

## **Using well-being indicators for policy making: Region of Southern Denmark, Denmark**

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.



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## Executive summary

### Overview of well-being outcomes in Southern Denmark

- In line with the national pattern, Southern Denmark ranks high in most well-being dimensions considered in the OECD *How's Life in Your Region* framework, particularly in terms of access to services, civic engagement and safety. The evolution of Southern Denmark's well-being performances compared with other OECD regions over the 2000-13 period has been mixed.
- Municipalities within the region are struggling with different types of well-being challenges. Some municipalities offer high employment opportunities but fail to attract population. Others enjoy good environmental quality but are losing jobs and schools.

### Framework for measuring well-being in Southern Denmark

- In support of Southern Denmark's multi-year regional development plan (RUP), the region assesses the opportunities of living a "Good Life" by measuring a wide variety of material conditions and quality of life through 15 socio-economic indicators and 25 perception-based indicators drawn from survey data. In 2013, for the first time, well-being indicators were integrated into the regional statistical yearbook, *Kontur*, which offers a detailed profile for each of the 22 municipalities.
- The "Good Life" was initially measured through a composite index that mixed both municipal and individual characteristics. Following extensive consultations with municipalities in 2012-13, the index was revised into a "wheel" of headline indicators to meet the demand for more detailed information about the indicators and a clearer link to policy.

### Strengths and opportunities for using well-being metrics in Southern Denmark

- The "Good Life" initiative is a very comprehensive and sophisticated framework that blends a focus on places with a focus on people through the mix of community conditions and individual characteristics. The well-balanced combination of indicators data offers an opportunity to explore the link between the objective conditions and individual perceptions of life in different places, and to contribute new perspectives in the Danish growth debate.
- The new knowledge and the collaboration process triggered by the "Good Life" initiative were extremely effective in facilitating collaboration between the region and municipalities in a context of drastic institutional mergers after the 2007 territorial reform in Denmark.

### Challenges and constraints for using well-being metrics in Southern Denmark

- In order to contribute effectively to the national growth debate, the "Good Life" initiative needs to gain further support from the political leadership at the national level and engage citizens more proactively. Efforts to involve other communities of stakeholders (e.g. private sector, academia) are also underway.
- The institutional status of the region implies that the "Good Life" initiative is dependent on the will and capability of municipalities and other stakeholders to collaborate in order for the initiative to have a significant impact on regional and national policy.

### What's next?

- Despite the 2007 territorial administrative overhaul, a steady commitment of the region over the past three years to carefully research, build and revise a solid well-being framework made the "Good Life" initiative possible, which can now inspire and benefit other regions in Denmark and elsewhere.
- Moving the "Good Life" forward requires more effective steps to make it an integral part of the regional strategy (e.g. including "Good Life" indicators in a new growth and development plan, disseminating "Good Life" indicators, collecting feedback and fostering public debate through an interactive website that integrates open government data) and to link it to the national agenda.



## Introduction<sup>1</sup>

Southern Denmark offers a compelling example of an OECD region that has developed well-being indicators to support regional policy. The “Good Life” initiative is currently unique in Denmark and could be adapted in other Danish regions. The experience of Southern Denmark illustrates four main ways in which regional well-being metrics can help OECD regions to improve the design and delivery of public policy: *i*) providing a comprehensive picture of material and immaterial conditions of life on the ground; *ii*) raising social awareness; *iii*) highlighting possible areas for policy prioritisation; *iv*) helping to improve coherence across economic, social and environmental policies through more effective co-ordination and citizen engagement (Box 1).

### Box 1. How can the measurement of regional well-being improve policy making?

Adopting well-being metrics can improve the design and delivery of policies in regions and cities along four directions.

First, they provide a comprehensive picture of material conditions and quality of life in regions, allowing an assessment of whether economic growth also translates into better non-economic outcomes (in terms of health, environmental quality, education, etc.) and whether progress is shared across population groups and places. Spatial concentration of advantages or disadvantages varies strongly at various territorial scales and different sources of inequality can reinforce one another, locking households and communities into circumstances that make it particularly hard for them to improve their life chances.

Second, well-being metrics can raise social awareness on policy objectives or specific issues, promote policy change and increase the accountability of governments.

Third, they can help prioritise policy interventions by recognising where improvements are needed; knowledge of local conditions can also help policy makers to identify potential synergies among different dimensions that can be leveraged by policy and to better understand citizens’ preferences.

Fourth, well-being metrics can improve the coherence of policies. Many of the important interactions among sectoral policies are location-specific. For instance, integrating land-use, transport and economic development planning can contribute to outcomes that are greener (increasing reliance on public transport), more equitable (improving access to labour markets for disadvantaged areas) and more efficient (reducing congestion, commuting times, etc.). The complementarities among different strands of policy are likely to be most evident – and the trade-offs among them most readily manageable – in specific places. More coherent policies can be designed and implemented through effective co-ordination across different levels of government and jurisdictions. They also need to engage citizens in the design – to better understand their needs – and in the implementation – to use citizens’ capacity to bring change – which in turn can increase the legitimacy of policies and support of policy objectives. Designing coherent policies requires policy makers to consider the trade-offs and complementarities involved in both the objectives they aim to target and the channels through which they do so.

Source: OECD (2014), *How’s Life in Your Region? Measuring Regional and Local Well-Being for Policy Making*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264217416-en>.

This case study is organised in three sections. First, it offers an overview of well-being outcomes in Southern Denmark, according to the common OECD *How’s Life in Your Region* framework complemented with further indicators. Second, it analyses the

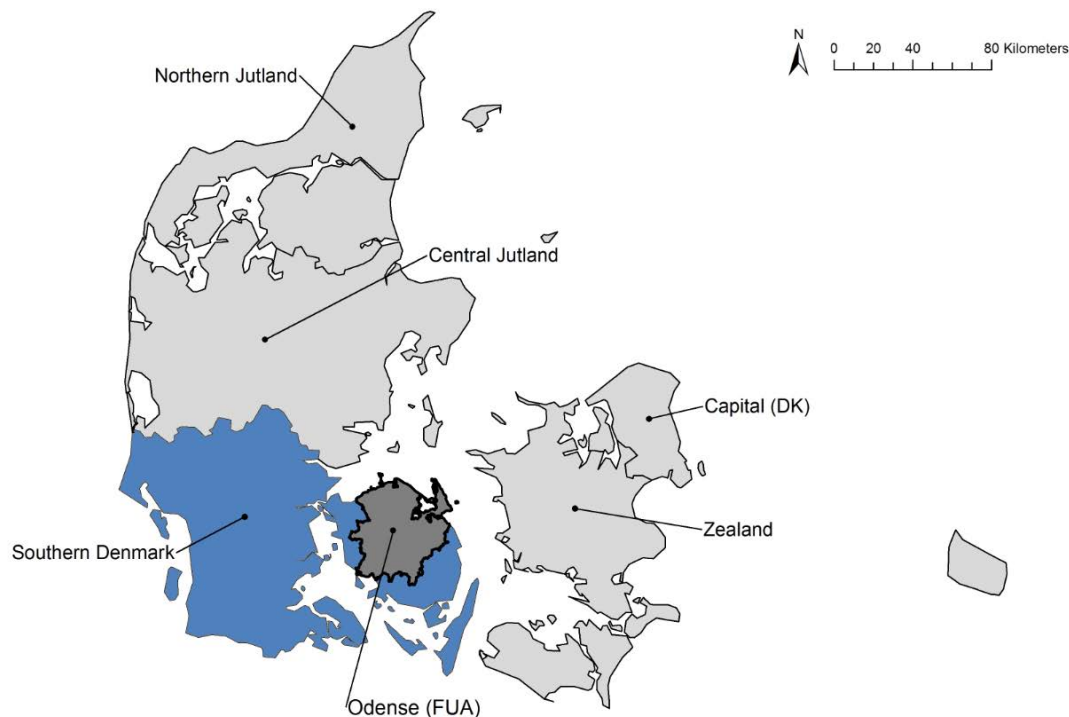
strengths and weaknesses of the framework developed by Southern Denmark for measuring regional well-being. Third, it explores how regional well-being indicators are being communicated and used for policy design and implementation in Southern Denmark. It concludes with a summary of lessons from the experience of Southern Denmark for other OECD regions and puts forward a set of possible guidelines for strengthening the regional well-being measurement initiative.



## Overview of well-being outcomes in Southern Denmark

Denmark scores high in international comparisons of well-being across countries. Denmark scores higher than the OECD average in almost all 11 well-being dimensions considered in the OECD *How's Life* framework – income, jobs, education, environment, health, housing, security, civic engagement, social connections, work-life balance and subjective well-being – and notably in those last two dimensions (OECD, 2014c). This trend is consistent with the fact that Denmark has ranked as the happiest nation in the world both in 2012 and 2013 according to the Gallup World Poll. A closer look at well-being beyond the national average, however, sheds light on the specific strengths and weaknesses of the region of Southern Denmark (Figure 1), which accounts for 21% of national population and 22% of national GDP.

Figure 1. The region of Southern Denmark (TL2)



*Note:* The region of Southern Denmark contains one functional urban area (FUA) as identified by the OECD methodology described in OECD (2012). This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

*Source:* OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/region-data-en>.

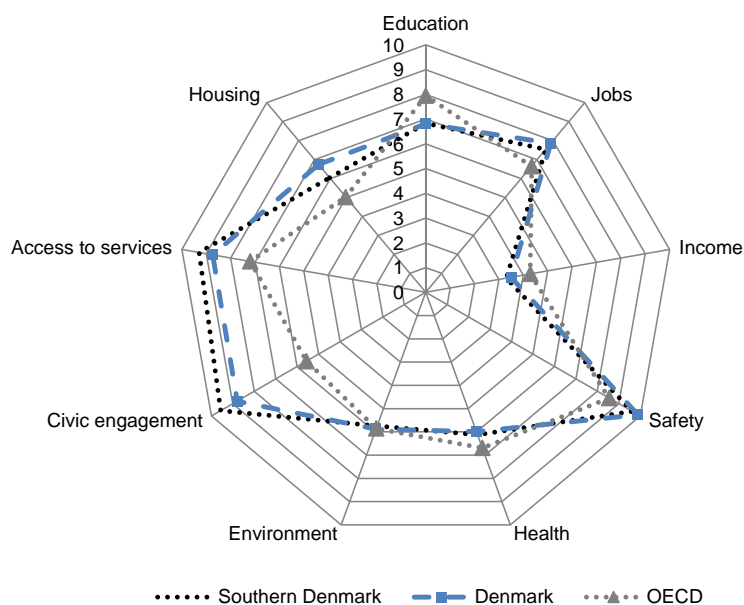
### ***Southern Denmark generally ranks high in OECD well-being comparisons***

The well-being performances of Southern Denmark have been compared with both the average of the 5 Danish regions and the average of 362 OECD regions on the 8 dimensions covered by the OECD *How's Life in Your Region* framework (Figure 2). Table 1 provides an overview of the national indicators used in the OECD *How's Life* framework and the regional indicators used in the OECD *How's Life in Your Region* framework. Given Denmark's generally low level of disparities across regions compared

with other OECD countries, the region of Southern Denmark stands close to the national average in terms of well-being performances and generally above the OECD regional average. In particular, Southern Denmark ranks among the top 25% of OECD regions for access to services, civic engagement and safety (Table 2). On a scale from 0 to 10, based on the values of 362 OECD regions, Southern Denmark scores above 9 in each of these areas. In contrast, Southern Denmark underperforms in income, education and health.

At the same time, the evolution of Southern Denmark's well-being performances compared with other OECD regions has been mixed. When comparing the evolution between 2000 and 2013 relative to other OECD regions, the scores of Southern Denmark have progressed in terms of income, health, environment and civic engagement, whereas they have registered a decline in jobs, safety and access to services. The region of Southern Denmark is therefore performing well, but not necessarily always better in relative terms given its head-start. The following section discusses more in detail Southern Denmark's strengths and challenges highlighted by the OECD regional well-being comparisons, together with some nuances revealed by further indicators.

Figure 2. Well-being in the region of Southern Denmark



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*Note:* Each well-being dimension is measured by one to two indicators from the *OECD Regional Database*. Indicators have been normalised to range between 0 (worst) and 10 (best) according to the following formula:  $(\text{indicator value} - \text{minimum value}) / (\text{maximum value} - \text{minimum value})$  multiplied by 10. All OECD Territorial level 2 (TL2) regions are considered in the calculations for the identification of maximum and minimum values. The value for “Denmark” refers to the average of the five TL2 regions in Denmark. The value for “OECD” refers to the average of all OECD regions.

*Source:* OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/region-data-en>.

