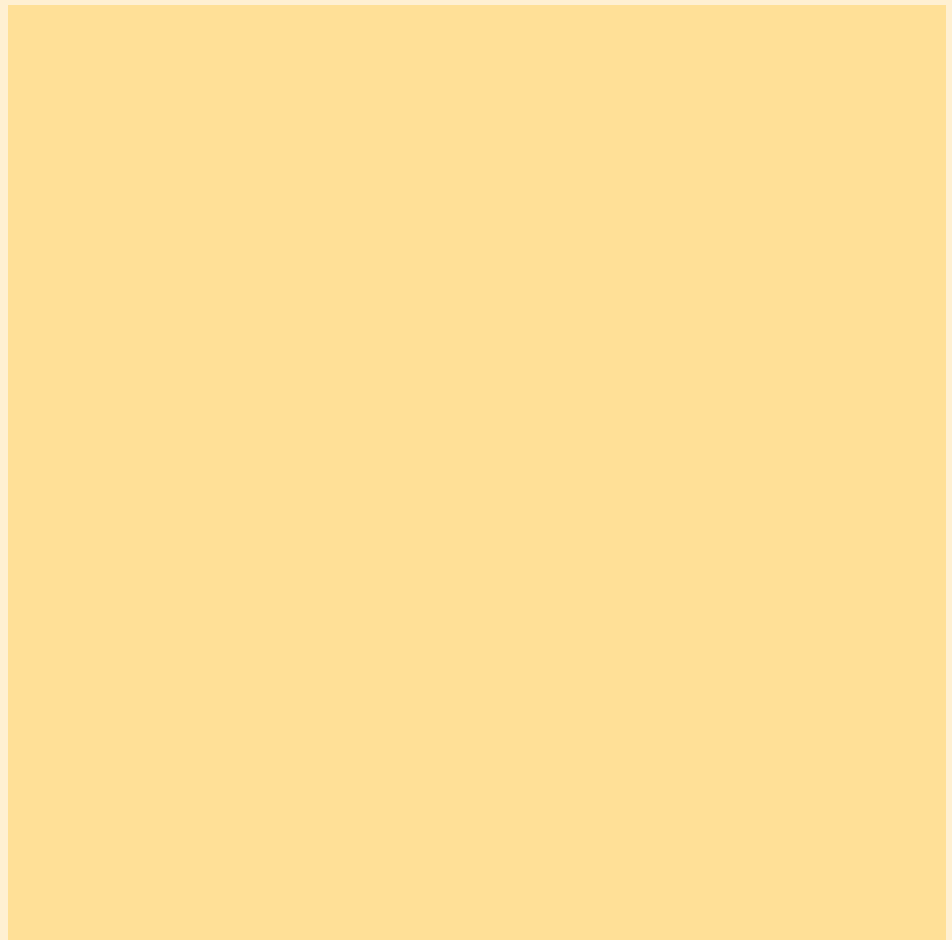




European Foundation for the Improvement of Living and Working Conditions

Quality of life in Europe



Quality of life in Europe
Life satisfaction in an enlarged Europe

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Foundation project: Quality of life in Central and Eastern European candidate countries

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Foreword

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Introduction

The accession of ten countries to the European Union (EU) in 2004 represents a major challenge.

Against this background, the European Foundation for the Improvement of Living and Working Conditions launched a research project to examine and compare quality of life in the acceding and candidate countries (ACC) and the EU. A survey on quality of life in the ACC was carried out in 2002 using the Candidate Countries Eurobarometer. Around 1,000 respondents were interviewed per country, with around 500 respondents in the population-poor countries. The report compares information from this survey with information about the EU countries taken from the Standard Eurobarometer surveys.

The report throws light on some of the challenges enlargement brings for the Community from a quality of life perspective. The report shows how people across Europe themselves define quality of life; how they evaluate their lives and certain living conditions; what would increase their satisfaction; and how these evaluations can be explained by personal resources and/or the individual's position in the social structure.

It does so by comparing and analysing the subjective well-being of citizens in the acceding and candidate countries (ACC) and in the current Member States. This introduction outlines the concept of subjective quality of life, as well as its added value and relevance for European policymaking. It also introduces some guiding assumptions and relevant data .

Quality of life and subjective quality of life

For a long period of time it was assumed that social progress meant rising standards of living. But since the 1970s, a new understanding of progress has emerged, which has added a qualitative dimension to the prevailing concept of quantitative growth (see Zapf 1999). In a nutshell, the emerging consensus was that money, cars, and infrastructure do not, in themselves, constitute a good life, and that having more does not necessarily mean a better life. One of the slogans was 'qualitative growth as opposed to quantitative growth'. Another was 'quality of life as opposed to mere standard of living'. Quality of life is now widely accepted as an overarching conceptual framework – not only as a scientific or policy concept, but also in the vocabulary of everyday life.

So what does quality of life mean? . In the broadest sense, quality of life refers to the overall level of well-being of individuals. It indicates how well people fare in several dimensions of life, which are more or less consensually defined as reflecting important societal values and goals (Land 2001). In the first instance, quality of life refers to the resources an individual commands and the outcomes they achieve by using them (Erikson 1993). The meaning of 'resources' and 'outcomes' is by no means restricted to the economic realm or material living conditions, since other, non-economic and non-material, resources and outcomes are equally crucial to quality of life. To some extent the resources one commands and the outcomes one can achieve depend on the broader surrounding the individual lives in, on family, community and society. The social, political and cultural context in which individuals live their lives has an important influence on the extent to which they are able to fulfil their own objectives. To give an example, mechanics are much better paid in Germany than in Poland, although the character of the work is very much the same.

A further characteristic – and this is especially important for the topic of this report – is that quality of life cannot be adequately described by objective living conditions (like income, health, number

of friends or working conditions) alone. Subjective assessments of life circumstances in terms of good and bad, satisfied and dissatisfied, happy and unhappy are also necessary in order to get a complete picture of people's well-being. According to a classical definition, quality of life can be understood as comfortable living conditions that accompany positive subjective well-being (Zapf, 1984).

This report focuses mainly on subjective well-being as the subjective side of quality of life. This approach originated in the 1970s from American social psychologists concerned with happiness (Campbell/Converse, 1972, Campbell et al., 1976). Today, the concept of subjective well-being is widely accepted and generally used for describing individuals' subjective experiences of their lives with respect to (see Diener/Suh, 1997):

1. satisfaction, which refers to a more cognitive-driven evaluation of living conditions or life as a whole.
2. pleasant feelings, which refers to positive moods and emotions, like happiness.
3. unpleasant feelings, which refers to negative moods and emotions, like stress or worries.

This report deals with cognitive evaluations in terms of satisfaction only. No questions were asked on happiness or worries. To summarise, subjective quality of life is the sum of people's experiences of opportunities open to them, and of the actual choices they make and the life results they achieve within their social contexts. The report explores the subjective quality of life of individuals but recognises that they are defined by how embedded they are in the community, culture and society in which they live. Definitions of quality of life are based on values Subjective well-being is also, in principle, a culturally relative concept. But that in itself does not undermine its value for cross-European research, since the relativity of definitions across countries itself can be investigated.

Having, loving, being

The concept of 'having, loving and being' was introduced into quality of life research by Allardt when designing the first Scandinavian welfare survey, which was conducted in Denmark, Finland, Norway and Sweden in 1972. To some degree, it was a reaction against (or at least an extension of) the Swedish 'level of living' approach, which focused on resources and hence avoided subjective indicators. As defined by Erikson (1993), level of living refers of all the resources at an individual's disposal which help them to master and 'consciously direct' their life. There was little interest in this approach in looking beyond these resources, and also little emphasis on how people evaluate them. By highlighting the fact that 'welfare' in the Scandinavian languages not only means level of living, but also well-being, Allardt argued that the Swedish approach is too narrow. 'In order to consider a fuller and richer range of conditions for human development, another approach would be needed' (1993: 89). Building on Galtung's 'basic needs' approach, Allardt invented his famous triad of 'having, loving and being' to give a fuller and richer description of the human condition.

According to Allardt, these are 'catchwords for central necessary conditions of human development and existence' (ibid). In this triad, 'having' is the dimension which is closest to the resource approach insofar as it refers to material living conditions which are 'necessary for survival and for avoidance of misery'. People must have clothes, meals, a home, heating, and so on. In his original

concept, health was also placed here. In addition to material aspects of life, 'loving' stands for relations to other people and feelings of belonging and social identity. This dimension includes the intensity and quality of contacts with one's family and relatives as well as with friends and neighbours. Finally, 'being' refers to the degree of integration into wider society and of living in harmony with nature. The positive side of being is characterised by Allardt as personal growth, under which he classifies aspects such as opportunities for self-development, or being irreplaceable at work or in peer groups. The negative side is described as alienation from work, society, or nature.

Allardt not only enriched the Swedish approach by adding the dimensions of loving and being, he also extended it by introducing subjective indicators. Although aware of the traps inherent in using subjective measures, he concluded that both types of measurements, objective and subjective, are useful, since objective measures also have limits and difficulties. He regarded it as being 'at least ... very democratic to base the indicators on people's own opinions and attitudes' (1993: 92). By crossing his threefold concept of having, loving, being with the dichotomy of measurement, a six-field matrix is obtained (see Figure 1).

Figure 1 Allardt's original conceptual scheme for quality of life

	Objective indicators	Subjective indicators
Having (material and impersonal needs)	1. Objective measures of the level of living and environmental conditions	4. Subjective feelings of dissatisfaction/satisfaction with living conditions
Loving (social needs)	2. Objective measures of relationships to other people	5. Unhappiness/happiness- subjective feelings about social relations
Being (needs for personal growth)	3. Objective measures of people's relation to (a) society, and (b) nature	6. Subjective feelings of alienation/ personal growth

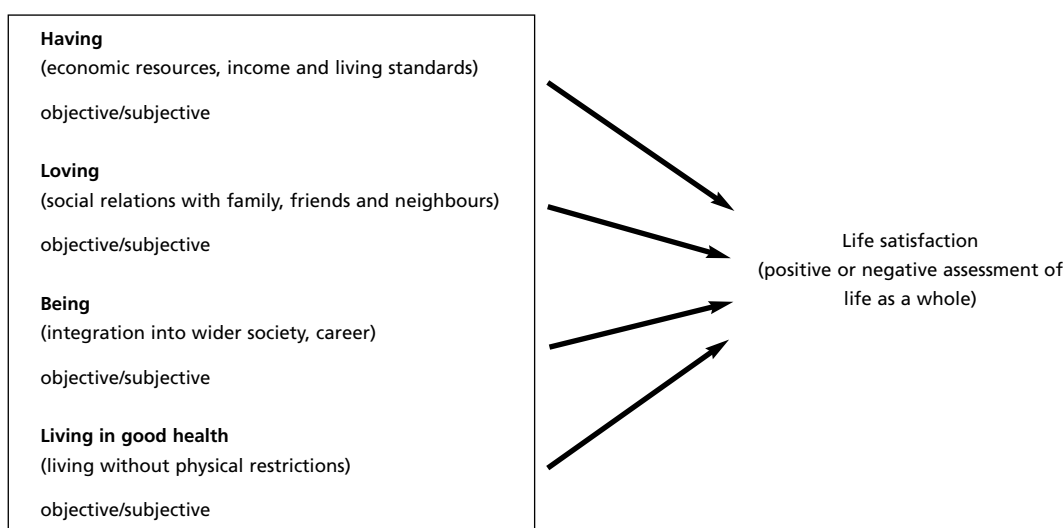
Source: Allardt, 1993, p. 93

The main advantage of Allardt's triad is its simplicity. The meaning of having, loving and being is easy for anyone without any specialised knowledge to understand, and everyone can intuitively understand from their own experiences of everyday life that all of them are related to quality of life. Many scholars and researchers have used his concept as a starting point for exploring individual well-being, and it forms the basis of this report, albeit with some modifications. First, health is taken out of the 'having' dimension, and classified as an independent fourth dimension, 'living in good health'. The reason for this is that material resources and physical well-being, or health, are such different kinds of resources, that bundling them together under the common heading of having covers up more than it uncovers. There is big difference in putting income or health as the main driver of life satisfaction, although by drawing on Allardt's original scheme one would conclude that in both societies, having is important. Hence, health is identified as an independent dimension, complementing having, loving, and being.

Next, although these dimension are used to provide a sort of red thread for classifying variables in this report, we lack variables to cover all four dimensions sufficiently. While it is possible to cover aspects of having and loving in almost all chapters, variables connected to being and health are missing in some chapters. With regard to subjective indicators, the report deviates from Allardt's scheme (and terminology) in using satisfaction measures not only for having and health, but also

for aspects of loving and being. A further addition is that the report uses the summarising measure, life satisfaction, in order to explain which dimensions or areas of life (either measured by objective or subjective indicators) have the strongest impact on individuals' contentment with life. The resulting conceptual framework is illustrated in Figure 2.

Figure 2 Conceptual scheme for the report



Quality of life and the European policy agenda

The issue of quality of life is now central to many European policies. As far back 1957, Article 117 of the Treaty of Rome put forward the general aim of improving working and living conditions of Europeans. It also aimed to harmonise them 'while improvement is being maintained', signifying bringing about a catch-up in living and working conditions in the less well-off countries. At European level, however there was little concrete action in this area until the 1980s. The situation changed after the entry of Greece, Portugal and Spain, which highlighted the different levels of modernisation within the Community. To close these gaps in living and working conditions, new policy instruments were developed under the general heading of economic and social cohesion (Bornschiefer, 1999).

Social issues increasingly came to the fore with the completion of the Single Market. Some landmark treaties, protocols and agreements are outlined in Fahey/Nolan/Whelan (2003). On the one hand, the European Union has pledged to create more and better jobs in increasingly knowledge-based economies. On the other hand, it is committed to the improvement of social protection in order to combat social exclusion and discrimination, and to strengthen gender equality (European Commission, 2000). European social policy thus now encompasses a variety of topics: raising living standards and improving working conditions; strengthening solidarity and combating exclusion; promoting equal opportunities and fighting discrimination; improving public health and maintaining quality of services; and combining economic growth with demands for sustainability. It is therefore justifiable to conclude that the emerging European social policy is concerned with quality of life. This can be examined from two aspects: looking at quality of life within nations (e.g. protection of the most vulnerable groups), and between nations (the issue of convergence and catching-up).

Both perspectives are of importance in an enlarged Union. Enlargement poses a real challenge to the Commission's aim of achieving similar living and working conditions across the EU, since many acceding countries lag behind the current Member States in some respects. The 10 acceding countries and the three candidate countries have per capita national incomes below the EU average. Eight of these countries have less than half the Community average. The effect will be increased diversity in the quality of life in the EU after enlargement (see Heidenreich, 2003, IMF 2000, Zapf/Delhey, 2002).

Moreover, some of the acceding countries are beset by severe problems of poverty and high levels of inequality between social groups (Milanovics, 1998). For policymakers to achieve the long-term goal of economic and social cohesion in an enlarged Union, they must have high quality information about quality of life and its determinants in these countries.

Unlike the American constitution which acknowledges the right to pursuit of happiness, there is no such reference within the Member States' constitutions. Nor is there a provision for this in the draft European Union constitution released this year. EU documents speak of citizens' living conditions, not their satisfaction or happiness.

Why, then, is a report on subjective quality of life helpful?

The need for subjective indicators in social policy

There is a long-standing controversy in social indicators research about the advantages and disadvantages of 'objective' and 'subjective' approaches to measuring quality of life. There are still many reservations about the use of subjective indicators in social policy (see the discussion in Veenhoven, 2001). Some of them deal with the substance of mental matters, like instability, incomparability, unintelligibility, and even incorrectness; some with problems of measurement itself, such as validity and precision.

However, the distinction between objective and subjective indicators is not as clear as it seems. Much objective information (for example, on income) is gathered by self-reporting. And although there is some truth in some of the reservations (see. Diener/Suh, 1997), subjective indicators are nevertheless indispensable to social policymakers for at least three reasons (Veenhoven, 2001: 9, Fahey/Nolan/Whelan, 2003):

1. Asking people's opinion about quality of life is the easiest and best way to get an idea of what people want. Focusing entirely on objective facts (which must be selected by the researcher and which therefore also have a subjective element) would miss an important aspect of the reality one is seeking to capture. Likewise, public preferences are not always adequately reflected in the process of policymaking. For example, although new motorways improve infrastructure, they are not necessarily the kind of progress people want most.
2. It is only with subjective evaluations that it is possible to separate wants from needs. This is not possible with an objective 'doctor knows best' approach. Satisfaction measures, and especially overall life satisfaction, are the best available indicators of the degree to which needs are met. In other words: only subjective indicators can reveal how central certain life domains or living conditions are to the quality of life of Europe's citizens.

3. Only subjective indicators allow for truly comprehensive assessments of quality of life. Objective indicators can best assess details, but 'are typically less helpful in charting the whole' (Veenhoven, 2001: 12). One can objectively measure a person's income situation, accommodation, health status, social relations and so on, but there is no guiding rule on how to combine these pieces of information. Typically, objective comprehensive indexes are selective, incomplete, and arbitrary, since the indicators represent the researcher's choice, rather than people's own choices. Many of these problems can be avoided if people themselves, as experts, make an overall judgement of their lives.

This is not to argue that social policy should rely solely on subjective indicators. Rather, the idea is to tell the story about quality of life in Europe by using both approaches, objective, and subjective, and to explore how living conditions and subjective well-being are linked. From a policy perspective it is useful to know what can be done for improving the well-being of citizens, and to design policies that meet their true needs. This requires insights about the relationships between certain dimensions of life, and about underlying mechanisms of how Europeans evaluate life as a whole. This report thus aims at analytical reporting, as opposed to a mere description of subjective well-being in the 28 countries.

Data and assumptions underlying the research

The aim of this report is to explore subjective quality of life in the acceding and candidate countries and the EU Member States in a comparative way. The data source is a harmonised Eurobarometer dataset, comprising 1) a special Candidate Countries Eurobarometer (CCEB), conducted by the European Commission in 2002; and 2) six Standard Eurobarometer surveys (EB), conducted between 1998 and 2001, with comparable information. In each survey around 1,000 respondents were interviewed, except in the countries with a low population, where around 500 were interviewed, and Poland and Turkey, where around 2,000 were interviewed. A harmonised data file, making comparisons across 28 European countries possible, was constructed from these surveys at the Social Science Research Centre Berlin (WZB). Since no survey on quality of life covering all European countries currently exists, the harmonised data file can be seen as a major step forward for pan-European welfare research.

Some problems arose with the composite approach: the potential for analysis is limited because information for the Member States is spread over six different datasets; and the surveys are from different years, which limits their comparability. All data reported for the ACC are from 2002, whereas information for the EU Member States was gathered between 1998 and 2001. Most of the analysis in this report, which deals with the Member States, is based on Eurobarometer 52.1 (1999), with additional research based on Eurobarometer 56.1 (2001).¹

Social reporting across 28 countries, especially analytical social reporting, is not an easy task. As far as possible the single countries are the basic unit of analysis, since the most urgent need is to learn something about the similarities and peculiarities of the prospective member countries from eastern and south-eastern Europe. This depends on country-level analysis. However, given the

¹ A more detailed description of the harmonised data file is given in the *Technical report* (Nauenburg et al. 2003). A detailed introduction to the CCEB survey and descriptive results for main variables is given in a Commission report (European Commission 2002).

huge amount of information, it is not possible to work without aggregations, despite the fact that aggregation always means a loss of information. In this report, four levels of aggregation are used:

1. EU 15 average is the population-weighted average of the current 15 Member States: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.
2. ACC 13 average is the population-weighted average of the 13 acceding and candidate countries: including the 10 countries which will join the European Union in 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia) and the 3 countries which are candidates for membership (Bulgaria, Romania and Turkey).
3. AC 10 average is the population-weighted average of the ten countries which will join the European Union in 2004. Excluded from this group are Bulgaria, Romania, and Turkey.
4. EU 25 average is the population-weighted average of the 25 countries of the Community following the 2004 enlargement (EU 15 plus AC-10).

Population-weighted means that the national samples are adjusted in proportion to their share of the total population of the respective aggregate. This procedure is a requirement of the Foundation. The advantage is that the population of the respective aggregate (the EU 15, the AC 10 and so on) is simulated as closely as possible. The disadvantage of this method is that the patterns of population-rich countries dominate over population-poor countries. Hence, in the EU average the Germans, British, French, Italians and Spaniards dominate; in the ACC average, the Turks, Poles, and Romanians dominate; and in the AC average, the Poles dominate. This highlights even more the importance of country-level analysis, since aggregate patterns must by no means be valid for all individual countries. Aggregations can even be misleading as far as associations between variables are concerned.

A further remark is necessary. The differentiation of countries according to membership status is a formal criterion, based on European-level policy decisions. From a scientific point of view, it is more useful to use a substantive criterion to distinguish those acceding and candidate countries which formerly belonged to the communist bloc (or which, at least, had socialist regimes and planned economies) – Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia – from those which did not. In this report, those countries which shared the experience of socialism and the recent transition to democracy and market economy are often referred to as ‘post-socialist’ or ‘transformation countries’. In contrast, Cyprus, Malta and Turkey are sometimes referred to as Mediterranean countries. But in order to avoid confusion, no new averages are introduced. If country abbreviations are used, the two-digit EU-standard is applied.²

There are three assumptions underlying this report.

- The first one is that quality of life is multi-dimensional and includes having, loving, being, and living in good health. All of these elements are considered to be important for subjective well-

² For the member states: Austria (AT), Belgium (BE), Denmark (DK), Finland (FI), France (FR), Germany (DE), Greece (GR), Ireland (IE), Italy (IT), Luxembourg (LU), Netherlands (NL), Portugal (PT), Spain (ES), Sweden (SE), United Kingdom (UK); for the acceding and candidate countries: Bulgaria (BU), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Malta (MT), Poland (PL), Romania (RO), Slovakia (SK), Slovenia (SI), Turkey (TR).

being, albeit to different degrees. This can also be derived from previous research (Headey/Wearing 1992, Argyle 1999).

