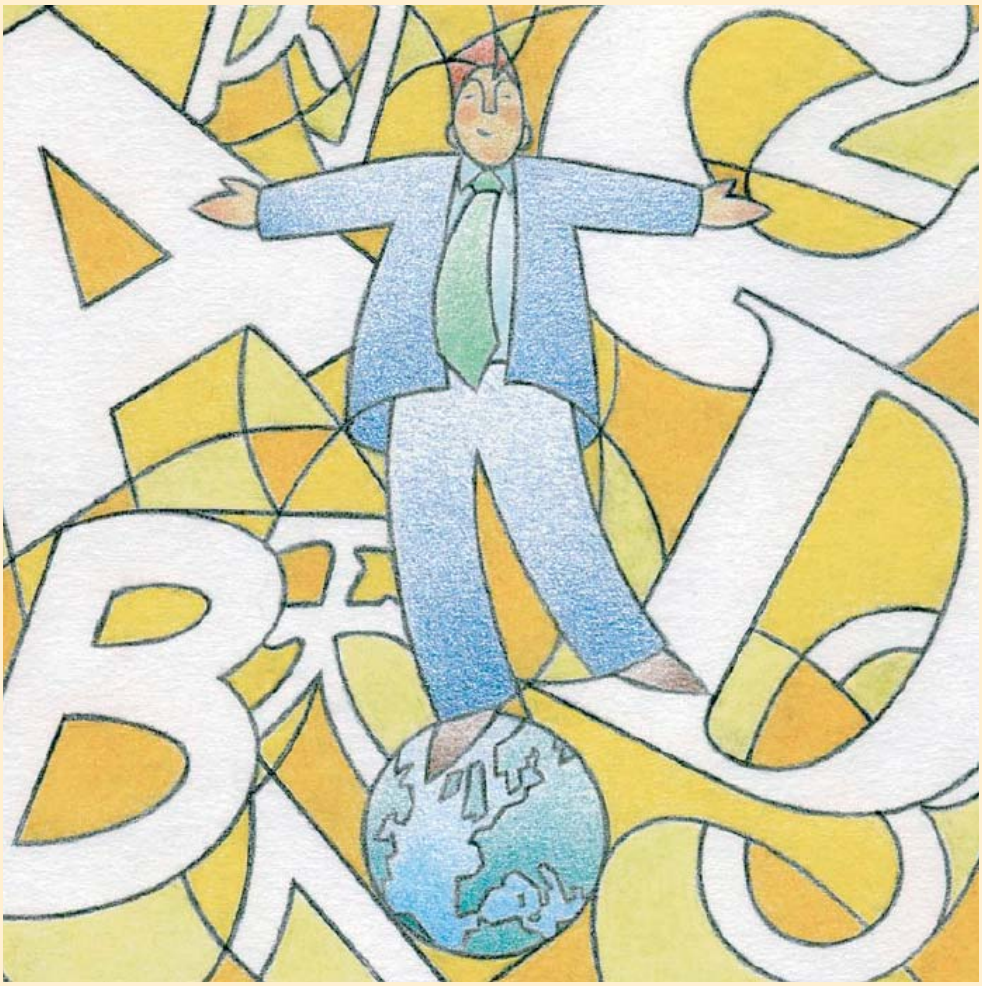
European Foundation for the Improvement of Living and Working Conditions

First European Quality of Life Survey: Life satisfaction, happiness and sense of belonging



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Author: Petra Böhnke
Research institute: Social Science Research Centre (WZB), Berlin
Research managers: Henrik Litske, Robert Anderson, Hubert Krieger and Gerlinde Ziniel
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European Foundation for the Improvement of Living and Working Conditions

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Wyattville Road, Loughlinstown, Dublin 18, Ireland - Tel: (+353 1) 204 31 00 - Fax: (+353 1) 282 42 09 / 282 64 56
email: postmaster@eurofound.eu.int - website: www.eurofound.eu.int

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Wyattville Road
Loughlinstown
Dublin 18
Ireland
Telephone: (+353 1) 204 31 00
Fax: (+353 1) 282 42 09 / 282 64 56
Email: postmaster@eurofound.eu.int
www.eurofound.eu.int

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Foreword

Diversity is one of the defining features of the enlarged European Union. With the prospect of further enlargement ahead, differences such as those in living conditions, quality of life and cultural traditions are likely to be more pertinent than ever. While the nurturing of cultural diversity lies at the heart of the European ideal, fostering greater cohesion is also a central priority.