Table 1. Well-being dimensions and indicators used in the OECD *How's Life* framework and the OECD *How's Life in Your Region* framework

	Dimensions	Country indicators in OECD <i>How's Life</i>	Regional indicators in OECD <i>How's Life in Your Region</i>
Material conditions	Income	<ul style="list-style-type: none"> <li>– Household net adjusted disposable income</li> <li>– Household net financial wealth</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Household disposable income</b> (mean and median)</li> <li>– Income distribution in a region:               <ul style="list-style-type: none"> <li>– Gini Index for household disposable and market income</li> <li>– Quintile share ratio (S80/S20) for household disposable and market income</li> <li>– Regional relative poverty (headcount ratios for disposable and market income, with poverty line set at 40%, 50% and 60% of the national median income)</li> </ul> </li> </ul>
	Jobs	<ul style="list-style-type: none"> <li>– Employment rate</li> <li>– Long-term unemployment rate</li> <li>– Average annual earnings per employees</li> <li>– Job tenure</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Employment rate</b></li> <li>– <b>Long-term unemployment rate</b></li> <li>– Youth unemployment</li> <li>– Part-time employment</li> <li>– Women's participation rate</li> </ul>
	Housing	<ul style="list-style-type: none"> <li>– Number of rooms per person</li> <li>– Housing cost overburden rate</li> <li>– Dwellings without basic facilities</li> </ul>	<ul style="list-style-type: none"> <li>– Number of rooms per person</li> </ul>
Quality of life	Health status	<ul style="list-style-type: none"> <li>– Life expectancy at birth</li> <li>– Self-reported health status</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Life expectancy at birth</b></li> <li>– <b>Age-adjusted mortality rate</b></li> </ul>
	Education and skills	<ul style="list-style-type: none"> <li>– Educational attainment</li> <li>– Students' cognitive skills (PISA)</li> <li>– Educational expectancy</li> <li>– Competences in the adult population (PIAAC)</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Educational attainment</b></li> <li>– Students' cognitive skills (PISA) [only a few countries]</li> </ul>
	Environmental quality	<ul style="list-style-type: none"> <li>– Air quality</li> <li>– Satisfaction with water quality</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Air quality (PM<sub>2.5</sub>)</b></li> <li>– CO<sub>2</sub> emissions</li> <li>– Loss of forest and vegetation</li> <li>– Municipal waste</li> <li>– Municipal waste recycled [only a few countries]</li> </ul>
	Personal security	<ul style="list-style-type: none"> <li>– Homicide rate</li> <li>– Self-reported victimization (Gallup)</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Homicide rate</b></li> <li>– Car theft rate</li> <li>– Mortality due to transport accidents</li> </ul>
	Civic engagement and governance	<ul style="list-style-type: none"> <li>– Voter turnout</li> <li>– Consultation on rule making</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Voter turnout</b></li> </ul>
	Accessibility of services	<ul style="list-style-type: none"> <li>– Not available</li> </ul>	<ul style="list-style-type: none"> <li>– <b>Broadband connection</b></li> <li>– Access to green space</li> <li>– Average distance to the closest hospital [only a few countries]</li> <li>– Share of population with access to public transport [only for a set of cities]</li> </ul>

Table 1. **Well-being dimensions and indicators used in the OECD *How's Life* framework and the OECD *How's Life in Your Region* framework** (cont.)

	Dimensions	Country indicators in OECD <i>How's Life</i>	Regional indicators in OECD <i>How's Life in Your Region</i>
Quality of life (cont.)	Work-life balance	– Employees working very long hours – Time non worked	Not available
	Social connections	– Social network support (Gallup)	Not available
	Subjective well-being	– Life satisfaction	Not available

*Note:* For both country and region indicators, the web-based data visualisation tools are based on one to three indicators chosen among those available (marked in bold).

*Source:* OECD (2014), *How's Life in Your Region? Measuring Regional and Local Well-being for Policy Making*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264217416-en>.

**Table 2. How does Southern Denmark rank in well-being dimensions within Denmark and among OECD regions?**

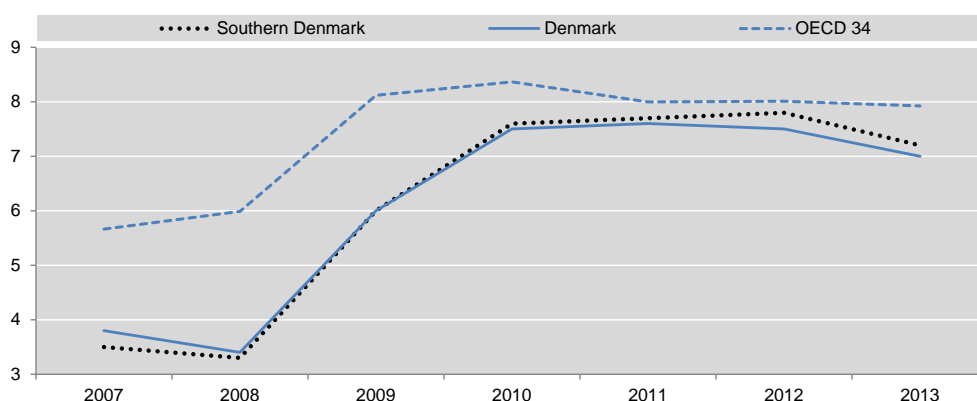
	Score (out of 10)	Rank among 5 Danish regions	Rank among 362 OECD regions	Evolution of score relative to OECD regions, 2000-13	Indicators used
Income	3.3	4	Bottom 39%	Improved	Household disposable income
Jobs	7.5	5	Top 35%	Declined	– Employment rate – Unemployment rate
Health	6.1	2	Bottom 42%	Improved	– Mortality rate – Life expectancy
Education	6.8	5	Bottom 36%	(break in time series)	Labour force with at least a secondary education
Environment	5.7	3	Top 50%	Improved	Air pollution (PM <sub>2.5</sub> )
Access to services	9.3	5	Top 15%	Declined	Household broadband access
Safety	9.6	3	Top 24%	Declined	Murder rate
Civic engagement	9.6	4	Top 8%	Improved	Voter turnout
Housing	6.0	4	Top 36%	Not available	Number of rooms per person

Source: OECD Regional Well-Being website based on data from OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>, accessible at [www.oecdregionalwellbeing.org](http://www.oecdregionalwellbeing.org).

### *Sustaining strong employment requires improving educational outcomes*

Southern Denmark displays a contrast between its seemingly good performance in jobs (among the top 35% of OECD regions) and poor educational attainment (among the bottom 36% of OECD regions). In reality, strong outcomes in terms of jobs are masking the dynamic trend over time. Although unemployment in Southern Denmark started from a lower level than the national and OECD averages in 2007 (3.5% against 3.8% and 5.7%, respectively), a rapid surge between 2008 and 2010 brought it above the national average in 2010 and maintained it there at 7.2% in 2013 (Figure 3). This was also the highest increase in unemployment among the five regions of Denmark between 2007 and 2013 (Figure 4). The region's main sectors of employment are currently the public sector (mainly health, education and social services) (33%) and retail trade (26%), followed by manufacturing (18%). A large surplus of unskilled labour coexists with a shortage of skilled labour in some sectors, such as manufacturing, knowledge-based services and construction.

**Figure 3. Unemployment rate in Southern Denmark, Denmark and OECD, 2007-13**



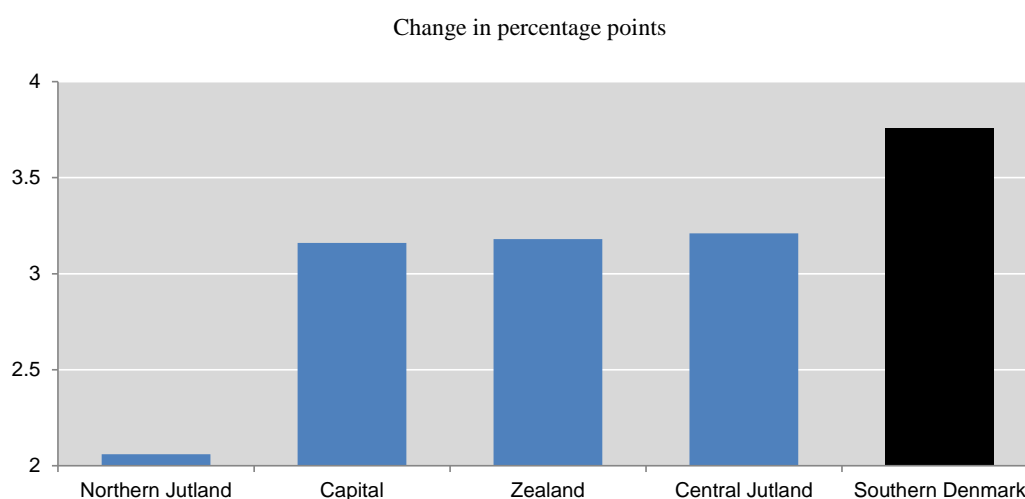
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Note: The unemployment rate is defined as the ratio between unemployed persons and labour force, where the latter is composed of unemployed and employed persons.

Source: OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Curbing the rise of unemployment will require efforts for improving educational outcomes. Although the quality of education in Denmark generally remains above the OECD average as measured in the latest Programme for International Student Assessment (PISA) results,<sup>2</sup> Southern Denmark displays the lowest share of labour force with at least an upper secondary education in Denmark, below the majority of the lowest performing regions in other OECD countries (Figure 5). This is also linked to the high rate of drop-out (11% drop-out from high upper secondary school, and 40% from vocational schools), particularly among young men, who remain far below the national goal of having 95% of the population with an upper secondary education by 2015. Rural areas (which account for 6 out of the 22 municipalities in the region) are particularly affected. Some students in these areas must travel approximately 90 minutes each way to reach upper secondary education or vocational schools. Moreover, some schools considered unsustainable are currently being closed in rural areas, further dampening education prospects in the region.

Figure 4. Unemployment change in the five regions of Denmark, 2007-13

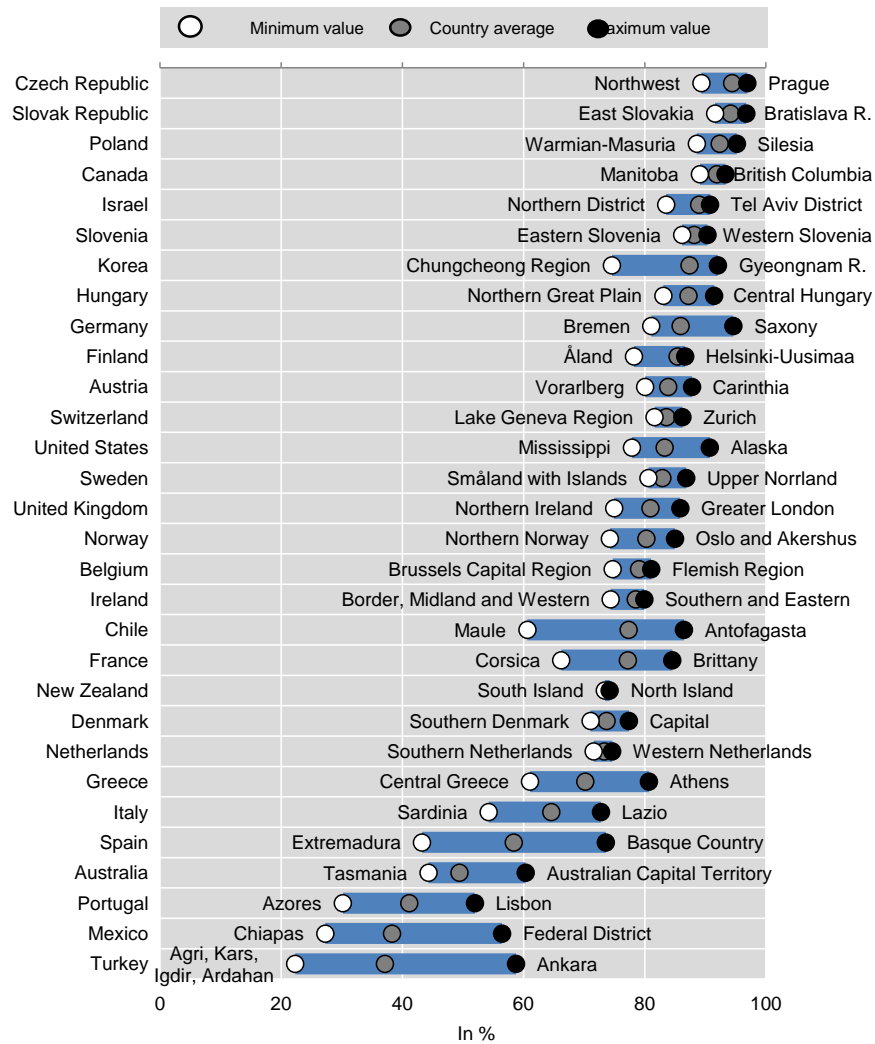


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Source: OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Enhancing educational and labour market outcomes is a particular priority in Southern Denmark, but also a national concern. The crisis has dramatically increased the share of 18-24 year olds who are neither employed nor in education or training (NEET). Although it remains far below the OECD average of 15% in 2012, the share of NEET in Denmark almost doubled, from 4.6% to 8.8% between 2006 and 2012. Full unemployment benefits as a share of GDP, already the highest among OECD countries, also increased sharply between 2004 and 2011, to 2.26% of GDP (Figure 6). The Danish government has started to help youth with low educational attainments to escape from the inactivity trap through the 2013 reform of social assistance (OECD, 2014c). For example, individuals under the age of 30 are given financial support to undertake education instead of standard social assistance. The Growth Plan presented by the central government in 2013 also includes a labour market reform that will reduce the duration of unemployment benefits from four years to two years between 2013 and 2017.