- The second assumption is that there is a connection between living conditions and respective subjective evaluations in terms of satisfaction, both at the country-level and the personal-level. In well-being research, this approach is known as the 'liveability approach' (Veenhoven 1997): living conditions do not determine, but influence how citizens feel about their lives. This is also a precondition for making subjective well-being research relevant for social policymakers: if people reacted to bad and good living conditions with the same level of satisfaction, subjective evaluations would be of little use for policymakers. There are alternative approaches to explaining subjective well-being, especially across nations (see Inglehart/Klingemann 2000, Headey/Wearing 1992): genetic predisposition, translation problems, different normative pressures concerning the expression of happiness and satisfaction, and political experiences. It might be the case that some of these factors exert some influence on subjective well-being from a comparative perspective. But there is a huge amount of evidence to suggest that different levels of subjective well-being do indeed reflect different objective living conditions, especially material living conditions, and thus reflect the different 'liveabilities' of societies (Inglehart/Klingemann 2000, Fahey/Smyth 2003, Schyns 1998, Veenhoven 1999). Additional support for this idea is provided in this report which also analyses how living conditions and subjective well-being are intertwined. However, an important blind spot is the social comparisons and aspiration levels people apply when evaluating their living conditions. Previous research has shown that social comparisons with friends, neighbours, or compatriots are relevant for satisfaction assessments (e.g. Hagerty 1999), but no information on this issue was included in the surveys. The same holds true for aspiration levels, which may also influence satisfaction. This path of explanations could not be followed in this report.
- The third underlying assumption is that, in a cross-national perspective, levels and patterns of subjective well-being are shaped by the level of social development or, to introduce another term, 'modernisation'. Member States and acceding and candidate countries differ in their levels of modernisation, which is typically higher in the former. Different degrees of modernisation can also be found within the two country groups, e.g. in the Member States between the more advanced Nordic countries and the less advanced Mediterranean countries. Modernisation is a catchword for a multitude of related societal changes – economic, political, social and cultural – which usually form a syndrome (Inglehart 2001). Modernisation takes place not only in terms of technological progress leading to improved material living conditions, but also as growing demand of the public for participation in political decision-making, a demand for greater equality, and value changes in which material values give way to postmaterialistic values. With regard to this report, the expectation is that countries that differ in their level of modernisation also differ in levels and patterns of subjective well-being. People living in more advanced countries are expected to be more satisfied with their living conditions, to show a more equal distribution of life satisfaction, and to choose different life domains as decisive for their life satisfaction compared to people living in less advanced countries. Hence, one can expect different patterns of subjective well-being in the Member States and the ACC, but also some overlap between the two groups, since there is an overlap in degrees of modernisation, too.

Structure of the report

The first chapter explores what people think constitutes a good life. The focus is on cross-country differences, opinions in different social groups and the individual logic behind the notion of quality

of life. The second chapter deals with people's evaluations of certain living conditions and life as a whole. It shows which societies offer its citizens living conditions which make people satisfied, and which societies fail to do so. The third chapter deals in detail with contributors and potential factors to improve subjective quality of life. Here, different approaches are applied to answer the question: what makes people satisfied? The fourth chapter is dedicated to the issue of inequality, dealing with intra-country differences in life satisfaction; it points to those European countries in which life satisfaction is considerably influenced by people's various positions in the social structure, and indicates the positions which influence life satisfaction most strongly. The fifth chapter uses a variety of personal and country characteristics to explain individual life satisfaction in a collective analysis of all 28 countries. It shows that both the living conditions society offers its population, and the social position individuals hold within their society, are important. The final chapter summarises the main results and draws some overall conclusions.

Definitions of a good life

1

In order to design policies that help create better living conditions one needs to know what people think is essential for leading a good, valuable life. One question taps into the philosophical question of how Europeans personally define quality of life: 'Not everybody has the same idea about what the necessities of good life are. Please tell me if each of the following is absolutely necessary for leading a good life?' The list consisted of 14 provisions, and people were asked whether they regarded them as 'absolutely necessary' for leading a good life or as 'not absolutely necessary' (which does not mean they are regarded as unimportant):³ The following is the full list, ordered according to the logic of having, loving and being :

Having

5. Having a good job (job)
6. Having sufficient accommodation for everyone to have their own space (accommodation)
7. Having a good education (education)
8. Having sufficient leisure time and the means to enjoy it (leisure)
9. Being able to go out with friends or family (go out)
10. Having at least one vacation a year (vacation)

Loving

11. Living with a partner with whom one has a good relationship (partner)
12. Seeing friends regularly (friends)
13. Being on friendly terms with the neighbours (neighbours)
14. Having children (children)

Being

15. Being able to be useful to others (useful)
16. Feeling recognised by society (recognised)
17. Having a successful career (career)
18. Participating in the activities of associations, trade unions or political parties (active in associations)

Similarities and differences between the countries

The answers show, first, that a variety of things constitute a good life (see Table 1). In the acceding and candidate countries region (ACC 13), on average 10 of the 14 requisites are seen as absolutely necessary by at least three quarters of the population. Only the 'participation in the activities of associations' is regarded as 'absolutely necessary' by less than half of the population. A similar picture can be seen in the Member States. In the Eastern region, 'having a good job', 'good partnership', and 'sufficient accommodation' are viewed as most necessary for a good life. Next come 'good education', 'being useful to others', and 'having children'. From this one can conclude that quality of life is indeed multidimensional, since aspects of having, loving, and being constitute a good life. However, with regard to the top priorities, this was not an open question where people could answer whatever came to mind; instead, respondents were restricted to the list. Income and health, two aspects which are very important both as contributors to, and drivers of, subjective quality of life (as will be demonstrated in chapter 3), were not listed.

³ The answers could carry a position effect because of the question's position within the questionnaire (straight after a section concerned with material standard of living).

Table 1 Necessities for a good life, by country group (% of population saying that the respective item is absolutely necessary)

	AC 10	ACC 13	EU 15	EU 25
<i>Having</i>				
Having a good job	95	97	90	91
Having sufficient accommodation	84	88	90	89
Having a good education	79	85	85	84
Having sufficient leisure time	74	79	84	83
Going out with friends or family	65	77	82	79
Having at least one holiday a year	74	81	68	69
<i>Loving</i>				
Living with a partner	84	90	79	80
Seeing friends regularly	57	68	75	72
On friendly terms with neighbours	69	79	69	69
Having children	73	80	57	60
<i>Being</i>				
Being able to be useful to others	75	82	81	80
Feeling recognised by society	60	68	68	67
Having a successful career	51	67	55	54
Participation in associations etc.	14	25	24	23

Source: CCEB, EB 56.1.

Question: Not everybody has the same idea about what the necessities for a good life are. For each of the following, please tell me if you think it absolutely necessary to live with nowadays or not.

Country differences in ranking the most important necessities are small. A 'good job' is seen as the most important requisite of a good life in the vast majority of acceding and candidate countries (see Table 2). Likewise, 'having a good partnership' is among the top three in nearly all countries. 'Accommodation' and 'education' are also given high priority. Other things are assessed less uniformly. For example, nine out of 10 Latvians, Cypriots, Bulgarians and Turks see 'having children' as a must, whereas this is the case for only six out of 10 Czechs. The strongest country differences appear at the lower end of the necessity scale. 90% of Cypriots and 80% of Turks say that 'feeling recognised by society' (an example of being) is important, whereas only 28% of Latvians and 10% of Maltese agree. A 'successful career' is seen by 88% of Turks and 80% of Lithuanians as absolutely necessary. Only one third of Czechs, Slovaks and Maltese have the same opinion. In general, the more essential an item is, the greater the similarity of values across countries; the less essential, the greater diversity.

In the EU Member States, 'having a good job' and 'sufficient accommodation' are on average viewed as the most essential requisites of a good life, followed by 'enough leisure time and the means to enjoy it'. Opinions across Member States are more homogenous than across the ACC. Some exceptions include the Dutch, who put very little stress on 'having children' (31%), compared to the EU 15 average of 57%; and the Finns, who are not very keen on a 'successful career' (28%, EU 15 average 55%). The importance of 'having a good education' also varies widely, with the highest importance in the German-speaking countries where a lot of importance is placed on credentials. Education is also rated highly in the southern countries. This is probably best explained by the fact that they experienced mass education expansion comparably late and average education levels are relatively low. Thus, higher education gives a head start in life.

Table 2 Most important necessities for a good life, by country

Country	Most important	Second most important	Third most important
Bulgaria	job	partner	children
Czech Rep.	job	partner	holiday
Latvia	job	partner	education
Romania	job	partner	accomodation
Slovenia	job	partner	accomodation
Estonia	job	holiday	education
Hungary	job	accomodation	partner
Poland	job	accomodation	education
Lithuania	job	education	partner
Malta	job	education	partner
Turkey	job	education	partner
Slovakia	accomodation	job	partner
Cyprus	useful to others	partner	job
Spain	job	education	useful to others
Germany	job	accomodation	leisure time
Italy	job	accomodation	education
Luxembourg	job	accomodation	education
Austria	job	accomodation	education
Belgium	accomodation	job	partner
France	accomodation	education	able to go out
Ireland	accomodation	able to go out	leisure time
United Kingdom	accomodation	leisure time	able to go out
Netherlands	leisure time	seeing friends	useful to others
Sweden	leisure time	holiday	able to go out
Finland	holiday	accomodation	useful to others
Portugal	able to go out	job	useful to others
Denmark	useful to others	seeing friends	leisure time
Greece	useful to others	partner	job

Source: CCEB, EB 56.1.

Question: Not everybody has the same idea about what the necessities for a good life are. For each of the following, please tell me if you think it absolutely necessary to live with nowadays or not.

A comparison of the ACC 13 with the EU 15 shows that the rankings of life necessities are more similar than dissimilar (see Table 1). The most striking differences concern 'having children', which is typically of much higher relative importance in the ACC (rank 5, compared to rank 12 in the Member States); and 'having a good partnership' (rank 2 vs. rank 7). A 'good job' and a 'successful career' are also given higher importance in the ACC. The latter result could be explained by the fact that in the former, gainful employment is more essential for guaranteeing a decent living, since social security systems are less developed and less generous (Standing, 1996, Deacon, 2000). Alternatively it could be explained as a cultural legacy, at least for the post-socialist countries, where state socialism focused life heavily around work. Many fringe benefits, ranging from new flats to holiday travel, were provided by the socialist companies. The differences in the ranking of the importance of partner and children can also be interpreted in different ways. One possibility is

that after the experience of state socialism, its breakdown, and the painstaking building of new institutions, people withdrew into the private sphere, where social relations are more stable, predictable, and free from distrust (Sztompka, 1999).

However, people in Cyprus, Malta, and Turkey rank primary relations as highly as people from post-socialist countries. Therefore the specific experience of system transformation from state socialism to democracy and a market economy is seemingly not the decisive factor. On the other hand, the general experience of weak institutions, which is to varying degrees common to all candidate countries, not only the countries undergoing transformation, may play a role (see Weder, 2000, World Bank, 2001). An alternative explanation might be that the change in values in favour of greater individualisation is slower in these countries. According to this interpretation, the population stick to more traditional, family and children-based values, which have become less important in western Europe, where the process of cultural modernisation is more advanced (Inglehart, 2002). Further analysis tends to suggest that the reported country-level East-West differences can indeed be attributed to different levels of economic progress and modernisation, which are the material basis for value change.⁴

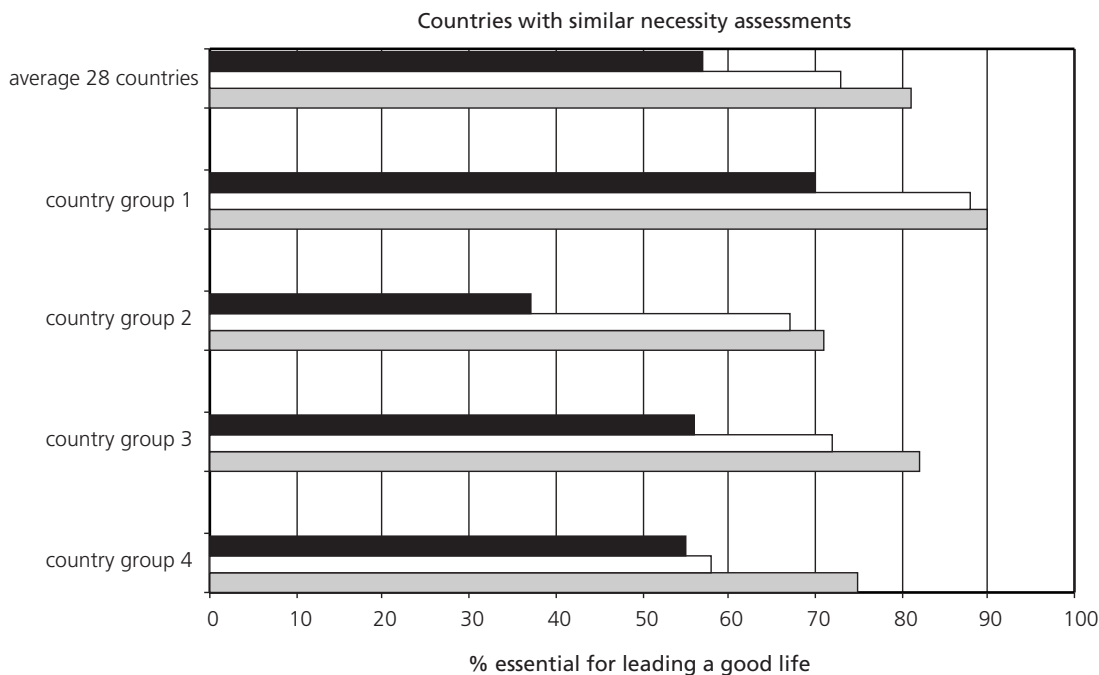
Despite these reported differences, however, definitions of a good life are generally similar, especially if one takes into account the vastly different living conditions across these 28 countries, as well as the different historical paths the societies have taken. The most conspicuous exception to this general picture of rather small cross-national differences is the importance of 'having children' (80% in the ACC 13 compared to 57% in the EU 15). The low importance attributed to children in EU Member States highlights the issues associated with the demographic problems facing all European countries. So long as having children ranks lower in importance than having at least one vacation a year, it seems unlikely that the West will see a new baby boom (see on this issue also the related report on family and fertility, Fahey/Speder 2003). However, with respect to other items it is possible that the general nature of the wording hides a greater diversity. For example a vacation can mean very different things, from a week camping at a neighbouring lake, to a luxury holiday in Dubai's newly-established six-star hotel skyscraper. Such qualitative differences are not captured in our data.

The similarity of assessments in many of the European countries is revealed by a cluster analysis. Such analysis simply groups together those countries which are very similar in terms of their citizens' assessment of having, loving, and being. The grouping of countries and their typical assessment profiles are displayed in Figure 3. Lithuania, Greece, Portugal, Cyprus and Turkey, a group clearly dominated by Mediterranean countries, are very similar (group 1). Compared to the average of all 28 countries, citizens of these countries give above-average importance to all three dimensions. Another group of countries which are very similar includes Denmark, France, Ireland and Slovenia (group 2). In these countries, people give below-average importance to all three dimensions, especially to the being dimension. A large number of the remaining 18 countries – both EU and ACC – are grouped together into a common cluster (group 3). This again shows that Europeans' ideas about what quality of life is do not differ that much between West and East.

⁴ In these analyses, national wealth, human development, and the percentage of the workforce in service jobs served as proxies for the level of modernisation of the 28 countries. The more advanced a society is in the process of modernisation, the more likely it is that the population slightly devalues having a partner, children, job, and career, and slightly value more post-material ideals like seeing friends, leisure time, and being recognised by society.

Populations of very different societies – different with respect to economic level, political tradition, and cultural tradition – have rather similar values. In this large group, people display life necessity assessments very close to the average of all 28 countries. The Netherlands does not join any of the three groups mentioned above, but makes up a cluster of its own (group 4). The Dutch are distinct in assigning only limited importance to the loving dimension, particularly because so few of them regard ‘having children’ as important for life.

Figure 3 The importance of having, loving and being, by country group



Country group 1 Cyprus, Greece, Lithuania, Portugal, Turkey

Country group 2 Denmark, France, Ireland, Slovenia

Country group 3 Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Malta, Poland, Romania, Slovakia, Belgium, Germany, Italy, Spain, Luxemburg, United Kingdom, Finland, Sweden, Austria

Country group 4 Netherlands

Source: CCEB; EB 56.1.

Note: Simple averages for the respective countries are displayed.

Derived from question: Not everybody has the same idea about what the necessities for a good life are. For each of the following, please tell me if you think it absolutely necessary to live with nowadays or not.

Similarities and differences between social groups

Having explored the major differences between nations, we now turn to social groups defined by gender and age. Further analysis by sub-groups reveals that variations in life necessity assessments according to gender are very small (see Table 3). Women in EU countries rate ‘having children’, ‘being on friendly terms with neighbours’, and ‘being able to be useful to others’ more highly than their male counterparts. These three items relate to emotional and supportive behaviour, and hence fit the traditional female stereotype to some degree. Relations with neighbours are obviously more important to a person who spends a lot of time in the home than to someone who spends most of their day in the office. In contrast, but also in accordance with the classical role model,

men give higher priority to ‘having a successful career’. There are no differences between the sexes with regard to aspects of having.

Apart from the career assessment, the same differences can be found in the ten acceding countries. More women than men in these countries place importance on ‘having a good education’, and men rate ‘seeing friends regularly’ more highly than do their female counterparts. When looking at all 13 acceding and candidate countries, the few differences between the sexes are further reduced, but one should note that this aggregate of countries is heavily influenced by the Turkish pattern. In the first instance, the figures tell us that there are very few differences between men and women in Turkey.

Table 3 Necessities for a good life by gender and country group (% of population saying that the respective item is absolutely necessary)*

	ACC 13 men	ACC 13 women	AC 10 men	AC 10 women	EU 15 men	EU 15 women
<i>Having</i>						
Having a good job	97	97	96	95	91	89
Having sufficient accommodation	88	88	83	85	90	90
Having a good education	83	87	75	81	84	86
Having sufficient leisure time	79	78	75	73	86	83
Going out with friends or family	78	75	67	63	81	82
Having at least one holiday a year	81	80	74	74	70	67
<i>Loving</i>						
Living with a partner	89	90	84	85	79	79
Seeing friends regularly	71	66	59	55	75	75
On friendly terms with neighbours	79	79	66	71	66	72
Having children	79	81	68	77	54	60
<i>Being</i>						
Being able to be useful to others	80	83	72	77	78	84
Feeling recognised by society	68	67	59	61	67	70
Having a successful career	69	66	53	50	58	51
Participation in associations etc.	27	23	15	13	26	22

Source: CCEB, EB 56.1.

Question: Not everybody has the same idea about what the necessities for a good life are. For each of the following, please tell me if you think it absolutely necessary to live with nowadays or not.

When age groups are compared, it can be seen that the differences between groups are much stronger in all country groups (Table 4). The oldest group (65 years and older) consistently rates ‘having children’ and ‘friendly relations with neighbours’ more highly than younger groups. These differences are especially marked in the Member States and the ten acceding countries. In contrast, the youngest group (under 25 years) regards seeing friends as more important, reflecting the high importance of peers for this age group. When it comes to material demands, the young are more demanding than the old, especially in the ACC. The impression of a demanding younger generation also holds true for the being dimensions, especially when it come to a successful career. However, with regard to other items of being, results from all EU countries and ACC point in different directions. Whereas in the ACC 13, more younger people say that being useful to others and

participation in associations are essential for a good life, these requisites are mentioned more often by older people in the Member States.

However, cross-sectional data cannot show us whether there is a life cycle effect or a generation effect behind these age differences. Both are reasonable. For example, the fact that younger people are more keen to have at least one vacation a year may be a result of their position in the life cycle: young people generally want to see the world, whereas older people, who may have already travelled or who have different priorities tend to put less emphasis on travel. The figure could also mean that we have found a generational difference in values: The young generation is more used to travelling, and will do so even as it ages.

Table 4 Necessities for a good life by age, by country group
(% of population saying that the respective item is absolutely necessary)

	ACC 13 young	ACC 13 old	AC 10 young	AC 10 old	EU 15 young	EU 15 old
<i>Having</i>						
Having a good job	98	95	95	94	93	91
Having sufficient accommodation	92	81	88	81	89	91
Having a good education	91	80	85	78	85	89
Having sufficient leisure time	87	65	83	63	87	81
Going out with friends or family	85	62	77	52	87	77
Having at least one holiday a year	86	66	80	61	70	61
<i>Loving</i>						
Living with a partner	88	88	80	84	71	83
Seeing friends regularly	79	54	69	49	83	73
On friendly terms with neighbours	76	80	56	78	57	84
Having children	73	82	59	81	43	69
<i>Being</i>						
Being able to be useful to others	84	77	74	75	80	86
Feeling recognised by society	72	62	64	58	68	72
Having a successful career	79	53	65	45	65	54
Participation in associations etc.	26	21	13	16	23	28

Source: CCEB, EB 56.1.

Note: Young = below 25, old = 65 and older.

Question: Not everybody has the same idea about what the necessities for a good life are. For each of the following, please tell me if you think it absolutely necessary to live with nowadays or not.

Further analysis of life necessity differences between rich and poor can be found in the related report on social exclusion (Böhnke, 2003).

The individual logic of necessity assessments

An important theoretical question to be addressed is what rationale lies behind the individual answers. There are three conceivable possibilities. One rationale might be that citizens tend to be *status cosmetic*. In an adaptation process, people may stress those conditions that are available and downplay those that are not. Another rationale might be wants. People may regard precisely those

things which they do not have, as most valuable for a good life. A third possibility is that neither status cosmetics nor wants are the logic. Instead, the answers given in the survey might reflect a society's collective standard of what a good life is, independently of personal life situations or wants. The rationale can be tested against data by cross-tabulating objective living conditions and necessity assessments.⁵

When tested against data, status cosmetic seems to be the dominant logic of how people think about life necessities (see Table 5). For example, those who do not live with a partner are significantly less likely to stress 'living with a partner' as necessary for leading a good life. The same applies to 'having children', since those without offspring regard them as being of lower importance than those who have children. In the same vein, poor people (those in the lowest income quartile) are less likely than the rich to say that 'having at least one vacation per year' is necessary. In other examples, assessments seem on the whole to reflect a collective standard. This can be concluded from the fact that people who have the available requisites do not differ in their opinion from those who do not. For example, people with different levels of education give the same importance to 'education'. Finally, in only one of the examples tested, do wants seem to drive values. In the ACC, people who feel unrecognised by the people they meet stress the importance of 'feeling recognised by society' more often than those who do feel recognised. However, in the EU, getting societal recognition is viewed as less important exactly by those who feel that they are not recognised by society. Hence we get different patterns for the two country groups.

Table 5 Individual logic of necessity assessments (exemplary analysis)

Aspect of life	Answer rationale ACC 13	Answer rationale EU 15
having a good job	collective standard	status cosmetics
having a good education	collective standard	collective standard
living with a partner	status cosmetics	status cosmetics
having children	status cosmetics	(not available)
feeling recognised by society	wants	status cosmetics
one holiday per year	status cosmetics	status cosmetics

Source: CCEB, EB 56.1.