Against this background, the European Foundation for the Improvement of Living and Working Conditions has been committed to obtaining more in-depth information about how people live and how they perceive their circumstances. In 2003, the Foundation conducted fieldwork for its First European Quality of Life Survey in 28 countries: the EU25, two acceding countries – Bulgaria and Romania – and one candidate country, Turkey. The survey was a questionnaire-based, representative household survey, which aimed to analyse how various life factors affect Europeans' quality of life. In particular, it addressed a number of key areas: employment, economic resources, housing and local environment, family and household structure, participation in the community, health and health care, knowledge/education and training.

The first results of the Foundation's First European Quality of Life Survey were published in 2004. Since then, the Foundation has been engaged in more extensive analysis of how different issues impact on individual quality of life in the EU. This activity has produced a series of in-depth analytical reports, which look at key components of quality of life – families and social networks, income inequalities, overall life satisfaction and housing – across all 28 countries, identifying differences and similarities as well as policy implications.

This report explores the impact material resources, social relationships, time use and perceptions of society have on individual life satisfaction, happiness and sense of belonging. It reveals that levels of individual well-being reflect levels of national prosperity and the quality of society, with dissatisfaction, unhappiness and feelings of alienation being concentrated in Europe's poor regions and most of the NMS, where assistance is obviously needed most urgently. The core message of this report is that subjective quality of life, as a main provider of individual welfare, can be improved by raising individuals' standard of living, by developing the political and democratic culture in a country, and by providing citizens with better opportunities to live life according to their needs and aspirations.

We hope that the findings of this report can contribute to shaping EU employment and social policies aimed at solving these issues, and ultimately at improving quality of life for all people living in the EU.

Willy Buschak
Acting Director

Country codes

EU25

AT	Austria
BE	Belgium
CZ	Czech Republic
CY	Cyprus
DK	Denmark
EE	Estonia
FI	Finland
FR	France
DE	Germany
EL	Greece
HU	Hungary
IE	Ireland
IT	Italy
LV	Latvia
LT	Lithuania
LU	Luxembourg
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
SK	Slovakia
SI	Slovenia
ES	Spain
SE	Sweden
UK	United Kingdom

CC3

BG	Bulgaria
RO	Romania
TR	Turkey

Abbreviations

EQLS	European Quality of Life Survey
PPS	Purchasing Power Standard
EU15	15 EU Member States (pre May 2004)
EU25	25 EU Member States (post May 2004)
NMS	10 new Member States that joined the EU in May 2004 (former 'acceding' countries)
CC3	Three candidate countries: Bulgaria, Romania and Turkey
GDP	Gross Domestic Product

Contents

Introduction

Promoting people's well-being is a primary goal of European social policy: happy, satisfied, fulfilled and engaged citizens nurture flourishing European societies. However, interventions to promote subjective well-being have not been explicitly at the centre of a European social policy strategy up to now and research results on subjective well-being often fail to underline their major policy implications. The subject of well-being is well developed in scientific terms, but little is known of its distribution and determinants in the new Member States (NMS) compared with the EU15. This report contributes to a better understanding of subjective well-being in an enlarged Europe and goes beyond previous research activities in this field by emphasising social as well as societal living conditions as major contributors to life satisfaction, happiness and belonging.

In the course of European enlargement, the interest in living conditions and the distribution of life chances in different European countries has grown considerably. Subjective well-being is one of many subjects that needs to be explored from this perspective. With the European Quality of Life Survey (EQLS), launched by the European Foundation for the Improvement of Living and Working Conditions in 2003, a sound and comprehensive basis for comparable empirical information on living conditions in several dimensions is available. The EQLS provides detailed information on how subjective well-being is distributed and what impacts on subjective well-being in the different Member States. It was conducted across the EU15, the 10 NMS and in three candidate countries (CC3) in order to provide a wide basis for comparison. Monitoring trends and changes in quality of life refers to individual resource control, access to education and overall standard of living, and also includes information on how people assess their lives and how their social position impacts on their subjective well-being. The EQLS is comprehensive enough to address all of these matters. Empirical research, that maps resources and living conditions by means of objective indicators and subjective assessments, can help to identify emerging issues and areas of concern in the course of enlargement. Such issues include the widening variations in living conditions and the need to strengthen social cohesion.