Figure 5. Range of labour force with at least an upper secondary education, TL2 regions, 2012

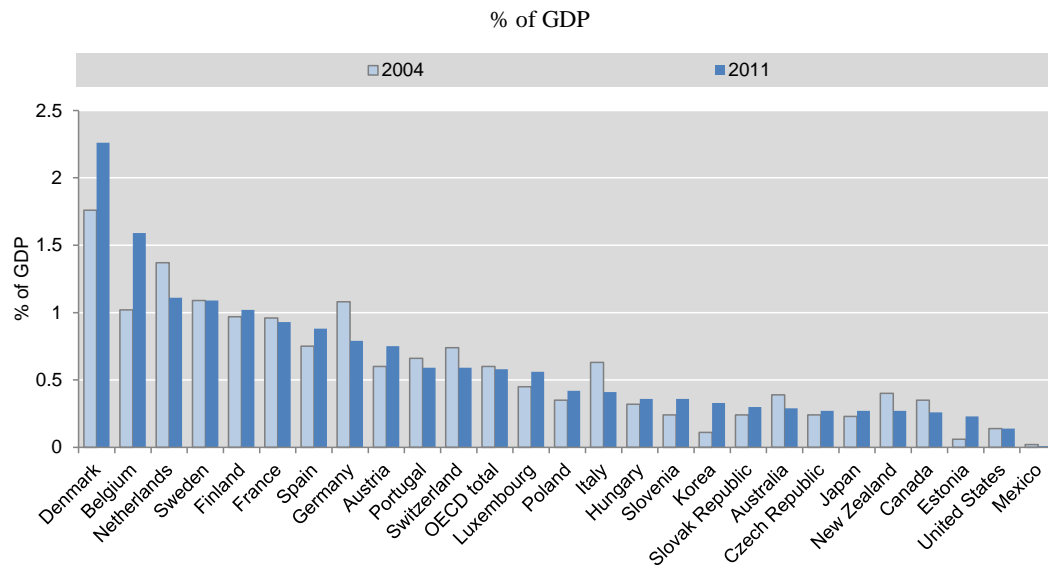


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Note: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: OECD (2013), *OECD Regions at a Glance 2013*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/reg\\_glance-2013-en](http://dx.doi.org/10.1787/reg_glance-2013-en), Figure 4.30, p. 123.

Figure 6. Full unemployment benefits in OECD countries, 2004 and 2011



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Source: OECD (2014), "Labour Force Statistics: Summary tables", *OECD Employment and Labour Market Statistics* (database). <http://dx.doi.org/10.1787/data-00286-en>.

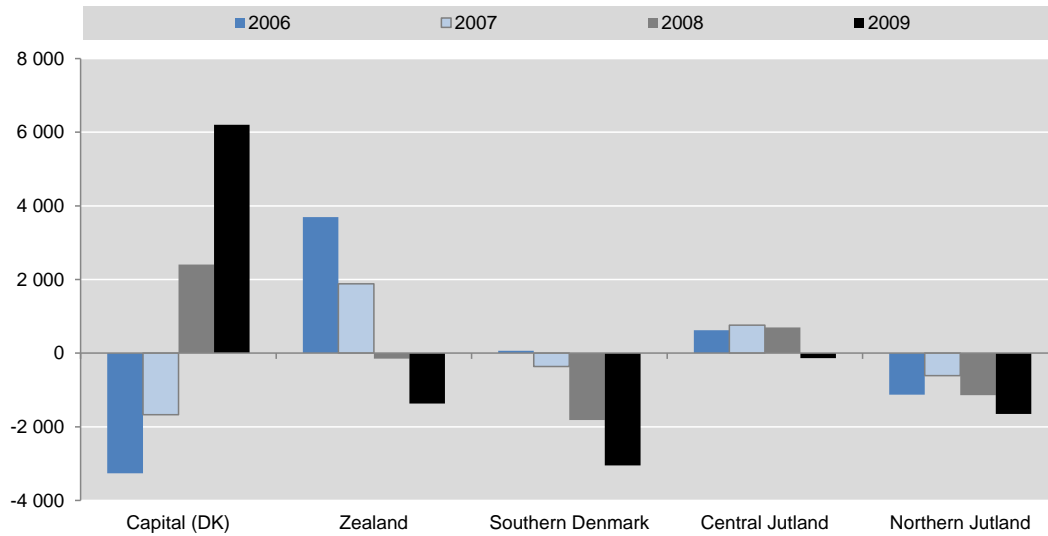
### ***Quality of life is undermined by challenges related to health, depopulation and ageing***

Southern Denmark enjoys strong performances in terms of civic engagement, access to services, and safety – ranking among the top 8%, 15% and 24% of OECD regions, respectively. In contrast, Southern Denmark trails in the bottom 42% of OECD regions regarding health, notably due to relatively low life expectancy associated with a high degree of lifestyle-related diseases. The region is also facing depopulation and ageing challenges. Southern Denmark is currently the third most populated out of the five regions in Denmark, with 1.2 million people unevenly distributed across 22 municipalities (which range approximately from 3 000 to 190 000 inhabitants). Yet, between 2006 and 2009, Southern Denmark consistently registered increasing outflows, which were also the largest outflows among the five regions of Denmark in 2008 and 2009 (Figure 7). A considerable part of the outflow (40%) goes to the two largest cities in Denmark, Copenhagen and Aarhus. The outflow mainly consists of people between 18 and 30 years old.

As a result of a relentlessly widening gap between the elderly and working-age populations, the elderly dependency ratio gained 5 percentage points between 2005 and 2012, a slightly faster increase in Southern Denmark than in Denmark as a whole and a much higher level than the OECD average (Figures 8 and 9). The ensuing burden on the demand for public services such as healthcare and elderly care is expected to put significant strain on the welfare system and public finance, both at the national and regional levels.



Figure 7. Net migration flows in the regions of Denmark

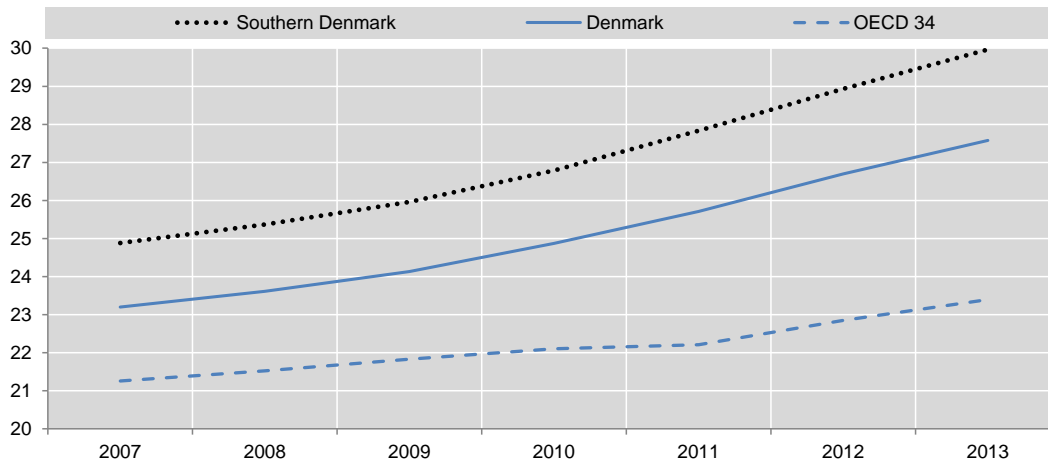


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Note: Net migration flow is defined as the difference between inflows and outflows in a region. A negative migration flow means that more migrants left the region than entered it.

Source: OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Figure 8. Elderly dependency rate in Southern Denmark, Denmark and the OECD, 2007-13

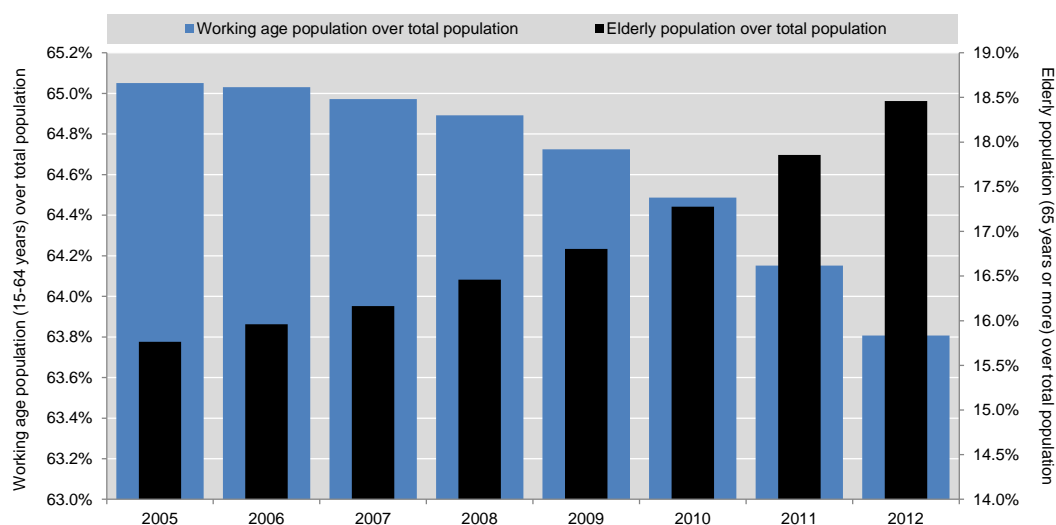


StatLink  <http://dx.doi.org/10.1787/888933146018>

Note: The elderly dependency rate is defined as the ratio between the elderly population (65 years of age and over) and the working age (15-64 years) population.

Source: OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Figure 9. **Elderly dependency rate and working-age population share, Southern Denmark, 2005-12**



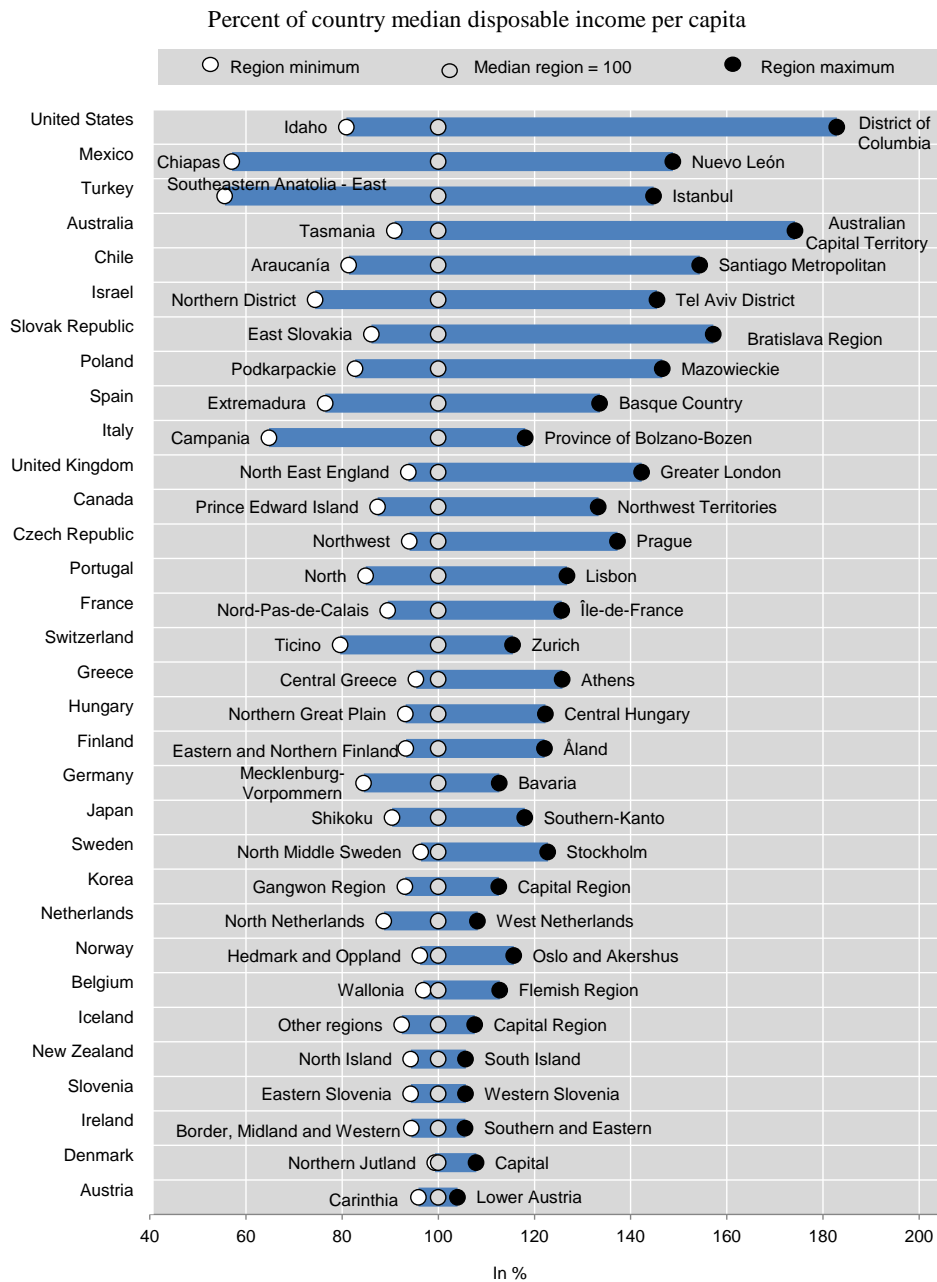
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Source: OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

