Using well-being indicators for policy making: Province of Rome, Italy

# Table of contents

Executive summary	5
Introduction	7
Overview of well-being outcomes in the Province of Rome	9
The Province: Economy	10
The Province: Demographics	11
Access to services and safety	12
Environment	14
Civic engagement	
Framework for measuring well-being in the Province of Rome	17
Using well-being indicators for policy making in the Province of Rome	23
The development process	23
The actors	
Conclusion and recommendations	27
Note	29
Bibliography	29
Tables	
Table 1. How Lazio ranks in well-being compared to Italy and among OECD regions	10
Table 2. Services and accessibility in the province of Rome	
Table 3. Regional well-being dimensions and indicators in the Province of Rome and the	
OECD	
Table 3. Regional well-being dimensions and indicators in the Province of Rome and the OE	CD
(cont.)	
Table 4. Sustainable development: Territorial values by dimension and theme	20
Figures	
Figure 1. Lazio's well-being outcomes, 2013	9
Figure 2. GDP per capita, employment and labour productivity: Province of Rome, Italy and	
OECD	
Figure 3. Perception of safety and public trust	
Figure 4. Evolution of the average level of PM <sub>2.5</sub> in Lazio and Italy experienced by the	
population	15
Figure 5. Regional well-being measurement cycle: A possible sequencing of steps	23
Figure 6. Different actors and stakeholders involved in developing well-being indicators	25

#### **Executive summary**

# Overview of well-being outcomes

- In international comparisons, the Lazio region, whose 80% population reside in the province of Rome, performs better than the national average in education, environment, access to services and civic engagement, but low in income, jobs and housing. The territory of the province of Rome has registered improvements, particularly in environment (air quality) and access to services (broadband connections) over the past ten years.
- Inequalities among the province's six territories can be high in terms of well-being outcomes, particularly when comparing the Rome city centre with its metropolitan area and the rest of the province.

#### Framework for measuring well-being in the Province of Rome

- Well-being measures were introduced in 2012 by the Province's government to support the territorial development strategy for inclusive growth and take a more strategic approach to political and policy action.
- While the well-being system of indicators was implemented in 2012, its current use is unclear due to the change in the Province's government and, more recently, to the foreseen territorial reform that would transform the Province of Rome in *Città Metropolitana* of Rome, whose specific functions and responsibilities are still not completely clear.

#### Strengths and opportunities for using well-being metrics in the Province of Rome

- The initiative of the Province of Rome is an excellent example of an inclusive process with consultation at its centre. Citizens were engaged in the choice and prioritisation of the well-being dimensions, and many stakeholders contributed to the design of the well-being strategy.
- Despite the uncertainty regarding the future functions of the Province of Rome, the strategy's objectives remain within the administrative work of the departments, which can be viewed as a strength of the strategy and sense of ownership for its principles within the public administration.

#### Challenges and constraints for using well-being metrics in the Province of Rome

- The instability at the political level and the uncertainty regarding future administrative structures and responsibilities at the provincial level call into question the status of well-being measurement as an "official" dimension of the territorial strategy, and have significant implications for resource allocation.
- The lack of a publicly available monitoring of the well-being indicators makes it difficult to determine the actual impact of policies targeting well-being. Focusing on measurement of results can help keep expected achievements at the forefront, indicate when and where adjustments should be made to policy, promote accountability and provide a lever for citizen engagement.

#### What's next

Once Italy's territorial reform is in place, and metropolitan competences clarified, Rome needs to continue using well-being measures as part of its territorial development, building on the solid basis already established. It should continue to foster strong and diverse stakeholder participation, and to further build citizen engagement. The proposed project of defining a system of well-being indicators for the Italian provinces (BES – Benessere Equo e Solidale) carried out in collaboration with the National Institute of Statistics, can provide the framework to continue using well-being metrics for territorial development.

#### Introduction<sup>1</sup>

Like many national governments and metropolitan areas, intermediate levels of governments such as states and provinces are looking to identify and measure development beyond traditional economic indicators such as gross domestic product (GDP). In doing so, they are defining territorial development strategies that incorporate objectives of improving well-being and reducing inequalities, alongside economic growth objectives. Given the multi-dimensional nature of well-being, policies aiming to enhance it require meeting complex, cross-sectoral objectives and a complementary approach to public policy making. Moreover, the success of a well-being strategy is linked not only to the appropriate selection of well-being indicators, but also to an inclusive dialogue with all stakeholders and a continuous engagement of citizens, and strong co-ordination and clear allocation of responsibilities among the different levels of government involved (Box 1). The Province of Rome offers a good example of the role of well-being metrics to support a territorial development strategy and highlights the importance of an inclusive process and political will for its sustainability.

#### 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, making it possible to assess whether economic growth translates also 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.

Several factors in 2011 prompted the provincial government of Rome to build a system of measurement for territorial well-being. First, the Province's decision makers sought to build a new territorial development strategy for inclusive growth and take a more strategic approach to political and policy action (Province of Rome, 2012). Second, the government aimed to create an information system of well-being indicators to better understand disparities across areas in its territory and inequalities among people, thereby contributing to decision making and facilitating benchmarking within the province. Finally, the Province's government considered that a territorial development strategy based on well-being indicators could provide evidence to support the proposed territorial reform to transform the ten most populated provinces, among these the Province of Rome, into metropolitan areas, creating a unique level of government.