Derived from question: *Not everybody has the same idea about what the necessities for a good life are. For each of the following, please tell me if you think it absolutely necessary to live with nowadays or not.*

An explanation for these findings can be derived from the psychological theory of 'cognitive dissonance' (Festinger, 1957). This theory holds that people only have limited capacities for living with dissonance in their thinking, or thinking and behaviour, since such dissonance produces tensions. A gap between aspirations (e.g. the desire for a vacation) and the opportunities for their fulfilment (e.g. not enough money) can result in such tensions. In order to live in balance, dissonance has to be resolved, either by reducing aspirations, or by enhancing opportunities for fulfilment. Since the former is much easier to achieve, and sometimes the only option available,

⁵ When interpreting the results, it is assumed that respondent's necessity statements are a reaction to the living conditions and life situations they experience.

⁶ Since the analysis was done not on a country by country basis, but by pooling the countries into two groups, the resulting large N could have generated a 'status cosmetic' diagnosis more often than if the countries had been analysed one by one. But it would not be to stretch things too far to say that if there is a deviation from the collective standard, the reason is adaptation (status cosmetic), rather than wants.

status cosmetic is the usual pattern for solving cognitive dissonance. On the contrary, basing ideas of a good life too much on wants can lead to disappointments, when wants remain dreams. However, people do not always adapt to their personal situation, since many assessments of life necessities represent collective standards, which are fairly similar across many European societies.⁶ Moreover, the effect of adaptation is usually only small, hence there are no sharp differences in definitions of a good life between groups with different packages of resources.

How people evaluate their living conditions

This chapter deals with subjective assessments of the everyday life of Europeans. This is done in a twofold way: first, how satisfied people are with selected aspects of their life – the so-called ‘life domains’ – will be analysed; second, the level of satisfaction people have with their life as a whole – so-called ‘life satisfaction’ – will be shown. In other words we proceed from the specific to the general.

Satisfaction with different aspects of life

Domain rankings and satisfaction levels

In the surveys, people were asked how satisfied they were with nine domains, which covered a broad range of areas of life: health aspects such as ‘own health’ and ‘the country’s health care system’; economic aspects such as the personal ‘financial situation’ (also referred to as ‘income’ in this report) and ‘employment situation’; relational aspects such as ‘family life’, ‘social life’, and ‘the area you live in/your neighbourhood’; and satisfaction with ‘home’, and ‘personal safety’.⁷ All domains except health care system are private domains, as opposed to public domains. The answer options were ‘very satisfied’, ‘fairly satisfied’, ‘not very satisfied’ and ‘not at all satisfied’. In the following, the first two are usually grouped together as ‘satisfied’, the latter two are listed as ‘not satisfied’, or ‘dissatisfied’. Unfortunately, these domains only partly match the necessities for leading a good life analysed in the former chapter; hence it is in general not possible to check the extent to which the essentials of a good life are satisfied.

On average people in both country groups are most satisfied with either their family life, their home, or their neighbourhood (see Table 6) – private domains which individuals find easiest to control. Europeans are least satisfied with their employment situation, their financial situation and their country’s health care system, the only public domain included. Medium satisfaction can be detected for health status, personal safety, and also for social life in the ACC. In general, these findings are consistent with the results of other studies, that people are less satisfied with those areas of life which they can not control by themselves, either because they are dominated by market forces or by state action (see Headey/Wearing, 1992). An alternative explanation might be that self-esteem causes people to evaluate the domains close to self more positively (Zamfir, 1984). The same argument can be found in Cummins (2003) ‘homeostatic process theory’. In short, this means that assessments of intimate life domains are positively biased. Other scholars argue that it is not that intimate, private domains are biased positively, but that the public domains are biased negatively, influenced, among other factors, by a mass media that rarely depicts public policies in positive terms (Baltatescu, 2001).

The situation in the ACC

The ranking of domains in acceding and candidate countries is quite similar. In all these countries, the highest levels of satisfaction are either with neighbourhood, home, or family life (Table 7). At

⁷ ‘Home’ is a rather imprecise word. Other studies have asked more specifically how satisfied people are with their housing conditions, or with the apartment/house they live in. Home may also carry additional connotations beyond housing conditions, like the social atmosphere at home.

the lower end of the ranking are employment situation, financial situation, and the country's health care system. Partial exceptions are Malta and Lithuania, where personal safety ranks lowest and second lowest respectively. Yet Lithuania suffers from a high homicide rate (9.3 homicides per 1,000 inhabitants), a rate only surpassed by its Baltic neighbours, while Malta enjoys one of the lowest homicide rates in the region (2.3 homicides per 1,000 inhabitants).

Table 6 Satisfaction with life domains, by country group

ACC 13		EU 15
% very or fairly satisfied		
	100	
	95	home
	90	family life, neighbourhood, social life
home, family life, neighbourhood	85	health, personal safety
	80	
	75	employment situation
health, social life	70	financial situation
personal safety	65	
	60	health care system
	55	
employment situation	50	
	45	
	40	
financial situation, health care system	35	
	30	
	25	
	20	
	15	
	10	
	5	
	0	

Source: CCEB, EB 56.1.

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with each of the following.

Satisfaction levels vary considerably from country to country and from domain to domain. The domains home, family life, neighbourhood, and personal health stand out because the majority of citizens in all countries feel satisfied with these aspects of their life (see Table 8). With regard to personal safety and social life, a majority of the population is discontented in three countries (Bulgaria, Latvia, and Lithuania). Dissatisfaction grows when the employment situation is evaluated. In five countries (Bulgaria, Latvia, Poland, Romania and Turkey) a majority of citizens is dissatisfied with their employment situation. Dissatisfaction with the health care system was registered in nine countries and with income in ten countries. Hence, dissatisfaction with the health care system and with personal finances is the prevailing experience in the region. Only in the three richest countries Cyprus, Malta and Slovenia, do the majority of citizens feel comfortable with the money they have. This is confirmed by the fact that few people in these countries report difficulties making ends meet (see report on deprivation and income, Russell/Whelan, 2003).

Table 7 Domains people are most and least satisfied with, by country

	1 most satisfied	2	3		7	8	9 least satisfied
Bulgaria	neighbourhood.	family	home		employment	health care	income
Czech Republic	neighbourhood	family	home		employment	health care	income
Romania	neighbourhood	family	home		employment	income	health care
Estonia	neighbourhood	home	family		employment	health care	income
Latvia	neighbourhood	home	family		employment	income	health care
Lithuania	neighbourhood	home	family		income	safety	health care
Poland	family	neighbourhood	social life		employment	income	health care
Turkey	family	neighbourhood	home		employment	income	health care
Cyprus	home	neighbourhood	family		employment	income	health care
Hungary	home	family	neighbourhood		employment	health care	income
Slovakia	home	family	neighbourhood		employment	income	health care
Malta	home	family	health		health care	income	safety
Slovenia	home	family	safety		employment	income	health care
Netherlands	family	home	neighbourhood		income	safety	health care
Italy	family	home	neighbourhood		employment	income	health care
Ireland	family	home	neighbourhood		employment	income	health care
Luxembourg	family	home	Social life		safety	income	health care
Greece	family	home	health		employment	income	health care
UK	family	home	safety		employment	income	health care
Portugal	family	social life	neighbourhood		health	income	health care
Belgium	home	family	social life		employment	health care	income
Spain	home	family	social life		employment	income	health care
France	home	family	neighbourhood		health care	employment	income
Germany	home	neighbourhood	family		employment	income	health care
Sweden	home	neighbourhood	family		employment	income	health care
Finland	home	safety	family		employment	health care	income
Austria	home	safety	neighbourhood		health care	employment	income
Denmark	social life	home	safety		employment	income	health care

Source: EBCC, EB 52.1.

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with each of the following.

The ranking of countries is fairly stable across the domains. Typically the Cypriots, Slovenes and Maltese are the most content. The Bulgarians, Romanians, Latvians and Lithuanians are often among the most dissatisfied, with the remaining countries ranking in the middle. There are two possible interpretations for this remarkable stability, 'state' or 'trait'. The 'state' explanation is that the living conditions a country can offer its citizens are consistently good or bad, and satisfaction mirrors these different 'liveabilities' (Veenhoven, 1997) of countries. The 'trait' explanation is that the answers are an expression of a more general public mood, and the existence of such a baseline mood is the reason why a more or less similar ranking of nations is reproduced.⁸ The idea of a

⁷ A third explanation would be a technical one, the response set effect, which can occur when satisfaction questions are put consecutively in the questionnaire, as happened in the surveys analysed here.

Quality of life in Europe

general mood level, however, does not imply that people are equally satisfied or dissatisfied with each area of life. Rather, people have different, concrete experiences within different areas of life, which are reflected in the data. The point of how cross-national differences in satisfaction levels can be explained is taken up again in the chapter on life satisfaction.

Table 8 Domain satisfactions by country (% satisfied)

	Home	Family life	Neighbourhood	Health	Social life	Personal safety	Employment	Income	Health care system	Ø
Denmark	96	95	94	91	96	96	88	86	76	91
Austria	96	92	93	89	91	95	85	79	85	89
Luxembourg	93	94	91	89	92	85	88	85	77	88
Netherlands	94	94	94	89	93	84	88	84	74	88
Finland	96	92	89	84	90	94	79	68	75	85
Sweden	96	93	95	86	92	92	80	73	60	85
CYPRUS	86	94	95	88	87	90	81	71	62	84
Belgium	91	89	88	83	89	81	81	69	79	83
MALTA	96	92	89	90	87	69	77	71	73	83
France	92	90	87	86	87	84	72	63	79	82
Ireland	94	96	91	91	90	88	76	65	50	82
SLOVENIA	94	93	90	80	89	91	71	62	58	81
United Kingdom	92	93	86	86	85	87	72	69	57	81
Germany	94	88	89	79	86	83	74	72	51	80
Spain	94	93	89	77	90	85	70	57	49	78
Italy	89	90	83	81	82	70	68	62	27	72
Portugal	83	87	86	69	86	79	70	54	25	71
CZECH REP.	85	86	86	71	77	69	60	40	60	70
Greece	89	92	85	85	79	64	59	57	19	70
POLAND	79	85	84	65	80	68	46	33	32	64
TURKEY	83	89	83	79	65	73	46	39	17	64
HUNGARY	87	84	84	60	68	70	53	28	31	63
ESTONIA	82	79	82	63	66	69	52	30	32	62
SLOVAKIA	85	84	82	66	71	66	54	31	17	62
LITHUANIA	82	78	86	67	65	31	56	35	28	59
ROMANIA	80	81	86	59	60	54	40	25	23	56
LATVIA	75	72	82	63	48	58	46	27	22	55
BULGARIA	74	79	80	60	40	44	35	13	23	50
EU 15	92	91	88	83	87	82	73	67	54	80
AC 10	83	84	84	66	76	67	51	34	35	64
ACC 13	82	85	84	69	68	66	47	33	27	62
EU 25	91	90	87	80	86	80	70	62	51	77

Source: EBCC, EB 52.1.

Note: Countries are ranked according to average domain satisfaction.

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with each of the following.

Table 9 Domain satisfactions by country (% very satisfied)

	Home	Family life	Neighbourhood	Health	Social life	Personal safety	Employment	Income	Health care system	Ø
Denmark	78	78	75	66	71	70	66	52	31	65
CYPRUS	71	68	73	63	56	67	42	29	25	55
Austria	58	57	52	43	43	48	40	31	32	45
Luxembourg	56	58	50	43	47	41	44	39	28	45
Netherlands	58	59	50	44	49	29	38	30	19	42
Sweden	58	58	59	41	44	41	32	24	14	41
Ireland	50	53	48	46	40	35	27	16	12	36
MALTA	58	47	47	41	36	24	28	12	28	36
United Kingdom	47	52	39	35	37	34	28	19	13	34
SLOVENIA	50	47	44	30	41	42	23	10	11	33
Finland	41	42	32	33	31	39	35	16	18	32
Belgium	33	40	32	28	33	20	26	18	16	27
Germany	44	39	36	24	26	22	22	16	8	26
France	34	41	31	28	25	22	20	11	16	25
Greece	31	46	27	31	29	19	15	14	3	24
Spain	29	40	24	23	29	21	17	11	10	23
HUNGARY	34	39	35	22	17	21	10	3	4	21
POLAND	28	37	31	22	29	16	10	4	3	20
Italy	26	29	22	21	19	13	12	8	2	17
BULGARIA	25	34	29	18	8	8	8	1	3	15
CZECH REP.	23	24	23	15	15	7	9	4	8	14
LITHUANIA	22	24	28	17	9	2	10	2	2	13
SLOVAKIA	23	27	21	12	13	9	9	3	1	13
ESTONIA	19	20	19	14	10	13	7	2	2	12
ROMANIA	20	27	25	12	10	7	7	2	1	12
LATVIA	14	19	21	13	7	7	6	2	2	10
Portugal	8	25	9	9	16	8	6	4	3	10
TURKEY	12	18	15	11	9	11	5	3	2	10
EU 15	39	42	33	28	29	24	22	15	11	27
AC 10	28	34	30	20	23	15	10	4	4	19
ACC 13	21	27	24	16	15	12	7	3	3	14
EU 25	37	41	33	27	29	23	21	13	10	26

Source: EBCC, EB 52.1.

Note: Countries are ranked according to average domain satisfaction.

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with each of the following.

Across the ACC region, subjective well-being varies widely (Tables 8, 9 and 10). Country differences are strongest for those domains of least satisfaction. In Cyprus, eight out of 10 say that they are satisfied with their employment situation, but in Bulgaria and Romania only four out of ten say they are. Whereas in Malta, 73% are content with the health care system, only 17% report the same in Slovakia and Turkey. And whereas 70% of the Maltese are generally satisfied with their

financial situation, this applies to only 13% in Bulgaria. This last figure is easily understandable, since Bulgaria is not only the poorest candidate country, but also experienced the biggest decline in real wages during the difficult economic transformation of the 1990s. Feelings of personal safety are also very different, with 90% of Cypriots, but only 31% of Lithuanians feeling safe. The smallest country differences in satisfaction are produced for neighbourhood, home and family, where a huge majority of people are content in all countries. Hence, differences are far greater between countries with respect to *having* than to *loving*.

The situation in the EU Member States

The situation in the EU can be described as follows. By and large, a similar ranking of life domains occurs when dealing with average satisfaction (see Tables 6 and 7). In addition, quite a stable pattern of generally content populations can be observed in these countries (Table 8). The Danes, Austrians, Dutch and Luxembourgers are on the whole the most satisfied, joined occasionally by the Irish and the Swedes. At the lower end, the Greeks, Portuguese and Italians are the least satisfied, accompanied at times by the Germans, Spaniards, Belgians and British, depending on the area of life. For the Member States, the dominant picture is that of a north-south gap in well-being (see also the paragraph on general life satisfaction). The gap is even more marked if one takes into account only the share of citizens which is 'very satisfied' (Table 9).

Whereas in Denmark seven of 10 respondents are 'very satisfied' in almost every domain (five out of 10 are even 'very satisfied' with their income), in Portugal only one out of 10 is 'very satisfied' (and only 4% is 'very satisfied' with their income). The fact that people tend to be 'fairly satisfied' rather than 'very satisfied' across many domains indicates that there is demand for improvement of living conditions in a large number of Member States, and not only in the acceding and candidate countries.

The pan-European ranking

When both groups of countries are examined simultaneously two things are striking: the lower levels of domain satisfaction in the ACC, and the greater heterogeneity in this country group. (1) The levels of satisfaction are typically much lower in the ACC (see Tables 6, 8 and 9), where people are on average less satisfied than in the EU across all domains (all differences are statistically significant, even at the aggregate level of nations). The satisfaction gap concerning financial situation, employment situation, health care system, and personal safety is especially marked. As described above, the majority of citizens in the ACC are fairly satisfied with some domains, but fairly dissatisfied with others, especially employment situation, income and health care system. In five countries, the majority of citizens is dissatisfied with three of these areas of life, in additional four countries with two of the three domains. In the EU this phenomenon of dissatisfaction is restricted to three countries only – Italy, Portugal and Greece – and to only one of the nine areas of life, the national health care system. It is clear that EU citizens are more satisfied with several conditions of life than citizens in the ACC, not only with material conditions belonging to the quality of life dimension 'having'. West–East differences are even bigger in some life domains when only those who are 'very satisfied' with their living conditions are considered. This is true for the domains of home, family, and neighbourhood.

Table 10 Range of domain satisfactions before and after enlargement

Life domain	ACC 13		EU 15		EU 25	
	Country with highest satisfaction, % satisfied					
	Country with lowest satisfaction, % satisfied					
	Percentage point difference highest - lowest					
Health care system	Malta	73	Austria	85	Austria	85
	Slovakia, TK	17	Greece	19	Slovakia	17
	<i>difference</i>	56	<i>difference</i>	66	<i>difference</i>	68
Personal safety	Cyprus	90	Denmark	96	Denmark	96
	Lithuania	31	Greece	64	Lithuania	31
	<i>difference</i>	59	<i>difference</i>	32	<i>difference</i>	65
Financial situation	Cyprus, Malta	71	Denmark	86	Denmark	86
	Bulgaria	13	Portugal	54	Latvia	27
	<i>difference</i>	58	<i>difference</i>	32	<i>Difference</i>	59
Social life	Slovenia	89	Denmark	96	Denmark	96
	Bulgaria	40	Greece	79	Latvia	48
	<i>difference</i>	49	<i>difference</i>	17	<i>difference</i>	48
Employment situation	Cyprus	81	DK, NL, LU	88	DK, NL, LU	88
	Bulgaria	35	Greece	59	Latvia, Poland	46
	<i>difference</i>	46	<i>difference</i>	29	<i>difference</i>	42
Health	Malta	90	DK, IE	91	DK, IE	91
	Romania	59	Portugal	69	Hungary	60
	<i>difference</i>	31	<i>difference</i>	22	<i>difference</i>	31
Family life	Cyprus	94	Ireland	96	Ireland	96
	Latvia	72	Portugal	87	Latvia	72
	<i>difference</i>	22	<i>difference</i>	9	<i>difference</i>	24
Home	Malta	96	AT, DK, FI, SE	96	AT, DK, FI, SE	96
	Bulgaria	74	Portugal	83	Latvia	75
	<i>difference</i>	22	<i>difference</i>	13	<i>difference</i>	21
Neighbourhood	Cyprus	95	Sweden	95	Sweden	95
	Bulgaria	80	Italy	83	EE, LV, SK	82
	<i>difference</i>	15	<i>difference</i>	12	<i>difference</i>	13

Source: CCEB, EB 52.1.

Note: Domains are ranked according to satisfaction difference in the EU 25.

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with each of the following.

Although there are, in principle, several ways to explain cross-national differences, there seems to be little doubt that people's satisfaction levels reflect different liveabilities within the respective societies. The case of income satisfaction is a telling example. In the ACC in general, average earnings are comparably low, two or three times below the EU average. This results in unsatisfactory standards of living and problems in making ends meet for large parts of the population. Moreover, during the economic transformation of the 1990s, many people suffered from declining real wages and declining pensions. In some acceding countries such as Poland and Slovenia, the decline was followed by an economic boom, leading to rising wages and standards of living. But average real wages are still much lower than a decade ago in other countries such as Bulgaria (in 1999, wages were 52% of the 1989 real wage level), Lithuania (48%), and Romania (62%). Those who are not in gainful employment get much less assistance from their transitory welfare states than their EU counterparts receive from their more developed welfare states. Hence, low income satisfaction does reflect hard economic facts. In contrast, citizens in many of the affluent and comparably stable western countries have the luxury of complaining most about the health care system (the subject of much public debate in many countries), not about their income.

However, an interesting pattern is that, on the country level, each of the nine domain satisfactions is correlated with national wealth. One interpretation for this is negative spin-off. The most obvious spin-off concerns satisfaction with home, since having less money means that affordable houses and flats are smaller and in worse condition. But in addition to the material aspects, economic hardship in the less affluent countries means that everyday life is more stressful and this can have a knock-on effect on social relations, and even family relations. As people in more well-off countries like the EU Member States are less subject to economic pressures, they are more likely to enjoy a satisfactory family life and good relations with neighbours and other people. An alternative interpretation is, again, that the domain satisfactions are an expression of a more basic general mood, and that this mood is very much influenced by economic welfare; hence one can find a correlation between national wealth and a variety of life domains, not only financial situation.

(2) The second major difference is the greater diversity in subjective well-being in the ACC group (Table 10). Diversity is most pronounced with regard to social life, financial situation, and personal safety. Diversity in the Member States group is typically lower. The only exception is satisfaction with the health care system, with dissatisfied citizens in the southern countries and fairly satisfied citizens in the Nordic and continental countries (for a more detailed description on this issue, see report by Alber/Kohler, 2003); characteristics of the southern welfare states are described in Rhodes (1997). The huge diversity in the ACC means that it is not useful to treat these countries as a monolithic bloc when designing policies for improving living conditions. To a lesser degree, however, this also holds true for the Member States.

Enlargement will result in growing cross-national disparities in domain satisfactions in the Community as a whole (Table 10). That means that the gap between the most satisfied and least satisfied population will become much wider for the vast number of domains (seven out of nine domains). This is especially true for income, personal safety concerns and social life, where the gap will increase by 30 percentage points. The impact of this enlargement will be much stronger than has previously been the case, stronger even than the impact of the enlargement to the south. There is an urgent need for a successful catch-up in living conditions in many acceding countries. It is worth noting, however, that not all new members will have lower levels of subjective well-being

than the current members: Taking all domains into account, the Cypriots, Maltese and Slovenes join the group of quite satisfied countries, which is made up of the Nordic countries, the Benelux and Austria. If one considers the share of 'very satisfied' people only, Cyprus ranks second after the European champion of subjective well-being, Denmark. The Czechs join the southern EU countries, with middle levels of satisfaction. But the bulk of the ACC have clearly lower levels of domain satisfaction.

Consistent and inconsistent welfare positions of individuals

This chapter has been concerned with average satisfaction levels and their correspondence to average objective living conditions. The next chapter deals with the individual level. At the individual level, satisfaction levels do not necessarily reflect objective life conditions 1:1, since there might be different standards of aspiration and evaluation (Hagerty, 2001). Unfortunately, the surveys offer no information about either aspiration levels, social comparisons with friends, neighbours or other reference groups, or feelings of entitlements. Citizens are likely to make such comparisons when evaluating their current living conditions in terms of satisfaction. These issues were not directly addressed in the surveys. But the presence of such processes (although not the concrete mechanisms) can be demonstrated by selectively cross-tabulating objective living conditions of individuals with their respective satisfactions.

Theoretically, four combinations, so-called 'welfare positions', are conceivable (Zapf, 1984): the combination comfortable objective condition/high satisfaction can be described as 'well-being', the combination bad/low as 'deprivation', the combination comfortable/low as "dissonance", and the combination bad/high as 'adaptation'. The latter two welfare positions are the most interesting, because subjective evaluations deviate from objective conditions, in one direction or the other. Aspiration levels and/or social comparisons must be the reason for these kinds of deviations. Two examples, health and neighbourhood, show how frequent such deviations are (see Table 11).