The aim of the research related to this report[1] is to give an impression of the characteristics, structure and determinants of quality of life in the enlarged European Union. This implies that the focus of the analysis is on the relationship between objective and subjective dimensions of life, since by definition quality of life refers not only to living conditions in a material sense, but also to the links between living conditions and social relations, living conditions and subjective assessments, living conditions and political attitudes. There are well-known differences, according to economic development and access to resources, between most of the NMS and the EU15. From a quality of life perspective, an interesting question is to what extent these differences are mirrored in terms of subjective well-being. Establishing a good quality of life in different European countries is a matter of immediate policy concern.

This report focuses on quality of life as perceived by the respondents. Subjective well-being is at the centre of this analysis as an overall measure that summarises different aspects of life as comprehensively as possible. People in 28 participating countries were asked to judge their living

[1] The aim of the research project of the European Foundation for the Improvement of Living and Working Conditions is to analyse living conditions and quality of life in the enlarged Europe with the help of the EQLS data. The project is coordinated by the Social Science Research Centre in Berlin. Research teams from the Economic and Social Research Institute in Dublin, from the University of Turin and from the Polish Academy of Science in Warsaw also contribute to the project with analytical reports on different subjects (Fahey *et al,* 2005; Olagnero *et al,* 2005; Domanski *et al,* 2005).

conditions in several ways: how satisfied they are with their life in general, how happy they are and how they feel about their chances to participate and their social life generally.

Unlike other studies in quality of life and subjective well-being, the focus of this report is twofold: it is comprehensive in the sense that a detailed overview of subjective well-being is provided to meet the needs of an expanded European monitoring system adjusted to the new policy challenges of enlargement. Indeed, it goes beyond investigating patterns of life satisfaction and examines patterns of happiness and belonging in a relative and absolute perspective for the 28 participating countries. The second aim of the report is to identify those dimensions that structure the subjective well-being of European citizens under a variety of political and economic conditions. The specific analytical interest focuses on the interplay of individual resource control, political settings and subjective well-being.

For policy-makers, this perspective is promising. They are provided with an overview of what determines subjective well-being and what is likely to increase life satisfaction, happiness and a sense of belonging for Europeans in different Member States. The results provide the opportunity to confirm the value and effectiveness of EU social policy approaches in making people feel better and enabling them to be satisfied with their lives. In detail, this report assesses:

- whether measures to reduce poverty, social exclusion and unemployment help to raise subjective well-being;
- what role family-oriented policy approaches could play to increase subjective well-being;
- whether measures to facilitate a balance between job and family life can help to make people happier;
- whether the way people perceive the quality of their society makes a difference in how satisfied they are with their lives in general.

Due to the rich data source, far more determinants than other studies have revealed can be captured. In particular, aspects of material resources, social support, time use and the quality of society can be addressed. The latter two offer new insights to understanding the structure of subjective well-being. Information about tensions between social groups, about trust in the political system or the evaluation of public services reveal how people feel about the social structures in their lives. Living in societies that diminish rather than enable life chances will decrease subjective well-being accordingly. The time constraints that people perceive in organising the balance between work and life have, up to now, not been taken fully into account with regard to the impact on subjective well-being. All in all, the report seeks to identify how private and societal matters of life are interrelated and whether different patterns emerge with respect to the EU15 and the NMS.

Policy context 1

Defining quality of life

Quality of life refers to the overall well-being of individuals in a broad and multidimensional sense. It is defined according to desirable value-based societal goals prevalent in Europe, such as the equal distribution of life chances, the assured achievement of a minimum standard of living for everyone, access to employment and social protection. Therefore, quality of life relates not only to key dimensions such as income, education and access to material resources, but also to healthcare, family issues and social relations. Such an all-embracing notion of quality of life includes objective living conditions and their evaluation from the perspective of the individuals themselves. At the centre of the quality of life approach is the linkage between objective living conditions and their subjective assessment, measured, for example, with the help of satisfaction scales. The way people feel about their lives – whether they are happy, how they evaluate their chances to participate and their sense of belonging – is a crucial dimension of individual as well as societal quality of life.