This case study is based primarily on information provided by the Province of Rome and is divided in three parts. The first situates Rome in terms of overall well-being outcomes using the nine OECD Regional Well-Being dimensions: income, jobs, housing, health, education, access to services, safety, environment, and civic engagement (OECD, 2014) as well as the province's own well-being dimensions. It then looks at Rome's approach to measuring well-being as a means to better gear political and policy action; and finally it considers the development process that the provincial government undertook for its indicator system. The study concludes with some brief recommendations for the province as well as other regions seeking to integrate well-being indicators into territorial policy design and implementation.

#### Overview of well-being outcomes in the Province of Rome

The Province of Rome is home to 4 million inhabitants, representing approximately 77% of the Lazio region, and is comprised of 121 municipalities, including the capital city of Rome. In order to compare well-being in Lazio with that in other OECD regions, well-being outcomes were assessed along the nine dimensions of the OECD regional well-being indicator set for the region (OECD, 2014). Lazio performs better than the national average in education, environment, access to services and civic engagement, although below the OECD area average in these dimensions except in environment and civic engagement. The scores in material conditions – jobs and income – are very close to the national averages. In the health dimension, Lazio is below the national average but above that of the OECD; in the housing dimension, Lazio is below both the national and the OECD averages (Figure 1).

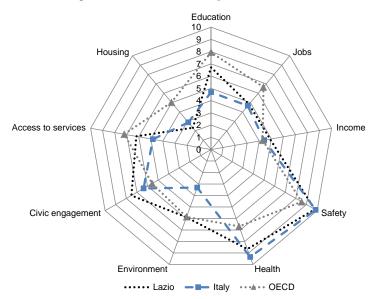


Figure 1. Lazio's well-being outcomes, 2013

StatLink http://dx.doi.org/10.1787/888933145826

Note: Each well-being dimension is measured by one or the average of two indicators. Indicators are normalised to range between 10 (best) and 0 according to the following formula: (indicator value - minimum value across all OECD regions)/(maximum value across all OECD regions - minimum value across all OECD regions) multiplied by 10. In the cases where high values of an indicator mean worse well-being (for example unemployment), the indicator is normalised with the same formula subtracted from 10. All OECD Territorial level 2 (TL2) regions are considered in the calculations for the identification of maximum and minimum values. The value for "Italy" refers to the average of the twenty-one TL2 regions in Italy. The value for "OECD" refers to the average of all OECD regions.

Source: OECD (2014),Regional Well-Being (database), www.oecdregionalwellbeing.org; http://dx.doi.org/10.1787/region-data-en.

Lazio's performance in these nine dimensions of well-being has generally improved over the past decade (Table 1). Only in the dimensions of income and civic engagement has its rank declined among OECD regions since 2000, and in half of the well-being dimensions its performance has improved. Overall, however, given the importance of the territory within the greater context of Italy (see below), there is still room for improvement in its well-being outcomes, especially in health and jobs, where its performance is in the lower 50% of its peers.

Table 1. How Lazio ranks in well-being compared to Italy and among OECD regions

	Score out of 10	Rank among 21 Italian regions	Rank among 362 OECD regions	Change in rank among OECD regions since 2000	Indicator used
Income	4.9	10	Top 42%	Declined	Household disposable income
Jobs	4.8	13	Bottom 24%	No change	<ul><li>Employment rate</li><li>Unemployment rate</li></ul>
Health	8.7	19	Top 20%	Improved	<ul><li>Mortality rate</li><li>Life expectancy</li></ul>
Education	6.7	1	Bottom 35%	Improved	Labour force with at least a secondary education
Environment	5.9	6	Top 50%	Improved	Air quality (average PM <sub>2.5</sub> )
Access to services	6.2	9	Bottom 33%	Improved	Household broadband access
Safety	9.8	9	Top 17%	No change	Murder rate
Civic engagement	7.5	10	Top 29%	Declined	Voter turnout
Housing	2.3	8	Bottom 33%	Not available	Number of rooms per person

Source: OECD Regional Well-Being website, www.oecdregionalwellbeing.org.

#### The Province: Economy

A closer look at the material conditions in the province of Rome shows that in 2011, the province's economy accounted for the second largest share of national GDP, after the province of Milan (8.8% and 9.3% respectively). GDP per capita was 30% higher than the national average in 2011 and the employment rate equal to 61.5% compared to 59% in Italy (Istat, 2013). Real GDP per capita growth in Rome averaged -0.53% per year in the period 2001-11. Even if growth in Italy was, on average, negative in the same period, the reduction in Rome was more intense beginning in 2006. Similarly, since 2008 the employment rate has decreased. Labour productivity gains were registered between 2003 and 2008, but were lost in the following years (Figure 2).

In 2011, 6.3% of Italy's firms were located in the province of Rome, a figure that has been experiencing a positive growth rate for the past few years. Most of these firms are active in the service sector (23.7%), which represents 83.5% of employment, followed by activity in construction (14.5%), hotel and tourism-related industries (6.9%), manufacturing (5.8%) and real estate (5.3%). However, since the financial crisis of 2008, activity in the construction and manufacturing sectors has dropped. This places more pressure on identifying economic growth opportunities outside traditionally strong sectors, such as construction, and also signals a potential deterioration in the material conditions – jobs and income – that contribute to the population's well-being and attractiveness of a territory. Managing this challenge means acting on multiple dimensions of well-being via complementary policies. For example, policies aimed at building businesses and creating jobs should go hand-in-hand with policies linked to education such as skill retraining, and ensuring that professional and technical training programmes are identifying and targeting current and, more importantly, future labour market needs.