Health

Self-reported long-standing illness or a disability that restricts people's lives is taken as a proxy measure for objective health status.⁹ When combining this information with health satisfaction, people typically have consistent welfare positions. More people with good health status are satisfied with their health than dissatisfied. More people with a long-standing illness are dissatisfied than satisfied with health. This holds for both groups of countries. But for one fifth of the population, health satisfaction is not consistent with their reported health status. For example, around 10% of citizens are content with their health status despite having a long-standing illness or disability (adaptation). Hence, it would seem that people adapt to life circumstances to some degree.

Neighbourhood

This is all the more visible with the second example, neighbourhood (data are not available for the EU). As with objective conditions, the number of complaints about the area ('close neighbourhood') one lives in are measured. Less than two complaints imply a "good" neighbourhood, three or more complaints (the maximum is seven) imply a "bad" neighbourhood.

⁹ Of course, a more objective measure of health status would have been preferable, but this is not available.

When combining this information with satisfaction levels, 65% of people in the ACC held a consistent welfare position; 58% hold the well-being position, and 8% the deprivation position. A quarter of ACC citizens are content with their neighbourhood, despite having some complaints about it (adaptation); 8% are dissatisfied with their neighbourhood, despite living in a good area (dissonance). Although the concrete figure in this example depends somewhat on where the line between a 'good' and a 'bad' area is drawn, it is nevertheless helpful for demonstrating that people use different evaluation standards for their life experiences. This can lead to the paradox that some people are satisfied despite living in bad conditions, and some are dissatisfied, despite the fact that their living conditions can be objectively classified as good. However, it is worth stressing that consistent welfare positions are the rule rather than the exception, which underlines the value of subjective indicators for policymaking.

Table 11 Examples of consistent and non-consistent welfare positions of individuals, by country group

General scheme (source: Zapf 1984: 25):

		OBJECTIVE LIVING CONDITIONS	
		good	bad
SUBJECTIVE WELL-BEING	good (satisfied)	Well-being	Adaptation
	bad (dissatisfied)	Dissonance	Deprivation

Example 1: health, % of population

ACC 13		objective		EU15		objective	
		good*	bad*			good	bad
subjective	good	61	9	subjective	good	74	9
bad	14	17		bad	bad	8	10

Question: Long-standing-illness or disability that limits your activities, no = good, yes = bad.

Example 2: neighbourhood, % of population

ACC 13		objective		EU 15	
		good*	bad*	not available	
subjective	good	58	26		
	bad	8	8		

Question: Number of complains about neighbourhood, 0-2 complains = good, 3-7 = bad.

Source: CCEB, EB 52.1.

Satisfaction with life in general

Life satisfaction can be seen as the most comprehensive individual assessment of living conditions. It is dependent on life circumstances, but also on aspiration levels, preferences, and comparisons. In the survey, similarly to the questions about life domains, people were asked whether they were 'very satisfied', 'fairly satisfied', 'not very satisfied' or 'not at all satisfied' with their life in general. This life satisfaction question is a tried and tested instrument, and the central indicator in subjective well-being research.

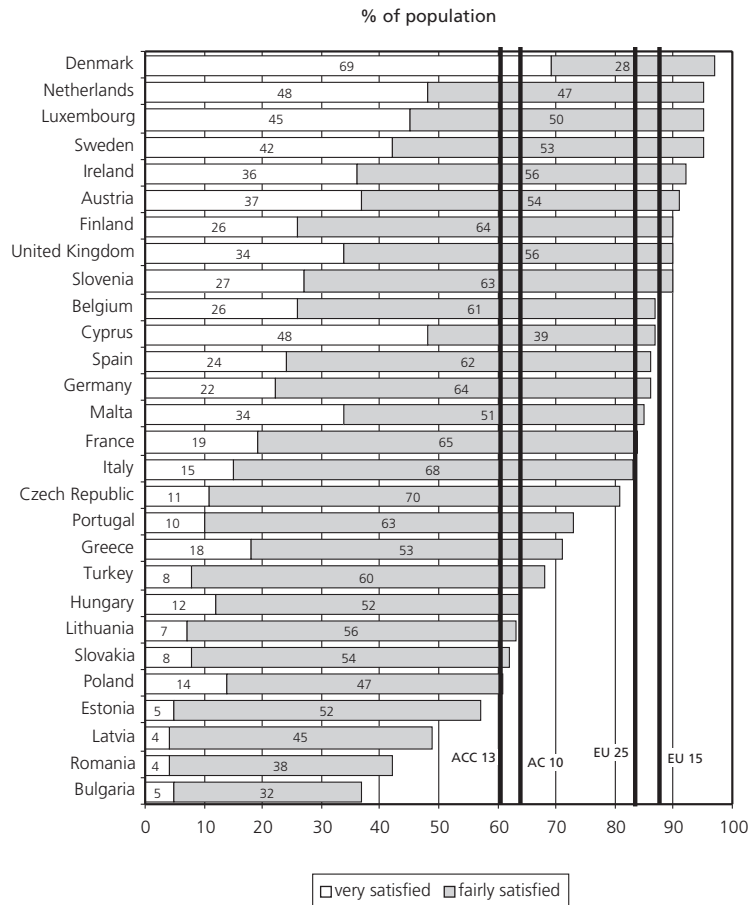
ACC levels of life satisfaction differ widely, with the highest levels in the better-off countries - Slovenia, Cyprus, Malta and Czech Republic- and the lowest in the poorest countries- Bulgaria and Romania. Thus, the picture obtained from domain satisfactions is confirmed. Whereas between 80% and 90% of the population in the better-off countries state that they are satisfied with life (again, "very" and "fairly" satisfied are grouped together), in the poorer countries only around 40% do (see Figure 4). Estonia, Hungary, Lithuania, Poland, Slovakia and Turkey are very close to the region's average satisfaction level. In Bulgaria and Romania dissatisfaction with life is the dominant experience, whereas a satisfactory life is the experience of only a minority. In Latvia, the population is divided equally between contented and discontented people. Similar levels of dissatisfaction are unknown among the current Member States and have occurred only once since the launch of the Eurobarometer surveys in 1973, in Greece in 1993. At that time, half of the Greeks reported satisfaction with life, and half dissatisfaction (see Delhey, 2001). The other ten AC-countries, however, follow a 'normal' pattern in having more satisfied than dissatisfied citizens, a pattern well-known within the EU. Cyprus stands out, with nearly half of the population saying they are very satisfied with life, unusual even in very affluent societies. For the most part, the country ranking is confirmed by other studies using different data (Fahey/Smyth, 2003, Delhey, 2002).

The results might suggest that in sunny countries with hot summers and mild winters, people enjoy higher life satisfaction. However, the 'sunshine theory' clearly fails for western Europe. Traditionally, life satisfaction is highest in the Nordic countries, and lowest in the southern countries (Figure 4). The Danes feel most satisfied (97% satisfied, with 69% being very satisfied), closely followed by the Dutch, the Luxemburgers and the Swedes. In the majority of EU states, among them Austria, Finland, Ireland and the United Kingdom, 90% or more of the population say that they are satisfied with life. In the two least satisfied countries, Portugal and Greece, around 70% of the people still report satisfaction. Therefore, again, the country differences are less pronounced in the EU. A large group of Member States is similar in average subjective well-being and in economic terms. The gap between Denmark and Greece is fairly small, compared to the huge gap between Slovenia or Cyprus and Bulgaria. The gap in the EU Member States is bigger when only the 'very satisfied' answers are considered. Only in Denmark is more than half of the population satisfied; in six member countries, more than one third is satisfied, and in eight countries, less than one third is satisfied with life as a whole.

Other studies have shown that from a longitudinal perspective, satisfaction levels in the EU have been rather stable over the last three decades (Noll, 1997). Hence, as stated above, the populations of the Nordic countries are 'traditionally' the happiest. The biggest changes have been the increase and partial catch-up in well-being of the Spaniards and Portuguese (see Delhey, 2002); and the interim decline in satisfaction of the Belgians during the early 1980s (Inglehart/Rabier, 1986, Noll

1997). Comparative survey research cannot go back earlier than the 1970s. An observation of the novelist Henry Miller, in his book, *Quiet days in Clichy*, interesting anecdotal evidence: while travelling from France to Luxembourg in the 1950s, he noticed that Luxembourgers even look more content than Parisians, a well-being difference which also shows up in the data analysed here.

Figure 4 Life satisfaction, by country



Source: CCEB, EB 52.1

Note: The population averages (vertical lines) refer to the share of citizens satisfied with life (fairly and very satisfied combined).

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your life in general.

In a pan-European ranking (Figure 4), most top ranks are occupied by current Member States, most bottom ranks by the applicants. Life satisfaction is generally lower in the ACC. The exceptions are Slovenia, Cyprus, Malta, and the Czech Republic. This is consistent with the picture obtained from domain satisfactions. Slovenia and Cyprus belong to a group of countries where the population enjoys a high life satisfaction. The Czech Republic joins the ranks of the least satisfied countries in the EU, Portugal and Greece. But even there, people are more satisfied than people in nine of the future members. In an enlarged Union there will be a new, dominant West–East gap in subjective well-being, and an additional, less marked North-South gap, which has been dominant since the early days of the Community. In this sense, enlargement marks a new epoch. But despite the fact that less satisfied populations will be joining, the population-weighted average life

satisfaction of Community citizens will drop only slightly, from 88% in the EU 15 to 85% in the EU 25. The reason for this is that since most joining countries are small in population, the impact on the Community average is modest.¹⁰

However, in a diachronic comparison of the ten AC joining in 2004, only the Latvians show lower life satisfaction than the Greeks and Portuguese did just before their countries joined the Community in the 1980s (Delhey, 2001). Five AC populations have about the same or slightly higher levels of subjective well-being (Estonians, Poles, Slovaks, Lithuanians and Hungarians). And four AC populations have more contented citizens (Czech Republic, Malta, Cyprus and Slovenia, see Table 12). In Greece in 1981, however, a relatively high proportion (19%) said they were very satisfied with life in general, a proportion that is higher than in most current acceding countries. Also in this comparison with Greece and Portugal, the situation is very different – and less satisfactory – for Bulgarians and Romanians, but these countries will of course not be joining in 2004. It is worth noting that life satisfaction in Portugal was very volatile in the middle of the 1980s: just over half the population (56%) reported satisfaction in the year prior to accession (1985), but this rose to 66% in the accession year, and then to 72% in 1987. For Greece, no data are available to chart the situation before accession.

Table 12 A diachronic east-south comparison of life satisfaction in acceding countries

Country (year of survey)	Time distance survey – accession year	Very satisfied (%)	Fairly satisfied (%)	satisfied (%)
Slovenia (2002)	2	27	63	90
Cyprus (2002)	2	48	39	87
Malta (2002)	2	34	51	85
Czech Republic (2002)	2	11	70	81
Spain (1985)	1	23	48	71
Turkey (2002)	?	8	60	68
Hungary (2002)	2	12	52	64
Lithuania (2002)	2	7	56	63
Slovakia (2002)	2	8	54	62
Poland (2002)	2	14	47	61
Greece (1981)	0	19	39	58
Portugal (1985)	1	3	53	56
Estonia (2002)	2	5	52	57
Latvia (2002)	2	4	45	49
Romania (2002)	?	4	38	42
Bulgaria (2002)	?	5	32	37

Source: CCEB, EB 15, EB 24.

Notes: Bulgaria and Romania: accession scheduled for 2007 at the earliest; Turkey: negotiations have not yet started.

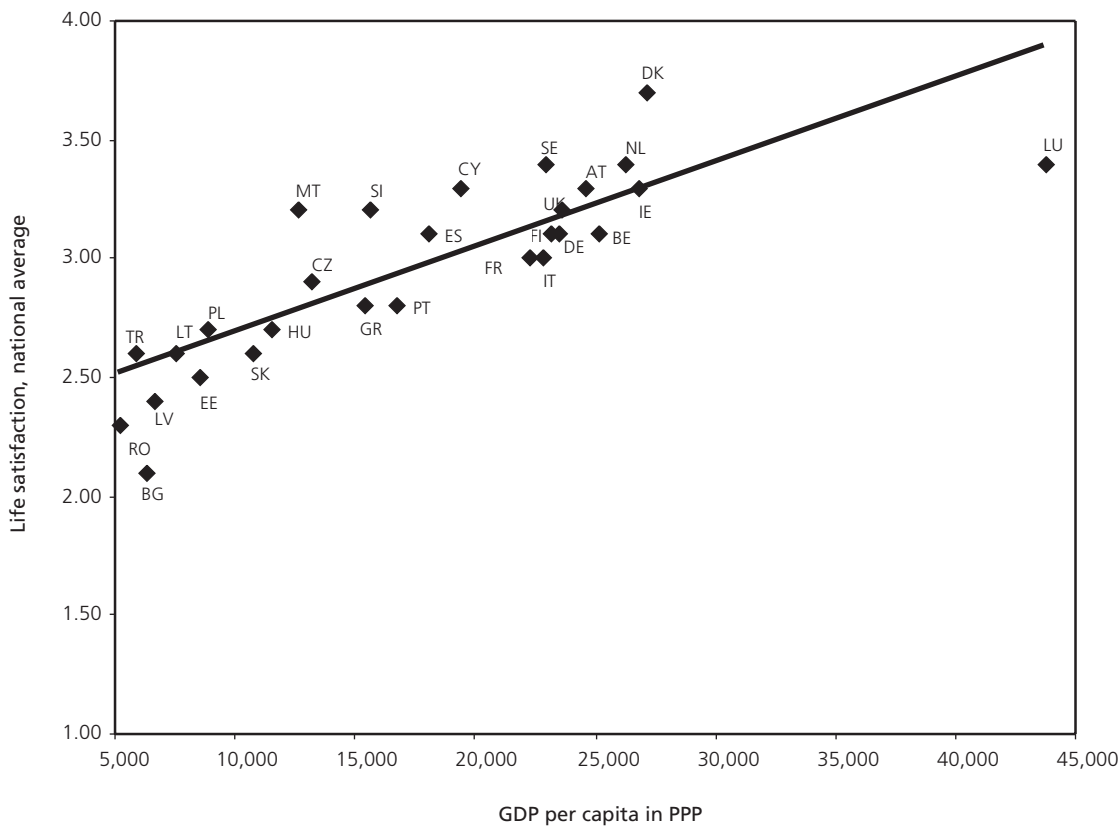
Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your life in general.

¹⁰ Although the Community will gain ten new members (an increase of two thirds), its population will only increase by one fifth.

As mentioned in the introduction, theoretically there are different possibilities for explaining why people differ in subjective well-being, and thus also why the citizens of some countries are more satisfied than others (see Inglehart/Klingemann, 2000): these include genes, personality, linguistic meaning, cultural norms of showing satisfaction, political culture, and liveability. Before accepting other explanations, however, we have tried the liveability approach. From a cross-European perspective, country differences in life satisfaction at a given point of time seem to be predominantly influenced by individual opportunity for need fulfilment. This is particularly true of material needs. This can be deduced from the fact that average life satisfaction tends to be higher in richer countries (Figure 5). No affluent country has a population with dramatically low life satisfaction, and no poor country has a population which is very satisfied. The association of national income per capita in purchasing power standards with average life satisfaction holds for both groups of countries separately, as well as for all 28 countries together (see also Fahey/Smyth 2003, who obtained the same result with a different data source, the European Value Study).¹¹ From a cross-national perspective, income is associated with satisfaction, but it is much stronger in less affluent countries. After a certain income threshold, there is a diminishing return of wealth on satisfaction. The association is visualised in Figure 5 where most countries are rather close to the regression line. On the other hand, there are some countries with a higher level of subjective well-being than one would expect given their national income level, like the Czech Republic, Malta, Slovenia, Cyprus, the Netherlands and Denmark. There are also some with a lower than expected level of well-being, like Bulgaria, Romania, France, Germany and Luxembourg. However, this only shows that objective conditions do not determine life satisfaction, and that economic conditions (having) are an important, but not by any means the only, contributor to subjective quality of life. Moreover, it is worth noting that in the scatter diagram, national income serves as a proxy for social progress in general. National wealth usually goes hand in hand with a higher standard of living, less poverty, more generous social assistance programs, better health and education systems, less social problems, less environmental problems and so on. Hence, there is a bundle of living conditions associated with national income level. It would thus be inappropriate to reduce high levels of life satisfaction to economic wealth alone.

To summarise, the strong association between national wealth, or other measures of social development, on the one hand and average satisfaction on the other, makes it difficult to argue that it is not the different liveabilities of the 28 societies which are decisive, but other characteristics such as a different genetic or psychological predisposition for high subjective well-being, linguistic differences, or different normative pressure for reporting satisfaction. Nor is the argument that different aspiration levels make the Bulgarians dissatisfied with their lives and the Danes satisfied convincing as a primary explanation. At an individual level, in a separate analysis of ACC and Member States we even found a small adaptation effect whereby aspirations tend to adapt slightly to life situations. This points to 'liveability' as the primary explanation, to living conditions and levels of need-fulfilment, which vary widely across European countries. If this is true, policy can create living conditions which maintain or enhance citizens' subjective well-being. This does not rule out the possibility that factors other than living conditions also play a role. Neither does it rule out the possibility that other studies, with different sets of countries which are less diverse in living conditions than the 28 countries studied in this report, may find a weaker connection between level of development and citizens' life satisfaction.

¹¹ However, the association is stronger for the acceding and candidate countries than for Member States. The association for the 13 accession and candidate countries is $r = .901^{**}$, with $p < .000$; for the 15 member countries it is $r = .818^*$, with $p = .014$; and for all 28 countries, it is $r = .830^{**}$, with $p = .000$.

Figure 5 Association between national income level and average life satisfaction

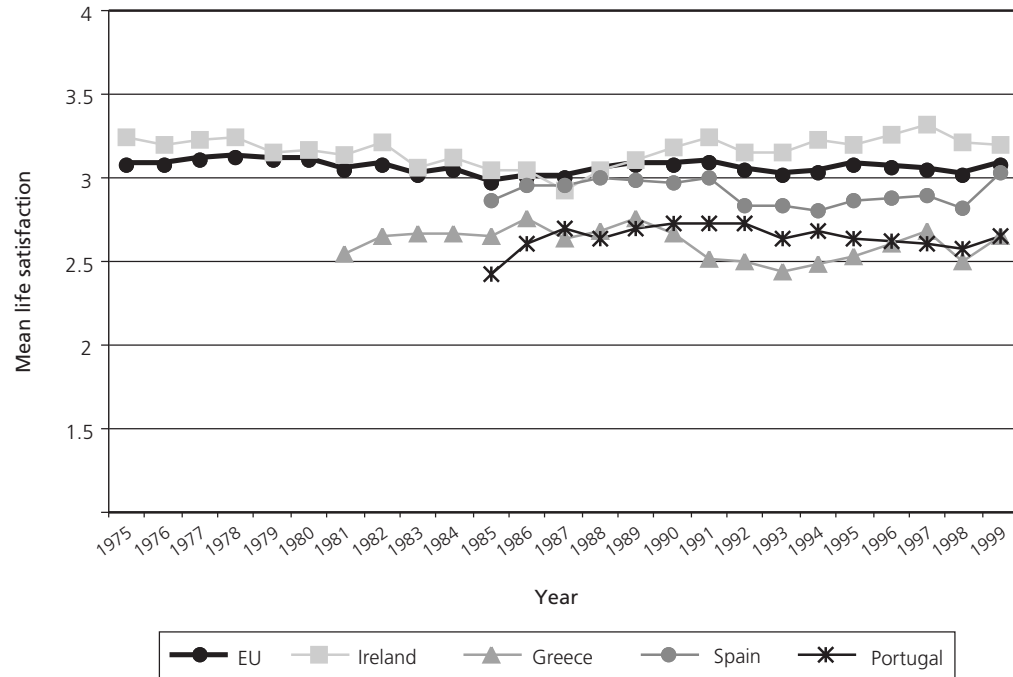
Source: CCEB, EB52.1.

Note: life satisfaction scale: 1 = not at all satisfied; 4 = very satisfied.

What are the chances for improving life satisfaction in the countries where people are least satisfied? Some would argue that chances are poor. This opinion can be derived from findings that from a longitudinal perspective, growing national income does not pay off in greater subjective well-being. Indeed, despite the fact that the average level of living has improved in many EU countries, there has been no corresponding advance in average subjective well-being over the last three decades in most of them. Growing aspirations could be the key to understanding this paradox: People live better, but since they also expect more from life, they remain on the same level of subjective well-being (Easterlin, 2001). An alternative explanation would be that economic progress does not come without negative side-effects such as pollution, stress, and the disruption of social relations (Sennet, 1998); hence the balance sheet is neutral. However, there are counter examples: The catch-up in the satisfaction levels of the Spaniards, Portuguese and Greeks (in the latter two cases it was at least a partial catch-up), was more or less parallel to their countries' economic catch-up. However, there was no linear trend of growing life satisfaction in these countries (see Figure 6), and it is an open question whether the improvements in satisfaction will last. Likewise, the life satisfaction of East Germans grew considerably after the fall of the Berlin wall, parallel to catch-up consumption and rapid improvements of material living conditions (Zapf, et al. 2002, Bulmahn, 2001). In a recent article, Hagerty and Veenhoven (2003) argue that growing national income accompanies higher satisfaction, even in some affluent societies. Although empirical evidence is obviously mixed, it is conceivable that growing aspirations might countervail

progress to some extent; but if progress occurs rapidly and is stronger than expected, economic success may indeed go with greater life satisfaction, especially if the former level of living was rather low. Therefore, assuming that living conditions in the new member countries improve rapidly after accession, an advance in subjective well-being is conceivable. But this effect is much more likely where satisfaction levels are currently low.

Figure 6 Life satisfaction in selected EU Member States, 1975-1999



Source: EB 3-54.

Notes: EU = national average of EU-8: BE, DK, DE, FR, IT, LU, NL, UK ; Life satisfaction scale: 1 = not at all satisfied; 4 = very satisfied.

Basic determinants for improving subjective quality of life

In order to understand people's evaluations of life better – and to design policies that make people more satisfied – it is useful to know what are the main drivers of subjective quality of life, or life satisfaction. If, for example, public safety does not contribute to citizens' well-being, then an improvement in public safety will not raise the level of people's life satisfaction (even though, of course, public safety is an important policy goal in itself). The survey offers two ways of investigating the determinants of life satisfaction. The first approach is the 'testimony' approach, which relies on self-reporting. The second approach is the 'regression' approach, which identifies what is important with the help of advanced statistical analysis.

The testimony approach: self-reported determinants of quality of life

Self-reported contributors to quality of life

In the surveys, respondents were asked which factors contributed to their current level of quality of life. Respondents were asked to choose three items from a list of 16. This procedure of picking out the three most important items produces a very clear picture of the main contributors to quality of life. In all countries, 'being in good health' contributes most to quality of life. On average it is ranked in the top three by two thirds of the population in the ACC, and by three quarters in the Member States. Health is followed by 'sufficient income to meet my needs' and 'having family members who are there when I need them'. These three are by far the strongest contributors. Again, the answers show that quality of life is not a question of either having (income), loving (family) or living in good health (health), but of all three – with health obviously being the single most important concern.