This understanding of quality of life has become accepted in scientific, policy and everyday language. It covers a number of research perspectives with widely differing subjects. Well-being is no longer understood purely in terms of an increased material standard of living and quantitative growth. Instead, qualitative aspects and the social dimension of modern progress come into play, including structural policy and public awareness. From a methodological perspective, this implies that quality of life cannot be adequately described with reference to living conditions either in terms of objective collective or individual resources alone, such as income or access to work. The evaluation of these living conditions as good or bad from the perspective of the individual is nowadays a widely accepted module to gain a complete picture of quality of life in all of its dimensions. In the course of this development, two research perspectives have merged: the Swedish 'level of living' approach, which concentrated mainly on resources and related social inequality issues, and early American research in the social psychology tradition, more dedicated to subjective indicators.[2]

There are many theories that try to conceptualise and underpin the quality of life approach. For example, in the 1970s, based on Galtung's basic needs approach, Erik Allardt expanded the resource-oriented Swedish level of living approach in order to meet the full range of conditions for human development. His famous triad of 'Having, Loving and Being' is still regularly used as a starting point to illustrate the rich and comprehensive understanding of quality of life. 'Having' is related to material resources and living conditions, like income, basic goods, housing, working conditions, and the prerequisites to obtain them: all in all, aspects that refer to a basic standard of living and environmental settings to achieve it. The 'Loving' dimension conceptualises the social needs of an individual with reference to social relationships, networks, emotional support and social integration in general. 'Being' refers to a sense of overall recognition, the need to integrate into society, possibilities for participating and feelings of belonging or alienation (Allardt, 1976, 1993). A fourth pillar, crucial for well-being, is occasionally referred to as a single domain or also often understood as a sub-dimension of Being. 'Doing' is related to the active involvement of people in supporting others, political engagement and volunteering; it also captures control over the resource of time and opportunities for leisure activities.

[2] References summarising this development since the 1970s are numerous: see, for example, Erikson, 1993; Veenhoven, 1984, 1997; Cummins, 1997; Noll, 2000; Zapf, 2000; Donovan and Halpern, 2002; Rapley, 2003.

Allardt's conceptual thinking is notable for its comprehensiveness, lucidity and simplicity in terms of understanding. Researchers using this conceptual framework are obliged to work with a multidimensional approach to analyse quality of life, with three important implications. Reference has to be made to objective as well as to subjective indicators, to material as well as to non-material dimensions and, last but not least, to the exploration of the relationship between these several dimensions, which should be at the heart of analytical monitoring.

Although the dimension of Being emphasises opportunities to participate, it could be expanded with reference to another influential concept. Amatyra Sen points to 'capabilities' as an important aspect in quality of life research. Capabilities emphasise political and institutional settings as contextual frames that limit and structure opportunities and options for individuals to take advantage of certain life chances, an aspect that is neglected in Allardt's thinking. To focus on capabilities rather than outcomes alone underlines the need for policy-makers to strive for an environment that enables people to achieve a decent living that provides self-respect as well as enough to eat (Sen, 1993, 2000).

Although theoretically enlightening, the empirical application of this perspective on quality of life remains rather weak. Nevertheless, such thinking expands the view of quality of life and emphasises the value of empowerment and choice. In summary, a comprehensive understanding of quality of life would be best to focus on outcomes and subjective assessments, and also on resources that condition, facilitate or constrain people's choices (Fahey *et al*, 2003, p. 16). With the new EQLS data, it is possible to concentrate on the interrelationship between objective living conditions and their impact on subjective well-being. Furthermore, by capturing the perceived quality of society, at least some insight into capability structures can be obtained. The self-reported perceptions of society, judgements of public services and evaluation of policies can be interpreted as a window through which constraints and options become visible.