GDP per capita Labour productivity USD, PPP 2005 USD, PPP 2005 95 000 40 000 90,000 36 000 85 000 34 000 80 000 32 000 75 000 30 000 70 000 28 000 26 000 60 000 24 000 55 000 22 000 50 000 2000 2001 2002 2003 2004 2005 2006 2002 2003 2004 2005 2006 Employment rate OECD (34) 70% 68% 66% 62% 60% 58% 54% 50% ĸ. 2 'n Ŕ ĸ. ĸ. Ŕ

Figure 2. GDP per capita, employment and labour productivity: Province of Rome, Italy and OECD

StatLink http://dx.doi.org/10.1787/888933145838 Notes: Real GDP per capita is converted in USD using constant 2005 PPP. Labour productivity is computed as the ratio between GDP and total employment by place of work. The OECD figure of labour productivity includes 25 countries for lack of

Source: OECD (2013), OECD Regional Statistics (database), http://dx.doi.org/10.1787/region-data-en and Istat.

#### The Province: Demographics

comparable data on employment at place of work in the remaining 9 countries.

The population in the province of Rome grew annually by 1.12% between 2000 and 2012. However, the population is not evenly spread across the territory. Of the 121 municipalities, only 10 have over 45 000 inhabitants, 25 have less than 1 000 and 14 have less than 500. Since the 1980s there has been a rebalancing of the population, away from the core to the hinterland, which experienced an annual average growth rate of 1.8% between 2000 and 2012. This is in contrast to the 0.3% annual average growth rate of the city of Rome. In addition, just over 80% of the population lives in 13 of the 121 municipalities, which cover 42% of the province's surface area. Urban sprawl often consolidates socio-spatial inequalities, reflected in disparities in access to services such as education, transport and health, thereby impacting the well-being of a full territory. Such

inequalities were quite marked in the territory of the province, a further reason for the government's development of well-being indicators.

The territory's demographic distribution is also uneven. People aged 15 to 25 tend to concentrate in the hinterland rather than in the city of Rome because of the high cost of housing. People over 65 years of age concentrate either in Rome or in the municipalities that are farthest from the capital. The majority of the province's population growth comes from foreigners settling predominantly in the city's hinterlands, where towns are smaller and housing is more affordable. The National Institute of Statistics (Istat) indicates that the foreign population grew more than 2.5 times between 2001 and 2011, and went from representing 3.5% of the population to 8.6% in that same period. While studies point to the strong value added of a foreign population to a local economy, a rapid increase in the foreign born population can also challenge the capacity of integration programmes, as well as affect the sense of belonging among long-time residents and newcomers, alike.

#### Access to services and safety

The Province's public administration has been nationally recognised as performing well in public service provision, particularly in terms of consideration and attentiveness, winning the 2010-11 Public Administration Quality Award in the "Regions, Provinces, and Metropolitan Cities" category. It has also focused on improving quality through equipping key departments with ISO certified quality systems, implementing customer satisfaction surveys and simplifying administrative procedures.

Spending cuts, however, have affected the capacity of the province and its municipalities to deliver public services, for example on education and health. While the Lazio region ranks number one among Italy's regions for the share of labour force with at least a secondary education, it is still in the bottom 35% of 362 OECD regions. Moreover, according to the latest OECD PISA results, student achievement in mathematics in Lazio is below the national and OECD averages, close to those in Hungary and Israel. The Province's administration has important responsibilities for school infrastructure, in particular for secondary education, which requires more maintenance and could be upgraded to meet specific environmental efficiency standards. From an infrastructure standpoint, as the hinterlands become more populated with youth, and as real estate prices rise in the core, thought may have to be given to the needs of education and educational facilities where young families settle, while also retaining services for an aging or aged population.

With respect to health outcomes, the region scores well (8.7 out of 10) in the OECD Regional Well-Being web-tool (that measures mortality rate and life expectancy), ranking it in the upper 20% of OECD regions. However, compared to the other Italian regions, Lazio ranks 19th out of 21. The Province notes that hospitals have closed due to funding cuts, waiting times are reportedly long and service costs have gone up. As in the case of schools, as demographics shift, so do citizens' needs, together with the factors that impact their well-being. With an uneven distribution of the population across the territory, meeting the needs of all groups equally can be more challenging for governments and service providers. The Province of Rome has also cited poor housing conditions and inefficient public transport as additional concerns with respect to quality of life and well-being. These factors are particularly important given the supply and cost of housing, which drives people away from the city centre where often job and education opportunities are greater. Residents of sprawling cities, particularly those who are less affluent, rely heavily on public transport to get to jobs and access services. When this is

lacking, inefficient, unreliable or costly it impacts well-being, especially when the population is spread across a large territory. Because the province is home to the nation's capital and also Vatican City, visitors place an added pressure on service demand.