### ***Income inequalities are low, albeit rising***

Southern Denmark ranks notably lower than the OECD average in terms of household disposable income (among the bottom 39% of OECD regions). Regional income disparities are, however, relatively insignificant given that, among OECD countries, Denmark has the smallest variation of income across regions (Figure 10) and the smallest ratio between the richest 20% and the poorest 20% regions. This is notably due to the highly redistributive nature of the Danish fiscal system. The distribution of household disposable income within Southern Denmark is also relatively even, with a Gini coefficient of 0.236, below the OECD average of 0.317 in 2010. This is a low level of inequality even among comparable Northern European regions (in Denmark, Finland, Norway and Sweden), and it is associated with a low poverty rate (Figure 11). However, overall income inequality among individuals has widened in Denmark over the last 30 years, just like in other OECD countries including Germany and Sweden, where it had also been traditionally low (OECD, 2014b).

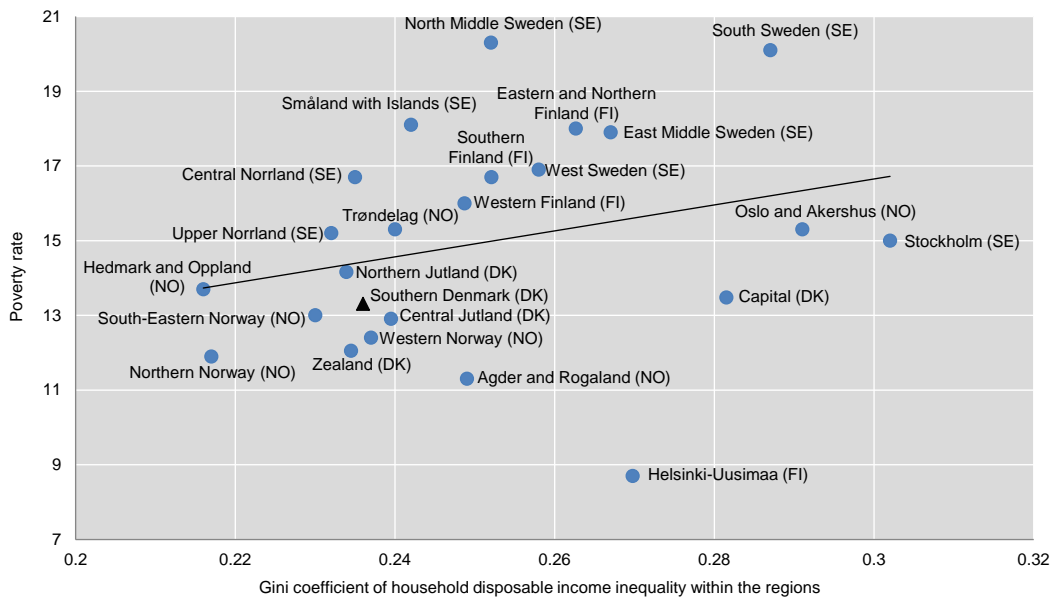
Figure 10. Regional range (TL2) in household income in OECD countries, 2011



StatLink <http://dx.doi.org/10.1787/888933146031>

Note: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: OECD (2014), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Figure 11. **Income inequality and poverty at regional level in Denmark, Finland, Norway and Sweden, 2010**

StatLink  <http://dx.doi.org/10.1787/888933146046>

*Note:* The Gini coefficient of household disposable income ranges from 0 (perfect equality) to 1. The poverty rate refers to the headcount under the threshold of 60% of the national median income after taxes and transfers.

*Source:* OECD elaborations based on OECD (2014), *Regional Well-Being* (database), <http://dx.doi.org/10.1787/region-data-en>.

### ***Environmental threats require action***

Southern Denmark is also struggling against infrastructure bottlenecks and environmental threats. While air quality is currently around the OECD average, it could deteriorate in the future as transport infrastructure is congested, with some motorways particularly clogged during rush hour (e.g. Triangle Area around the Lillebælt bridge, south of Odense and Western Funen). International connections, such as railways to Germany, are reported to lack in speed and frequency. On the environmental front, the region has to cope with rising water levels and risks of flooding. All municipalities are also requested to contribute to national goals of greenhouse gas reduction by elaborating local plans for climate change adaptation, which requires municipalities to acquire new knowledge.

## Framework for measuring well-being in Southern Denmark

This section first explores the rationale motivating Southern Denmark’s “Good Life” initiative. Then it assesses the different features of the well-being agenda in Southern Denmark: what is measured and how; reflecting complementarities across different well-being dimensions; accounting for inequalities; and selecting policy-relevant outcome indicators.

### *Rationale for measuring well-being*

Southern Denmark’s approach to measuring well-being aims to respond to three main objectives: *i*) to provide a solid, evidence-based diagnosis of regional challenges and opportunities; *ii*) to strengthen the collaboration between the reformed region and municipalities; and *iii*) to highlight the link between well-being and growth at the regional level.

First, Southern Denmark has aimed to provide a solid, evidence-based diagnosis of regional challenges and opportunities. Faced with significant challenges such as depopulation and ageing in specific areas, the region embarked on a self-diagnosis path to better inform policy choices through fine-grained data. The broad range of well-being indicators collected by the region on each of its municipalities helped to shape a comprehensive view of the region’s socio-economic performances, quality of life and perception of it by its citizens. The objective is to show that a “good life” is composed of many different aspects. Equipping municipalities with sound knowledge of their own strengths and weaknesses can help them identify the most effective policy levers to make the most of their unique potential.

Second, the regional well-being measurement initiative has been a way to strengthen the collaboration between the region and municipalities. In 2007, Denmark carried out an extensive territorial reform, drastically consolidating the regional and municipal levels of government. The reform merged the former 14 counties (*amter*) into 5 regions and consolidated the former 271 municipalities into 98. In the region of Southern Denmark, 4 counties merged into 1 region and 77 municipalities merged into 22. There is no hierarchy between regional and municipal levels. Like other regions, Southern Denmark is governed by a Regional Council (*Regionsraadet*), which is directly elected but not entitled to levy taxes. The region is mainly responsible for healthcare and, to a lesser extent, for psychiatric services, some specific social services and specialised education. It also received a new formal competency for regional development (Table 3). Although associated with a modest endowment in terms of budget and staff, the responsibility for regional development consists in performing a wide range of tasks regarding inter-municipal traffic, ground water and soil pollution, cultural and educational projects, and business projects, for example. The region is financed by an annually negotiated block grant from the central government (around 71% of the regional budget) and contributions from municipalities (29%). Following the principle of subsidiarity put forward by the 2007 reform, municipalities are in charge of providing most of the local public services, including the responsibility and financing for social services (including job centres).

Challenged to reinvent its role in a profoundly revised institutional landscape, the newly created region of Southern Denmark developed a well-being vision and measurement tool that supports the region’s overall development plan. As part of the 2007 reform, Danish regions (including Southern Denmark) are required to prepare a

regional development plan (RUP in Danish) in each election period, every four years. The RUP aims at offering a holistic, long-term strategy for sustainable regional development and growth. It is elaborated by a Committee for the Regional Development Plan, composed of 11 politicians from the elected Regional Council and representing all political parties. Southern Denmark has focused its RUP 2012-2015 around the vision of “Good Life”, a comprehensive approach to well-being with a focus on four themes (knowledge, education and training, infrastructure and mobility, and environment) and four geographic areas (Southern Jutland [*Sønderjylland*], South-West Jutland [*Sydvestjylland*], Triangle Area [*Trekantområdet*] and Funen [*Fyn*]). It is also subject to partnership agreements in some cases, for example when dealing with cross-border issues (with *Land* Schleswig-Holstein in Germany).

Table 3. Main responsibilities and budget of the Southern Denmark region

Responsibility	Staff	Total budget	Source of revenue
Health	19 800 employees	EUR 2.8 billion	80% from the central government, 20% from municipalities
Social services and special needs education	2 500 employees	EUR 115 million	Mostly municipalities
Psychiatric services	2 500 employees	EUR 197 million	Various sources
Regional development	110 employees	EUR 69 million + EU funding of about EUR 29 million	Around 70% from the central government, 30% from municipalities

Source: Region of Southern Denmark (2013), *Annual Report 2013*.

The RUP has been supported by a measurement tool called the Good Life Index, which initially consisted of a set of 45 well-being indicators compiled into a single composite index but was subsequently revised into a platform of 40 well-being indicators (see the next section for a detailed discussion). For the first time in 2013, well-being indicators were integrated within the statistical yearbook entitled *Kontur*, launched by the region in 2008 to respond to the need for detailed data expressed by municipalities. *Kontur* stands for “Local key figures on development in the Region of Southern Denmark” (*KOmmunale NøgleTal om Udvikling i Region Syddanmark*) and includes a profile for each of the 22 municipalities covering all their structural characteristics (such as demography, migration, commuting, income, business structure and development, education and sustainability). This initiative from the region fulfilled the increasing demand of municipalities for knowledge, as municipalities are also required to take on new responsibilities with the 2007 reform. The regional well-being measurement effort has been a key building block in shaping a collaborative relationship between the two levels of government. It has helped to build trust between levels of government, and it can generate greater policy and programme coherence as well as more effective policy outcomes. The regional well-being initiative is likely to continue to play a major role in strengthening institutional cohesion.

Third, Southern Denmark’s “Good Life” initiative is a way to highlight the link between growth and well-being at the regional level. Successive governments in Denmark have engaged in efforts to boost national growth, notably with the 2013 Growth Plan that includes reforms to raise productivity growth and labour supply in the medium term. Sub-national governments have been asked to contribute in the national growth efforts (e.g. in 2014, municipalities have agreed with the government to continue to contain their consumption expenditures, but to increase public investment) (OECD, 2014c). The region of Southern Denmark is also exploring how well-being can

be exploited as a factor of growth. Although society provides for many basic foundations of well-being (e.g. in terms of welfare, security, education, etc.), it is recognised that individuals are, and should be, actors of their own well-being. An individual's potential to flourish is linked with human resources such as skills, inventiveness, creativity, flexibility and ability to adapt to changes. These value-adding, intangible assets are major sources of innovation, entrepreneurship and productivity. Supplementing traditional socio-economic indicators with a broader set of well-being indicators has been a way for the region to explore the potential growth-boosting role of well-being at the regional level.

Recent efforts will further help foster more effective policy co-ordination for regional growth and well-being in Southern Denmark. Following the 2012 evaluation of the 2007 institutional reform carried out by the central government, it was decided to merge the RUP with another regional strategy – the Business Development Strategy – into a new Growth and Development Strategy, elaborated by the Committee for Regional Development for the Regional Council. While the RUP defined a holistic, long-term strategy, the Regional Business Development Strategy sets out the allocation of regional business development funds and EU Structural Funds in each region. The Regional Business Development Strategy is elaborated by the Regional Growth Forum (RGF, *Vækstforum*), a public-private board of 20 members appointed (upon recommendation from municipalities and social partners) by the Regional Council among the business community, higher education and research community, trade unions, and regional and municipal politicians. Besides developing the Regional Business Development Strategy, the RGF is also in charge of monitoring regional growth conditions (which *de facto* is performed by the region and feeds into both the RGF and RUP) and recommending projects to be funded by the Regional Council and the Danish Business Authority. In Southern Denmark, the Regional Council has always accepted to fund the projects recommended by the RGF, and the Chairman of the Regional Council is also the President of the RGF. The aim of the new Growth and Development Strategy is to build a more coherent, integrated and long-term regional development strategy for making the region a better place to live in. Responding to the specific challenges in different parts of the region (in rural areas, for example) and sustaining the benefits of collaboration between the region and municipalities requires that the new strategy maintain a holistic approach and is strengthened as a basis for regional-municipal dialogue and policy action.

