

Measuring Well-being at the municipal level: The Case of Italy

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The growing relevance of multi-level governance arrangements and the expanding role of local authorities in the implementation of public policies has given increasing prominence to the analyses conducted at the municipal-level. This is particularly evident in the context of post-Covid-19 recovery plans under the Next Generation EU programme, as well as in recent place-based development strategies that explicitly build on municipal characteristics, such as the National Strategy for Inner Areas introduced in Italy during the 2014–2020 programming period of the EU cohesion policy.

The availability of fine-grained, municipal-level indicators is therefore crucial for both ex-ante policy design and ex-post evaluation. Despite the ultimate objective of public development policy being the enhancement of territorial and people well-being, systematic measures of socio-economic progress at the local level remain limited, especially with respect to their inherently multidimensional nature, widely emphasised in the “beyond GDP” literature.

This paper defines the Municipal Well-being Index (MWBI), a synthetic measure of socio-economic progress for Italian municipalities, computed over the period 2018–2022 using an original dataset gathered from Istat. The MWBI is constructed by aggregating composite sub-indices across eight dimensions of quality of life: demographic profile; cultural and natural attractiveness; inclusiveness and employment stability; human capital; productive structure and entrepreneurship; material living conditions; essential public services; and labour market participation. Each dimension aggregates information extracted from multiple variables that are selected according to the existing literature and validated through multivariate statistical analysis.

The synthetic indicators are constructed by combining several statistical aggregation methods, including Principal Component Analysis, the Adjusted Mazziotta-Pareto Index (AMPI) method, and non-compensatory approaches commonly adopted in applied regional analysis. The results reveal substantial heterogeneity in well-being across municipalities, extending beyond traditional “vertical” dichotomies (e.g. North–South, urban–rural, mountains–flat areas) and uncovering significant “horizontal” disparities within groups of municipalities belonging to the same category.

This lays the groundwork for further empirical analyses exploiting the MWBI to investigate territorial inequalities at a more local scale, within the context of a recent place-based policy.

Keywords: Municipal well-being; Composite indicators; spatial disparities

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