The inequalities in the supply of local services between the city of Rome and the rest of the province's territory raise concern, including accessibility of public transport in the metropolitan area of Rome. According to a bundle of services comprised of schools, sport facilities, banks, postal offices, stores and transport, the city of Rome is much more advantaged than the other areas in most of the services; the areas of Pomezia and Fiano Romano rank the lowest (Table 2).

		Metropolitan access					
Territorial system	Primary and secondary schools	Sports facilities	Police stations	Banks	Post offices	Commercial infrastructure	Metropolitan accessibility index
Unit of measurement	# per 1 000 inhabitants aged 3-19 years	# per 10 000 inhabitants	# per 100 inhabitants				
Civitavecchia	3.5	3.1	1.1	3.4	0.9	1.4	75.64%
Fiano Romano	3.6	2.8	1.4	3.7	1.5	1.4	63.07%
Pomezia	3.2	3.1	0.6	3.0	0.6	1.9	35.06%
Rome	4.8	4.2	0.5	5.8	0.8	2.0	78.75%
Tivoli	4.9	2.5	1.7	3.3	2.4	1.4	60.04%
Velletri	4.5	2.7	1.3	3.6	1.1	1.4	66.98%

Table 2. Services and accessibility in the province of Rome

Source: Province of Rome (2012), "Capitale metropolitana: Nuovi indicatori di benessere", Province of Rome, Rome, Table 3, p.52.

The actual incidence of crime has declined in recent years – dropping 10.5 points between 2007 and 2012 – and Rome is reported to have one of the lowest homicide rates among large European cities. This is roughly in keeping with the region's outcomes as Lazio scores 9.8 out of 10 in safety based on the OECD Regional Well-Being web-tool (that measures homicide rate per 100 000 inhabitants), ranking in the top 20% among OECD regions. Yet the perception of safety both in the region and among citizens in the province could be stronger. Citizens of the province perceive a general sense of insecurity attributed at least in part to environmental and physical decay (e.g. dirty streets and walls, dark stations, etc.). Both the decline in crime and the constant perception of insecurity is significant. In the first case, it is significant because crime and insecurity are associated with other well-being dimensions such as education, income, access to jobs and social connections. Thus, a drop could be a signal for policy makers of positive changes in these other dimensions. In the second instance, the significance lies in that the level of safety can also affect the perceived overall well-being in a given place through its relationship with public trust (OECD, 2014). In Italy, both subjective and objective measures of personal safety are positively associated to the level of public trust. Figure 3 indicates that the higher the share of people that feel safe walking alone in the dark, the higher the trust in the local public authorities (correlation 0.6).

5.5 Province of Bolzano Province of Trento 5.0 Friuli-Venezia Giulia Aosta Valley Frust in local public authorities (score) Emilia-Romagna 4.5 Veneto Marche 4.0 Molise Basilicata Apulia Campania Sardinia 3.5 Calabria Sicily 3.0 2.5 40.0 45.0 50.0 55.0 60.0 65.0 70.0 75.0 80.0 85.0 90.0 % of people feeling safe to walk alone in the dark

Figure 3. Perception of safety and public trust The share of people who feel safe is positively associated to the share of people

who trust local public authorities in Italy

StatLink http://dx.doi.org/10.1787/888933145844

Note: Trust in local authorities is measured with an average score ranging between 0 (lowest trust) and 10 (highest trust).

Source: Authors' elaborations from Istat (2012), "Indagine aspetti della vita quotidiana", Istat, Rome; and Istat (2009), "Indagine sulla sicurezza dei cittadini", Istat, Rome.

# Environment

With respect to air quality, which is the environment indicator used in the OECD Regional Well-Being web-tool, the estimated exposure to particulate matter in Lazio was of 11 PM<sub>2.5</sub> in 2012. This is in line with the median OECD value. In the province of Rome the value was equal to 10.5 and improvements in air quality have been observed (Figure 4). In 2008, the Province of Rome developed an extensive action plan against climate change with an environmental dimension that focused heavily on reducing CO<sub>2</sub> emissions, using renewable energy sources and ensuring energy efficiency, although the outcomes of the plan are not publicly monitored. The province's six territorial systems show wide disparities in environmental dimensions, such as protected green space (e.g. 10.9% of the territory in Pomezia versus 66.6% in Civitavecchia), land consumption (e.g. 4.0% in Tivoli and 22.0% in Pomezia) and collection centers for electric and electronic waste per 10 000 inhabitants (e.g. 1.5 in Pomezia versus 5.4 in Civitavecchia) (Province of Rome, 2012).

■ Province of Rome Italy 25 20.62 19.73 20 17.03 16.71 14.57 15 12.44 11.76 10.46 10 5 0 2003 2006 2009 2012 StatLink <a href="http://dx.doi.org/10.1787/888933145859">http://dx.doi.org/10.1787/888933145859</a>

Figure 4. Evolution of the average level of PM<sub>2.5</sub> in Lazio and Italy experienced by the population

Note: OECD estimates from Van Donkelaar, A. et al. (forthcoming), "Global fine particulate matter concentrations from satellite for long-term exposure assessment", Environmental Health Perspectives.

