

News Release: Social Progress Imperative

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BREXIT RISKS MASKING THE EU'S REAL CHALLENGE: DELIVERING REGIONAL COHESION - NEW EU REGIONAL SOCIAL PROGRESS INDEX

- *Wealth 'no guarantee' of social progress*
- *Rural areas often outperform EU's capital cities on social outputs*
- *EU regions score poorly on 'opportunity' measures like tolerance*
- *Brexit is a distraction to the real challenges facing EU cohesion*

(00.01, October 11th 2016, BST) The wealth of EU regions is “no guarantee” of social progress; European capital cities do not always deliver better social conditions for citizens than rural areas; and the EU's new entrants are outperforming old member states on some measures of social progress. These are the findings of the new [EU Regional Social Progress Index](#), published today by the Social Progress Imperative.

The Index provides a comprehensive analysis of citizens' social progress, covering 272 regions across the 28 EU member states. Comparing the like-for-like lived experience of people, based on assessments of the opportunity, basic human needs, health and access to knowledge and education, the results are both “**encouraging and counter-intuitive**” according to Michael Green, Executive Director of the Social Progress Imperative. He added: “**Brexit has contributed to a wider existential crisis for European leaders. By providing a focussed analysis of the challenges facing the EU's regions, the Index is designed to equip policy-makers with the tools to improve citizens' life-chances, and in so doing build a stronger and more cohesive EU. The hope is that policy-makers at all levels of government – from the Commission to the local council – can use the findings as a performance management tool, helping to direct and improve the efficiency and effectiveness of public investment.**”

KEY FINDINGS:

Variation in social progress does not divide neatly between new and old member states

This divergence is not a simple divide between old member states (EU-15) and new member states (EU-13). Aggregate social progress in regions of new member states from Central Europe, such as Poland, Czech Republic and Slovakia, is on a par with that of regions of old member states in Southern Europe, such as Portugal, Italy and Greece. Romania and Bulgaria do, however, lag significantly. The degree of cohesion varies greatly across different aspects of social progress.

- Most regions are doing well on 'Basic Human Needs' (including housing, water and sanitation, and safety), with the exception of Romania and Bulgaria.
- Performance on 'Foundations of Wellbeing' (including basic education, access to information and environmental quality) is lower overall within the regions of EU-13 nations but shows much less divergence between EU-15 and EU-13. On this aspect of social progress some EU-13 regions outperform regions in France, Germany, Belgium and the UK, as well as Spain, Portugal and Italy. In general, EU-13 countries outperform their EU-15 peers on education indicators.
- 'Opportunity' (including personal rights and tolerance and inclusion) is the worst performing aspect of social progress for the EU as a whole. Scores are weak for most regions outside Northern Europe, with Italian regions notably performing worse than many regions in Central Europe. The EU-13 appear to face particular challenges with tolerance and inclusion.

Wealth is no guarantee of social progress

- Divergences in performance are not explained by wealth, in terms of GDP per capita, alone.
- The study identifies regions with very similar levels of economic strength but vastly different social outcomes. The highest performing region, Upper Norrland, is not among the richest. It has the same GDP per capita as Bucharest, Romania but scores more than 30 points higher on social progress.
- The lowest performing region, South East Bulgaria, is one of the poorest regions of the EU but Podlaskie, Poland, scores 20 points better with a similar GDP per capita.
- Equally, there are regions with very similar levels of social progress but wildly differing GDP per capita. Brussels, the capital of Europe, is among the richest regions of Europe (GDP per capita of €55,600), yet this economically privileged region does not score spectacularly well on social progress. Eastern Slovenia has a level of GDP per capita less than a third of that of Brussels but achieves a near identical Social Progress Index score. When it comes to quality of life across the EU, GDP is not the sole determinant.

- Some of the best performing regions relative to GDP per capita are among the poorer regions: West Wales and the Valleys (UK), Cornwall and the Scilly Isles (UK), and Estonia.

Jan Fidrmuc, Director of the Institute for Strategy and Analysis (ISA) at the Government Office of the Slovak Republic, said: "GDP or GNI per capita, while useful, only measure the material aspects of wellbeing. Moreover, when assessing regional development, the picture given by output based statistics can be seriously skewed. The Social Progress Index provides a welcome alternative measure of national and regional wellbeing, focusing on a broad range of outcomes relevant for wellbeing rather than on material inputs and outputs. As such, it has the potential to serve as an important tool of policy making, facilitating, monitoring and assessing the outcomes of regional interventions or regional impacts of national policies".