Of lower importance are 'having a nice home', 'having friends who are there when I need them', 'having a satisfactory job' and 'having little stress or worries', which are listed in the top three by around one fifth of respondents. Of minor importance – but not necessarily completely unimportant – are 'satisfactory environment', 'enough free time for myself and my family', 'living in a safe area', 'good health services', 'good transportation facilities', 'access to good education and training facilities', 'access to social and cultural activities', and 'access to new information technologies'. Hence, own health, sufficient income, and support from family are the most salient determinants of quality of life for Europeans in almost all countries (see Tables 13 and 14). This finding fits with previous studies, which have been summarised by Easterlin (2001: 466) as follows: '[I]n most people's lives everywhere the dominant concerns are making a living, family life, and health, and it is these concerns that ordinarily determine how happy people feel'. The only countries that slightly deviate from the reported pattern are Estonia and Hungary, where 'family support', not 'health', is ranked first. In Estonia, 'family support' is followed by three concerns of nearly equal importance, which are 'nice home', 'support from friends', and 'health'.

Whereas there were some West–East differences concerning the abstract idea of what is necessary for leading a good life (see chapter 1), there are almost no country differences concerning the main self-reported contributors to quality of life. For Europeans, the actual contributors to quality of life are very much the same – 'probably because most people everywhere spend most of their lives doing the same type of things' (Easterlin, 2001: 467). This, however, leads to the question of what exactly is measured by the survey question. It is doubtful that the answer really reveals what

resources (in the broadest sense of the word) people actually command, which is what the questionnaire designers probably intended. Rather, the question seems to tap into general ideas of what quality of life constitutes. However, when compared to the life necessities question (chapter 1), the method used here is different (picking the three most important concerns only), the list seems to be much better, since income and health are included, and the meaning of the question is quite different. Whereas contributors presumably enhance a person's quality of life, life necessities do not necessarily do so; rather, a lack of life necessities presumably reduces quality of life.

Table 13 Self-reported factors contributing to quality of life, by country group

ACC 13		EU 15
mentioned among top 3 by ...% of the population		
	100	
	95	
	90	
	85	
	80	
	75	health
	70	
health	65	
	60	
	55	
	50	
sufficient income, support from family	45	sufficient income
	40	support from family,
	35	
	30	
satisfactory job	25	
nice home	20	nice home, satisfactory job, support from friends, little stress
support from friends, little stress	15	free time
health service, free time, environment, safe area	10	health service, environment, safe area
training facilities, information technology, good transport, social/cultural activities	5	training facilities, social/cultural activities,
	0	good transport, information technology

Source: CCEB, EB 52.1

Question: In your opinion, which three factors contribute most to your current quality of life?

Self-reported potential improvers of quality of life

A second question focused on how quality of life could be improved. Referring to exactly the same list of items as the previous question, it reads as follows: 'And which three of these factors would most improve your current quality of life?' Hence, the question is concerned with potential drivers of quality of life. The answers should reveal what people lack most in their everyday life and their most urgent needs. Before presenting the results, it must be pointed out that the potential for using this question for comparative purposes is severely limited. In the Eurobarometer questionnaire for the EU, each of the items was provided with comparative adjectives ('better', 'more', or 'less'). But this was not so in the ACC. While people in the ACC were asked whether 'being in good health'

would improve their lives, people in the EU were asked whether 'being in better health' would improve their lives. These differences in wording apply to all items belonging to this particular question. Therefore, in the following paragraphs, an East-West-comparison would be misleading.

Table 14 The three most important self-reported factors contributing to quality of life, by country

Country	Most important	Second most important	Third most important
Bulgaria	health	income	job
Turkey	health	income	job
Czech Republic	health	income	family
Lithuania	health	income	family
Malta	health	income	family
Slovakia	health	income	family
Cyprus	health	family	income
Latvia	health	family	income
Poland	health	family	income
Romania	health	family	income
Slovenia	health	family	income
Hungary	family	health	nice home
Estonia	family	nice home	friends
Austria	health	income	nice home
Belgium	health	income	family
France	health	income	family
Greece	health	income	family
Germany	health	income	family
Ireland	health	income	family
Netherlands	health	income	family
Spain	health	income	family
United Kingdom	health	income	family
Italy	health	family	income
Luxembourg	health	family	income
Portugal	health	family	income
Sweden	health	family	income
Denmark	health	family	friends
Finland	health	nice home	family

Source: CCEB, EB 52.1.

Question: In your opinion, which three factors contribute most to your current quality of life?

In the accession and candidate countries, 'income' and 'health' are chosen most often as items which have the potential to improve life (Table 15). In the three most affluent countries Cyprus, Malta, Slovenia, and in Turkey, 'being in good health' is reported as most important (see also next chapter), and 'sufficient income' comes second. In all other countries it is the other way around, with income seen as the most urgent need (Table 16). The choice is easily understandable, since in market economies, money is the most exchangeable resource, and can be used to meet a variety of needs. To some extent, money can buy satisfaction. It is also consistent with the finding that

income belongs to those areas of life least satisfactory to people; and in the case of the ACC, broad strata are dissatisfied with their income. The need for income is most frequently mentioned in Bulgaria, Hungary, Romania and Lithuania (three of these countries rank amongst the least wealthy in the group). Similarly, health is indispensable for a variety of activities in the economic and social realm. Remember that between 10% and 40% of ACC citizens are dissatisfied with their health, and on average, one fourth of the region's population reports having a long-standing illness or disability. The third and fourth most important potential improvers of life are 'having little stress' and 'having a job or a satisfactory job'. Other things only have a minor effect on raising quality of life – or, to put it more precisely, only have an effect for a small number of people.

In general, the same applies to the Member States (Table 15). Here, 'having a higher income' is by far the most important item necessary for improving quality of life, even in the most affluent countries. After 'health', which comes second, 'having less stress and fewer worries' typically comes third for raising quality of life. If one looks at each country separately, there are very few deviations from the general pattern described (Table 16). In Luxembourg, one of Europe's leading banking and finance centres, having a less stressful life is viewed as being as important as more money.

Table 15 Self-reported potential drivers of quality of life, by country group

ACC 13		EU 15
mentioned among top 3 by ...% of the population		
	100	
	95	
	90	
	85	
	80	
	75	
	70	
	65	
sufficient income	60	
health	55	better income
	50	
	45	
	40	
satisfactory job	35	better health,
little stress	30	less stress
	25	
support by family	20	better job, more free time, better health service
health service, nice home	15	better environment
free time, environment, support by friends, safe area, training facilities	10	more support by family, nicer home
information technologies, good transport, social/cultural activities	5	more support by friends, safer area, better training facilities, better social/cultural activities, better information technologies, better transport
	0	

Source: CCEB, EB 52.1

Question: And which three of these factors would most improve your current quality of life?

Table 16 The three most important self-reported potential drivers of quality of life, by country

Country	most important	2nd most important	3rd most important
Bulgaria	income	health	job
Estonia	income	health	job
Latvia	income	health	job
Lithuania	income	health	job
Czech Republic	income	health	little stress
Hungary	income	health	little stress
Poland	income	health	little stress
Slovakia	income	health	little stress
Slovenia	income	health	little stress
Romania	income	health	family
Cyprus	health	income	family
Malta	health	income	family
Turkey	health	income	job
Finland	income	health	less stress
Germany	income	health	less stress
Greece	income	health	less stress
Netherlands	income	health	less stress
Denmark	income	health	free time
Spain	income	health	job
Portugal	income	health	health service
Austria	income	less stress	health
Belgium	income	less stress	health
Italy	income	less stress	health
United Kingdom	income	less stress	health
France	income	less stress	free time
Ireland	income	less stress	free time
Sweden	income	free time	health
Luxembourg	less stress	income	environment

Source: CCEB, EB 52.1

Question: And which three of these factors would most improve your current quality of life?

An interesting question, again, is the connection with living conditions at the individual level. For individuals, answers indeed reflect scarcities at least to some degree. This can be proved by looking at the correlation between dissatisfaction with a life domain, and this domain being mentioned as an important improver of quality of life. The higher – and more positive – the association, the more individuals' choices reflect scarcities. Three examples can be found in Table 17. The first example is income. As a general pattern, the more dissatisfied people are with their income, the more often they choose 'sufficient (or higher) income' as one of the top three items necessary for improving their quality of life. The same pattern prevails for health, and for employment situation. However, the associations are often rather weak. This points to the fact that there is no immediate link between dissatisfaction with a particular life domain, and the potential of this domain for increasing subjective quality of life if conditions were to be improved. The most direct link exists

with regard to health: A person who is dissatisfied with their health, will very likely mention 'being in better health' as one of the three things most capable of improving quality of life. When reflecting on the method used, it seems obvious that the question design of picking only three items from a list of 15 potential drivers tends to weaken correlations somewhat, since respondents are restricted in their choice.

Table 17 Self-reported improvers of quality of life as expression of dissatisfaction

	association between...		
	Income dissatisfaction and 'sufficient income' as a potential improver of QOL	Health dissatisfaction and 'good health' as a potential improver of QOL	Employment dissatisfaction and 'satisfactory job' as a potential improver of QOL
	Pearson's r		
Bulgaria	.234***	.128***	.185***
Cyprus	.127***	.205***	.117**
Czech Republic	.294***	.353***	.212***
Estonia	.267***	.375***	.278***
Hungary	.254***	.404***	.177***
Latvia	.169***	.258***	.192***
Lithuania	.164***	.267***	.149***
Malta	.177***	.174***	.139**
Poland	.260***	.399***	.219***
Romania	.216***	.219***	.208***
Slovakia	.200***	.394***	.250***
Slovenia	.226***	.261***	.256***
Turkey	.109**	.038	.088***
Austria	.264***	.358***	.292***
Belgium	.336***	.351***	.361***
Denmark	.291***	.511***	.327***
Finland	.362***	.443***	.402***
France	.192***	.421***	.359***
Germany	.329***	.529***	.388***
Greece	.162***	.161***	.174***
Italy	.251***	.403***	.375***
Ireland	.183***	.452***	.344***
Luxembourg	.311***	.408***	.294***
Netherlands	.427***	.433***	.291***
Portugal	.065*	.524***	.189***
United Kingdom	.249***	.439***	.330***
Spain	.243***	.283***	.231***
Sweden	.380***	.492***	.388***

Source: CCEB, EB 52.1.

Notes: Reading example: the higher the correlation, the more often the dissatisfied [with financial situation, own health; employment situation] say that [income, health, satisfactory job] would improve their quality of life. Significance levels * = $p < .05$; ** = $p < .01$; *** = $p < .001$.

The regression approach: non-self-reported determinants of life satisfaction

The use of multivariate statistics (regression analysis) is an alternative way to detect which life domains have the biggest influence on improving subjective quality of life. Life satisfaction is taken as an outcome measure of subjective quality of life. With the regression technique, determinants of life satisfaction can be discovered indirectly, without asking people about their priorities. Instead, the strength of multivariate association between domain satisfactions and life satisfaction is taken as evidence. It is inferred that domains which are highly correlated with life satisfaction matter a great deal to people, and domains which have a weak correlation do not matter much. The following tables summarise the results graphically (Tables 18 and 19). They should be read in the following way: if respondents were more satisfied with life domain x, and all other domains remained constant, how much would this improve their overall life satisfaction? Note that for reasons of clarity, only domains with an impact (regression coefficient b) above .125 are displayed.

When using the regression approach, a major difference between many of the acceding and candidate countries on the one hand, and the Member States on the other show up. In the former group, it is shown that in all countries citizens' satisfaction with their personal financial situation (income) has an impact on their contentment with life; and in seven out of 13 countries, income satisfaction has the strongest influence on how people evaluate their lives. Hence, raising personal income is also the best strategy for making people more satisfied with their life in general. This is true for many of these countries. Income satisfaction has a particularly strong impact in Bulgaria, Latvia, Cyprus, Hungary and Romania where, with the exception of Hungary, income satisfaction is far ahead of other domains in influencing overall life satisfaction. Here, having seems to be most important. A fairly low, but still significant, impact of income satisfaction can be found among the Czechs and Slovenes. Next to income, satisfaction with health, family life and social life has the biggest potential for improving life in the region. In Turkey, Malta, and Slovenia, health satisfaction has the strongest effect on life satisfaction; this is consistent with self-reports (see previous chapter). In Lithuania, satisfaction with family life is most influential, in the Czech Republic it is satisfaction with social life. In contrast, the other life domains studied (employment situation, home, personal safety, neighbourhood, health care system) have only limited potential for making people more satisfied with life. For example, feelings of personal safety have a statistically significant influence in only three countries. In general this confirms findings that it is the most personal and intimate life circumstances, rather than the close surroundings, like neighbourhood, or the wider surrounding of state institutions, like the national health care system, which are decisive for human well-being. It is also generally consistent with people's testimonies that health, income, and family support are the most important contributors to their quality of life.

In contrast, in none of the – on average much wealthier – Member States, is satisfaction with financial situation the strongest improver of life satisfaction. In Italy and Sweden, being more content with income would not improve overall appreciation of life at all. In the other EU countries, income has an effect, but only a small one. Usually, satisfaction with family life, social life or health is most salient. The ranking of life domains groups together countries which are very different, both culturally and institutionally. For example, satisfaction with family has a strong impact in southern and/or Catholic countries like Italy, Spain, and Ireland. This is well-understandable, given the strong role families play in providing social assistance in these 'rudimentary' welfare states (Rhodes 1997). But satisfaction with family is also very important for overall life satisfaction in some Protestant universalistic welfare states like Denmark, Finland, and Sweden. Health is the

number one determinant in Greece, Luxembourg, and the United Kingdom. In Germany, three domains are of nearly equal importance: social life, health, and finance.

From a comparative point of view, the most important finding is that in the ACC, having is much more central for people's well-being, whereas in the EU, loving and being are typically more central. In following Maslow's hierarchy of needs, the materialistic stance among the ACC can be explained by the lower level of fulfilment of the population's material needs in these countries (Maslow, 1970). In the more affluent member countries, the material needs of the population are satisfied to a larger extent. Only the Czech Republic and Slovenia are very close to the western pattern. It is worth mentioning that although overall life satisfaction can be explained well at the individual level by the nine domain satisfactions included in this study, around half of the variance in life satisfaction still remains unexplained. This unexplained variance must be attributed to domains other than those asked for in the study – e.g. satisfaction with physical attractiveness or sex life – or indeed, to measurement errors.

Table 18 Influence of domain satisfactions on life satisfaction in the ACC

b*	BU	LV	CY	HU	RO	LT	PL	SK	MT	EE	TR	CZ	SI
High importance of domain satisfaction for life satisfaction													
50													
40	income												
35		income									health		
30			income	income	income	family			health				
25				health		income	income	income					
20			health				health	health	income	income, family	income, SOC. LIFE	SOC. LIFE	
15	SOCIAL LIFE, health	family	family		health	health, SOC. LIFE.	SOC. LIFE, family		family	health		family, employment, health	health, family
10													
Low importance of domain satisfaction for life satisfaction													

Source: CCEB, EB52.1

Notes: Results from OLS regressions. Only domains with $b > .125$ are displayed; Table A4-3. Unstandardised regression coefficients are used since all independent variables are measured on the same Likert scale. * b multiplied by 100.

The regression results clearly indicate that the citizens of most new Member States are more 'materialistic' than that of the current Member States, since satisfaction with material living conditions have a stronger impact on how people think about their lives. EU citizens, in contrast, are more post-materialistic. Does this not contradict the finding that 'better income' is mentioned very often in the EU as a self-reported potential improver of quality of life? The key to understanding this – at first glance contradictory – result is the wording of the self-report question,

which differs, as described above, from the wording in the ACC Eurobarometer. Since roughly nine out of 10 in the EU are satisfied with their family life, eight out of ten with their health and social life, but only six out of 10 with their financial situation, it is understandable that ‘having a better income’ is mentioned much more often than ‘better health’, ‘more support by family’, and ‘more support by friends’ as having the potential for improving one’s quality of life. Although it is possible for even rich people to imagine having more money, those without health problems cannot imagine being in better health. Income is improvable without limits, health is not. Hence, the clear result of the stronger materialism among the ACC obtained with the regression method is not distorted by the results stemming from self-reports.

Table 19 Influence of domain satisfactions on life satisfaction in the EU Member States

b	IT	NL	ES	DK	IE	FI	PT	UK	SE	GR	FR	DE	BE	LU	AT
50															
40															
35	family														
30															
25		family SOC. LIFE	family	family	family	family					SOC. LIFE		SOC. LIFE		
20	health		SOC. LIFE	SOC. LIFE	SOC. LIFE	SOC. LIFE	family health	health family	family	health SOC. LIFE		SOC. LIFE health	income	health	
15	SOC. LIFE Employ- ment		health SAFETY	Employ- ment	Employ- ment health	health income	SOC. LIFE	SOC. LIFE income	health SOC. LIFE	family	family income	income family	Employ- ment	Employ- ment	health HOME Safety
10															

Source: CCEB, EB52.1.

Notes: Results from OLS regressions. Only domains with b > than 0.125 are displayed; the full regression tables are shown in the annex, Table A4-3. Unstandardised regression coefficients are used since all independent variables are measured on the same Likert scale.

* b multiplied by 100.

Reasons for differences in satisfaction levels within countries

For many people, social progress means not only creating better living conditions on average, but creating them for as many citizens as possible. In this tradition, a successful reduction of social inequalities is seen as a major touchstone for social progress. Modern history has seen a remarkable reduction in many social inequalities, but there is much concern that in a globalised world of interdependent economies, this trend has come to an end or is even at a turning point. In this chapter, differences in subjective well-being inside countries are interpreted in terms of inequalities (following Veenhoven 2002). It is a rather new approach to define inequalities in this way, but it offers some great advantages, among them that life results, rather than life chances (which may or may not result in a good life), are measured, albeit only in a subjective manner.

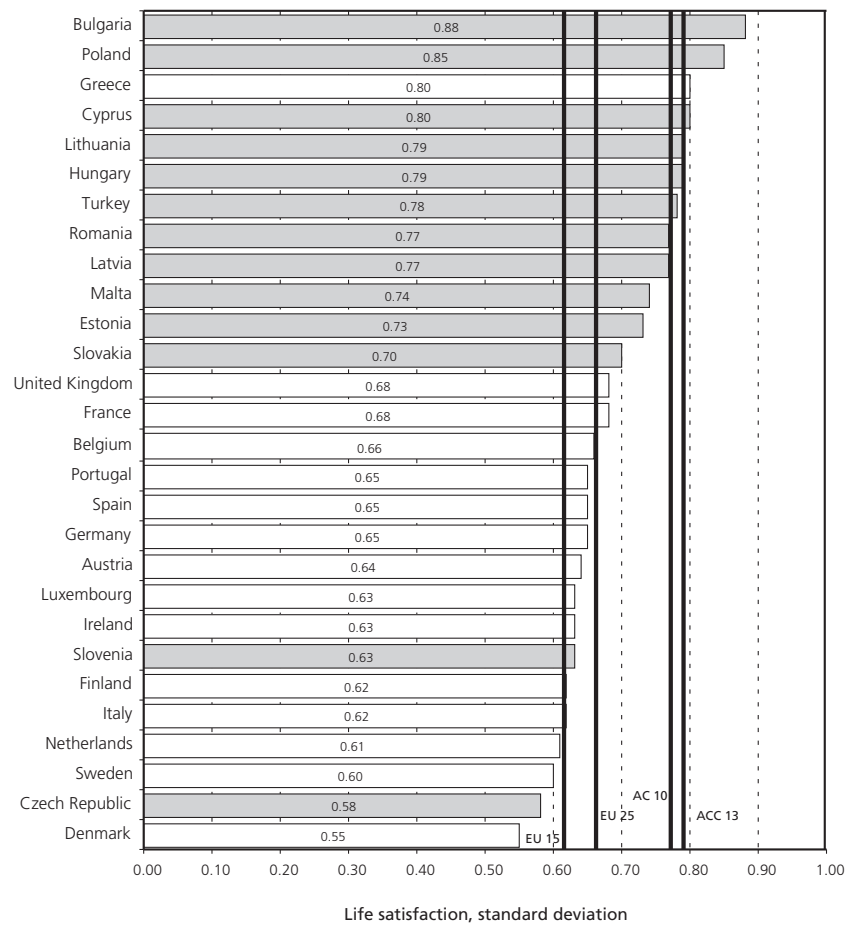
Dispersion in satisfaction

A measure of inequality, the standard deviation, can be derived from the answers given to the life satisfaction question. The higher this measure, the more unequally are subjective life results – i.e. life satisfaction – distributed within a society. From a methodological point of view it has to be mentioned that this measure only makes sense if one assumes that life satisfaction is not infinite, but that an upper limit, which is expressed as ‘very satisfied’, exists. In this case, life satisfaction is generally more unevenly distributed in the ACC than in the EU (Figure 7, see also Fahey/Smyth, 2003). The only exceptions to this rule of thumb are on the one hand the Czech Republic and Slovenia, which are very egalitarian societies in terms of well-being; and on the other hand Greece, which has a high degree of satisfaction inequality, comparable to many ACC. The most inegalitarian country in terms of life satisfaction is Bulgaria, which has the double disadvantage of having both the lowest national income level and one of the highest income inequalities. Poland has also a high level of satisfaction inequality. The most egalitarian European country is Denmark. Most of the EU countries have very similar low dispersions in life satisfaction, regardless of their welfare state type or their level of objective income inequality. Satisfaction dispersion is generally lower in countries with high average life satisfaction (Figure 8; see also Fahey/Smyth, 2003, Veenhoven 2002). Thus, progress means both an increase in average satisfaction, and a more egalitarian distribution of satisfaction among the population. In an enlarged EU, differences in life satisfaction within countries will increase (see Figure 7). Hence, enlargement not only pushes welfare disparities between member countries, but also disparities within single societies, to the top of the policy agenda.

How can the different levels of satisfaction inequality be explained? Two theories can be exploited for this purpose, relative utility and absolute utility (see Hagerty/Veenhoven, 2003). ‘Relative utility’ means that the individual’s utility for income is relative to other people. Hence, the extent of objective inequalities might have an impact, since they are a proxy of how people fare compared to others within the same society. True, when tested against our data, the more unevenly income is distributed among a population, the more unequal is the distribution of life satisfaction. For the 28 countries, the association (Pearson’s r) between the Gini-index of income distribution and dispersion in life satisfaction is .51 ($p < .01$). This finding is contrary to that of Fahey/Smyth (2003), who found no significant association between the two. Income inequality is, however, difficult to measure; hence Gini figures can only give a rough picture of social situation. Moreover, difficulties increase when it comes to cross-national comparisons, and sometimes different sources report

different figures for the same country (for measurement problems, see Atkinson/Micklewright, 1992, Hoffmeyer-Zlotnik/Warner, 1998). ‘Absolute utility’ means that an individual’s utility depends on absolute need-fulfilment, independent of social comparisons or the individual’s previous income stream. This theory is also confirmed by the data. Less affluent societies tend to be unequal in subjective well-being, while affluent societies tend to be more equal. For the 28 countries, national income (GDP per capita in purchasing power standards) is associated with dispersion in life satisfaction at $-.687$.

