

Frequently Asked Questions on Measuring Regional Well-Being

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- **Why do we need to look at well-being on a regional level?**

Where people live matters for their well-being and improving people's lives requires making where they live a better place. Research on regional well-being can thus help policy makers focus their efforts on the determinants of better lives and better target policies.

National averages can mask our actual well-being as experienced where we live and work. The OECD regional well-being tool provides information about where regions stand on eleven topics that matter in people's lives: jobs, income, education, health, civic engagement, safety, access to services, environment, housing, community and life satisfaction.

The OECD regional well-being tool can be used by everyone – in particular, by non-experts and non-statisticians – to build better communities. It can help start the conversation on what matters to people and can provide data to help us better understand in which direction we want our societies to evolve and how we want to shape our future.

- **What does the regional well-being tool tell me about my home region?**

The interactive website is a means to initiate a conversation about well-being based on what people know best: their home region. The web application localises the region where you are and shows how the region fares on the eleven well-being topics. For each topic, a score on a scale from 0 to 10 is given to the region, based on one or more indicators. A higher score indicates better performance

in a topic relative to all the other regions. For example, the Australian Capital Territory scores 10 in **Income, Safety** and **Civic Engagement** and above 8 in the remaining eight other topics. A region's score is ranked among all the OECD regions. For example, the Capital region in Korea scores 8.9 in **Education**, it ranks first among the Korean regions and in the top 28% among OECD regions.

For each well-being topic, in addition to the score, the actual values of the indicator in the region are shown. Relative to the example above, 87% of the labour force in the Capital region of Korea has at least a secondary degree. Relatively to the values in all the OECD regions, this percentage corresponds to a score of 8.9.

The interactive website also shows whether the region is making progress in each topic relative to the other OECD regions, by showing whether its relative ranking on the topic has increased or decreased since 2000 (2006 regarding access to services). For example, Greater London scores 8.5 in **Health**, it is ranked first among United Kingdom regions, it's in the top 21% OECD regions, and its rank has improved since 2000.

The tool also looks at how much disparity countries have across their own regions by measuring the difference between the top and bottom 20% regional values in a topic compared to OECD countries. For example, regarding **Jobs**, Italy ranks 32nd out of 36 countries, and it has the largest regional disparity among OECD countries. For reference, countries are also compared based on their average score in each topic. The country average scores may differ from those obtained through the Better Life Index (BLI) since the underlying set of indicators may be different and national comparisons ought to be done with the BLI that better reflects the national perspective.

- **What doesn't the regional well-being tool measure?**

The tool does not include a composite well-being index. The trade-off between a composite index (which conveys a single unified view, but may dilute information) and a range of indicators (which offers detailed information, but is more difficult to communicate) is widely debated. We do not make a single statement about the overall well-being in a region. Instead, we present the information in such a way that users can consider the relative importance of each topic and bring their own personal evaluations to these issues. The regional well-being tool shows that regions may do relatively well in some topics and relatively less well in others. For example, all Japanese regions rank in the top 10% of OECD regions on **Health**, but all of them rank in the bottom 27% on **Life Satisfaction**.

- **What's new in this release?**

Two additional well-being dimensions are included, community and life satisfaction, and measured by self-reported indicators (or **subjective indicators**), where respondents are asked to evaluate their life or certain domains of their life. **Life satisfaction** is expressed as the mean score on an 11 point scale (based on the Cantril ladder measure). It is measured using a survey question in which respondents are asked "Please imagine a ladder, with steps numbered from 0 at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?". **Perceived social network support** (Community) is based on the survey question: "If you were in trouble, do you have relatives or friends you can count on to help you whenever you need them, or not?" The data shown here reflect the percentage of the regional sample responding "Yes". The indicators on life satisfaction and social network in regions were calculated using microdata from the Gallup World Poll.

- **What is a region?**

There are many ways to identify a region within a country: according to its administrative boundaries, whether it represents an electoral district, according to the area within which people commute to work, according to its geographical features or economic functions, etc. For analytical purposes, the OECD classifies regions as the first administrative tier of sub-national government (for example, States in the United States, Provinces in Canada, or Régions in France). This classification is used by National Statistical Offices to collect information and in many countries it represents the framework for implementing regional policies.

Even if the number of regions varies from one country to another, the international comparability is ensured by the fact that these administrative regions are officially established in countries, exception made for Estonia for which lower administrative tier are defined. In total we display 395 OECD regions.

While the regional classification is being extended to non-OECD countries, the regional well-being indicators are currently available only for the 34 OECD member countries. No regions are defined in Luxembourg.

- **Are you going to add more regions or countries?**

Yes, depending on data availability, future developments may include:

- Well-being in cities: based on the 281 metropolitan areas (functional urban areas with more than 500 000 inhabitants) of OECD countries
- Well-being in smaller regions (there are 2 197 in OECD countries) or by typology (rural/urban)
- Well-being in regions and cities in non-OECD countries

- **What are the best and worst ranked regions?**

There is no single ranking associated to the regional well-being web tool. Regions are ranked according to their values in each topic. For example, concerning education (% of population with at least upper secondary education), the regions of the Czech Republic and the Slovak Republic rank at the top, while many Turkish, Mexican and Portuguese regions are found towards the bottom. Sixteen American states and the Australian Capital Territory score 10 in Income, but with the exception of the Australian Capital Territory, they have low scores in Safety, in Health (Wyoming, 3.4), Environment (Maryland, 5) or Civic engagement (California, 2.5). Four of the ten Japanese regions (Hokuriku, Toukai, Chugoku and Kyushu, Okinawa) score more than 9.5 in Health and Safety, but below 5 in Income, Environment, Civic engagement and Life Satisfaction.