Policy relevance of subjective well-being

The importance of subjective indicators goes along with the assumption that the measurement of individual psychological states, like aspirations, values, beliefs, perceptions and attitudes, is essential to understand quality of life and social change. However, to accept subjective well-being as one important dimension of quality of life does not necessarily mean that such a focus is also convincing from a policy point of view. Arguments against the inclusion of subjective measurements into policy-relevant monitoring systems point to their irrationality and underline that the criteria for individual judgements of living conditions fail to be transparent or generally applicable, fail to be comparable and, moreover, that their measurement is imprecise and invalid. Policy instruments cannot be based on current moods and sensitivities which might simply reflect media-driven public opinion (Veenhoven, 2002).

Such arguments underestimate the informative and analytical value of subjective well-being. Perceptions and evaluations structure life chances and the coping strategies of individuals. To focus on subjective well-being means directing attention to a component of quality of life that is the sum of people's evaluation of their actual living conditions, of the opportunities open to them, their preferences, expectations and adaptations. Within monitoring systems, subjective well-being can be understood as a measure for human welfare that will inform a wide public as well as policy-

makers about the opinions, evaluations, feelings, assessments and basic values of European citizens, and reveal how individuals judge their living conditions and the overall circumstances that govern their lives. Policy-makers can use these results as a basis for promoting improved living conditions in an enlarged Europe. Moreover, an insight into public opinion about the performance of the political and social system is of immediate relevance to identifying potential conflicts and preventing extreme forms of protest that could destabilise democracy in the long run.

To be satisfied with one's life, to be happy and not to suffer from alienation and desperation is undoubtedly of high value in itself. Policy intervention not only aims at increasing material living conditions, but also at improving individual well-being in a general sense. Therefore, subjective indicators can serve as a basis to provide an idea of what people feel about the circumstances they live in, what they really want and what they lack, what they perceive as important and what their true needs are. Facilitating employment or strengthening social capital, for example, is of direct influence for subjective well-being in the long run. Indeed, many factors that would improve satisfaction levels are beyond the control of individuals. Instead, they depend on policy intervention to improve the income and employment situation in a country, which would drive economic development and the establishment of a democratic culture. Indicators of subjective well-being have the potential to deliver comprehensive information on how living conditions in a country are evaluated and what their impact is on attitudes, satisfaction, preferences and the perception of society. The individuals themselves are the best experts to judge their own living conditions in the most direct and reliable way. Of course, guidelines for policy interventions can not be derived from satisfaction levels alone. Nonetheless, identifying risk groups that suffer from a very poor subjective quality of life means that important areas for policy intervention become apparent. This may help to avoid divisions between well-integrated population groups and those who fail to participate. It is the combination of information on objective living conditions and their subjective evaluation that promises the most comprehensive and informative picture of quality of life and its determinants in different countries to serve as a basis for policy intervention.

Key findings from previous studies

Analysis of subjective well-being began in the 1970s with comprehensive American studies on life satisfaction in different social groups, its determinants and the role of aspirations, values, comparison groups and goals (Wilson, 1967; Andrews and Withey, 1976; Campbell *et al*, 1976). Since then, different topics have dominated this expanding research area, above all the question of what impacts on subjective well-being and how it is constructed. Important findings relate to its complex multidimensionality and determinants, as well as to its stability and change over time within and across countries. Measurement issues have also been intensively discussed, such as constructing indices to grasp the multidimensionality of subjective well-being. More recently, the focus has shifted to longitudinal studies and the exploration of causal effects.[3]

There are three lines of research traditions, each with different points of departures. The psychologists emphasise the role that personality traits play in explaining subjective well-being. Studies have shown that genetic and personality influences on subjective well-being are quite strong and that inherited traits explain a great deal of an individual's well-being, although failing

[3] There is an enormous amount of literature giving comprehensive overviews; see, for example, Diener *et al*, 1999; Ryan and Deci, 2001; Sirgy, 2002; Cummins, 1996, 2003; Gullone and Cummins, 2002; Veenhoven, 1996; Rapley, 2003.