Figure 7 Dispersions in life satisfaction, by country



Source: CCEB, EB 52.1.

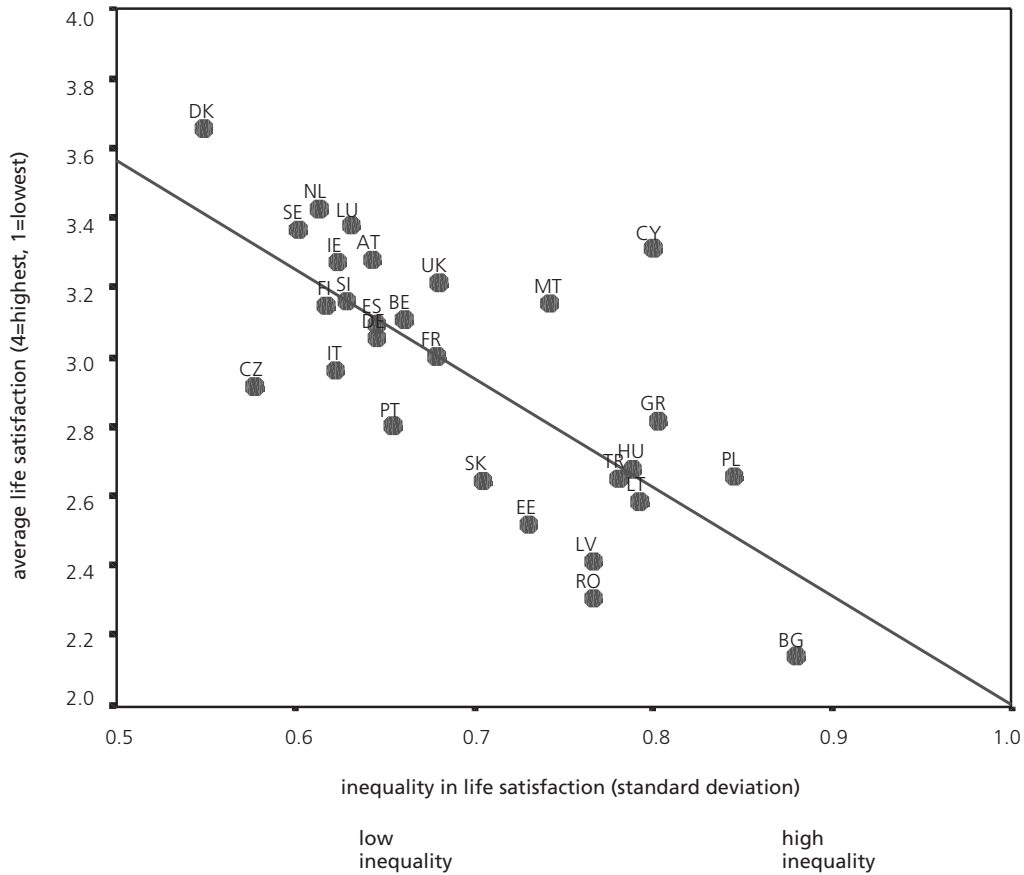
Note: Life satisfaction scale: 4-point scale with 1 = not at all satisfied; 4 = satisfied

Question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your life in general.

But which of the two explanations is better? Absolute utility has the advantage. A multivariate analysis (OLS regression), which takes into account both aspects simultaneously, shows that across countries, income levels are more strongly associated with satisfaction dispersion than income distributions are. An explanation might be that in affluent societies, being in relative poverty still means quite a decent standard of living. True, people on low incomes have less than the middle class, but many of them still have enough to prevent deep dissatisfaction. On the contrary, in less affluent societies being in the lower ranks means a considerably lower standard of

living. This leads to widespread feelings amongst poorer people that their lives are unsatisfactory in comparison with the lives of the well-off.

Figure 8 : Association between average life satisfaction and life satisfaction dispersion



Source: CCEB; EB52.1.

However, it is worth noting that it is not only income that counts. In the previous analysis, ‘national income’ was a sort of marker for several kinds of material or non-material living conditions that go along with economic progress. Proof of this is that dispersion in life satisfaction is even more strongly correlated with the Human Development Index as a proxy for general social progress ($r = -.723, p < .000, N = 28$), than with national income alone. Besides rising standards of living, social progress also means empowering people to use their resources better; this homogenises life results and may thus lead to a more evenly distributed subjective well-being (see Veenhoven, 2002).

Another approach to understanding the influence of absolute and relative utility on general life satisfaction is presented in Figure 9. This figure combines three kind of information. The countries are arranged at the x-axes. In each country, on the basis of household equivalent income, four income groups are distinguished, represented by four squares. The average absolute income people enjoy in each of the four national income groups is shown on the y-axes. By definition, mean income decreases if one goes from the highest to the second, third and lowest income group. For reasons of presentation, income is converted into logarithmic income. Originally, the data were

shown in euro based on current exchange rates. If one reads the figure across countries, the squares which are printed at the same level as each other represent people which have a comparable income in absolute terms.

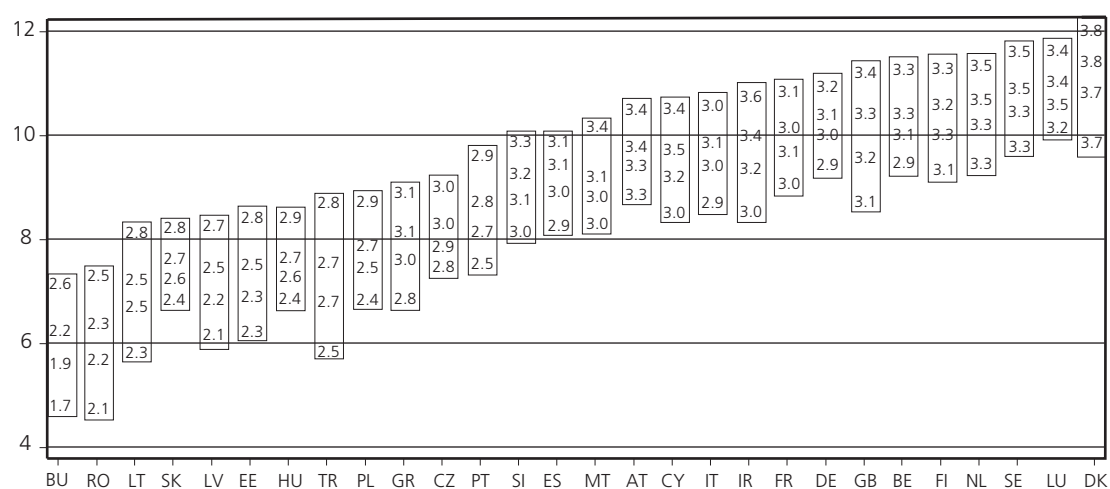
At this point the third and decisive information comes into play: the average life satisfaction of the respective income group, which is printed directly in the squares. To give an example: in Bulgaria, the highest income group has an average life satisfaction of 2.6 (on the previously mentioned satisfaction scale from 1 to 4); the second group shows 2.2; the third group 1.9; and, finally, the lowest income group 1.7. The higher the relative income position, the better the appreciation of life. This rule of thumb holds for all countries, albeit to varying degrees (see below). The main advantage of the figure, however, is not to allow for comparisons within countries, but to make comparisons across countries and within countries simultaneously possible. It allows for cross-country comparisons of satisfaction levels between groups which have a similar absolute level of living while holding very different relative positions within their national social structure. And it also allows cross-country comparisons of satisfaction levels between those groups which share a similar relative income position, but very different absolute income levels. Hence one can expect an answer to the old question, whether it is better to be poor in a rich society, or rich in a poor society. Drawing on the 'relative utility' theory, one would expect, across the 28 countries, quite similar levels of satisfaction among the same relative income groups, regardless of how wealthy they are in absolute terms. In contrast, based on the 'absolute utility' theory, one would expect similar levels of contentment among those groups sharing the same absolute income level, regardless of their relative position in their own country.

Again, empirical evidence confirms the absolute utility theory better. Across the 28 countries, life satisfaction of the highest income group varies considerably, from 2.5 in Bulgaria to 3.8 in Denmark. Among the lowest income groups, differences are even greater, ranging from 1.7 in Bulgaria to 3.7 in Denmark. Hence, even if people hold the same relative position in the national income distribution, they differ widely in their appreciation of life. In contrast, cross-national differences in life satisfaction are much lower among those income groups which have the same absolute income at their disposal. For example, around a logarithmic income level of 8, that is about 250 euro, one can identify ten income groups. The respective satisfaction levels range only between 2.7 (the second income group in Poland and the highest income group in Latvia) and 3.1 (the second income group in Greece). The relative positions of these groups within their societies, however, vary widely: these are the highest income group in Slovakia, Latvia, Estonia and Hungary; the second income group in Poland and Greece; the third income group in the Czech Republic; and even the lowest group in Slovenia, Spain and Malta. Likewise, at a logarithmic income level of 10, or around 1000 Euro), twelve income groups can be identified, of which eleven show quite identical life satisfaction levels between 3.0 and 3.4. Only the lowest income group in Denmark is an exception, with an average satisfaction of 3.7. Again, at this income level there are both the highest income groups (Slovenia, Spain, Malta) as well as the lowest income groups (Luxembourg and Denmark).

A general conclusion from these examples is that people at similar absolute levels of income are more alike in their contentment of life than people holding the same relative income position. Absolute utility is more decisive for life satisfaction than relative utility (although relative utility is not unimportant). One final example is striking. If the level of life satisfaction of the highest income

group of the five least satisfied countries (Bulgaria, Romania, Slovakia, Latvia and Estonia) is compared with that of the lowest income group of the 16 most satisfied countries (all countries from Slovenia to Denmark), the picture is as follows: the low-income groups in the more affluent countries are still more satisfied with life than the high-income groups in the less well-off countries. To sum up, all the evidence presented here suggests that absolute level of living is more important for subjective well-being than how well people fare relative to their fellow countrymen. Absolute utility matters more than relative utility, although the latter also has a bearing on how people evaluate their lives.

Figure 9 Absolute income, relative income position and life satisfaction, by country



Source: CCEB; EB52.1.

Notes: life satisfaction: mean on a scale from 1 = not at all satisfied to 4 = very satisfied. An extensive description of how to interpret the figure is given in the text.

Satisfaction differences between social groups

Overall dispersion is a crude measure, which states only that inequalities exist, but not how they are structured. Theoretically, it may be the case that satisfied and dissatisfied people are randomly distributed across social categories; hence there would be no structural conditions which favour particular groups, or put others at a disadvantage. However, we know from empirical research that this is not the case. Life satisfaction is socially structured, although differences between demographic and social groups tend to be fairly small (for an overview see Argyle, 1999, Headey/Wearing, 1992). In this chapter, satisfaction differences (or inequalities) between certain demographic and social groups (gender, age groups, town and country, income groups, educational status groups, occupational class, and employment status) are examined. The theoretical background is the dispute about whether in today's societies, 'old', i.e. 'vertical' or 'new', i.e. 'horizontal' social positions have a stronger influence on how well people fare (see Beck, 1986, Hradil 1987, Noll/Habich, 1990). Old inequalities are those resulting from different vertical positions within the social hierarchy, whereas new inequalities are connected to positions which do not necessarily imply a hierarchical order. In order to learn about the degree of social polarisation within European societies, differences in life satisfaction between certain social groups are analysed, reflecting theoretically important social cleavages along both vertical and horizontal lines.

Horizontal positions

19. generation divide: old people (65 years and over) vs. young people (under 25 years)
20. gender cleavage: men versus women
21. urban–rural cleavage: people living in rural settings vs. people living in large cities

Vertical positions

22. education cleavage: the highly educated vs. those with a low level of education
23. income cleavage: people in the highest income group vs. people in the lowest
24. class cleavage: people with – current or former – service class jobs vs. non-skilled blue-collar workers (personal class cleavage); people in service-class households vs. people in blue-collar household (household class cleavage)
25. employment cleavage: people inside the labour market vs. those outside (due to unemployment)¹²

Satisfaction differences between vertical and horizontal positions

In the following chapter, the percentage point differences in positive life satisfaction between the respective groups – the ‘satisfaction gap’ or ‘satisfaction spread’ – are interpreted. Since it is well known that higher social status (income, education, class) goes hand in hand with higher subjective well-being around the globe, it is mainly the size of effects in the various countries which are of interest here.

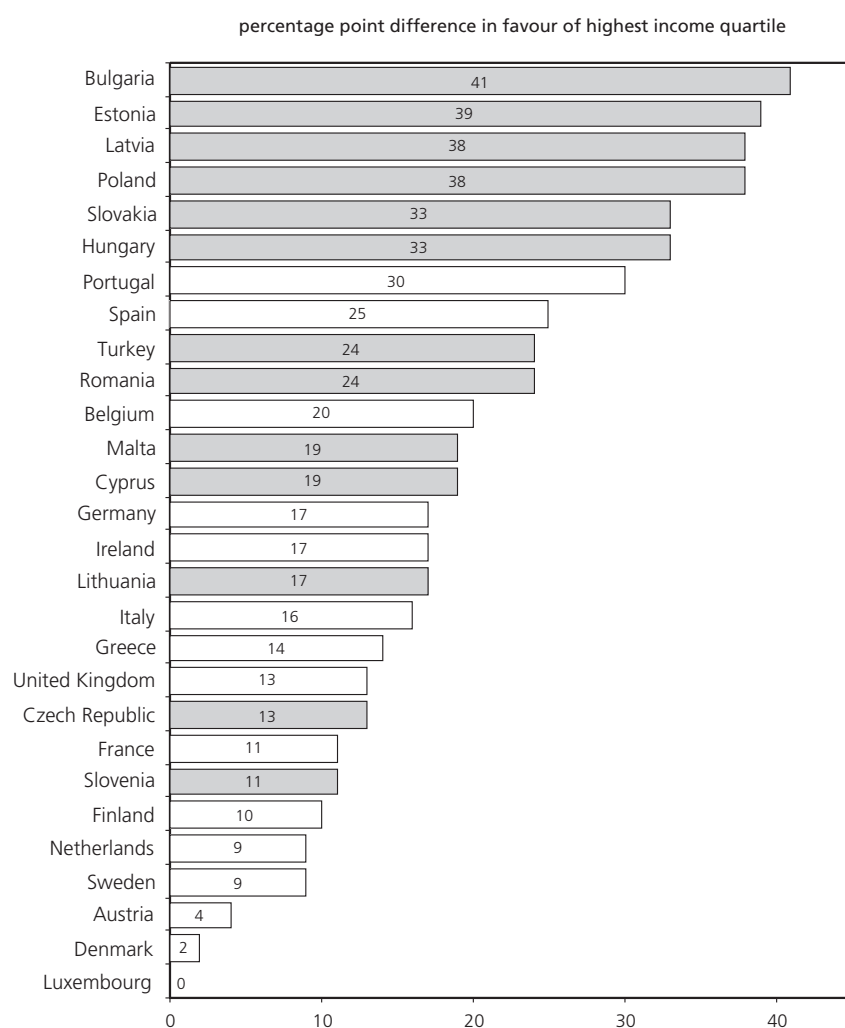
We start with the ACC. As a rule of thumb, vertical positions result in sharper satisfaction differences than horizontal positions, with the exception of age. Everywhere higher income, higher education, higher occupational status and having a job pays off in greater subjective well-being. The effects, however, vary between countries. Satisfaction differences between income groups are huge in many countries (see Figure 10). The satisfaction gap between the richest and the poorest quarter is 41 percentage points in Bulgaria and 39 in Estonia. In Bulgaria, six out of ten of the richest respondents are satisfied with their lives, but only two out of ten of the poorest are. The gap is especially marked in low-income countries with high objective income inequality. It is only in Slovenia and the Czech Republic that position on the income ladder matters very little. The *class cleavage* is important in all countries except Romania and Slovenia (Figure 11). The working class (unskilled workers) is, as expected, less satisfied than the service class. The satisfaction gap is especially strong in Poland and Hungary. The highly educated are more satisfied with life than those with less education (Figure 12). The reason might be that higher education leads to better

¹² The groups are subdivided as follows (groups printed in **bold figures** are those selected for comparison of life satisfaction): Age: 5 categories -**24 years**; 25-39; 40-54; 55-64; **65 and older**; *Type of community*: 3 categories: **rural areas/village**; small or medium-sized town; **large city** (self-classification by respondents, thus it is a rather crude measure depending to some degree on the respondents’ definition of what a village, a small town and so on is); *Education*: age when leaving the education system, 4 categories: -**15 years**; 16-19; **20+**; still in educational system; *Income position* (household income): 4 categories: **highest income group**; 2nd; 3rd; **lowest income group**. Each income group contains approximately one quarter of the respondents (‘quartiles’); *Personal occupational status*: 6 categories: **service class**; routine non-manual; petty bourgeoisie; farmers, skilled-workers, **non-skilled workers**; *household occupational status*: 6 categories: **service class**; routine non-manual; petty bourgeoisie; farmers, skilled-workers, **non-skilled workers**; *Employment status*: Position in the labour market, 5 categories. **Working**; house person; **unemployed/temporarily not working**; retired/unable to work; still studying.

The occupational class variable in the dataset loosely follows the Erikson/Goldthorpe class scheme. It is worth noting that originally this scheme was not introduced as an entirely vertical scheme in the sense that each of the classes has a higher or lower status position than the other. However, when concentrating on the service class (high and medium-level managerial and administrative positions and professionals) on the one hand, and unskilled workers on the other, occupational class can be interpreted in vertical terms without any problems, as has been done in this report.

jobs with higher income; or, more generally, that educated people are better equipped to make use of their capabilities and to control their life, which enables them to be more satisfied. Satisfaction gaps are especially strong in Hungary and Slovakia, whereas in Slovenia, Malta, and Turkey, they are very small. Finally, the unemployed and temporarily not working (it was not possible to separate the two in the dataset) throughout the ACC are on average less satisfied than the working population (Figure 13). The reason might not only be decreasing economic status; unemployment is often accompanied by a loss of social contact and self-doubt. Respective satisfaction gaps are biggest in the Czech Republic, Poland and two of the Baltic states, Lithuania and Estonia.

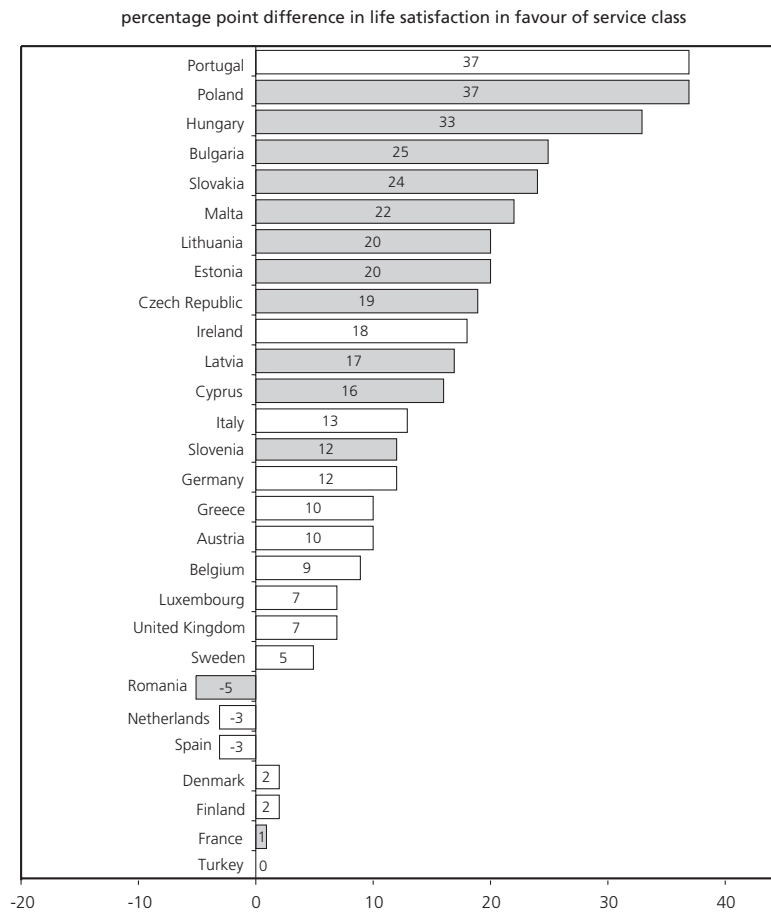
Figure 10 Life satisfaction difference between highest and lowest income group



Source: CCEB, EB52.1.

In contrast, gender differences are small everywhere (see Figure 14) despite the fact that men in most countries are economically privileged. However, since quality of life also depends on social relations, and women are usually better at forming close relations (Rubin, 1983), their somewhat weaker economic position may be counterbalanced (see Headey/Wearing, 1992). It is not possible to conclude from our data that men are more satisfied than women everywhere, or that women are more satisfied than men, since both patterns occur.

Figure 11 Life satisfaction difference among service class and unskilled workers



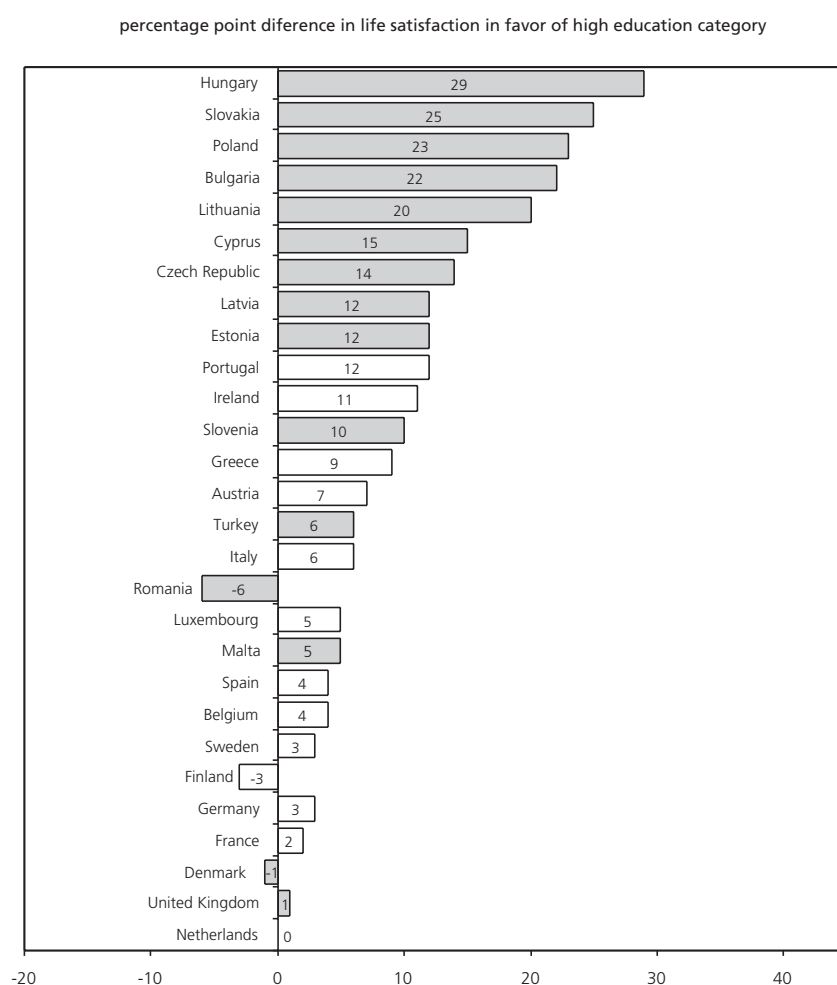
Source: CCEB, EB52.1.

