

The comparability issue in indexes

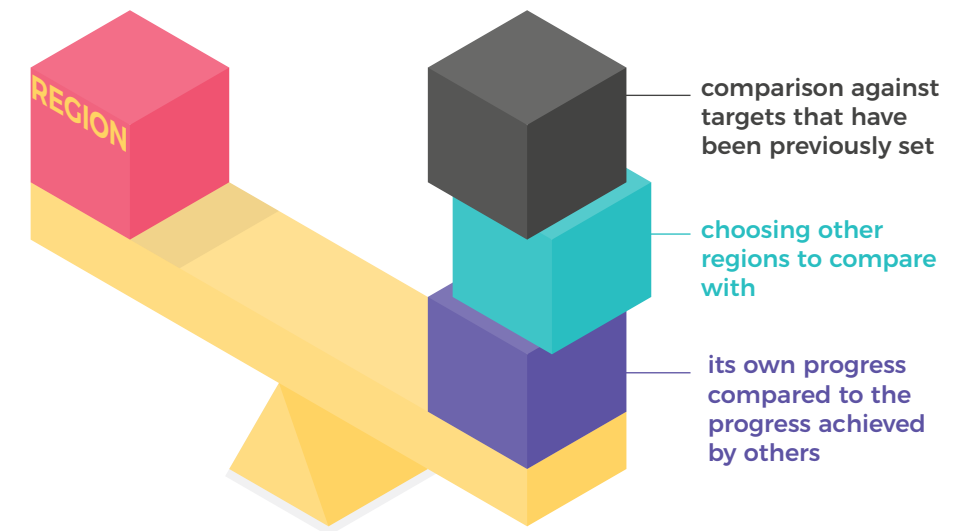
This fact-sheet illustrates the results of a peer learning workshop held on 11th October 2019 in Brussels, concerning issues of comparability and peer group types. The fact-sheet aims to:

- introduce the **key concepts and issues** that define the challenge of comparability between peer groups
- **highlight ideas from case studies** of different project partners, which can serve as inspiration for more detailed discussion and experience sharing
- suggest some **key questions** around which to focus peer discussion.

Context

Selecting which regions to compare is the first step for any regional benchmarking exercise, thus it is **key to compare with those regions that have similar structural conditions.**

GDP per capita is recognised in the literature as an indicator of economic development. It is also widely used across the world and has a long time series. The **GDP PPP** is normally used to compare countries.



EU Regional Social Progress Index GDP PPP per capita (2011)

BASQUE COUNTRY

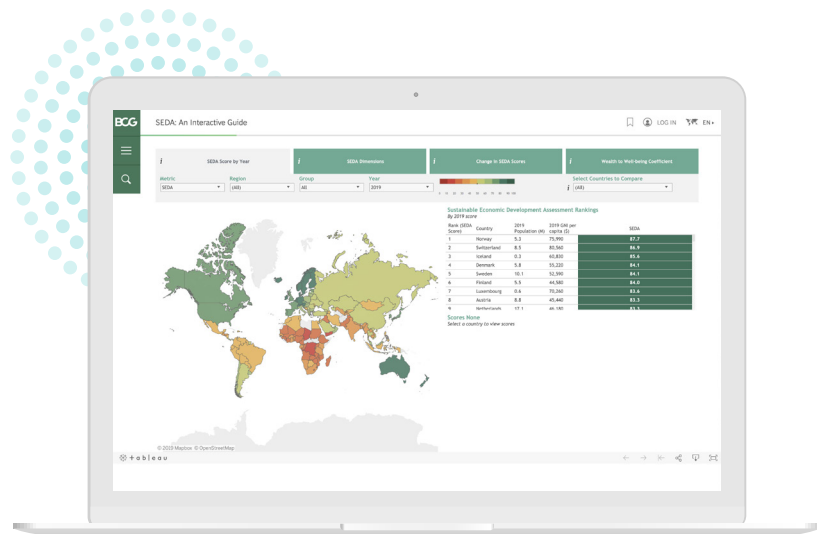
Basic Human Needs	Foundations of well being	Opportunity
Nutrition and Basic Medical Care Mortality rate before age 65 Infant mortality Unmet medical needs Insufficient food	Access to Basic Knowledge Secondary environment rate Lower secondary completion only Early school leaving	Personal rights Trust in the political system Trust in the legal system Trust in the police Quality and accountability of government services
Water and Sanitation Satisfaction with water quality Lack of toilet in dwelling Uncollected sewage Sewage treatment	Access to Information and Communications Internet at home Broadband at home Online interaction with public authorities	Personal freedom and Choice Freedom over life choices Teenage pregnancy Young people not in education, employment or training Corruption
Shelter Burdensome cost of housing Satisfaction with housing Overcrowding Lack of adequate heating	Health and Wellness Life expectancy General health status Premature deaths from cancer Premature deaths from heart disease Unmet dental needs Satisfaction with air quality	Tolerance and Inclusion Impartiality of government services Tolerance for immigrants Tolerance for minorities Attitudes toward people with disabilities Tolerance for homosexuals Gender gap Community safety gap
Personal safety Homicide rate Safety at night Traffic deaths	Environmental quality Air pollution-pm10 Air pollution-pm2.5 Air pollution-ozone Pollution, grime or other environmental problems Protected land (Natura 2000)	Access to Advanced Education Tertiary education attainment Tertiary enrolment Lifelong learning

