Selection of indicators for the European Regional Social Progress Index (EU-SPI)

- **Background information**

  The European Union Regional Social Progress Index is a tool developed by the **European Commission-Directorate General for Regional and Urban Policy** in cooperation with the Social Progress Imperative and Orkestra-Basque Institute of Competitiveness to measure the social progress in the 272 regions of the European Union. The European Union Regional Social Progress Index is based on the framework of the Global Social Progress Index, developed by the Social Progress Imperative (non-profit), but adapts both its methodology and indicators' set to the European Union context.

- **Geographical coverage**

  The availability of data at NUTS2 level for each indicator varies from country to country. When at least 50% of the indicators in each component are at NUTS2 level (in almost 90% of cases), the component is considered to be described at such level. Details about the geographical coverage of each component in each country can be found in Table A.2 of the methodology and about each indicator in Table A.1.

- **Years**

  The index was launched in 2016, but, in most cases, the indicators have been averaged over three years, 2011-2013, to smooth out erratic changes, limit missing values problems, and for consistency. Either as a single year or as the latest in the average, the latest years are: 2010 (5 indicators); 2011 (3); 2012 (8); 2013 (26).

- **Sources**

  The indicators come from different sources. Some of them correspond to hard variables and some to soft data that reflect the opinions of the people. The number of indicators from each source are (details in Table A.1 of the methodology): 32 from Eurostat, the statistical office of the European Union (13 of them are ad-hoc extractions from the module on well-being of the EU Survey on Social and Living Conditions EU-SILC); 8 from The Gallup World Poll; 6 from The European Environment Agency (EEA); 3 from the Quality of Government Institute of the University of Gothenburg; and 1 from Eurobarometer.

  11 additional indicators were considered but were discarded because of lack of consistency with the other indicators in the respective component. Currently DG REGIO is working on the next EU SPI edition which is expected to be delivered by the end of 2019, and are considering the inclusion of more indicators.

Constructing the composite index

- **Normalization**

  All indicators are normalized to a 0-100 scale. The minimum and maximum values are based on (details in Table A.3): a) theoretical utopian and dystopian values; b) maximum and minimum values across the time series; or c) guidelines or projections.

- **Aggregation**

After checking the internal consistency of the indicators, they are aggregated using the arithmetic mean within each component. This implies that all the indicators within the component have the same weight and they can fully compensate each other. In order to avoid compensability across components and dimensions, these are aggregated using a generalised mean of power 0.5. This gives more importance to the components or dimensions with lower results in each region.

Interpreting the scorecard

The index is presented in a scorecard that provides different information:

- **Score**

  The 0-100 score shows the level of achievement of each component, dimension and the index relative to the best (utopian) and worst (dystopian) possible scenarios. The value of each indicator is available in the file with the data.

- **Rank**

  The rank, ranging from 1 to 272, shows the position of the region compared to all regions in Europe. The lower the rank is, the better positioned the region is.

- Comparison with economic peers

  Each region is compared to a group of 15 economic peers that are closest in GDP per capita in purchasing power parity in 2011. If the region's score is greater than (or less than) the average absolute deviation from the median of the comparator group, it is considered a strength and marked green (or weakness and marked red). Otherwise the score is marked yellow.