### ***The well-being agenda in Southern Denmark***

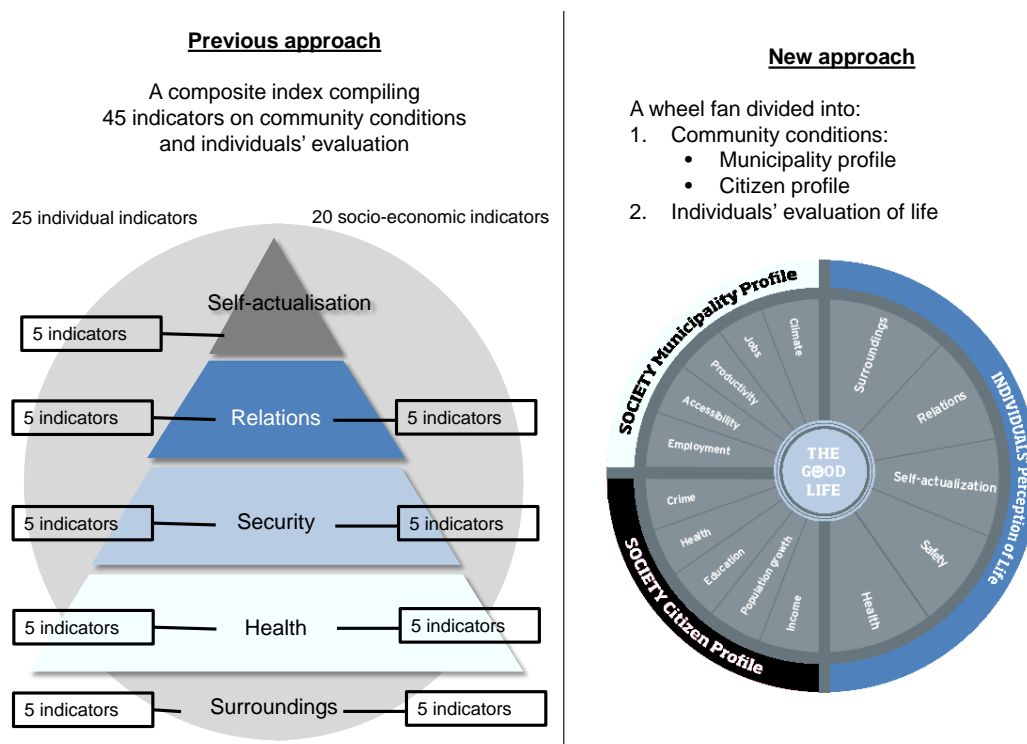
#### *What to measure and how?*

Southern Denmark's vision embraces a wide spectrum of material and immaterial dimensions that are considered to contribute to the "Good Life". For this purpose, Southern Denmark has developed a particularly rich and diversified pool of indicators, including perception data from annual surveys. The region has successively experimented with two different approaches to capturing the multi-dimensionality of well-being: a composite index, followed by a dashboard of indicators (see comparison between the two approaches in Figure 12).

First, the "Good Life" was initially measured by a composite index encompassing five sub-indices: residents' health, safety, relations, self-actualisation and surroundings.<sup>3</sup> Each of the sub-indices was measured using five socio-economic indicators and five indicators of perceived individual conditions. One exception was self-actualisation, which was only measured by individual perception indicators. The composite index also excluded weighing the different dimensions against each other because it was not

intended to carry any value judgment. The composite index was expressed as standard deviations and it mixed municipal indicators with individual indicators. Consultations between the region and municipalities established initial interest and political debate concerning measurements of the “Good Life”. It also showed that it was difficult for the municipalities to use it for policy purposes, as the relationship between the composite index and policy outcomes was blurred and it was complex to identify the policy action that would shape the outcomes. In addition, some variables were ambiguous to interpret (e.g. high prices in housing could be interpreted both positively as attractiveness of a place or negatively as low availability of cheap housing). This created a demand for further information on the “Good Life”.

Figure 12. Original and revised approach to measuring the “Good Life” in Southern Denmark



Source: OECD reproduction based on original materials from Region of Southern Denmark.

Second, the composite index was revised into a “wheel” organising 40 indicators in two main categories: community conditions (blending a focus on the place via a “municipality profile” and a focus on people via a “citizen profile”), and individuals’ perception of their own life (Table 4). Objective 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). The individuals’ perception indicators stem from panel survey data, collected annually 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 per year citizens are asked to assess their own level of well-being, both in general and in terms of different well-being dimensions (such as health, relations, 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 four years by the health department of the Region of Southern Denmark and can help shed further light on “Good Life” issues.

Table 4. **Matching well-being dimensions and indicators used in Southern Denmark’s Good Life and in the OECD *How’s Life in Your Region* framework**

		Southern Denmark		OECD <i>How’s Life in Your Region?</i>	
		Dimensions	Indicators	Dimensions	Indicators
Society municipality profile	Jobs		Number of workplaces per 100 inhabitants (25-64 years of age) Number of workplaces reachable within 1 hour by car Employment population ratio for people 25-64 years of age Ratio of people 25-64 years of age to population as a whole Productivity growth	Jobs	– Employment rate – Unemployment rate
	Environment		CO <sub>2</sub> emissions Population growth	Environment	Air pollution (PM <sub>2.5</sub> )
	Income		Ratio of population belonging to the low-income group	Income	Household disposable income
Society citizen profile	Education		Ratio of people 25-64 years of age with qualifying education	Education	Labour force with at least a secondary education
	Health		Share of pupils who do not continue with upper secondary level education after completion of lower secondary education Number of sick days per 1 000 inhabitants Subsidised doctor visits per 1 000 inhabitants	Health	Mortality rate
			Life expectancy		Life expectancy
	Crime		Number of reported thefts and break-ins per 1 000 inhabitants Number of reported violent crimes per 1 000 inhabitants	Safety	Murder rate
Individuals’ perception of life				Access to services	Households’ broadband access
	Health		– Nervous or stressed* – Overall self-assessment of health* – Hampered in daily activities because of health problems* – Fit enough to do what one wants to do* – Difficult to see other people because of physical health or emotional problems*	Housing	Number of rooms per person
	Safety		– Ability to pay regular monthly bills* – Ability to pay unexpected bills* – Level of satisfaction with standard of living* – Feeling secure about the future* – Worrying about being subjected to violence*		
	Relations		– Level of loneliness* – Satisfaction with contact to one’s loved ones* – Feel looked down on because of work situation or income* – Appreciation and recognition by others in everyday life* – Satisfaction with relationships with people who live in the same neighborhood*		
	Self-actualisation		– Satisfaction with achievement in life* – Use of abilities and talents in everyday life* – Ability to change life* – Ability to do everyday things that are important in life*		
	Surroundings		– Bothered by smoke, noise or odors* – Attractiveness of the local area* – Ability to live life as one likes in the neighborhood* – Vandalism and crime in the neighborhood* – Confidence in the municipal council*	Civic engagement	Voter turnout

Note: \* Indicators on individuals’ perception come from survey data and are marked with an asterix.

Source: OECD elaborations based on answers from Southern Denmark to the OECD questionnaire.

### *How to reflect complementarities across well-being dimensions?*

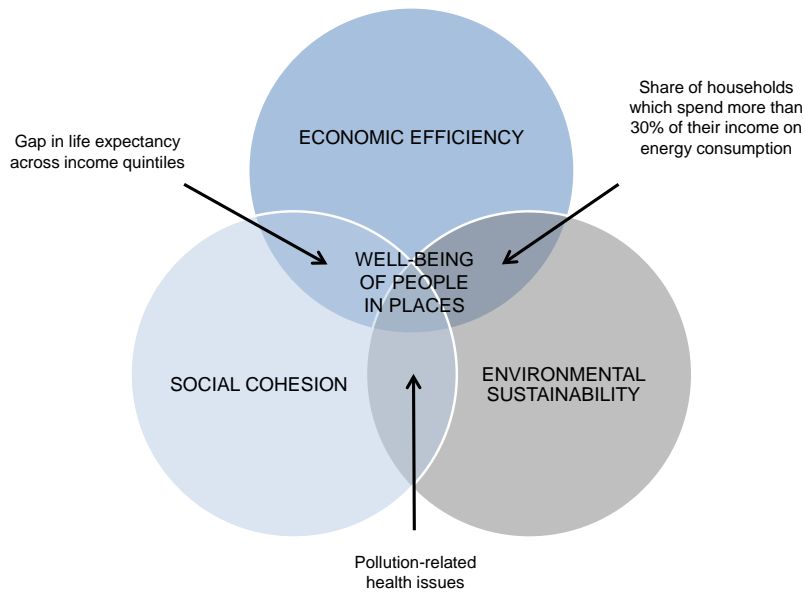
While Southern Denmark's "Good Life" measurement delves into the multi-dimensionality of well-being, accounting for the cross-dimensionality of well-being remains a more challenging task. Proximity between citizens and policy makers at the regional and local level can help to better grasp how one dimension contributing to a citizen's well-being influences another dimension (or more). Measuring such interactions (sometimes perceived as trade-offs or complementarities) across different dimensions of well-being is a key step towards a finer-grained assessment of policy results and an attempt to overcome policy silos. The OECD *How's Life in Your Region* framework points to a necessary shift from a conventional economic growth model towards a new growth and well-being model where economic, social and environmental outcomes reinforce each other into greater benefits for all population groups in different places.

Because it is usually difficult to act on what cannot be measured, a first statistical and analytical effort in guiding policy makers would consist in developing a set cross-dimensional indicators alongside single dimensional indicators (see initial examples in Figure 13). For example, cross-dimensional indicators could include the share of households (in a region or in a municipality) which spend 30% or more of their income to energy consumption. This indicator allows for monitoring the interface between two dimensions – income and environment (from the angle of energy consumption) – under the assumption that higher income households are more able than lower income households to afford green energy. A second example would be to measure the gap in life expectancy across income categories (in a region or in a municipality), thereby monitoring the interaction between income and health, as poorer groups are often more vulnerable to health issues and live shorter lives. A tentative and partial application of this last example to the region of Southern Denmark suggests that the municipalities with a lower share of low-income population also tend to have a higher life expectancy (Figure 14). A third example would be to monitor the incidence of health issues related with pollution (in a region or in a municipality), bringing together health and environment, to assess how sustainable development can help preserve the health of current and future generations. A set of further cross-dimensional indicators could be developed in Southern Denmark at the regional and local level, complementing the rich panoply of single dimensional indicators and elevating the policy debate to the level of what steps are needed to implement more effective co-ordination across sectoral policies.

### *Accounting for inequalities at the relevant scale*

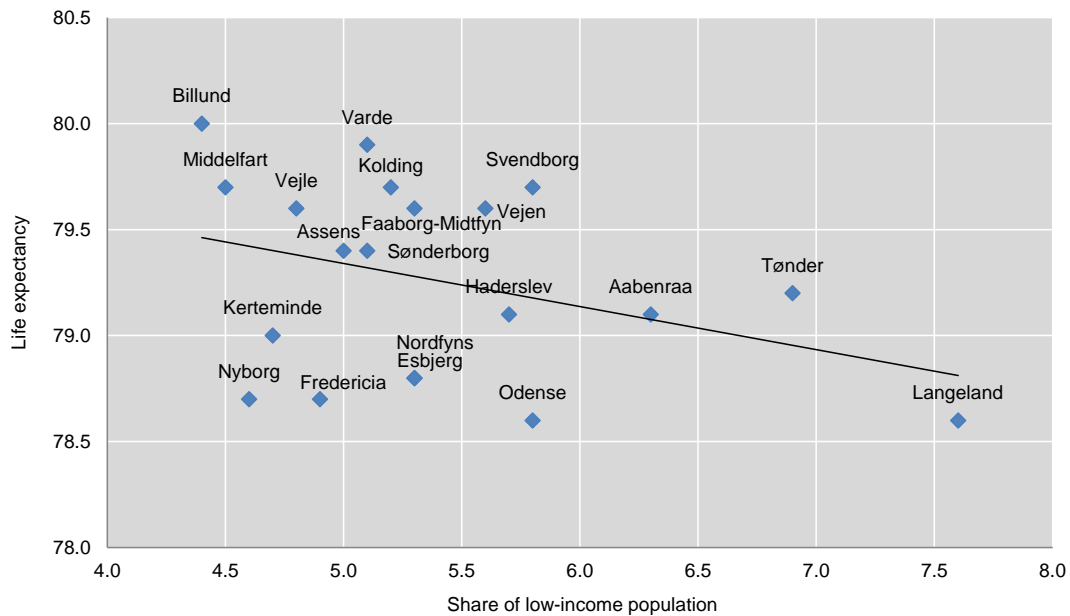
Despite traditionally low inequalities compared with other OECD countries, Denmark has not been immune to the global rise of inequalities. Denmark ranks among the OECD countries where the share of income accruing to the three middle quintiles of the income distribution (i.e. ranging from the 20% to the 80% poorest households), which are conventionally used to identify the middle class, has fallen between the mid-1990s to the late 2000s – together with Austria, Australia, Canada, France and the United States. Especially in Denmark and Sweden, this has been accompanied by large increases in the share of income accruing to the top quintile, suggesting that middle-income groups have lost ground relative to the most affluent (OECD, 2014b). Other types of poverty have also emerged. In Denmark, as well as in Belgium, Finland, France, the Netherlands and Norway, the immigrant poverty rate is 3.7 to 4.5 times higher than that of the native-born.