Notes: Information not available for Turkey. In Romania, Spain, Netherlands: in favour of unskilled workers.

The urban–rural cleavage only seems to be relevant in the bigger countries such as Poland and Romania, as well as Bulgaria and Hungary (Figure 15). Here, inhabitants of large cities are more satisfied with life than town and country people. This reflects the fact that living conditions and life chances are usually better in the more developed centres and best in capitals, especially in bigger countries (Heidenreich , 2003). Surprisingly, this pattern does not hold true for Turkey, despite huge disparities in living conditions between the urbanised western parts and the less developed regions to the east.

Age is of paramount importance in most countries (see Figure 16). In general, younger people are considerably more satisfied than the older ones. In Latvia, Estonia, Poland, Bulgaria and Hungary, younger people are a lot more satisfied (the gaps exceed 30 percentage points). For example, 78% of younger Latvians are satisfied with their life, compared to only 40% of the older generation. The satisfaction gap is especially marked in post-socialist countries, where the young have profited more from political and economic changes than their older compatriots. In the Mediterranean countries, there are only small differences between age groups, and none in Turkey.¹³

¹³ Turkish sociologist Yusuf Z. Özcan, in commenting on the draft version of this paper, said that the Turkish result ‘...about differences between age groups is rather unexpected. As a country still in transition, Turkey exhibits serious generation gaps in almost every subject. I was rather surprised that none came out in the analysis’.

Figure 12 Life satisfaction difference between high and low education

Source: CCEB, EB52.1.

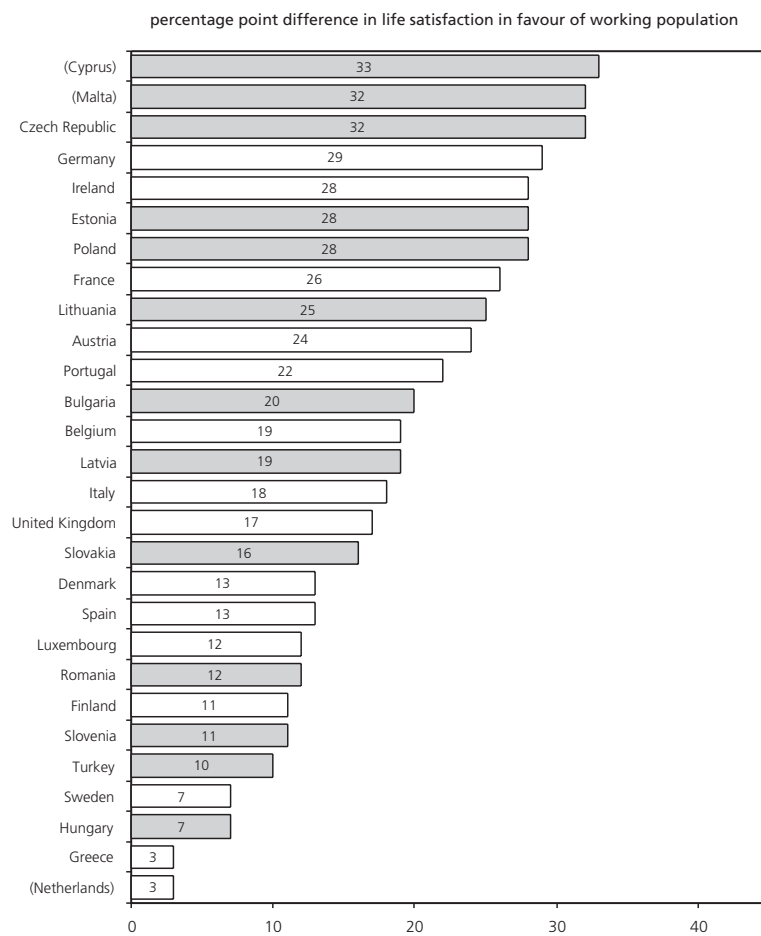
Note: in RO, DK, FI: in favour of low education category

Turning to the EU, vertical positions again produce stronger satisfaction differences than horizontal positions. In general, subjective well-being is very evenly distributed across gender, age groups (with the exception of Portugal), and city and country. Satisfaction gaps between income groups, classes, educational categories or employment status groups are also comparably modest in most Member States. Typically, satisfaction gaps are biggest between the unemployed and the employed. Within the EU, the Nordic countries stand out since there are only minor satisfaction differences between each of the social groups, defined either 'vertically', or 'horizontally'. The largest satisfaction spreads can be found in the south, specifically in Portugal where demographic and social groups differ considerably in their subjective well-being. The continental Member States take a middle position, between the Nordic countries and the southern countries.

When comparing acceding and candidate countries on the one hand and Member States on the other, the most striking differences between the two country groups are: (1) Life satisfaction varies more strongly across demographic and social groups in most ACC than in the EU. Hence, subjective life results are more dependent on the individual's position in the social structure. In

contrast, most Member States are more egalitarian. (2) There is no generation cleavage in life satisfaction in most EU countries. In contrast, in many post-socialist countries, system transformation has put younger and older groups on very different opportunity tracks. (3) Income, education and occupation also produce higher satisfaction differences in the ACC, a fact that is well known about other less affluent societies (see Argyle 1999, Fahey/Smyth 2003, Schyns, 2002). Poverty, in the sense of not enough to live on, and not ‘just’ social deprivation, obviously decreases life satisfaction. However, the satisfaction difference due to education might also point to a specific characteristic of many post-communist societies, since education has had a strong impact on behaviour and political attitudes in these societies (Delhey, 2001).

Figure 13 Life satisfaction difference between labour market insiders and outsiders



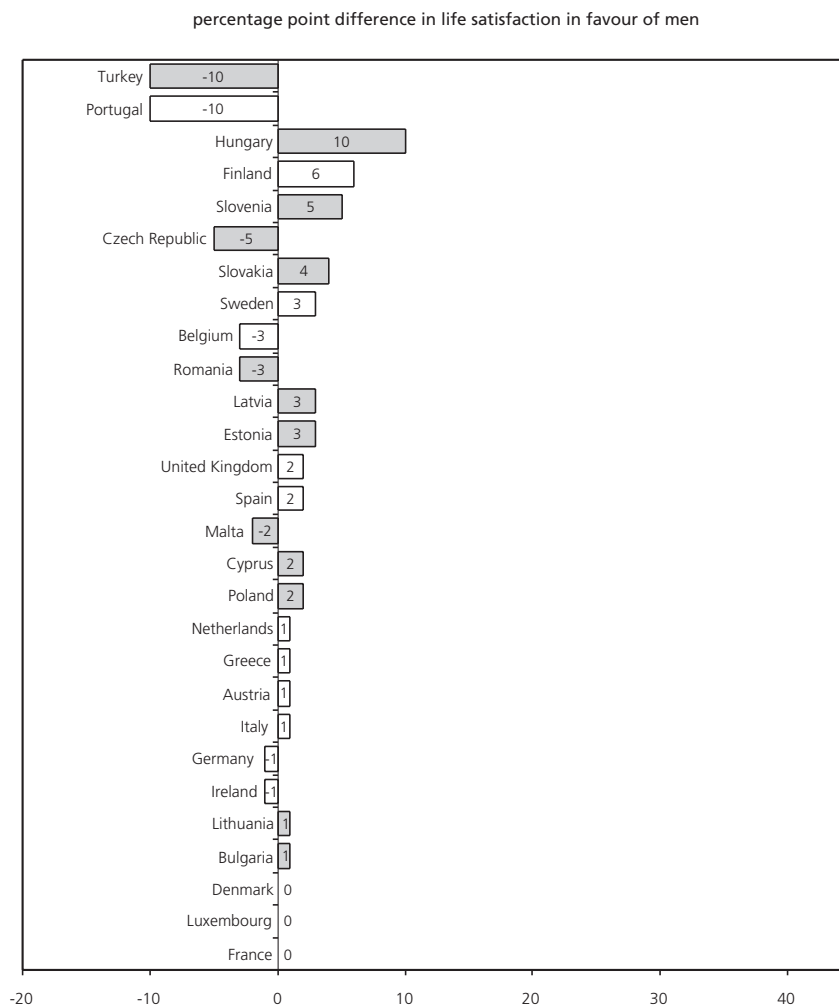
Source: CCEB, EB52.1.

Note: countries in brackets indicate the number of cases below 30.

The existence of greater satisfaction inequalities in the ACC is also confirmed by a cluster analysis. In this analysis, the average satisfaction spread produced by age, gender, and type of community is calculated for each country, the so-called horizontal life satisfaction spread. Similarly, the average spread produced by income position, education, personal occupational class and employment status is calculated - the so-called vertical life satisfaction spread. Next, those countries which have a similar extent of horizontal and vertical satisfaction spreads are grouped together. According to this statistical technique, four groups of countries can be distinguished,

ranging from low-inequality (i.e. small satisfaction spreads) to high-inequality countries (i.e. huge satisfaction spreads) (see Figure 17). The low-inequality countries (group 1) includes seven Member States, but not one acceding and candidate country. The next country cluster (group 2) contains seven Member States, who are joined by Cyprus, Malta, Slovenia and Cyprus. Country group three comprises of the Czech Republic, Lithuania and Romania. Finally, the group of high-inequality countries is made up of seven post-socialist countries, and only one Member State, Portugal.

Figure 14 Life satisfaction difference between men and women



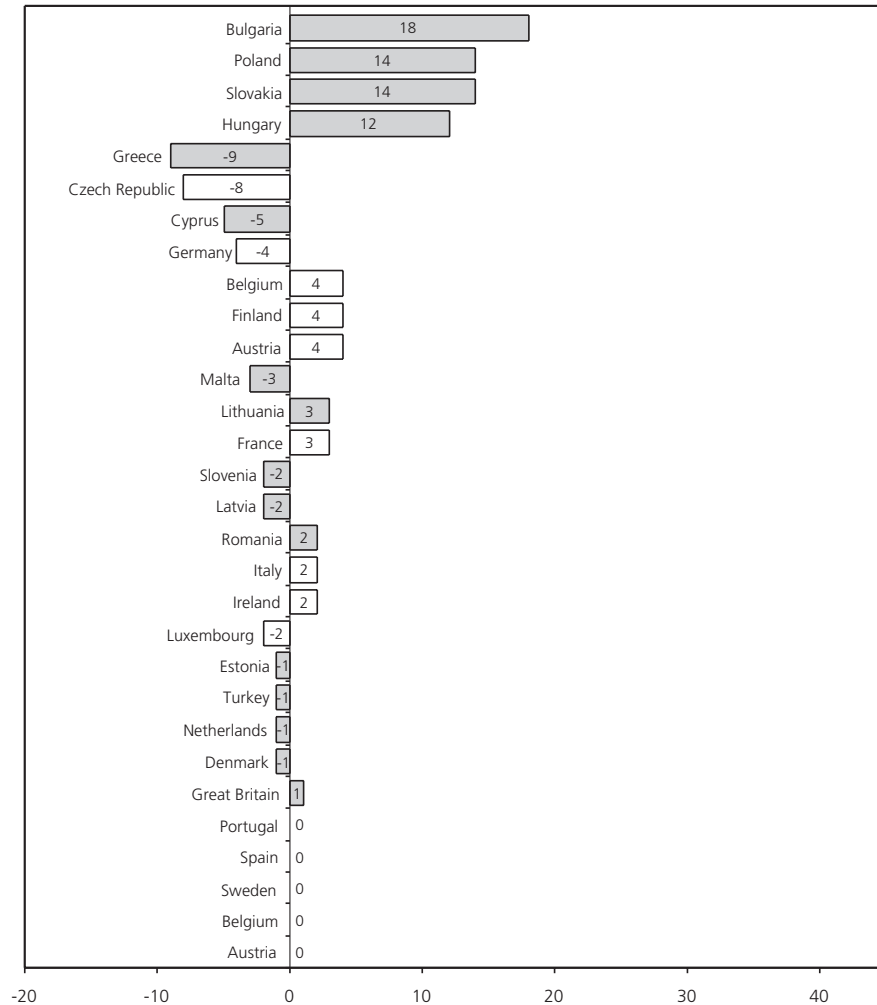
Source: CCEB, EB52.1.

Note: in CZ, MT, PL, RO, TR, B, DE, IE: in favour of women

Four things are striking: First, the level of satisfaction difference caused by both vertical and horizontal positions increases from country group 1 to group 4. Second, there is only a very limited overlap between EU countries and ACC, as far as intra-national satisfaction differences between social groups are concerned. Third, with the notable exception of Slovenia, the post-socialist countries are characterised by the highest level of life satisfaction inequality. Fourth, enlargement will increase the level of inequalities within countries in terms of welfare one typically finds in EU countries.

Figure 15 Life satisfaction difference between urban and rural population

percentage point difference in life satisfactor in favour of urban population



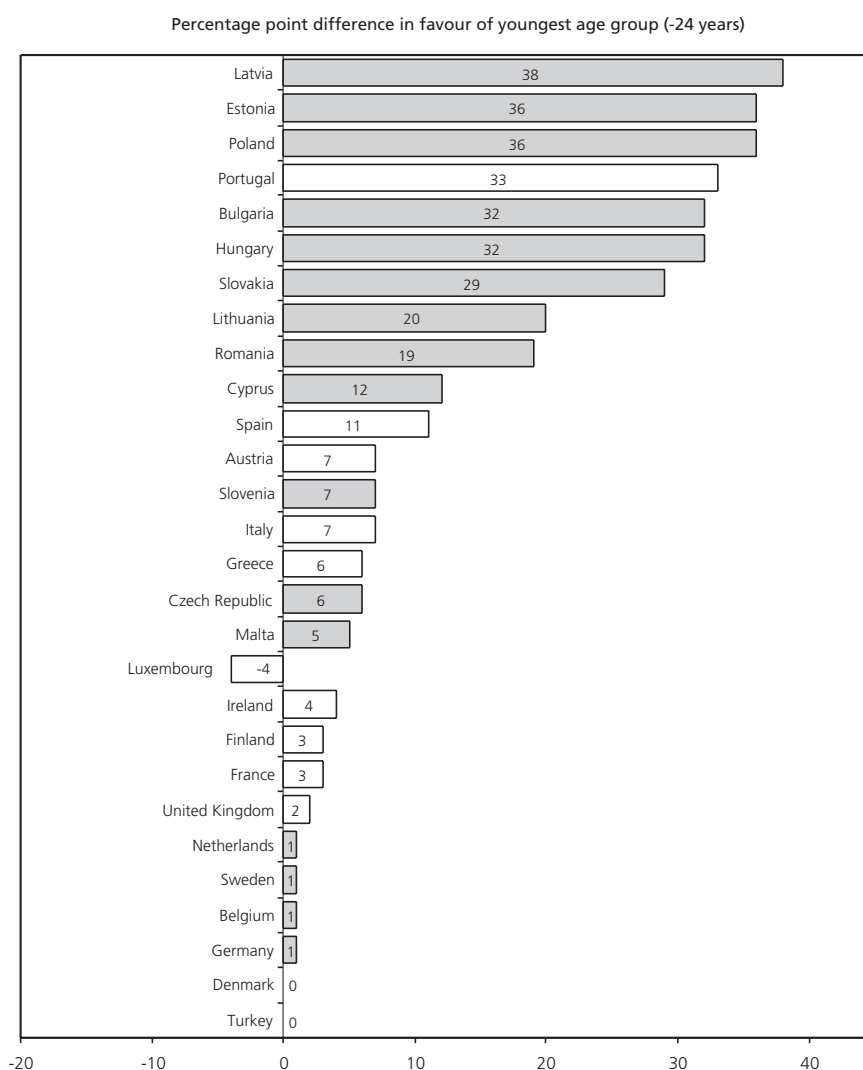
Source: CCEB, EB56.1

Note: in CY, CZ, EE, LV, MT, SI, TR, DK, DE, GR, LU, NL: in favour of rural population.

Multivariate associations

The figures presented in this section show the differences in life satisfaction very vividly. However, they tend to exaggerate the importance of certain social positions in influencing life satisfaction. First, they concentrate on extreme groups. Second, it is obvious that social positions overlap, e.g. high education with a good job and high income; the question is whether relations with life satisfaction hold up when others factors are included. This is examined in the following multivariate regression (see Tables 20 and 21). The key results are:

- In the ACC, life satisfaction is most dependent on income. The higher the income, the greater the appreciation of life. In eight of the 13 countries, income has the strongest influence, and only in Cyprus (one of the most affluent of these countries), does income have no influence when checking for other social positions. Income position is of paramount importance in Bulgaria, the poorest candidate, and in Romania and the Baltics.

Figure 16 Life satisfaction difference between youngest and oldest age group

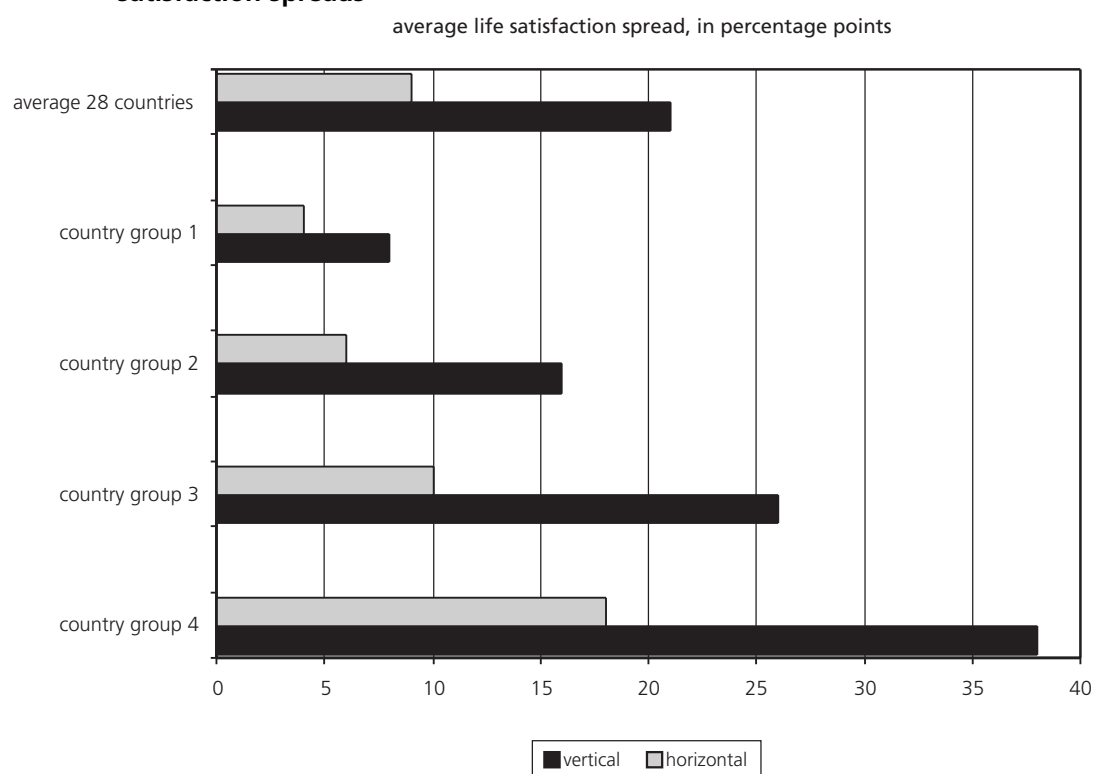
Source: CCEB, EB52.1.

Note: in Luxembourg: in favour of oldest age group (65 years+).

- The second most important position is employment status, with the unemployed being considerably less satisfied with life than those working. Unemployment has an especially negative impact in the Czech Republic.
- The third most important determinant is age. In five countries, after checking for all other variables including income, the older groups are much less satisfied than their younger counterparts. This effect is strongest in the Baltic states, in Poland, and Bulgaria. It is interesting to note that although youth unemployment has reached an incredible 40% in Poland, the younger Poles are still the most satisfied age group in the country.
- Gender, the urban-rural cleavage, education and occupation are not of paramount importance, when one looks at the full range of countries. In some countries, gender does make a difference to life satisfaction; it is interesting that in Turkey, the Czech Republic and Poland, women are more satisfied than men in the multivariate examination, and it is only in Hungary that men are

more satisfied than women. This may be explained by the fact that income is checked, and social relations are not (men usually have a higher income than women, but women have the advantage when it comes to social relations). An alternative explanation would be the differential impact of transformation. According to mainstream research, men have been more affected by some of the negative consequences of economic transformation than women. This holds especially true for the dramatic example of the mortality crisis of the 1990s (see UNICEF, 2002).

Figure 17 Grouping of countries according to extent of vertical and horizontal life satisfaction spreads



Country group 1 Austria, Denmark, Finland, Luxembourg, Netherlands, Sweden, United Kingdom

Country group 2 Belgium, Germany, Spain, France, Greece, Ireland, Italy, CYPRUS, MALTA, SLOVENIA, TURKEY

Country group 3 CZECH REPUBLIC, LITHUANIA, ROMANIA

Country group 4 Portugal, BULGARIA, ESTONIA, HUNGARY, LATVIA, POLAND, SLOVAKIA,

Source: CCEB, EB52.1.

Notes: Simple averages of the respective countries are displayed. Vertical life satisfaction = average of life satisfaction spreads according to income, education, occupational class and employment status. Horizontal life satisfaction = average of life satisfaction spreads according to age, gender and community type.

Derived from question: Please tell me whether you are very satisfied, fairly satisfied, not very satisfied or not at all satisfied with your life in general.