Capital cities* - a complex relationship with social progress

- A total of 14 capital cities perform better on average than the country's regions, but eight perform worse.
- Inner London, Europe's richest region, is "**distinctly average**" in its social progress outcomes according to Michael Green. Home to Europe's financial centre and some of the world's most expensive properties, Inner London ranks just 81st out of the 272 regions measured, behind North Eastern Scotland, Devon and Northern Ireland. A total of 21 UK regions are more socially progressive than Inner London.
- Several other significant capital regions are major under-performers, including: Brussels (Belgium), Ile de France (Paris, France), Lazio (Rome, Italy), Athens (Greece), Mazovia (Warsaw, Poland), Prague (Czech Republic), Bratislava (Slovakia).

Other findings:

- **Top and bottom 10:** All of the regions in the top 10 are in Finland, Denmark, the Netherlands and Sweden. The lowest performing regions are in either Romania or Bulgaria.
- **Over and underperformers:** The Index measures each region against a group of 15 regions most similar in GDP per capita (PPP) based on a three-year average. Among the regions most overperforming on this basis are 'West Wales and the Valleys' (UK) and 'Etela-Suomi' (Finland) whereas București - Ilfov (Romania) and Notio Aigaiio (Greece) are the biggest underperformers.

Nicola Caputo Member of the European Parliament, said: "The Social Progress Index provides a concrete framework for understanding and then translating policies into an action oriented agenda which advances both social and economic competitiveness in Europe's regions. This is essential for us as policymakers. The Social Progress Index therefore represents a useful and practical tool that can help leaders in governments, parliaments, regions and cities to prioritize their public investment decisions and their development strategies and to implement policies and programs that will drive faster social progress".

Maciej Zaty, Director of the Institute for Territorial Development, Lower Silesia, Poland: "The SPI indicator, oriented for measuring the quality of life, is very important from the point of view of monitoring the effectiveness of public interventions. We must focus on the monitoring of the effects of the territorial dimension of development policies. After many years of experience we can draw the conclusion that measuring the scope of interventions made by allocated funds does not necessarily provide a reliable picture regarding the changes in quality of life and economic development. Lower Silesia Voivodeship implements its regional development strategy using its own regional funds as well as European funds. The very large strand of public funds is allocated directly to a wide range of interventions in areas such as infrastructure investments or investments in social and human development. This requires an efficient system of monitoring and assessment which measures change in the quality of life and not just financial expenditure."

David Cruickshank, Deloitte Global Chairman, said: "To drive sustainable and equitable growth we need to focus on measurements which go beyond GDP. This is not to side line or ignore economic data and policies, but to put a country's, and in this case a region's, societal well-being on an equal footing with dominant economic indicators that are commonly used. The EU Regional Social Progress Index does this by providing a revealing picture of the economic and social progress of the 28 EU member states. It highlights success wherever it exists and shows that societal improvements can be made at every level of development. It also highlights the unique role that business can play as well. Many chief executives understand that doing business better not only improves returns, but helps restore public trust in business and adds value to society. Social advancement and economic development are dependent on, and enhance, each other, and this Index provides EU leaders a roadmap that can be used to navigate the pressures and opportunities facing Europe."

END

Notes to editors:

The European Union Regional Social Progress Index

The European Union Regional Social Progress Index offers a detailed picture of where each of 272 regions stands on social progress. The full, interactive dataset from the Index will be available [HERE](#) from 11th October 2016 at 00.01, BST. It captures 50 separate indicators from measures like infant mortality, overcrowding, murder rates, access to residential broadband, air quality and tolerance - in other words, many of the factors that define quality of life. Regions' overall scores and scores for the different aspects of social progress data are graded on a scale of 1 - 100. The EU-SPI is a three-year collaborative project carried out by the Social Progress Imperative, Orkestra (a research institute on competitiveness in the Basque region) and the Directorate-General for Regional and Urban Policy of the European Commission. The Index builds on the global Social Progress Index developed by the Social Progress Imperative, a non-profit, non-governmental organisation based in Washington DC. The regional EU-SPI aims at providing consistent, comparable and actionable measures of social and environmental issues for the regions in the 28 EU Member States (272 regions in total). Please note that this Index is not created for the purpose of funding allocation and does not bind the European Commission.

Turning data and knowledge into actionable change

The Social Progress Imperative is working with a number of European regions to translate the Social Progress Index principles into practical solutions. This work has identified a group of European regions (managing authorities) interested in piloting the Social Progress Index as a tool for improving regional governance, project management, and effective policy making. These include: Lower Silesia (Poland), Cornwall (United Kingdom), Helsinki-Uusimaa Region (Finland) and Bratislava (Slovakia). The pilot exercise in these regions will be taking place from October 2016 onwards. Activities will include exploring how the SPI could be used as a tool for policy decision-making, budgeting, capacity building, and facilitation of inter-regional and international cooperation. This will assist regional and national ministries to use the SPI as a tool to monitor performance, prioritize investments and measure and track progress of European Regional Development Programming.

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What is social progress?

Social progress is defined as *the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens to improve their lives, and create the conditions for individuals and communities to meet their full potential.*

Capital cities

*Six regions encompass entire countries, therefore such comparison was not possible.

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