**OECD** Well-Being (2014),Regional (database), www.oecdregionalwellbeing.org; http://dx.doi.org/10.1787/region-data-en.

#### Civic engagement

By international comparisons, Lazio is relatively strong in the civic engagement dimension, measured by the voter turnout in the last national election. Data from the province of Rome indicates that voter turnout in the six provincial areas is above the regional average, ranging from 80% (Rome) to 83.6% (Velletri) (Province of Rome, 2012). In addition to voter turnout, dimensions of civic engagement could include volunteerism and participation in civil society organisations. In the Province of Rome, civic engagement is measured through the integration of the immigrant population, including the share of foreigner-owned businesses, and opportunities for women in public institutions and the private sector, as well as political and civil society participation (Province of Rome, 2012). Civic engagement is one of several indicators that contribute to strengthening social cohesion and to increasing the resilience of a community, i.e. its capacity to absorb shocks and adapt to change (OECD, 2014). Given the upcoming change in territorial administrative structure, the subsequent shift in competences, steady population growth and changes that impact public service provision, territorial resilience is essential and engaged citizens can help ensure the territory's capacity to adjust.

#### Framework for measuring well-being in the Province of Rome

In preparation for a change in administrative structure and adjustments in responsibilities, the Province of Rome set out to measure inequalities in the territory, and developed a set of well-being indicators as part of a strategy designed to gear political and policy action toward a new territorial development model. The strategy's elaboration began as early as 2010 and was completed in 2012 with the publication of the Strategic Plan of the Province of Rome and an accompanying document with the well-being indicators to support the strategic project.

The province's strategy for development identified the need to look beyond traditional measures of territorial growth (e.g. GDP) and take well-being into consideration. Thus, the objectives or axes of the Strategic Plan were broken down into a number of dimensions and associated with quantifiable variables (Table 3). The axes were then translated into actionable programming associated with forecasting and planning reports that included financing, and were approved for 2013-15. The province chose to measure areas within its direct competences and also those that fall under the responsibility of local governments. Table 3 illustrates the well-being dimensions developed in the province's Strategic Plan and links these with the ones included in the OECD Regional Well-Being framework (OECD, 2014).

Based on these variables, the Province measured performance in each of the six territorial systems in order to identify inequalities. Table 4 provides examples of the results for sustainable development. While all dimensions of well-being are important, there is a need to prioritise, and the Province concluded that jobs and income, education and environmental quality were the most relevant at the present time. It also underscored a need to improve mobility and transport as well as to reduce the digital divide, both of which can be associated with access to services.

With information such as this, the Province's administration established priorities and also a baseline against which to determine the impact of policy interventions intended to boost well-being and reduce inequalities. These baseline values and the measurements are not entirely clear, which is a concern given the government's intention to undertake continual monitoring and make the monitoring publically available. The type of variables selected can also pose a challenge for results measurement: consideration should be given to measuring citizens' perception and measuring outcomes rather than inputs as is currently the case.

The OECD Regional Well-Being framework suggests focusing on results and outcomes rather than drivers and inputs. For example, while health infrastructure and beds in hospitals are very important inputs to a health system, they indicate little regarding the health of the population, or changes that can be associated with policies intended to improve health or promote healthier behaviour. Identifying expected results and selecting outcome indicators to measure them has two distinct purposes. First, it allows focusing the attention of policy makers and citizens on the features of people's well-being which are expected to improve through a policy intervention. It can enhance the effectiveness of policies by ensuring they stay focused on achieving stated goals. Second, it can raise awareness, and build accountability and citizen engagement in order to assess the results of policies aimed at increasing well-being (OECD, 2014).

Table 3. Regional well-being dimensions and indicators in the Province of Rome and the OECD

		Province of Rome	OECD How's L	ife in Your Region?
Axis	Dimension	Variable/Indicator	Dimension	Indicator
Clean environment	Land use  Waste and pollution	- Green areas or protected areas (% on total)  - Land consumption (% on total)  - "Squatter homes – illegal build" (number x 10 000 inhabitants)  - Inhabitants/ha  - Eco-management (number of companies quality certified)  - Number of ecological vehicles Euro 0-1/total vehicles  - Differentiated collection for electric and electronic instruments (number of collection points x 10 000 inhabitants)	Environment	<ul> <li>Air quality (average population exposure to particle matter PM<sub>2.5</sub>)e/PM<sub>2.5</sub></li> </ul>
Local infrastructure	Public services  Transport access	<ul> <li>Primary and secondary school (number x 1 000 inhabitants 3-19 years old)</li> <li>Sport facilities (number x 10 000 inhabitants)</li> <li>Banks (number of cash provision points x 10 000 inhabitants)</li> <li>Postal office (number x 10 000 inhabitants)</li> <li>Commercial infrastructures (shops, market, etc. – number x 1 000 inhabitants)</li> <li>Composite index</li> </ul>	Education Access to services	<ul> <li>Labour force with at least a secondary education</li> <li>Household broadband access</li> </ul>
Smart development	Innovation and new technologies	<ul> <li>Libraries (number x 10 000 inhabitants)</li> <li>Theatres (number x 10 000 inhabitants)</li> <li>Cinemas (number x 10 000 inhabitants)</li> <li>Bookshops</li> <li>Museum and points of cultural interest (number x 100 000 inhabitants)</li> <li>New patents (number. x 1 000 companies)</li> <li>Digital divide (number of reclaims for inefficiencies x 10 000 inhabitants)</li> <li>Municipalities that use certified mail</li> <li>Public wi-fi (numberof hotspots per 10 000 inhabitants)</li> </ul>		
Sustainable development	Socio-economic conditions	<ul> <li>Income distribution (Gini Index)</li> <li>Economic condition of ancient population (number of social assisted pensions/total pensions)</li> <li>Demographic frailty (index of demographic dependence)</li> </ul>	Income	<ul> <li>Household disposable income</li> </ul>
	Labour	- People working in local work places/inhabitants in working age) - Number of contracting of labour/total inhabitants in working age - Workers 15-25 years old/total workers	Jobs	<ul><li>Employment rate</li><li>Unemployment rate</li></ul>
	Productive system competitiveness	Number of local places of work     Business demography (number of new born companies/dead companies)  HOW'S LIFE IN YOUR REGION? MEASURING.		

