

SPES Focus - Work Package #3

Assessing measurement challenges and sensitivity in transition performance indicators

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Abstract

We explore measurement challenges associated with five composite indicators broadly used by international policy institutions to capture well-being, sustainable development, and economic transition. We perform several sensitivity and robustness analyses after formally discussing their construction and checking data requirements. Departing from a baseline scenario drawn for the European Union in 2019, we estimate the sensitivity of the selected indicators to perturbations in their components across countries. We find indicators insensitive to changes in most components, and rather robust to perturbations in the data. The main drivers of this insensitivity are the countries' relative position within the component range of variation and their dispersion around the mean value. We propose the need to rethink the construction of transition performance indices given their limited capacity to capture socioeconomic changes and, especially, assess sustainable development.