The EU SPI offers a feature for conducting comparisons between peers, i.e. 15 regions with similar GDP PPP per capita. A traffic light system is used to identify regions that are ● underperforming, ● neutral or ● overperforming.



Examples of other indexes and their comparability features

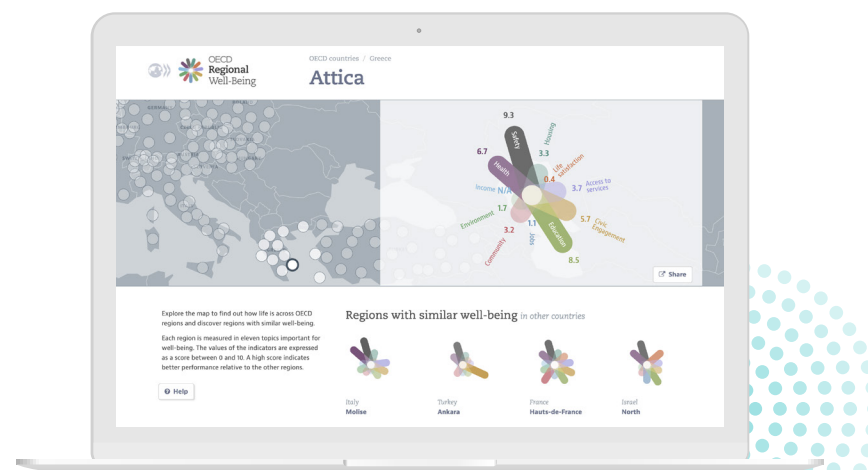
SEDA Sustainable Economic Development Assessment



bcg.com/publications/interactives/seda-2019-guide.aspx

- **Comparability by metric**
(SEDA score or dimension: income, employment, education, environment...)
- **Pick and choose countries / region**
- **Groupings of regions**
(G20, oil-rich, EU, low income...)
- **Per year**

RWB Regional Well Being Index



oecdregionallwellbeing.org/

- Comparability by **regions with a similar combination of well-being outcomes**
- Compared with **other regions in the same country**
- Compared to **all OECD regions**
- Trend of how the region has increased or decreased its **relative ranking in the past decade**
- Compared on the basis of the **average score** in each topic
- Compared on the **disparities** across regions of the same country

GSPI Global Social Progress Index



socialprogress.org/

- Comparison is **between countries**
- One can pick and choose **three countries**
- **Time series since 2014**
- Comparability on the SPI, **by dimension, by component**
- **Traffic light system** that highlights a country's relative strengths and weaknesses

The tables below provide an overview of the additional features that the regional users wish to see in upcoming editions of the EU SPI Index, in order to improve both its application and its usability¹.