Figure 13. Possible cross-dimensional well-being indicators



Source: OECD (2014), *How's Life in Your Region? Measuring Regional and Local Well-Being for Policy Making*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264217416-en>.

Figure 14. Life expectancy and low income in the municipalities of Southern Denmark



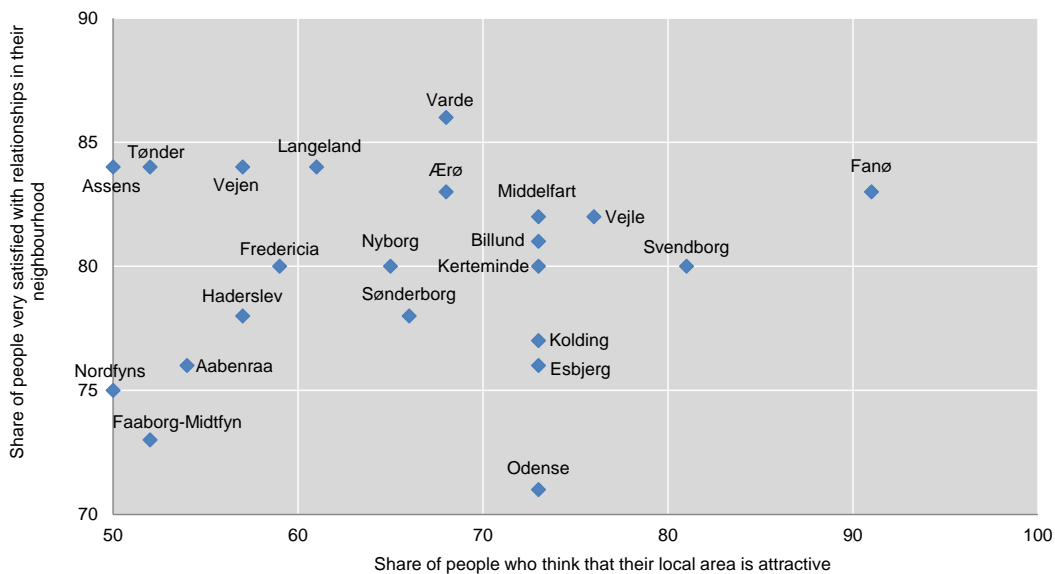
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Note: Life expectancy is the average life expectancy in number of years lived (2012). The share of low-income population is defined as the percentage of individuals aged 30-64 who have a combined disposable income below DKK 100 000 (2011). Data for the municipalities of Fano and Ærø were not available.

Source: OECD elaborations based on data from Region of Southern Denmark (2013), *Kontur*.

While inequalities across regions in Denmark remain relatively low, Southern Denmark encompasses a spatially uneven distribution of life opportunities and disadvantages. Even though the region of Southern Denmark does not focus on measuring intra-regional inequalities per se, in practice, it allows for comparisons and benchmarking across municipalities. The “Good Life” initiative does not offer any specific indicator of well-being disparities (such as a Gini coefficient). However, the *Kontur* yearbook delivers a comprehensive overview of municipal performances on different well-being dimensions for all of its 22 municipalities, which municipalities can use to benchmark themselves against each other on the different topics. Some of these non-monetary indicators reveal the municipalities’ quality of life as it is lived by their own residents and might thus play a role in shaping people’s locational decisions, which in turn affect the municipalities’ depopulation and ageing challenges. For example, citizens can see what share of a municipality’s population thinks that their local area is attractive and are also satisfied with the quality of relationships in their neighbourhood (Figure 15). The region has also carried out more detailed analysis on all cities<sup>4</sup> that have more than 2 000 inhabitants and published the data in several publications, allowing municipalities to benchmark their cities against the others on different topics. The publications are based on both quantitative data, such as GIS-data, registered data and survey data, but also on qualitative descriptions of the cities and what they can offer.

Figure 15. Perceptions of attractiveness and satisfaction with neighbourhood relationships in the municipalities of Southern Denmark, 2013



StatLink  <http://dx.doi.org/10.1787/888933146068>

Source: OECD elaborations based on data from Region of Southern Denmark (2013), *Kontur*.

There are also further efforts to identify a spatial scale that is more relevant for policy-making purposes beyond municipal and national administrative boundaries. The region’s RUP takes into account the different municipal development plans, and attempts to address the distinct strengths and weaknesses of urban and rural areas. Rural areas also benefit from separate development strategies and funds from the region and the European Union (via the European Agricultural Fund for Rural Development). Some initiatives for inter-municipal collaboration have also emerged within the region of

Southern Denmark. For example, for all four geographic areas considered in the RUP, the region and the municipalities have created forums to discuss how to strengthen development in that particular area, where municipalities share many characteristics. For each area, there is also a number of political initiatives that aim to strengthen joint development. There is an additional effort to increase knowledge and collaboration across national boundaries. The Border Region Survey promotes knowledge sharing among the municipalities located on each side of the border between Denmark and Germany, and the Jutland Corridor promotes knowledge sharing and collaboration across municipalities and regions from the north of Jutland to Hamburg.

### *Selecting policy-relevant outcome indicators*

The choice of well-being dimensions and indicators was primarily based on research carried out by the Strategy and Analysis Department of the region. International experience and knowledge was gathered from several countries (including Australia, Canada and the United Kingdom) and international organisations (such as the OECD). A renowned academic was also brought in to share his specialised expertise in national and international welfare systems as well as citizen behaviour patterns. As a part of the RUP process, political meetings with each of the 22 municipalities were organised during the fall and winter of 2012-13. The main focus of the meetings was a mid-term evaluation of the RUP, but the occasion was also used to present the “Good Life” to the municipalities. Both politicians and technical staff from the region and the municipalities participated in the meetings and their feedback was reflected in the process of fine-tuning the list of indicators.

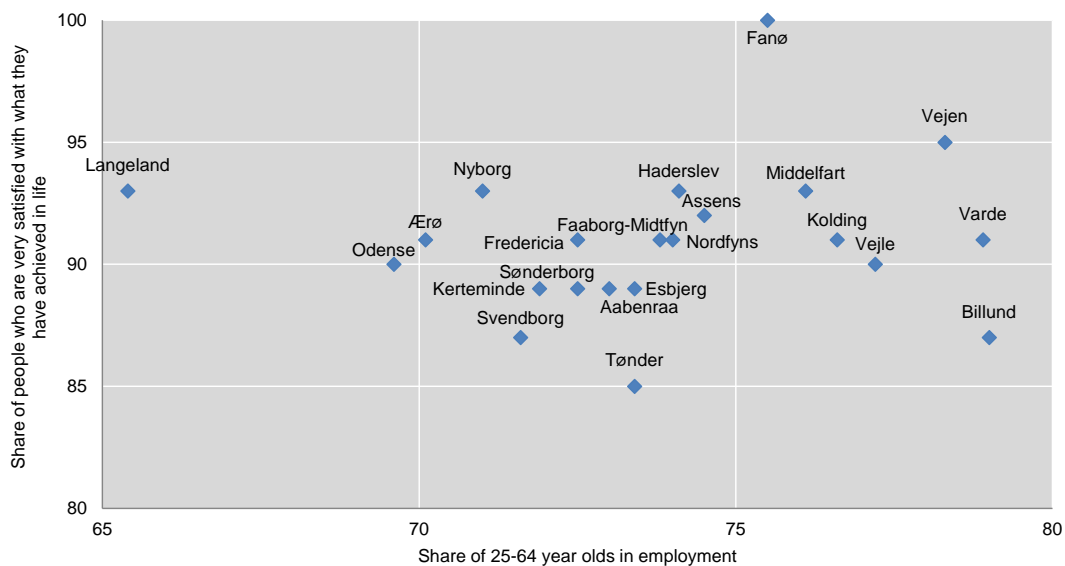
The resulting list of indicators focuses on well-being outcomes (as opposed to inputs or outputs), which provide direct information on people’s lives as they are lived in different communities. For example, the “Good Life” initiative informs on how satisfied citizens are with their ability to live life as they like in their neighbourhood, rather than how much was spent on cultural activities or sports facilities. Concerning health, it looks at the number of doctor visits and sick days registered, but it also goes beyond into the share of people who feel hampered by health problems in their daily lives – rather than input indicators such as the number of physicians or the budget devoted to healthcare.

The experience of Southern Denmark illustrates the importance of including both objective indicators and perception-based indicators. The use of both objective socio-economic indicators and individual perception-based indicators allows for a detailed understanding of people’s opportunities to live the “Good Life” in different places and the diffuse relationship between people’s objective conditions and their perceived conditions. For example, some municipalities score well in economic dimensions such as employment, but their residents’ perceptions of what they have achieved in life are low (Figure 16). Typically, the municipality of Billund (mostly known for hosting the Lego group headquarters and the first Legoland theme park) displays the highest share of population aged 25-64 in employment, but it registers the second lowest share of people who are satisfied with what they have achieved in life – which suggests that jobs matter but alone do not give citizens a sense of fulfilment and a “Good Life”.

Compared with well-being measurement in other OECD regions, the “Good Life” initiative includes a unique series of detailed perception indicators related with individuals’ capacity to flourish. For example, surveys provide data on the share of citizens who are feeling fit enough to do what they want to do, are using their abilities

and talents in everyday life, are able to change life, are able to do everyday things that matter in life, are able to live their life as they like in their neighbourhood, etc. Policy makers in Southern Denmark therefore have access not only to socio-economic data that are useful for providing good objective conditions for their citizens, but also to indicators of citizens' potential to contribute actively to growth and change. The capacity of citizens to participate in promoting growth and social change needs to be all the more fully exploited in Denmark's context of attempts to shift growth models.

Figure 16. **Employment and life satisfaction in the municipalities of Southern Denmark**



StatLink  <http://dx.doi.org/10.1787/888933146070>

*Note:* The share of people who are very satisfied with what they have achieved in life refers to 2013 data. The share of 25-64 year olds in employment refers to 2012 data.

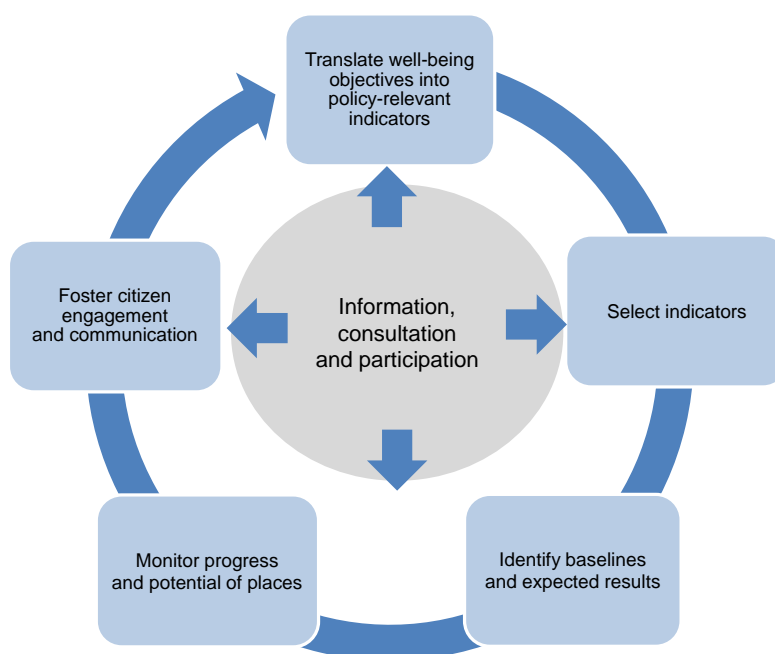
*Source:* OECD elaborations based on data from Region of Southern Denmark (2013), *Kontur*.