Table 3. Regional well-being dimensions and indicators in the Province of Rome and the OECD (cont.)

		Province of Rome	OECD How's I	ife in Your Region?
Axis	Dimension	Variable/Indicator	Dimension	Indicator
Social cohesion	Housing	<ul><li>Values of housing market</li><li>% variation of inhabitants resident</li></ul>		
	Health	<ul><li>Health infrastructures (number x 10 000 inhabitants)</li><li>Beds in hospitals (number x 10 000 inhabitants)</li></ul>	Health	<ul><li>Life expectancy</li><li>Mortality rate</li></ul>
	Social welfare	<ul> <li>Number. of paediatrician x 1 000 inhabitants, 10-14 years</li> <li>Number of social welfare per 1 000 inhabitants</li> </ul>	Safety	– Murder rate (per
Children and senior citizens'  welfare  - Number. of social cooperatives x 1 000 inhabitants - % positive answers to requests for a place to public local kindergarten - Number of "ludoteche" x 1 000 inhabitants 1-10 years - Number of centri anziani (social club for angel people more than 65 years)		<ul> <li>– % positive answers to requests for a place to public local kindergarten</li> </ul>		100 000 inhabitants
	Social facility	<ul> <li>Number of crimes x 100 inhabitants</li> </ul>		
Citizenship, equal	Migrant integration	<ul> <li>Birth rate of the immigrant population</li> <li>Number of companies leaded by foreign owner x 100 companies</li> </ul>	Civic engagement	<ul><li>Voter turnout</li></ul>
opportunities, Gender equal opportunities participation		<ul> <li>Number of female occupied/total occupied</li> <li>Number of companies lead by female owner/total companies</li> <li>% of female political personnel in municipal assembly</li> </ul>		
in public life	Participation	<ul><li>– % citizens who vote/total citizens</li><li>– Number of voluntary associations x 10 000 inhabitants</li></ul>		

Source: Province of Rome (2012), "Capitale metropolitana: Nuovi indicatori di benessere", Province of Rome, Rome; OECD (2014), How's Life in Your Region?: Measuring Regional and Local Well-being for Policy Making, OECD Publishing, Paris.

Table 4. Sustainable development: Territorial values by dimension and theme

Dimension	Economic conditions		onditions	Firms	Firms Employment			
Theme Territorial system	Income distribution	Economic condition of the elderly*	Demographic dependency ratio*	Firms density	Business demography	Employed	New employment	Access to the labour market for the youth
Variable	Gini Index	% social pension over total	Ratio between young and aged population and the working age population	Number of local units per 100 people	Firms' net birth rate	Employed by place of work per 100 working age population	Number of contracts per 100 working age population	Share of 15-24 year olds with contract
Civitavecchia	0.249	7.5%	46.6%	6.0	2.0	37.5%	12.0%	20.3%
Fiano Romano	0.248	7.2%	45.2%	6.4	2.1	25.3%	8.6%	15.9%
Pomezia	0.225	9.2%	45.7%	6.1	2.5	41.4%	12.2%	18.0%
Rome	0.364	7.4%	54.4%	9.3	2.5	55.0%	14.5%	15.0%
Tivoli	0.206	7.4%	47.3%	5.7	1.9	24.5%	7.6%	17.4%
Velletri	0.243	6.4%	46.6%	6.4	1.5	26.1%	8.7%	17.6%

Note: \* Indicators with negative direction: the higher the value of the indicator, the lower the well-being.

Source: Province of Rome (2012), "Capitale metropolitana: Nuovi indicatori di benessere", Province of Rome, Rome, Table 3, p.52.

In addition, like many systems for measuring well-being, the Province of Rome's approach does not include perception-based data, which are often considered difficult to interpret in the logic of policy intervention. However, the counter argument is that subjective indicators, such as citizen perception, can provide insightful and unique information to assess policy success and select policy goals. The feedback of the population in several dimensions such as utility, relevance, success or satisfaction with certain policies is crucial to assess their sustainability and to plan future policies that correspond to what the population perceives as important (Veenhoven, 2002). The way people perceive their quality of life and well-being may be different from the objective assessment of their material conditions. People's perception takes into account different expectations, ambitions and prospects of life and of living that are embedded in the diverse national and regional contexts in which people live (Walter-Busch, 1983). The province actively sought input from citizens in the development of its well-being measurement system, and it would be reasonable to continue this engagement as an input in determining its success.