IDEA	EASE OF IMPLEMENTATION	DESIRABILITY
Population density	● ● ●	● ● ●
Unemployment rate	● ● ●	● ● ●
Neighbouring regions	● ● ●	● ● ●
Economic structure of the regions	● ● ●	● ● ●
NUTS3 level comparability	● ● ●	● ● ●
Urban/rural/semi-urban	● ● ●	● ● ●
Component-based <i>(e.g. education level, environment)</i>	● ● ●	● ● ●
Inequality <i>(Gini coefficient)</i>	● ● ●	● ● ●
Poverty rate	● ● ●	● ● ●
Territorial specificities ²	● ● ●	● ● ●
Use GNI instead of GDP PPP	● ● ●	● ● ●
Macro-region regrouping	● ● ●	● ● ●
Capital/non-capital regions	● ● ●	● ● ●
Decentralisation level/autonomy	● ● ●	● ● ●
Public spending	● ● ●	● ● ●
Regional resources available	● ● ●	● ● ●
Comparison with country/EU average	● ● ●	● ● ●

Additional features regarding comparability

- Alternative **categories** include:
 - **merging population and geographical area** into a comparability feature focusing on population density.
 - Instead of using the “**poverty rate**”, the tool should include categories that measure “**social inclusion**”
- Some suggestions (such as macro-regional regrouping, Decentralisation level/autonomy, regional resources available) are especially interesting but require **additional background research** in order to create a clear definition for each category. In some cases, this can be conducted by consortium members, however, other categories require specific research projects, involving the mobilisation of organisations that carry out these types of studies.
- The **classification of regions** according to economic structure and urban/rural/semi-urban categories need more research to determine the availability of indicators and how they are defined.
- Comparability features that include an **economic measurement** (such as public spending or the GNI) may be challenged by users.

■ ● ● ● difficult to implement/not very desirable, ● ● ● medium difficulty to implement/desirable, ● ● ● easy to implement/very desirable.

■ For example: sparsely populated areas; coastal areas; mountain regions; islands

IDEA	EASE OF IMPLEMENTATION	DESIRABILITY
Compare to the regions with similar results in a chosen component	● ● ●	● ● ●
Select several regions to compare	● ● ●	● ● ●
Multiple criteria comparison	● ● ●	● ● ●
Production of visuals, maps and infographics & improve reader-friendliness <i>(explanation on interpretation of scores)</i>	● ● ●	● ● ●
Add symbols that define good, average or low performance	● ● ●	● ● ●
Show links to the SDGs	● ● ●	● ● ●
Different visualization <i>(scores into shapes)</i>	● ● ●	● ● ●
Provision of a user guide to help interpret results	● ● ●	● ● ●
Comparison to regions from one's country	● ● ●	● ● ●
Links to the European Pillar of Social Rights	● ● ●	● ● ●

The main questions that triggered some uncertainty were:

- **The ease of implementation of these features:** Although all measures may be characterised as desirable it is not always clear to what extent they can be implemented (e.g. multiple criteria, links to SDGs, links to European Pillar of Social Rights, improving user friendliness). For example, the provision of a user guide to help interpret results (e.g. contextual information, path dependency) is highly desirable but very challenging to implement. This requires a **joint effort, considerable resources and coordination** with regional representatives to add this information to the platform. One way to implement this is by beginning with a Pilot with only a few regions, and then scaling-up.

Additional technical features regarding the presentation of the index

Comparability: what do the regions need?

Following analysis of the feedback received during the project survey and the case studies, it is clear that respondents are more interested in comparing their **regions with other regions** at the European level than at the national level. The **EU-SPI** brings the comparison level between regions beyond national borders, this is particularly valued by the potential users of the tool.

At national level, regions usually have access to internal tools/indexes that enable them to compare themselves with other regions from the same country in more detail.

Regional authorities are usually aware of the contextual factors (structural, socio-economic, political, etc.) that explain regional differences within their country. Bringing the comparison at **European level**, facilitates the identification of European peers that might have good practices to share in areas of common interest.

Conducting comparisons demonstrates a tangible use of the **EU-SPI** for survey respondents:

- **Alarm system:** identifying there is a problem
- **Benchmarking** against other regions
- Enlarging the scope of comparison **beyond national level**
- Finding **good practices**

