

Executive summary

Everybody wants to enjoy a good life where they live, so measuring their daily experience may feel more meaningful to them than a national average. A full picture of the economy and society must embrace what people value about their immediate living conditions, how they behave when their expectations are unmet, and how local services contribute to improved job opportunities and healthier lives. Regional indicators of well-being help capture whether recovery and prosperity translate into better lives for all.

Regions can use well-being indicators for many purposes, according to their specific priorities and needs. These indicators can help regions identify their relative strengths and weaknesses in well-being, monitor trends and compare them with those in other places. They can also raise awareness on specific well-being challenges. Finally, they can guide policy prioritisation, reflecting what matters most to citizens.

A common framework for measuring regional well-being based on nine dimensions.

How's Life in Your Region? offers a common framework for measuring people's well-being at regional level. The framework has been designed to improve policy coherence and effectiveness by looking at nine dimensions that shape people's material conditions (income, jobs and housing) and their quality of life (health, education, environment, safety, access to services and civic engagement). These nine dimensions derive from both characteristics of individuals and those of each specific territory. They are best gauged through indicators of real outcomes rather than inputs or outputs.

Measuring these nine dimensions through a set of comparable indicators in 362 regions across 34 OECD countries shows that well-being outcomes materialise in very different ways across places. Differences in well-being are often greater among regions within the same country than they are across different countries. For example, the gap in the labour force's educational attainments between the Basque Country and Andalusia is similar to the difference between Spain and Sweden. Such regional disparities can increase welfare costs, jeopardise social cohesion and undermine national performance. Countries with larger regional disparities in jobs, education and access to services register lower well-being outcomes at country level as well.

Better balance across well-being outcomes could help improve regional resilience.

A more equal distribution of well-being outcomes can affect people's lives and might play a role in enhancing regional resilience. Regions with lower income inequalities have on average experienced relatively higher growth rates of gross domestic product (GDP) per capita over the last ten years, and particularly since the economic crisis. However, both the average of well-being outcomes in regions and their distribution vary

significantly. New data on income inequality at sub-national level, for example, show that income inequalities are on average higher in large cities.

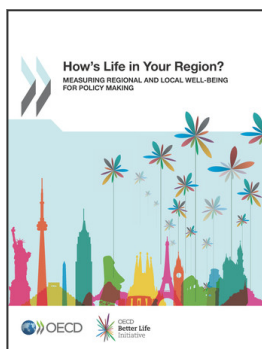
Regions have different capacities to change their well-being outcomes over time and different leverage on the various dimensions of well-being. While jobs outcomes can change in just a few years, other dimensions, such as safety and education, imply longer term investment. For example, more than 80% of OECD regions in the bottom quintile for safety and 90% of those in the bottom quintile for education in 2000 were still there in 2013.

The regional well-being framework reveals that different dimensions of well-being can work against each other or reinforce each other. Accounting for complementarities and trade-offs across dimensions helps improve policy coherence. Citizens can influence the design and implementation of the policy mix through the quality of local governance and institutions.

Guidance for implementing a regional well-being strategy.

Regions and cities that want to adopt a well-being strategy to improve current living conditions and future opportunities for their citizens should consider the following steps:

- Translate well-being objectives into policy-relevant indicators. Regional well-being measurement needs to be clearly linked to regional policy objectives that are aligned across and within levels of government.
- Select indicators. A deliberative consultation process should be set up to focus on a limited set of key indicators that reflect local priorities and assets, as underlined in the OECD Regional Well-Being Framework.
- Identify baselines and expected results. Establishing a clear starting point and a range of targets to be achieved helps frame the course of public action around a transparent timeline and intermediate milestones.
- Monitor progress and assess the potential of different places. Regional well-being indicators provide a tool for tracking change over time and identifying the specific assets for development in different communities.
- Foster citizen engagement and communicate results. Engaging citizens from an early stage of the measurement initiative builds momentum for action, facilitates policy adjustments when necessary, and increases accountability and trust.



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