As in other OECD regions experimenting with well-being metrics, translating outcome indicators into policy-relevant messages remains a critical task in Southern Denmark. The sheer number of indicators provided (currently 40) may seem daunting to political leaders who need clear, simple and sharp facts to guide their action. While the previously adopted composite index might have over-simplified the diversity of regional well-being performances, the current palette of headline indicators conveys a very wide array of messages that could benefit from an intermediate level of reading with a hierarchy of indicators. For instance, a streamlined set of indicators, focusing on selected key policy issues that are most comparable with other regions and/or municipalities, might be easier to communicate to policy makers in a first step. Once this information has been usefully processed and has steered the necessary policy orientations, more detailed follow-up information could include further indicators to fine-tune policy instruments.

## Using well-being indicators for policy making in Southern Denmark

The process to bring together data, policies and resources around a common well-being agenda at the regional level is composed of several steps, which involve consultation, co-decision and a deliberative process throughout the cycle (Figure 17). In Southern Denmark, the “Good Life” framework is mostly used to help the region and its municipalities identify their own strengths and weaknesses while monitoring their progress over time. Different stakeholders are currently playing different roles in implementing the well-being agenda. A major challenge to move it forward requires effective mechanisms to develop a shared ownership and trigger action.

Figure 17. **Regional well-being measurement cycle: A possible sequencing of steps**



### *Identifying the potential of different places and tracking progress*

Good Life indicators help municipalities to identify their own development potential by allowing them to benchmark themselves against each other and sometimes to monitor their own progress over time. Most indicators in *Kontur* are provided for all municipalities and the region (as well as sometimes the national average) and for one given year, but a few others also span a period of several years. Municipalities are therefore able not only to position themselves against others in the broader context, but also to assess their own evolution. This is a particularly useful feature, so that less-advantaged municipalities can look beyond absolute rankings to potential for growth and areas for improvement. Ultimately, the RUP does not set any quantitative targets to be achieved at a given time. Its main purpose is to monitor the different dimensions of well-being at regional and municipal level, and to strengthen the collaboration between the region and municipalities around shared policy priorities. It is then up to each municipality to define its own agenda for action around its own strengths and weaknesses.

At the same time, the current status of the RUP entails some limits in the application of “Good Life” metrics to policy uses. The RUP is a strategic vision with no enforcement mechanisms, and as such, is devoid of binding commitment. The region has no power to regulate or to levy taxes. Municipalities certainly welcome the data provided by the region in *Kontur*, and actively use data from *Kontur* as a foundation for strategic discussions and priorities. However, municipalities set their municipal strategic priorities on their own, although according to the Danish Planning Act, they may not contradict those of the RUP. The region puts its strategic and analytical capacity at the service of municipalities by providing the foundation for strategic prioritisation, but municipalities could make further use of regional strategic intelligence.

### ***Stakeholder engagement in a multi-level governance framework***

While the region of Southern Denmark has been the leading actor in devising and launching the “Good Life” initiative, it also carried out extensive consultations with all of its municipalities as well as a wide range of stakeholders in academia, the private sector and civil society. The preparations for the RUP were used as an opportunity to engage many different actors in the dialogue through political tours of all the municipalities (2010 and 2012), a hearing process (2012-13), a kick-off conference (2012), and diverse meetings and forums (continuously).

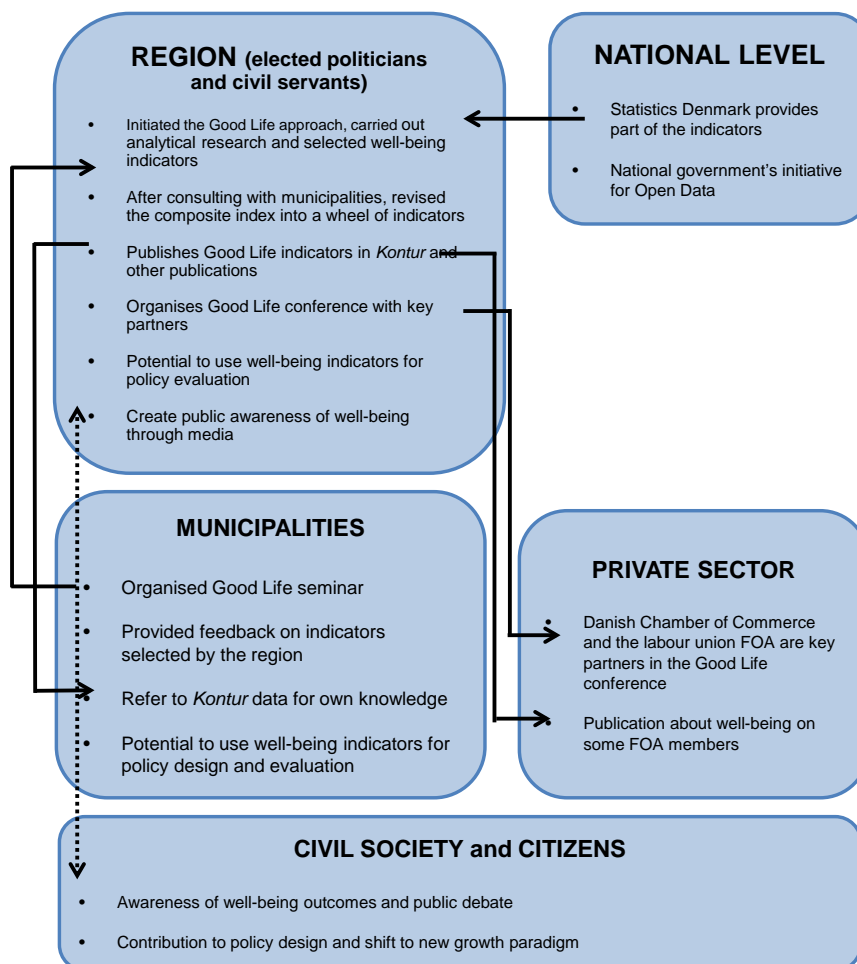
Different stakeholders played different roles throughout the steps of the process. The stakeholder mapping exercise, conducted in each case study of the OECD *How's Life in Your Region* project, attempts to show the interactions among the different constituencies of actors, including some unilateral or missing links (Figure 18). The region was the primary intellectual and practical initiator of the “Good Life” approach. The vision of the “Good Life” was initiated when the region was founded in 2007. The measurement project was elaborated by the Committee for the Regional Development Plan, and the region’s analytical staff carried out background research and devised the strategic architecture of the measurement project. Some indicators selected to be part of the “Good Life” project are provided by Statistics Denmark, and steps towards further collaboration have been taken. The region’s Health Department has also contributed expertise in the selection of indicators concerning self-reported health.

Municipalities played a key role in shaping the “Good Life” initiative. Once the region developed its initial “Good Life” composite index, municipalities were presented with the index on a political RUP tour. This was an opportunity to create political interest and debate concerning the “Good Life” measurements, and for the municipalities to report on how well-being indicators could be used in their own policy making. The region thereafter revised the composite index into headline indicators. A series of detailed reports on the “Good Life” were published together with different stakeholders. For instance, the region published a report on small cities in Varde, together with Varde municipality, and another report on the labour union FOA’s members, in collaboration with the FOA. In October 2013, the region and Odense municipality held a joint seminar for municipalities in Southern Denmark. In May 2014, the region held a national “Good Life” conference together with the Danish Chamber of Commerce and the FOA, with the purpose of increasing public awareness of well-being and broadening the national growth agenda. The region is currently planning to conduct a political tour of all municipalities starting in August 2014, to mark the beginning of the work with the new Growth and Development Strategy. The “Good Life” measurement will serve as background knowledge to support the policy-oriented meetings, where municipal and



regional politicians will discuss common interests and possible areas of collaboration – similar to the kick-off and mid-term tours of the RUP in 2010 and 2012.

Figure 18. **Involvement of different stakeholders in Southern Denmark’s “Good Life” initiative**



Source: OECD elaboration based on answers of the Region of Southern Denmark to the OECD questionnaire.

The next step for Southern Denmark consists in moving from shared knowledge to shared policy action. *Kontur* served as a valuable “door opener” for the region when its new institutional status made some municipalities wary about its value-added, and the data of *Kontur* are now well-known to local politicians. The integration of well-being indicators to *Kontur* was also generally welcome. *Kontur* data can be further used to shape or evaluate policy action, both at the regional and municipal levels. Several municipalities currently use *Kontur* data as background knowledge for municipal strategic plans and as a common ground for local politicians. Considering that the reformed regional level is still new (presently only in its third political term) and this is the first time that well-being indicators have been integrated in *Kontur*, the learning process is still underway. The “Good Life” initiative has a strong potential to progressively evolve into a powerful tool for policy design and evaluation if the system of indicators becomes an integral part of the regional policy-making process. Better

connecting the “Good Life” initiative to the national agenda would be a valuable contribution to the national debate on shifting growth paradigms. Efforts have been made to spread the research, data and knowledge accumulated throughout the different steps of the “Good Life” to a national level, which could help better target the levers of growth potential in different places and cross-fertilise new initiatives in other regions.

### ***Cultivating a shared ownership of the well-being agenda***

The following section discusses the key role of two main communities in the discussion arena: the political level of the region and the citizens.

#### ***Political leadership***

The interest expressed by the political level of the region in the “Good Life” measurement tool is very encouraging. In the aftermath of the global crisis and the search for an economically, socially and environmentally more sustainable development model, it was increasingly recognised that pursuing growth and well-being objectives in silos can lead to counter-productive waste of scarce public resources. “Good Life” data and analysis can help regional policy makers to find new ways to deliver on both fronts simultaneously. In particular, the new Growth and Development Strategy could build on robust evidence through a solid selection of regional well-being indicators, which would inform and guide policy orientations and monitor progress over time.

Municipalities also have a pivotal role to play in improving the growth and well-being of citizens in the region of Southern Denmark. As in many other OECD countries, in the current institutional context of Denmark, municipalities are the closest and most accessible government level for citizens. The region has already learnt the lesson of a lack of *ex ante* dialogue with municipalities. After building a composite well-being index, the region presented the index model to the municipalities and other sub-regional forums, and used their feedback to develop the revised approach with a “wheel” of headline indicators. Further dialogue with municipalities about the well-being model, the results of the measurements and how to use these results in policy action could be strengthened.

In this sense, ongoing efforts to develop open government data in Denmark could feed into and strengthen the “Good Life” initiative. Linking “Good Life” indicators and open government data could lead to more efficient solutions to local well-being challenges, including on practical sectoral policies. National and local governments in many OECD countries, including Denmark, are sharing the data they produce with the private sector and citizens to increase public awareness and the effectiveness of government activities. Open government data are seen as a source of benefits for all parts of society: governments can gain insights on how to provide more efficient services; businesses can exploit public sector data to develop new products and solutions (thus fostering a new source of entrepreneurship and job creation); and citizens are able to hold governments accountable and to make better informed decisions that can improve their own quality of life. According to the 2013 OECD Survey on Open Government Data, 56% of OECD countries (including Denmark) have a national strategy for open government data.<sup>5</sup> In the case of Denmark, the central government and the association of local governments published a strategy to open up basic public data to everyone (Box 2 and Figure 19). For example, on the environmental front, establishing common free basic data on watercourses and operating with a common elevation model makes it possible to identify local areas at risk of flooding and facilitate common climate change adaptation

efforts between water utilities and local governments. This could, in turn, contribute to improve local performances in environmental quality and personal safety.

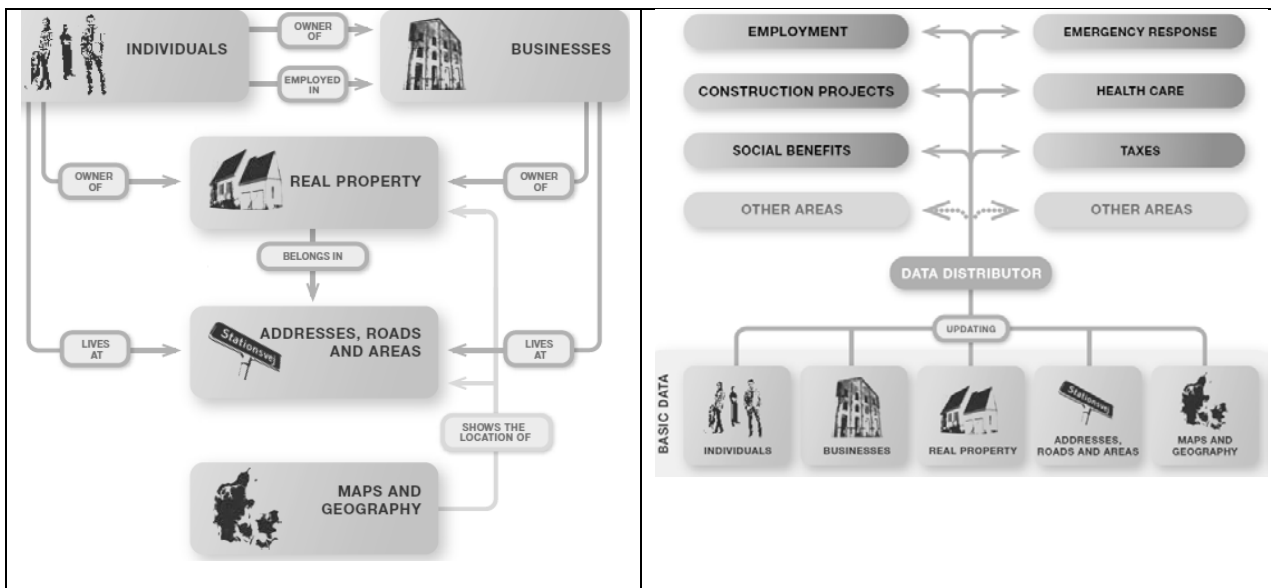
**Box 2. Collaboration across levels of government for promoting open data in Denmark**

In August 2011, the Danish government, Local Government Denmark and Danish regions drafted a common digitisation strategy for the public sector (*The Digital Path to Future Welfare*), with the objective of enhancing the use of IT to safeguard future welfare. The strategy revolved around three key pillars: phasing out printed forms and letters; developing new digital welfare (e.g. public education, healthcare, employment); and introducing digital solutions for closer collaboration (sharing data efficiently between public authorities).

