands); and environment (Wadden Sea Long-Term Ecosystem Research project)	Well-being for Life Strategy – A Framework for Action 2013-16, based on the requirement to establish Health and Well-Being Boards (2012 Health and Social Care Act)	6 Liveability Principles: <ul style="list-style-type: none"> i) provide more choices for transport ii) promote equitable, affordable housing iii) enhance economic competitiveness iv) support existing communities v) co-ordinate and leverage federal policies and investment vi) value communities and neighbourhoods

	Region of Southern Denmark (Denmark)	Province of Rome (Italy)	Region of Sardinia (Italy)	State of Morelos (Mexico)	Region of the North of the Netherlands (Netherlands)	City of Newcastle (United Kingdom)	US Partnership for Sustainable Communities
Strengths and opportunities for using the regional well-being metrics	<p>Comprehensive framework with a mix of community and individual characteristics</p> <p>A new process of acquiring knowledge and collaboration between the region and municipalities is incorporated in the Good Life Initiative</p> <p>Potential to contribute to the national debate on growth</p>	<p>Inclusive process of consultation between citizens and stakeholders in selecting and prioritising well-being dimensions and in formulating the strategy for well-being</p> <p>Sense of ownership in the public administration, despite political instability and institutional uncertainty</p>	<p>Good institutional dialogue with socio-economic partners</p> <p>Innovative practices in regional public administration (including budget rules, "one-stop shops" for firms) and positive results in improving service delivery (e.g. waste management and broadband connections)</p>	<p>Strong commitment and leadership of the state government to improving its residents' well-being</p> <p>Integrated regional development strategy, with clear priorities of action, measures and targets to be achieved</p> <p>Good level of institutional dialogue among different policy domains at the state level</p>	<p>Availability of sophisticated data (including micro-data) related with well-being issues, at municipal and provincial scales</p> <p>Growing social and political awareness of well-being agenda</p> <p>Good experience of dialogue and collaboration among a diverse range of stakeholders in the preparation of the RIS3</p>	<p>Well-Being for Life Board incorporates representatives from academia, civil society (including NGOs) and the regional/local representatives of national-level institutions</p> <p>Signed a City Deal with the national government and is working with neighbouring local authorities towards creating a North East Combined Authority with devolved powers, to stimulate economic growth, job creation, skills development and improved transport links</p>	<p>Contributes significantly to national-level thinking and planning on sustainable development</p> <p>Establishes a framework for interagency co-ordination at the federal level with regional and local level impact</p> <p>Provides guidance and resources to support communities dedicated a higher quality of life and greater well-being for their residents</p>
Challenges and constraints for using well-being metrics	<p>Further support is needed from the political leadership at national level and support from citizens must be more actively solicited</p> <p>Relative institutional weakness of the region</p>	<p>Uncertainty regarding future administrative structures and resource allocation</p> <p>Lack of publicly available monitoring of well-being indicators and of the impact of policies</p>	<p>Aligning objectives and responsibilities across different levels of government presents a challenge</p> <p>Lack of political commitment towards achieving certain measurable objectives of well-being and difficulty in engaging citizens</p>	<p>Too many indicators, and a lack of prioritisation among them</p> <p>Monitoring process is as yet not clearly defined</p>	<p>Fragmentation of provincial/local initiatives and sectoral silos</p> <p>Limited use of well-being data to inform and guide policy</p> <p>Lack of strong political commitment towards achieving measurable objectives of well-being</p>	<p>Implementation and monitoring of strategy</p> <p>Low degree of fiscal decentralisation and weak capacity to generate own-source revenue</p>	<p>Lack of integration among the programming partners in the funding and monitoring mechanisms of individual community projects</p> <p>Little to no evident collaboration with other federal bodies or consultation with sub-national bodies and other stakeholders</p>

	Region of Southern Denmark (Denmark)	Province of Rome (Italy)	Region of Sardinia (Italy)	State of Morelos (Mexico)	Region of the North of the Netherlands (Netherlands)	City of Newcastle (United Kingdom)	US Partnership for Sustainable Communities
What's next?	<p>Steady commitment of the region over the past three years to carefully research, build and revise a solid well-being framework that can inspire other Danish regions</p> <p>More effective steps are needed for using Good Life indicators to guide the new Growth and Development Strategy; fostering public debate and linking to the national agenda</p>	<p>Once the territorial reform is in place, the existing framework for co-operation needs to be supported to cultivate further stakeholder participation</p>	<p>Shared ownership of a well-being agenda must be cultivated and well-being metrics must be incorporated into the political agenda</p>	<p>An effective communication strategy should be formulated, with a positive narrative inspiring citizen engagement</p> <p>Further involvement from municipalities is needed</p>	<p>More effective co-ordination among provinces and further involvement needed from municipalities, which will play a stronger role in well-being policy after the decentralisation reform</p>	<p>Broader stakeholder engagement in the policy design and/or implementation process</p> <p>More active participation from the private sector, trade unions and universities</p>	<p>Enlisting federal government support for sub-national levels (intra-state, intra-county, metropolitan and city) in establishing and using well-being indicators to improve outcomes on the ground</p>

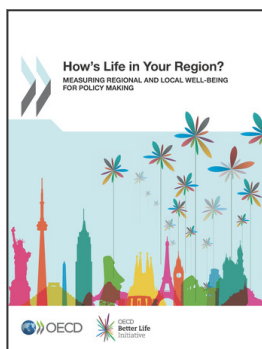
Note: For the purpose of providing an easily readable and comparable format, this table offers a non-exhaustive summary of key points and contains some degree of simplification. Further details about each region's initiative are available in the individual case study reports online and on the OECD Regional Well-Being website: www.oecd.org/regional/how-is-life-in-your-region.htm.

Source: OECD research based on answers provided by case study regions to OECD questionnaire and OECD case study reports.

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