- It is also worth noting that the influence of city size is small, with the rural population being slightly more satisfied. This seems to be a result of having controlled for income and education, which is typically higher in cities. It seems hard to believe that country life is paradise in these countries, since bivariate cross-tabulations have told a different story. In the Member States, it is employment status that most often influences the level of people's contentment. In seven

countries, being unemployed decreases well-being, independently of other negative concomitants of unemployment, like low income. Hence, it is the lack of a job that is important to the unemployed, not the loss in income. This could be important for the European employment strategy, since having any job, even a low-paid one, seems to be better than having no job at all. This question deserves more empirical investigation.¹⁴ In three countries, homemakers and the retired have higher levels of well-being than the employed, presumably because one of the most important stress factors - being part of the labour force - is absent.

- Occupational position has a stronger impact on life satisfaction in the EU than in the ACC. In six countries, the service class is more content than routine non-manuals, which served as the reference group in the analysis. And in three countries, the working class is less content than routine non-manuals.¹⁵ Hence, although dispersion in life satisfaction is typically lower in the more advanced western societies, subjective life results are more strongly structured by occupational class. At least, professionals and those in high-status positions are set apart from the rest of the population. In contrast, the eastern countries have inherited a 'flat' social structure from state socialism. Social classes as homogenous clusters of life chances have not yet emerged. For example, in socialist Poland, decomposition of social status was the official policy for decades; this resulted in great dissatisfaction among service class people with low incomes (Tatur 1989, Juchler 1992). Hence, the socialist past of classless (but not inequality-free) societies is still visible. In the EU, however, it is quite surprising to see occupational class influencing life satisfaction in some of the most egalitarian, universalistic welfare states like Sweden, and Finland, which are keen to eliminate class privileges.
- The third strongest position in the EU is age, especially in the southern countries and Ireland, possibly due to less developed pension schemes and health care for the elderly.
- Next, income is relevant in Belgium, Germany, the Netherlands, Finland and Spain. But whereas income is of paramount importance in the ACC, it is not in the EU.
- It is also worth noting that gender does not have an impact on subjective well-being in any of the Member States. Hence, from a life satisfaction perspective, gender mainstreaming is not the most pressing task.

¹⁴ For interlinkages between working and employment conditions and subjective well-being, see the related report by Kapitány/Kovács (2003).

¹⁵ It is only in Spain that unskilled workers are more satisfied with life than routine non-manuals.

Table 20 Influence of social positions on life satisfaction in the ACC

<i>b</i>	BU	RO	EE	LT	LV	HU	SK	MT	TR	CZ	PL	SI	CY
30	Income +												
25													
20		Income +	Income +	Income +	AGE - Income +					Unem- ployed -			
15	AGE -	Rural +	Unem- ployed - AGE -	Unem- ployed -	Large city	Income + In educa- tion +	Income +	Income +	Income + Female +	Female + Income+ Large city	In educa- tion + Unem- ployed - AGE -		Unem- ployed
10		In educa- tion +	Large city- Petty bour- geoisie +	AGE -	Service class +	Female -		In educa- tion +			Income + Service class +	Unem- ployed - Unskilled workers - Income+	
5									Unem- ployed - Rural -		Farmers + Female +		

Source: CCEB, EB52.1.

Note: results from OLS regressions. Only positions with $b > .125$ are displayed.

Table 21 Net influence of social positions on life satisfaction in the EU Member States

<i>b</i>	LU	IE	DE	BE	DK	FR	IT	UK	AT	NL	FI	SE	GR	ES	PT
30															
25	Retired or home- makers+	Unem- ployed													
20		AGE -	Unem- ployed -	Income +				Service class +							AGE -
15			Income +	Retired or home- makers + Unem- ployed -	Unem- ployed -	AGE - Unem- ployed -			AGE -					AGE -	
10							Unem- ployed -	Retired or home- makers +	Service class + Unem- ployed -	Income + Service class + In educa- tion -	Income + Service class + Unskilled workers -	Service class +	AGE -	Income + Unskilled workers +	
5													Skilled workers- Unskilled workers -		

Source: CCEB, EB52.1.

Note: results from OLS regressions. Only positions with $b > .125$ are displayed.

Explaining life satisfaction across Europe

In this chapter, two types of possible sources of individual well-being are analysed simultaneously: the personal resources and life situations of individuals; and the societal contexts impacting on these resources and situations. In other words, personal characteristics and country characteristics are used to explain why some Europeans are more satisfied than others.¹⁶ The 28 countries were pooled for this purpose, so that each individual is regarded as an inhabitant of a common European social space. The analysis proceeded in three steps: in the first step, variation in life satisfaction amongst Europeans is explained solely by personal characteristics; in the second step, country characteristics alone are considered; and in the third and final step, both personal and country characteristics are used simultaneously. This analysis goes beyond the previous one by adding country characteristics, and additional personal causes and correlates of satisfaction such as marriage status, health, and social relations, thus trying to encompass the whole range of having, loving, being and living in good health as explanations for subjective well-being.

Step 1

When using personal measures only, how well people fare economically stands out as the most important determinant of life satisfaction (Table 22). The respondent's self-rated position on a scale from rich to poor has the strongest impact. The higher people place themselves on the economic ladder, the higher their overall life satisfaction. The household's equivalent income in absolute terms also has a strong impact. Neither indicator, however, solely reflects a person's social position; both are heavily influenced by the country characteristic of national wealth, hence the distinction between personal and country characteristic is not that sharp. Some other variables influence subjective well-being in addition to these economic indicators, but with only moderate impact. For example, those in bad health (with a self-reported long-standing illness or disability) are less satisfied than healthier citizens. As far as relationship status is concerned, if one takes people living with a partner (either married or unmarried) as a benchmark, those who are separated, divorced, widowed or single (i.e. living without a partner) are less satisfied with their lives. Hence, stable relations of loving enhance well-being. Age also plays a role, the effect of which can be seen as a U-curve. Satisfaction is highest among the young, declines among the middle-aged, and recovers slightly in old age, but without reaching the well-being of the younger generation. Those still in the education system are more satisfied than those leaving school between the ages of 15 and 19 (this age group served as the reference group). And finally, female Europeans are slightly less satisfied than their male counterparts. In total, 22% of the variation in life satisfaction between Europeans at the individual level can be explained by this personal characteristic.

Step 2

Country characteristics are less successful in explaining individual life satisfaction. No matter what variables one uses, hardly more than 13% of variance can be explained. This shows that people can enjoy very different living conditions within one single society. One variable alone, income per capita in purchasing power standards, explains 11% of variance, but to try to explain everything solely by reference to economic wealth would be to simplify things. Although income per capita remains the strongest variable when adding other country characteristics, it is not only money that

¹⁶ Personal characteristics mean characteristics of the personal life circumstances of individuals (such as personal income, employment status, age, partnership status and so on; it is not meant as personality characteristics.

counts (as the concept of quality of life suggests). Modernisation, here measured as the share of labour force working in the tertiary sector, has an influence, as does political freedom (it is also worth noting that both can be regarded as sources of economic wealth, an aspect which is not pursued further here). Countries guaranteeing more political rights and civil liberties tend to have populations which are more satisfied. However, many countries have very similar scores in this respect, proving that differences in freedom granted by the political system are not very substantial. Income inequality reduces subjective well-being slightly, as does population size. Obviously, small populations are slightly more satisfied, perhaps because they are more homogenous in some ways. Unemployment rate is not connected to life satisfaction in this analysis. This is an effect of including income inequality into the computation, which shows that the inequality and unemployment are related to each other.

Step 3

When individual and country characteristics are employed in the same analysis, economic factors (having) still hold their position as having the strongest impact on individual life satisfaction. Self-rated positions on the poor–rich-scale (as a personal characteristic) and national income (as a country characteristic) have the strongest effects. Next comes another country-related feature: the level of modernisation. In terms of personal characteristics, next to rich–poor status, being young, being healthy, having a job and having a partner are the factors driving personal life satisfaction. In this combined model, 26% of the variance in life satisfaction can be explained. Hence, individual life satisfaction is far from being determined by individual or societal characteristics, or a combination of both.

Table 22 Life satisfaction explained by personal and country characteristics

	Model 1 included	Model 2 excluded	Model 3 included
A: PERSONAL CHARACTERISTICS			
rich-poor self-rating	.304***	= = =	.271***
household equivalent income	.254***	= = =	.022*
income quartile	-.094***	= = =	.033***
employment status (reference: working)		= = =	
unemployed/temporarily not working	-.082***	= = =	-.067***
other	not sign.	= = =	.031***
education (reference: leaving school age 16-19)		= = =	
Leaving <= age 15	.016*	= = =	.025**
leaving age 20 plus	not sign.	= = =	not sign.
still in education	.040***	= = =	.029**
health status (dummy, 1 = healthy)	.077***	= = =	.074***
age (reference: 40-54 yrs.)		= = =	
15-24 yrs.	.090***	= = =	.090***
25-39 yrs.	.052***	= = =	.051***
55-69 yrs.	-.019**	= = =	not sign.
70+ yrs.	.033***	= = =	.034***
partnership (reference: cohabitation, married or unmarried)		= = =	
single	-.039***	= = =	-.023**
seperated/divorced	-.060***	= = =	-.059***
widowed	-.041***	= = =	-.034***
other	not sign.	= = =	not sign.
sex (1 = female)	.025***	= = =	.017**
B: COUNTRY CHARACTERISTICS			
national wealth (GDP per capita in pps)	= = =	.336***	.240***
modernisation (3rd sector labour force share)	= = =	.125***	.125***
political freedom	= = =	.112***	.074***
population size	= = =	-.061***	-.056***
Income inequality (Gini index)	= = =	.025***	.025***
unemployment rate	= = =	not sign.	not sign.
R2	.23	.13	.26

Source: CCEB, EB 52.1, pooled analysis with 28 countries.

Notes: Dependent variable: satisfaction with life in general (4 very satisfied, 1 not at all satisfied)

* significant with $p < .05$, ** $p < .01$, *** $p < .001$

The present study provides the most recent comparative analysis of definitions, levels, inequalities and determinants of the subjective quality of life of European citizens, in the ACC and in the EU Member States. Since data collection started on the eve of enlargement, the report can be seen as a baseline study for measuring quality of life in the acceding and candidate countries before they enter the European Union. This concluding chapter discusses the main results and their policy implications. It also provides suggestions for future research.

This debate draws from two perspectives:

1. What have we learned about the quality of life of Europeans in general terms? What 'laws' of subjective well-being and what links between objective living conditions and subjective well-being can be identified?
2. What have we learned about the group of acceding and candidate countries from a comparative perspective, and what have we learned about single countries of this region?

Background

The accession of 13 countries to the European Union, with the completion of the first wave of 10 new members scheduled for May 2004, is the biggest challenge the Community has ever faced. The opportunities offered by enlargement are many. But equally there is potential for a wide range of problems.

What distinguishes the coming enlargements from the previous ones is not only the number of new members, but their relatively low level of income and living conditions compared to the average social situation in the current EU. The standard of living in all the new Member States is below the EU average. Per capita national income is much lower in the ACC than in the EU, ranging from three-quarters of the EU average in Slovenia to only one quarter in Bulgaria and Turkey. In eleven of the 13 countries, income level is below that of Greece, which is the least affluent country in the EU. Hence, although the 13 new members will increase the geographical size of the Community by 23% and its population by 20%, GDP will only increase by 5%. Acceding and candidate countries also lag behind the EU countries in measures of social progress other than standard of living. This gap in development, or in quality of life, has strong implications for EU policy. One of Brussels' central aims is to achieve social cohesion among its Member States: this means not only a steady improvement in the living and working conditions of EU citizens, but also the reduction of existing differences between countries. Enlargement will make it much more difficult to reach this aim.

The concepts: quality of life and subjective quality of life

The issue of quality of life is salient to many European policies. This is most obvious for EU cohesion policy, but also for other policies which focus on exclusion, poverty and on the European social model in general. What, then, is quality of life? Quality of life indicates how well people fare along several dimensions of life, which are more or less consensually defined as reflecting important societal values and goals. Hence, the concept is much broader than the economic level of living alone. It comprises what people have ('having'), how intact their intimate social relations are ('loving'), how well integrated into wider society they are ('being'), and how healthy they are ('living'). Defined in such a way, quality of life can be observed either by objective indicators, or

by subjective ones, i.e. how citizens themselves evaluate their quality of life. This report deals mainly with subjective quality of life as the sum of people's experiences of the opportunities open to them, the actual choices they make and the life results they achieve within their social contexts. In doing so, the report focuses mainly on levels and determinants of satisfaction as cognitive-driven evaluations of certain living conditions or of life as a whole.

Subjective assessments of quality of life are highly valuable – and even indispensable – to policymakers in three ways.

First, asking people's opinions about quality of life is the easiest and best way to get an idea of what people really want. Without such information, there is a danger that policy will not serve the true needs of the population.

Second, satisfaction measures, especially overall life satisfaction, are the best available indicators of the degree to which true needs are met. In other words: only subjective indicators can reveal how central certain life domains are to the quality of life of Europe's citizens.

Thirdly, only subjective indicators allow for truly comprehensive assessments of quality of life. It is not possible to make an overall assessment of the quality of life of individuals, groups or nations with piecemeal objective information alone. These three advantages of research into subjective quality of life can help policymakers improve living and working conditions in Europe. This, however, requires insights about the relationships between certain dimensions of life, and about the underlying mechanisms of how Europeans evaluate and summarise subjective quality of life. To meet this interest, this report aims at analytical reporting, as opposed to a mere description of subjective well-being in the 28 countries.

The new West–East satisfaction gap in the enlarged EU

The most striking result of this report is the lower level of subjective well-being in most of the acceding and candidate countries in comparison with the Member States. Whereas around 88% of citizens in the EU are satisfied with their lives, only around 65% in the acceding countries, and around 62% in the 13 acceding and candidate countries are. Although the data cannot show very precisely whether and to what extent these differences can be attributed to diverging aspirations, the figures clearly prove that living conditions are worse in the ACC region. It follows that in an enlarged EU, the gap in subjective quality of life will be much wider than the current gap between the Nordic and the southern Member States in the Community of 15. It is well known that the Danes and the Dutch enjoy better living conditions and higher subjective well-being than the Greeks and the Portuguese.

Enlargement, however, will bring about a new, dominant West–East gap in subjective well-being within the Community. This new gap will take the place of the less marked North–South gap, which has been dominant up to now. In this sense, enlargement marks a new era. The good news, however, is that a historical comparison shows that the populations of ten out of the 13 acceding and candidate countries do not have lower levels of life satisfaction than the Greeks and Portuguese did when their countries joined the Community in the 1980s. The exceptions are the Bulgarians, Romanians and Latvians. In Bulgaria and Romania dissatisfaction with life is the dominant experience, and only a minority experience a satisfactory life. Similar levels of dissatisfaction are unknown among the current Member States, also in former decades (since the

Eurobarometer surveys were launched in 1973, our time-series go back to the early 1970s). In Latvia, the population is equally divided between contented and discontented people, a situation which has occurred only once since 1973 in a Member State, in Greece in 1993.

The West–East gap in subjective quality of life also shows up when people evaluate specific aspects of their lives. ACC citizens are much less satisfied with their financial and employment situations than citizens of the EU. Hence, having is the major difference between western societies (where people have a lot) and eastern societies (where people have less). In the ACC, a large majority of citizens are dissatisfied with their financial situation, whereas a majority is satisfied in the West, even in the least well-off countries. In the same vein, people are less satisfied with their personal safety and social life in the new member countries, highlighting the fact that it is not only aspects of having which need to be improved, but other dimensions as well. What is certain is that on the date of accession, the degree of social cohesion as defined by the EU treaties will be much lower than in the past. Levels of regional (i.e. cross-national) disparities in subjective quality of life will by far exceed not only that of the former EU, but also regional differences in large federal nation states like Germany, Italy or even the U.S.

Inequalities within countries in life satisfaction: greater in the east

The second striking result is the much higher internal degree of inequality in life satisfaction between social groups that can be found in many of the ACC, albeit not in all of them. In particular, life satisfaction in the former socialist countries varies more strongly across demographic and social groups than in most EU countries. Hence, in the ACC the individual's position in the social structure shapes subjective quality of life much more strongly than in almost all of the EU states, which are more egalitarian in this respect.

This is especially true for age. There is no generation cleavage in life satisfaction in most member countries, but in many post-socialist countries, the system transformation put younger and older cohorts on very different opportunity tracks; the result is that younger people are much more satisfied with life than their older fellow citizens. Income position, degree of education and occupational class are also strongly associated with subjective quality of life in the east, a pattern which is well known from previous studies about less affluent societies. In the east, having a low income position often goes along with dissatisfaction, whereas even the low-income group is prevented from deep dissatisfaction in most EU countries. The reason is that in the ACC region, low income means severe problems in making ends meet, (not 'just' social deprivation at a still relatively comfortable level of living) and therefore plainly decreases life satisfaction. Bulgaria, Estonia, Hungary, Latvia, Poland and Slovakia show high levels of internal inequality. Out of the EU, only Portugal is similarly unequal. The structural determinants studied here show that gender differences in subjective quality of life are small everywhere. Urban–rural differences are also rather small (although the measure available for urban–rural differences is not the most reliable, and so this issue needs further investigation). The central message for the EU is that progress means both an increase in average satisfaction and a more egalitarian distribution of satisfaction among the population. However, the Community will be enlarged to countries where differences in life satisfaction within countries are significant, especially with regard to age, income, occupational class and education. Hence, differences in quality of life between member countries and also differences within single societies, will be pushed to the top of the European policy agenda with enlargement. The problem of inequality increases in two ways, cross-nationally, and across social groups within nations.

The fundamental determinants of subjective quality of life

The third striking result is that in nearly all countries, whether East or West, affluent or less affluent, quality of life can not be attributed to one single dimension; rather, quality of life is multi-dimensional, and is comprised of several aspects, in particular having, loving and living a healthy life.

The abstract idea of what constitutes quality of life does not differ that much across Europe; and if there are differences, there is no clear divide between current members and new members. The reason for this basic similarity is that the dominant concerns in all countries are making a living (income), family life, and health, and it is these concerns that ordinarily determine people's satisfaction levels. The notable exception is having children, which is much more often seen as a necessity of life in the east than in the West. Hence, the Western population is much more individualised and less inclined to put a strong emphasis on having children. This is highly important for the current debate on demographic problems facing all European societies.

Whereas abstract ideas of a good life are rather similar, actual determinants of life satisfaction, as revealed by advanced statistics, are not. In many accession and candidate countries, income satisfaction is of paramount importance for overall life satisfaction. Hence, improving income satisfaction is the best way to improve life satisfaction. This shows the demand for successful economic catching-up. Economic gains, however, must trickle down to the middle and lower income strata in order to reveal an impact on average subjective well-being. Typically, next to income, satisfaction with health and with family life also have a strong impact on how people evaluate their lives. In the EU, income satisfaction matters very little for life satisfaction. Rather, satisfaction with family life and social life are the strongest determinants of subjective quality of life. Hence, a top priority here is to create the basic conditions for a good family and social life, for example by making it easier to reconcile the demands of work and family, or by fighting unemployment, a major stress factor for human relations, especially within families. The paramount importance of income in the East and its low importance in the West once again demonstrates that many of the new Member States are less modernised. Citizens in these countries put greater emphasis on material demands, which are currently under-fulfilled to a large degree.

Differences amongst ACC

The fourth striking result is the great heterogeneity among the group of accession and candidate countries. Although the 13 countries have a similar formal status as future members of the Community, they are far from forming a homogenous group of countries. The 13 countries differ considerably as far as subjective quality of life, its level, distribution, and main determinants are concerned. By and large, cross-country differences within this group are larger than within the EU countries. In other words: Slovenia differs more from Bulgaria than Denmark does from Greece. Differentiation, which takes into account the peculiarities and different stages of development of each of the countries, is an appropriate strategy for any European policy aiming to improve quality of life in these countries. Due to the vast heterogeneity in the east and the lower but still not negligible heterogeneity in the West, there is no absolute divide in subjective quality of life between the EU on the one side and the ACC on the other.

Rather, there is some overlap between the two groups of countries, which reflects the overlap in economic level of living and modernisation to a large extent. For example, the citizens of the small, but more affluent countries Slovenia, Malta and Cyprus enjoy life as much as the average citizen

of the EU. The Czechs have a slightly below-average life satisfaction, but are still more satisfied with their lives than the Portuguese and Greeks. Slovenia, Cyprus and Malta (and to some degree also the Czech Republic and Turkey) are similar to most EU states in having comparably low satisfaction differences between rich and poor, upper occupational class and lower occupational class, employed and unemployed, and young and old. Finally, the Czech Republic and Slovenia are comparable to most EU countries in that income satisfaction only has a weak influence on overall life satisfaction. Money cannot buy life satisfaction there. It is not a coincidence that the countries mentioned here belong to the richest and most developed countries of the ACC region. The countries that differ most from the EU are the poorest and least modernised countries, notably Romania and Bulgaria, partly also Latvia and Lithuania. This suggests that the general level of social development is an underlying factor shaping citizens' subjective quality of life.

Directions for the future

The current project has greatly improved the collection of comparable statistics for the 28 countries. Hence, this report can serve as a baseline study for monitoring subjective quality of life in an enlarged Europe. Nevertheless, there are some limitations: comparability has been limited by the fact that information for the two country groups stems from different surveys conducted in different years. Furthermore, there were only a few questions in the dataset which were suitable for answering analytical questions, especially with regard to the impact of aspiration levels and reference groups.

Future work should be concentrated in two areas. First, a continuous monitoring of subjective quality of life is necessary in order to find out whether EU and national policies are able to improve living conditions in a way that meets with people's satisfaction; whether the gap between West and East is narrowing; and whether all major groups, and especially the disadvantaged, have a share in improved living conditions. Such monitoring depends on continuous survey research into these topics in the enlarged Europe, preferably with a single survey covering all 28 countries together. In addition to tracking economic figures such as national per capita income and unemployment rates, or other social indicators, subjective indicators and survey research can serve as a useful tool for monitoring the success of the EU's social and cohesion policy.

Second, more research is necessary to evaluate what people expect from life, and what yardsticks they use when evaluating their living conditions. Previous research has shown that assessments of quality of life depend on living conditions, but also on aspiration levels, preferences, and comparisons. These issues need to be tackled more extensively by future research, in order to know the degree to which differences in life satisfaction can be explained by diverging levels of aspirations, or by different reference groups. In the first place, this means a more in-depth analysis of aspiration levels, which may or may not vary greatly across Europe. In the second place, it means exploring the influence of comparison groups like friends, neighbours, and fellow citizens. With respect to the ongoing processes of Europeanisation, it is also of great importance to know whether people actually compare themselves with other Europeans (other regions or countries) when evaluating their own living conditions, and if they do so, to what effect. The issues of aspiration levels and social comparisons will provide us with a better understanding of how objective living conditions are converted into subjective well-being, and will make research on subjective quality of life even more valuable for policymaking.

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