to explain differences between countries and developments over time (Hamer, 1996; Inglehart and Klingemann, 2000; Diener and Lucas, 1999; Argyle, 1987). Sociologists and social psychologists, on the other hand, are interested in the role of social status, income, education, employment patterns and social relationships when people evaluate their overall living conditions (Veenhoven, 1984; Argyle, 1999; Headey and Wearing, 1992; Hagerty *et al*, 2002; Glatzer and Zapf, 1984). The question of whether genes and personality or socio-demographic factors influence subjective well-being to a greater extent has occupied researchers in this field for decades. More recently also, economists have shown an interest in explaining life satisfaction outcomes regarding the effect of subjective well-being on individual outputs or utility. Their attention is mainly focused on cross-country comparisons concerning marginal utility and the relationship between absolute and relative levels of subjective well-being (Frey and Stutzer, 2002a, 2002b; Oswald, 1997).

Some interesting and even paradoxical key results enliven the controversy about what best explains subjective well-being. Indicators of a nation's prosperity offer the most explanatory potential in comparing different satisfaction levels between countries: the lower the gross domestic product (GDP) per capita in a country, the lower the satisfaction levels throughout the population (Inglehart and Klingemann, 2000; Ryan and Deci, 2001; Di Tella *et al*, 2003; Fahey and Smyth, 2004). This does not necessarily mean that rising prosperity, in the long run, corresponds to increasing satisfaction levels; on the contrary, subjective well-being remains, in most cases, remarkably constant. This striking result could partly be explained by measurement peculiarities, since GDP is an open measure that can rise to infinity, whereas satisfaction is measured on an invariant scale, for example, from one (very dissatisfied) to 10 (very satisfied).

A further complicating feature is that subjective well-being is closely related to psychological processes like adaptations, aspirations and expectations, which have to be taken into account when explaining differences between countries as well as between individuals. As Inglehart put it: '[…] subjective well-being reflects a balance between one's aspirations and one's situation – and with long-term prosperity, one's aspirations tend to rise, adjusting to the situation. Thus, happiness is not the result of being rich, but a temporary consequence of having recently becoming richer' (Inglehart, 1990, p. 212). In rich countries, personal income level becomes of less potential explanatory value, whereas a strong correlation can be observed between subjective well-being and individual income in poor countries (Easterlin, 1973; Argyle, 1999; Veenhoven, 1997). It seems that when basic needs are satisfied, other life domains become more important to assure a satisfactory view of life. Moreover, the relationship between income and subjective well-being is weaker if other factors such as education and unemployment are also considered (Easterlin, 2000).

All in all, well-established research findings about life satisfaction variations within and between countries reveal some interesting insights (for comprehensive overviews, see Diener *et al*, 1999; Donovan and Halpern, 2000). Less developed countries have lower satisfaction levels than richer countries. This can be explained by reference to the level of economic prosperity, but other factors count as well, for example, the quality of governance and democracy (Donovan and Halpern, 2002; Inglehart and Klingemann, 2000; Veenhoven, 2000; Frey and Stutzer, 2000; Diener and Lucas, 2000). High unemployment in a country impacts negatively on the overall level of life satisfaction, while satisfaction is more widespread in countries with generous unemployment benefits (Clark *et al*, 2004).

At an individual level within a country, research confirms that people with higher income or better living conditions in general are more satisfied than people with lower income – a relationship that is even stronger in poor countries. Moreover, many studies have dealt with the impact of social relationships on subjective well-being and show, for example, the positive influence of marriage on life satisfaction (Headey and Wearing, 1992). Divorce, separation or widowhood reduce subjective well-being to a remarkable extent (Diener *et al*, 1999). Other findings underline the important impact of social relations and social networks on individual subjective well-being (Argyle, 1987). Social engagement, sport activities and chances to participate in general interact with positive well-being (Helliwell, 2001; Putnam, 2001). Even the negative effects of unemployment on subjective well-being can be buffered by strong supporting networks (Gallie and Russell, 1998; Böhnke, 2004). Besides the monetary loss, it is the loss of social status, social identity and social support that explains the decreasing satisfaction levels of unemployed people to a great extent. Moreover, the strong impact that unemployment has on life satisfaction is relative. Unemployed people in regions with high unemployment feel less distressed than those living in areas with low unemployment. Another strong predictor for life satisfaction is the self-reported health status (Donovan and Halpern, 2002; Delhey, 2004).