# Using well-being indicators for policy making in the Province of Rome

The approach taken by the Province of Rome in developing its well-being indicators is an excellent example of an inclusive process with consultation at its centre (Figure 5), and the importance of strong political will that filters to other actor groups.

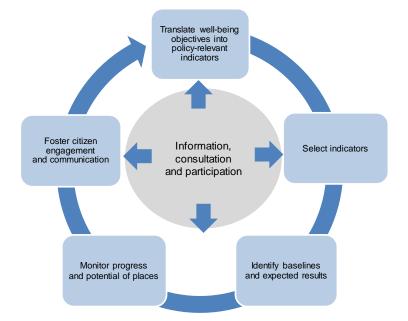


Figure 5. Regional well-being measurement cycle: A possible sequencing of steps

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

#### The development process

When it decided to embark on the development of well-being indicators, the provincial government engaged Lunaria/Sbilanciamoci!, a civil society organisation, to monitor the evolution of the strategy planning exercise and identify indicators for developing policies that could help smooth out local inequalities (Box 1). The result was a dashboard of indicators that illustrated the province's progress. Various groups contributed to the development of the well-being indicators, including a Steering Committee composed of representatives from the Province's administration, Sbilanciamoci!, the Province of Rome Statistical Office; Provinciattiva Spa; a scientific commission on which sat experts on well-being indicators; and citizens and civil society. This form of active consultation, drawing upon diverse stakeholders, is at the centre of the well-being measurement cycle. It is a core component and filters through the entire sequencing process.

Citizen consultation was considered a keystone for building the legitimacy of the well-being measures, and the process emphasised building dialogue around the scientific and cultural purposes of the project. The idea was to enhance the role of citizens in defining the development model, elaborating associated public policies, and supporting local-level programme implementation. The consultation process included meetings organised by local governments to gather input on the strategic choices for the region,

events hosted by civil society organisations, and workshops and fora organised by academia (universities and schools). Feedback on key concerns regarding well-being was solicited and gathered in order to help prioritise and determine the scale of intervention, and finally, community surveys were used to build consensus around strategic choices and build citizen involvement, which was reported as a challenge. However, once citizens did get involved, the province was able to identify how citizens ranked well-being dimensions: they ranked waste and pollution, land consumption, public services, labour and health as their top five concerns. As a means to communicate progress and results, and further engage citizens, the province developed an active web tool where citizens could choose the well-being dimanesions that were the most significant to them personally, helping the administration understand citizens' priorities. Additional channels targeted to communicate results included public meetings, traditional media (i.e. print and television) and other methods such as books, workshops and written reports. An open data portal was also available for the first year, but due to budget limitations, it is not operational in 2014.

## Box 2. Partnering with civil society organisations to develop and monitor well-being indicators

Lunaria/Sbilanciamoci! is an Italian non-government organisation, technically an "association for social promotion" according to Italian legislation. Founded in 1992, it focuses on research, capacity building and communications in such areas as a fair economy, developing civil society, migration issues, globalisation, and the links between democracy and participation. Since 2000, it also co-ordinates the Sbilanciamoci! campaign.

Established in 1999, Sbilanciamoci! is a group of 44 civil society organisations adhering to the Sbilanciamoci! campaign, and dedicated to building a society that considers the needs of citizens and the environment. The members of the campaign actively meets with policy makers and promotes dialogue to encourage alternative ways to use public resources and a new role for public actors in the economy. In addition to working at a national level on such topics as the national budget, quality of life, defence and development co-operation, it promotes dialogue and relevant initiatives at the local level. Among its sub-national activities, it has studied well-being indicators and produced the QUARS indicator system measuring regional well-being in Italy.

Source: Lunaria (2014), "Who we are", available at: www.lunaria.org (accessed on 11 June 2014); Sbilanciamoci! (2014), www.sbilanciamoci.org (accessed on 1 July 2014).

Overall, in developing its indicators, the province gave consideration to the different dimensions necessary for building a well-being measurement framework: it translated the various axes of its strategic programme into well-being dimensions, selected indicators and established baselines. It intentionally designed its system to facilitate constantly monitoring progress, updating information and actively communicating with key stakeholders - ranging from the private sector and unions to academia, civil society (including non-governmental organisations) and citizens - in order to help accurately prioritise, exchange information and disseminate results. The fact that it has benchmarked against a baseline is helpful for monitoring and evaluating change. However, the difficulty in reading the baselines and the lack of quantifiable targets that measure outcomes needs to be reconsidered as this is what, in the long run, reflects policy success and greater well-being in a territory.

#### The actors

In any well-being measurement system, the actors involved in its development and implementation are critical for success (Figure 6). The case of the Province of Rome highlights this particularly well given changes in political leadership. The Strategic Plan and its associated well-being indicators were developed in 2011 under the province's President, and enjoyed the full support of the President and the Provincial Council. It was under this leadership that consultation processes were undertaken, baselines set, indicators elaborated, the web tool developed, programmes with funding established, and the Province's public administration mobilised. At the end of 2012, the political administration of the Province changed. It is currently led by a special commissioner directly appointed by the Minister of Interior in anticipation of the move to an official metropolitan status, which will then result in a change in government structure. Priorities have therefore shifted and the project of strategic development, with its associated well-being indicators, is no longer officially active. However, the province reports that many of the strategy's objectives remain within the administrative work of the departments, which can be viewed as a testament to the strength of the strategy and sense of ownership for its principles within the public administration.

