



Second European Quality of Life Survey

Subjective well-being in Europe

Executive summary

Introduction

The way we feel about ourselves and assess the quality of our lives is influenced by many factors. Some of them are objective: how much we earn and what we can afford to buy, for example. But quality of life is not only determined by the standard of living we have attained. Objective conditions are certainly linked to our subjective well-being, but not in a straightforward manner. This report looks at the diverse factors that influence levels of subjective well-being. It explores the impact of demographic and socioeconomic factors, of health, social support and the quality of the societies we live in. It asks to what extent these factors can explain the variations seen in levels of subjective well-being in different countries. The study also examines whether social support and good public services can cushion the impact of difficult social and economic conditions experienced by European citizens, thus contributing to an improved quality of life.

The report is based on data from the 2007 European Quality of Life Survey (EQLS), conducted by the European Foundation for the Improvement of Living and Working Conditions (Eurofound), in the 27 EU Member States (EU27), the three candidate countries (CC3) and Norway.

Policy context

There is widespread recognition of the need for indicators of quality of life that go beyond the traditional economic indicators, such as gross domestic product (GDP). European society is changing rapidly, as a result of globalisation, ageing and the shift to the knowledge economy, to name just a few drivers. These changes can result in a more pessimistic outlook on life and higher levels of dissatisfaction even if economic indicators point to growth and a general improvement of conditions. A growing gap emerges between the picture painted by statistics and people's perceptions of their own living conditions, which needs to be addressed by policy. Here the results of subjective well-being research can help:

- Subjective well-being indicators, such as a happiness index or a life satisfaction index, capture

people's evaluations of the quality of their lives, given their own values and preferences.

- Levels of subjective well-being measured can provide an external check on economic indicators and can act as a corrective.
- When the costs and benefits of policy alternatives are assessed, the results gained from subjective well-being research form an important input.
- Changes in levels of subjective well-being are a guide to progress, and can be used to measure the success of policies aimed at increasing social cohesion and social inclusion.

Key findings

- There is a clear hierarchy in life satisfaction across groups of countries, with the highest levels in the 15 older EU Member States (EU15) – particularly in the Nordic countries – followed by the 12 new Member States (NMS12) and with the lowest levels in the CC3.
- The bulk of the differences between countries and country groups are explained by differences in objective conditions in these countries: demographic characteristics, socioeconomic factors, health and disability, social support and quality of society.
- The analysis of subjective well-being points to the continuing importance of traditional economic concerns – such as material well-being, income and unemployment – for people's quality of life.
- For the individual, the single indicator with the biggest impact on life satisfaction is deprivation: the inability to afford basic lifestyle goods and services. Ill health is the second factor that results in a large reduction in life satisfaction

across all country groups. Unemployment and income (especially in the CC3), as well as low education (particularly in the NMS12) and family structure also play a very important role.

- Income matters most when, as a result of low income, basic needs are not met. When basic needs are met, the relationship between income and subjective well-being is weaker. The satisfaction 'bonus' associated with high income is lower than the satisfaction 'penalty' associated with low income.
- Poor health reduces subjective well-being by about one point on a 10-point scale in all country groups. The impact of poor health on happiness and emotional well-being is even greater than on life satisfaction.
- Retired people have higher levels of subjective well-being than those at work, when factors such as income and social support are controlled for. This suggests that work stress and the challenge of combining work and family life play a significant role in reducing the subjective well-being of people in employment.
- Education's effect on subjective well-being operates primarily through its impact on income and living standards. However, in the NMS12 low levels of education are directly associated with lower levels of life satisfaction. Interestingly, higher levels of education do not appear to enhance levels of subjective well-being when other factors are controlled.
- People who are widowed, divorced or separated are less satisfied with their lives, even when socioeconomic conditions and broad levels of social support are controlled. The negative impact is even larger for happiness than for life satisfaction. This pattern is found in all country groupings, except in the case of widows in the CC3, and it is stronger for people who are divorced and separated than for widowed persons. Never married lone parents also experience lower levels of life satisfaction in the EU15 and NMS12.
- The availability of practical and moral support from family and friends is important for enhancing life satisfaction for all groups in the EU15 and NMS12 – but not in the CC3. Financial support, the ability to raise a substantial sum of money from someone in case of emergencies, is important for people who are vulnerable and experiencing deprivation.
- The quality of public services is generally important to life satisfaction and has an even greater impact on the subjective well-being of

people experiencing deprivation. It is important in all country groups, while trust in public institutions – a second measure of quality of society - is important only in the EU15 and NMS12.

Policy pointers

- The findings suggest that in order to improve subjective wellbeing and quality of life, it is more important to focus on improving material circumstances of people who are most disadvantaged rather than raising the average standard of living, although the latter goal remains important in the poorer CC3.
- Improving the health of the population is of central importance for improving quality of life. Apart from policies to promote health and treat illness, attention should be paid to understanding other methods of improving quality of life for people who are ill or have a disability. Especially strategies to address the emotional well-being of persons experiencing illness are needed.
- While education beyond secondary level is important for developing the skills of the workforce and improving the quality of work, direct benefits in terms of improved well-being cannot be expected. The exceptions are people with low educational levels in the NMS12, where promoting the access to education and training should reap large rewards in terms of improved subjective well-being.
- The quality of life of vulnerable groups, such as people who have lost a partner or lone parents, could be enhanced by policy interventions designed to reduce their economic vulnerability to a financial emergency.
- Quality of society is important to life satisfaction in the EU15 and NMS12, especially for deprived people. High quality public services act as a buffer to mediate the effects of difficult socioeconomic circumstances. Improving the quality of public services is not necessarily a question of the quantity and type provided, but how these services are delivered. A commitment to openness, transparency and accountability of public institutions would improve trust in these institutions, a second measure of quality of society.

Further information

The report on *Subjective well-being in Europe* is available online at <http://www.eurofound.europa.eu/publications/htmlfiles/ef09108.htm>

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