From a sociological perspective, it is rather disappointing that the explanatory impact of objective living conditions, such as employment, standard of living, housing conditions, educational level or marital status, on the variations of individual subjective well-being is rather small. According to Campbell *et al* (1976), socio-demographic factors account for less than 20% of the variance of subjective well-being, a finding confirmed in subsequent studies (Diener and Suh, 1997). This is further proof of the complex structure of subjective well-being. Personality and cultural values also play an important role and often exceed the explanatory power of living conditions. Certain processes of adaptations and social comparisons diminish the direct link between objective living conditions and subjective well-being. The mixture of social, psychological, societal and cultural influences and their complex interrelationship is often taken as the starting point for research in this area. However, from a policy point of view, even the smallest increase in subjective well-being that could be the result of modified objective living conditions should be of particular interest and increase the awareness of quality of life studies.

The most recent comparative analysis of distribution and determinants of life satisfaction throughout the enlarged Europe has been provided by Jan Delhey on the basis of Eurobarometer data from 2001/2002. The results show that satisfaction levels in the NMS and the CC3 are considerably lower than those in the EU15. This is also confirmed for satisfaction with various life domains. East Europeans are most satisfied with their private life and least satisfied with domains beyond their control, such as income, employment or healthcare. Country-specific variations in general life satisfaction reflect differences in national wealth – a result that is in line with the knowledge from other studies referred to above. In countries with higher income inequality, life satisfaction is more unequally distributed. There is a strong relationship between material living conditions and perceived life satisfaction, especially in the NMS and CC3. In the EU15, employment matters most for life satisfaction. In all country groups, being young, healthy, employed and having a partner generally facilitates a satisfied life (Delhey, 2004).

In the NMS, social inequalities in life satisfaction are more marked and inequalities according to social position, income or educational level have a stronger impact on differences in life

satisfaction than do variables such as sex, region and age. Nevertheless, in contrast to the EU15, there is a particularly strong generation gap in the post-communist countries, where older people are usually less satisfied and the younger age groups are likely to be the beneficiaries of the transformation process (Delhey, 2004). The study points to another difference between the EU15 and the NMS that needs further exploration: in the NMS, material resources play the most important role in increasing life satisfaction, whereas in the EU15 family and social life is significant and highly valued. On the other hand, family values and having children are highly appreciated in the NMS and family solidarity is more strongly accentuated than in the EU15, helping to buffer feelings of marginalisation in case of deprivation or unemployment (Böhnke, 2004).

In this present report on subjective well-being, the baseline study from Delhey, comparing subjective well-being and its determinants in 28 countries, can be continued and expanded. Moreover, a limitation of the previous study has been overcome. Whereas the database for the 2003 report included information from different sources and different years, the EQLS used here was conducted simultaneously in all 28 countries and information is drawn from identical questionnaires. All in all, the survey provides a broad spectrum of indicators relating to different life domains. Subjective well-being can be investigated with reference to life satisfaction, happiness and sense of belonging, and much information on resource control is available, enabling a detailed exploration of the relationship between standard of living, social integration and subjective well-being. However, the greatest advantage of the new EQLS data is the inclusion of indicators on the quality of society. Examining the impact of material, social and societal matters on subjective well-being will surely expand the knowledge about quality of life and its structure in an enlarged Europe.

Structure of the report and data analysis

One specific aim of this study is to provide a descriptive account of various dimensions of subjective quality of life with reference to patterns in the NMS compared with the EU15. In a second step, the analysis will deal with the explanation of these patterns in order to extract factors that contribute to a positive attitude towards life in general. As a starting point, Chapter 2 describes subjective well-being in three forms: overall life satisfaction, happiness and sense of belonging, a lack of which summarises feelings of alienation, marginalisation, desperation and pessimism. The first empirical step is to identify how subjective well-being is distributed in 28 European countries; whether country groups become visible that are similar in their welfare state arrangement and economic prosperity as well as in their level of subjective well-being; and whether there is a consistent pattern in the distribution of the three different measures of subjective well-being or if, for example, high satisfaction levels do not necessarily correspond with a low level of alienation.