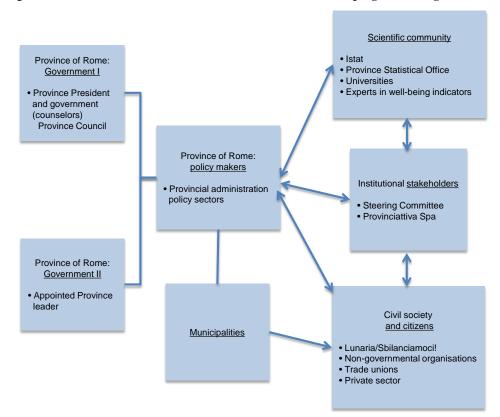


Figure 6. Different actors and stakeholders involved in developing well-being indicators

Co-ordination among government actors within the province's government, with municipalities and with other stakeholders, is a driver behind the continued application of well-being indicators in the territory. It is considered an existing challenge, and may be felt more acutely moving forward. First, the current shift in political support can impact resources destined to facilitate the co-ordination and implementation of well-being

measurements. For example, data gathering and analysis is dependent on the province's statistical office and municipalities, and on an ongoing relationship with Lunaria/Sbilanciamoci!. A change in political priorities can reduce the availability of resources (human, financial and infrastructure); already structures established specifically for this project, such as the citizen website and the government enterprise Provinciattiva Spa, are no longer operational. In light of tight staffing numbers, time and resource constraints, strategic workforce planning can help maximise capacity and best utilise staff to achieve objectives. Second, among the dimensions identified as essential to well-being and the variables selected for measurement, there are areas that fall outside of the competences of the province. Thus, having an impact on well-being across the territory is not only dependent on the province's actions and capacity but also on those of municipal actors as well. To meet its strategic objectives, co-ordinating with municipal authorities, finding incentives, and building a sense of ownership and empowerment to affect local well-being would be essential. This can mean building local capacity and buy-in with respect to policies and programmes focused on well-being. Finally, identifying ways to help build technical capacity and fill potential infrastructure gaps at the municipal level could streamline the measurement process and associated costs. For instance, support for local data collection and analysis could be provided with standardised measurement platforms and tools or consolidated back-office efforts with respect to well-being indicators. Such processes may also improve the potential for lasting vertical co-ordination and build stronger working relationships among different levels of government.

#### Conclusion and recommendations

The case of well-being indicators in the Province of Rome provides a solid example of indicators linked to policy objectives and a larger territorial development strategy, grounded in evidence and supported by baselines. Critically, it highlights the importance of political will and funding to help well-being initiatives take flight, and of ownership among key stakeholders, including the public administration, in order to ensure continuity. The strategy and the associated indicators have demonstrated their own level of resilience and time will tell if, as the province transitions into a metropolitan area, their initial objective of being used to help support metropolitan policy and development will

From a technical standpoint, the Province's indicator system could be strengthened by:

- Developing outcomes indicators associated with specific policy goals. In order to determine the actual impact of a policy or programme on well-being, identifying measures that can be associated with expected results is useful in two ways. First, it focuses attention on what is supposed to be achieved by the policy in question. Second, it can raise awareness, accountability and citizen engagement in order to assess policy results.
- Clearly establish baselines and performance against these in each territorial area. In order to better understand the starting point of the six provincial territories in terms of performance, a clear indication of their baseline should be easily available. This can help internal monitoring and also increase the transparency of the system. It could also better support citizen participation and monitoring by diverse stakeholders that was interrupted after 2012. The Province of Rome participates in the pilot project led by Cuspi (Coordinamento degli uffici di statistica delle Province italiane) in co-operation with Istat to expand the system of indicators BES - Benessere Equo e Sostenibile (Equitable and Sustainable Well-Being) to the level of provinces and metropolitan areas. The Province of Rome is a member of the co-ordinating group to define the surveys and design the informative system that will include both context indicators (e.g. general indicators describing the structural characteristics of territories) and specific indicators (e.g. statistical indicators strictly related to the administrative actions of provinces). The Province of Rome may want to consider incorporating some of the indicators that will be available into its strategy.
- Incorporating perception-based data. This can help citizens "see" their concerns reflected in the policies designed to improve well-being. It can enhance quantitative data by providing experience-based information to evaluate policy success, make any necessary adjustments and evaluate policy or programming sustainability. What people perceive can be very different from what data indicates, as illustrated by perceived versus actual safety in the province. Working with both types of data can build a clearer picture of what is important to a territory's residents and their overall sense of well-being.
- Adopting some of the outcome indicators associated with the OECD Regional Well-being framework. Using a set of measures that are methodologically consistent could support the Province of Rome in measuring its progress against the Lazio region, as well as Italy overall. A tighter set of indicators could help it

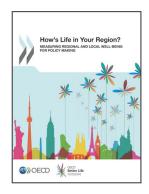
not only synthetically compare its performance to the regional level, but also help it disseminate the concept of such measures among other Italian provinces or soon-to-be metropolitan areas, building support and establishing a basis for benchmarking in the future. The province of Rome is already moving in this direction with the participation in the project BES for the Italian provinces.

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