Following up on this strategy, in October 2012, the Ministry of Finance and Local Government Denmark published an exploratory strategy (*Good Basic Data for Everyone*) to open up basic data on individuals, businesses, addresses, real properties and geography for free use and re-use in digital procedures and case processing. Basic data can include personal data covered by the Act on Processing of Personal Data (excluding sensitive personal data). A common public sector data distribution solution (called Data Distributor) will distribute data from the Digital Map Supply (maps, cadastral maps and other geographic data) as well as data from the Public Information Server, which distributes information about real property in Denmark. The Data Distributor will distribute personal data (from the Civil Registration System) and business data (from the Central Business Register).

Source: adapted from Danish Government/Local Government Denmark (2012), *The e-Government Strategy 2011-2015: Good Basic Data for Everyone – A Driver for Growth and Efficiency*, October.

Figure 19. An intergovernmental strategy to share data for growth and innovation in Denmark



Source: Danish Government/Local Government Denmark (2012), *The e-Government Strategy 2011-2015: Good Basic Data for Everyone – A Driver for Growth and Efficiency*, October.

*Involving citizens: From respondents in a survey to actors of growth*

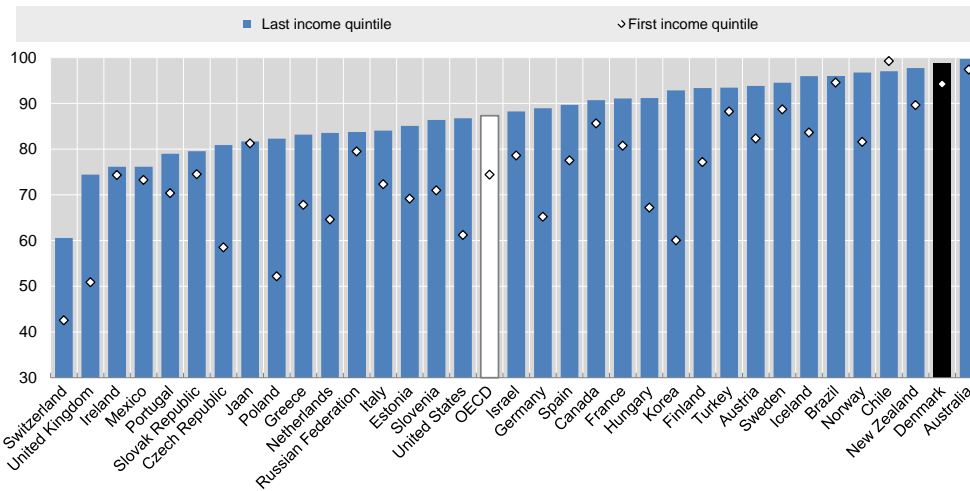
Shifting growth paradigms requires dialogue and active citizens. Communication not only allows for identifying the needs of the population, but it also contributes to validating possible areas for policy action and reducing costs associated with an inefficient allocation of resources. Citizens remain relatively under-solicited in the current setting of the “Good Life” initiative. Municipalities are also facing challenges regarding the involvement of and communication with citizens. The current lack of dialogue with citizens was described by one municipal official as follows: “When people are happy, we never see them. When they are not happy, we see them in front of the city hall”.<sup>6</sup> The “Good Life” initiative offers information on individuals’ perception of life in different places, a first step towards involving citizens.

Southern Denmark could build on existing tools to further develop platforms for public dialogue on regional well-being. The region currently runs a website that offers an online database about a wide range of indicators, from emissions and energy consumption to welfare technology. The website also features an interactive tool to visualise socio-economic data in maps or in graphs, and it offers a diverse set of downloadable publications on different subjects. A consolidated web platform could provide the region with a permanent tool to host public consultations and debates about the “Good Life” results. This would not only help raise public awareness, but also increase the accountability of public policy action and help gather valuable information on the real needs and capacity of citizens. Citizens are the primary recipients of public services and their feedback is crucial in ensuring that policies remain focused on achieving stated goals by monitoring progress towards them. High response rates to recent surveys conducted in Southern Denmark (e.g. about the reasons for migrating) have also shown that citizens are eager to contribute feedback and participate in social change.

Southern Denmark is particularly well-equipped to promote participatory governance. Denmark already registers a very high level of “physical” civic engagement across population groups, with the second highest voter turnout in the last income quintile and the fourth highest in the first income quintile among OECD countries (Figure 20). Information and communications technologies (ICTs) have been enabling new forms of collaborative and participatory governance. The steady integration of social media and mobile technology into the everyday lives of businesses, governments and citizens is giving rise to new forms of public engagement and relationships that overlap across public, private and social spheres in a new digital governance environment (OECD, 2014b). In this regard, Denmark has been extremely successful in promoting the uptake of e-government services, with respectively the second highest share of citizens and the third highest share of businesses using the Internet to interact with the public sector among OECD countries (Figure 21). A strengthened “Good Life” platform could evolve into a powerful arena bringing together different levels of government, the private sector, academia, citizens and social stakeholders.

Figure 20. **Voter turnout rates by country and income level, 2009**

Percentage of votes cast over the registered population, 2009 or latest available year



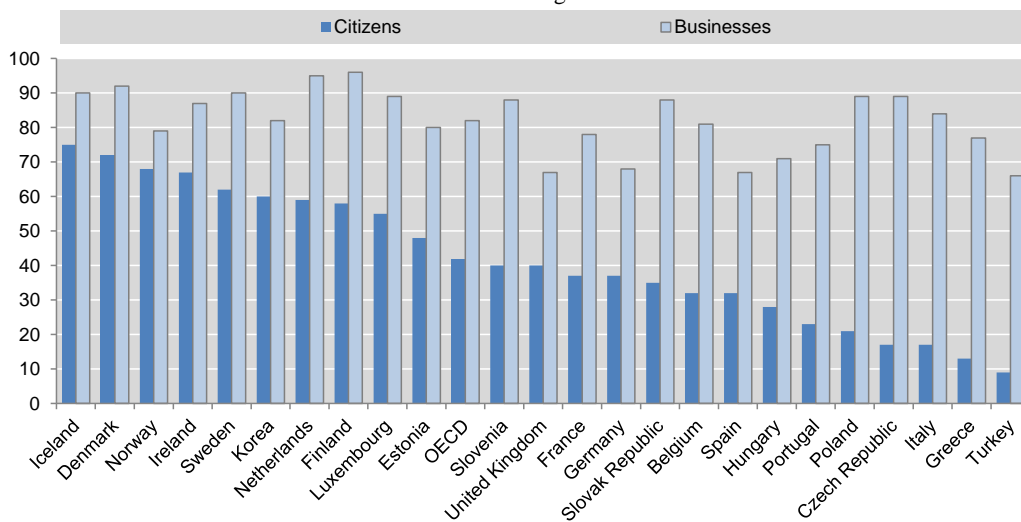
StatLink <http://dx.doi.org/10.1787/888933146084>

Note: Data refer to 2011 for Estonia, Finland and Turkey; 2010 for Brazil, the Czech Republic, the Netherlands and the Slovak Republic; 2008 for Austria, Canada, Korea, New Zealand, Slovenia, Spain and the United States; 2007 for Australia, France, Ireland, Japan, Poland and Switzerland; 2006 for Israel, Italy and Sweden; 2005 for the United Kingdom; 2004 for the Russian Federation; 2003 for Belgium; 2002 for Hungary; and 2001 for Denmark. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law

Source: OECD (2013), *How's Life? 2013: Measuring Well-Being*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264201392-en>, Figure 2.25, p. 61.

Figure 21. **Citizens' and businesses' use of the Internet to interact with the public sector, 2010**

Percentage



StatLink <http://dx.doi.org/10.1787/888933146090>

Note: This graph only includes the OECD countries where values for both citizens and businesses were available.

Source: OECD elaborations based on data from OECD (2013), *Government at a Glance 2013*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/gov\\_glance-2013-en](http://dx.doi.org/10.1787/gov_glance-2013-en).



## Conclusion and future steps

The experience of Southern Denmark offers the following key insights for OECD regions:

- **The diversity of regional well-being: the “Good Life” can be lived differently in different places.** Even in a relatively equal country like Denmark, there is no uniform definition of well-being and each place has a unique potential for offering citizens its own type of “Good Life”. Municipalities should not necessarily aim at ranking well in all dimensions, but rather focus on identifying their distinctive potential for growth and areas for improvement.
- **Sources of regional well-being data: outcome indicators need to blend socio-economic indicators with individual perception-based survey data.** Information on places and information on people generate higher value when woven together. Any stark gaps between objective socio-economic conditions and perceived quality of life may provide useful hints of where public policy fails to deliver the expected outcomes, and should be thoroughly reviewed among all relevant actors.
- **Methodology of measuring regional well-being: there is a potential trade-off between offering a unified composite well-being index and conveying a wider range of well-being indicators.** The composite index conveys a single unified message, but dilutes information. A wider range of indicators captures the diversity of well-being performances, but it may be more difficult to communicate.

Future steps to strengthen the “Good Life” initiative could include:

- **Consider using two levels of regional well-being indicators.** A two-step approach, combining an initial aggregated level and a more granular level according to the degree of detail needed, may help policy makers in better grasping and interpreting results for more pragmatic policy uses.
- **Link well-being data with open data.** Connecting “Good Life” indicators with open public data can contribute to enhancing the government’s accountability and generating new insights for more efficient services in both public and private sectors. Classifying and reading open data along “Good Life” dimensions could be a first step in exploiting the different datasets from a well-being angle and help prevent the risk of data over-supply.
- **Set up a comprehensive communication action plan.** Existing web tools could be consolidated into a user-friendly interactive website to disseminate “Good Life” indicators and open data, offer a dynamic monitoring of progress achieved on the different dimensions over time, collect feedback from all categories of users, and foster permanent public debate.
- **Move from shared knowledge to shared action.** Building on the considerable progress already achieved on the research and analytical front, Southern Denmark now needs to better connect the technical indicators and the political agenda. The “Good Life” initiative can benefit from increased dialogue, not only with municipalities, but also to a higher degree with the private sector, academia, citizens and the national government. Opening up the dialogue to different

communities of stakeholders, more particularly citizens, should come with a clear time schedule of when various types of discussion tools will be used (e.g. focus groups, workshops, forums) and which targeted instruments can contribute to policy evaluation (results should be discussed by both technical and political actors, and citizens).

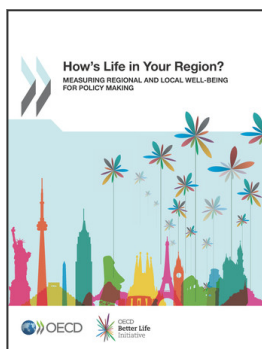


## Notes

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2. See overview of PISA 2012 results available at: [www.oecd.org/pisa/keyfindings/pisa-2012-results-overview.pdf](http://www.oecd.org/pisa/keyfindings/pisa-2012-results-overview.pdf).
3. The five sub-indices draw from the work of American psychologist Abraham Maslow, who proposed a hierarchy of human needs in Maslow (1943). The hierarchy included physiological, safety, belongingness and love, esteem, and self-actualisation needs.
4. In Denmark, all settlements over 200 inhabitants are registered as cities. A municipality (elected layer of government) can host several cities/towns on its territory.
5. More information is available in Ubaldi (2013).
6. Quote from Peter Pietras, Municipality of Odense, during the well-being workshop organised by the Region of Southern Denmark in Odense in October 2013.

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