Ranking regions according to their level of well-being depends on what users consider important. There can therefore be many rankings according to the criteria the users will choose. Some examples:

- If a user thinks that each topic is equally important, then the top 5 regions would be: Australian Capital Territory, Western Australia, Queensland (Australia), Victoria, (Australia) and Trøndelag (Norway) [average value of the eleven scores].
- If a user values well-being in terms of improvements achieved in a region over time, then the top 5 regions would be: 3 Czech Republic regions (Prague, Central Southwest, Northeast), Corsica (France) and Scotland, which have improved their relative ranking in at least 7 topics compared to 2000 [regions with the highest number of improvements among the eight well-being topics; the dimensions housing, community and life satisfaction are excluded due to lack of time series].

- **What makes different regions have similar levels of well-being?**

The interactive web tool presents regions from other countries that have a similar level of well-being outcomes as the selected region. The calculation to identify similar regions is based on the sum of the absolute differences in the topics scores, the so-called Manhattan distance. If one value in a topic is not available, the difference is set at 5 by default. The top four regions from different countries with the lowest distance to the selected region are displayed.

- **Where does the data come from?**

Data are collected by the OECD in the OECD Regional Database. They all come from official sources, generally from National Statistical Offices. The exceptions are the indicators on “Average level of air pollution PM2.5 in the region experienced by the population” (in **Environment**), which is an estimate computed by the OECD based on the satellite observations gathered by van Donkelaar, A., R. V. Martin, M. Brauer and B. L. Boys, Use of Satellite Observations for Long-Term Exposure Assessment of Global Concentrations of Fine Particulate Matter, *Environmental Health Perspectives*, in press. doi: 10.1289/ehp.1408646 ; Perceived social network support and Life satisfaction (respectively in **Community** and **Life Satisfaction**) which were calculated using microdata from the Gallup World Poll, see Brezzi, M. and M. Díaz Ramírez (2016), "Building subjective well-being indicators at the subnational level: A preliminary assessment in OECD regions", *OECD Regional Development Working Papers*, No. 2016/03, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jm2hhciftvh-en>; and the United States data on Life expectancy at birth estimates for the total population (in **Health**), which is computed by [Measure of America](#), 2010 volume.

- **Where do I see the indicators used for the well-being topics?**

At the bottom of each regional chart, you will find the indicators used in that topic and the value expressed in its original unit (percentage, dollars, etc.) in the region. The complete dataset of indicators and scores can be downloaded ([“Download the data”](#)).

- **Are you going to add more indicators?**

A full dataset including new indicators is included in the publication OECD (2018) **Regions and Cities at a Glance** ([link to the publication](#)). This dataset will include, for example, income disparities within regions, gender disparities in employment and unemployment.

Future developments will add:

- More indicators in the topic **Access to services**, for example on average commuting time, or distance to hospitals.
- Subjective well-being indicators in the topics **Safety** and **Access to services**.

- **How does the regional well-being tool differ from the Better Life Index?**

The regional well-being is part of the OECD Better Life Initiative and it shares with it:

- The notion of well-being as multi-dimensional
- The emphasis put on outcome measures
- The importance given to measuring inequalities alongside averages
- The accent on what matters to people

While the Better Life Index (BLI) is a tool for people to express their preferences on the well-being topics, computing their own well-being index, the regional well-being website is a tool to raise awareness on how well-being outcomes are mapped out in different regions.

The OECD regional well-being tool uses the same topics and similar indicators as the Better Life Index (BLI whenever data are available in a suitable format (income, jobs, housing, education, health, civic engagement, environment, safety, community and subjective well-being). Regional indicators are currently not available for work-life balance, whereas the regional well-being includes one additional topic **Access to services** that is not included in the BLI.

- **What's next for the regional well-being?**

The “How's Life in Your Region?” work produced by the OECD Public Governance and Territorial Development Directorate at the behest of the Regional Development Policy Committee has been recently developed:

In October 2014, the publication OECD (2014) *How's Life in Your Region?* was released, the first analytical report on which the regional well-being tool is based. It provides a common framework for measuring well-being in regions, and guidance to policy makers at all levels on how to use well-being metrics for improving policy results, based on lessons from regions that have been using well-being metrics to improve the impact of policy.

In December 2015, the publication OECD (2015) *Measuring Well-being in Mexican States* was released. The report provides a comprehensive picture on the territorial differences in many well-being dimensions across the 31 Mexican states and the Federal District. It represents a sound base for state and local policy makers, political leaders and citizens to better understand people's living conditions, gauge progress in various aspects of economy and society and use these indicators to improve the design and implementation of policies.

In June 2016, the publication OECD (2016) *Regions at a Glance*, was released, this publication shows how regions and cities contribute to national growth, with a special chapter on well-being of societies.

Future reports will expand on the use of well-being indicators in regions and countries to improve the design and implementation of policies.

Specific developments of the interactive regional well-being tool for the next years to come include:

- Extending the number of well-being topics
- Refining some indicators
- Extending the geographic coverage to non-OECD regions
- Extending the coverage to metropolitan areas