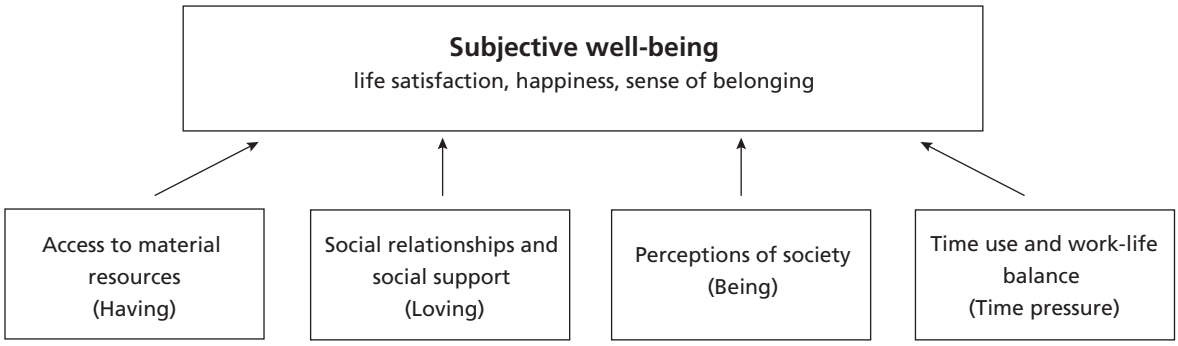
In order to get a first impression of the underlying structure, subjective well-being is interrelated with the level of economic prosperity and with another measure of a nation's overall welfare: the Human Development Index. In addition, satisfaction with different life domains is investigated for its impact on life satisfaction, happiness and sense of belonging. This stage of the analysis will reveal if the three forms of subjective well-being are synonymous or if they refer to different (emotional, cognitive or societal) aspects of quality of life, a question which will also be referred to

in the following chapters. Do country-specific patterns of determinants become visible, especially when comparing the EU15 with the NMS?

To get a first impression of risk groups, the analysis proceeds with an investigation of who is poor in subjective quality of life. Moreover, absolute and relative levels of subjective well-being are compared in order to answer the question as to who is poor in subjective well-being within a country and in a cross-country comparison perspective.

The central aim of the report is to study the conditions under which people become dissatisfied, unhappy and alienated. For this purpose, four major areas of life are explored for their impact on subjective well-being (see Figure 1). The general research questions guiding the report concentrate on these four determinants of subjective well-being in different European countries, covering three main aspects. What impact do material resources, social relationships, perceptions of society and time use have on subjective well-being, measured as life satisfaction, happiness and sense of belonging? How do these four dimensions of quality of life interrelate in influencing subjective well-being? This question especially focuses on the impact of individual resource control (material resources, social support, time use), on the one hand, and societal as well as political circumstances (perceptions of society, a nation's welfare), on the other. Do people differentiate between private and societal matters of life when they evaluate their overall living conditions? Moreover, what is the relationship between Having and Loving? Do social factors, for example, help to mediate negative effects of an inadequate standard of living on subjective well-being? Do different explaining mechanisms arise with regard to the structure of subjective well-being in the EU15 and in the NMS?

Figure 1 Subjective well-being and its determinants



In Chapter 3, the connection between material resources, social relationships, the quality of society and time use, on the one hand, and subjective well-being, on the other, is described with the help of descriptive tables and bivariate relationships. After introducing indicators provided by the EQLS, and explaining how they are combined to build indices for each of the domains, their distribution in 28 countries is shown. In a second step, life satisfaction outcomes are displayed, with living conditions being controlled for.

Chapter 4 extends this approach with more sophisticated statistical analysis to identify in detail the determinants of subjective well-being and their interrelationships. Multiple regression analysis assists in determining what impacts most on subjective well-being in the EU15 and NMS. The focus of this analysis is on the relationship between individual resource control and political settings as well as societal circumstances. It is of immediate policy relevance to know whether not only personal living conditions count for individual welfare, but also the evaluation of a political and social system. Readers will be provided with a comprehensive understanding of what determines subjective well-being in the enlarged Europe, with specific reference to social and societal aspects. The report concludes by highlighting the policy relevance of the findings.

Given the connection between a nation's level of prosperity and human development, on the one hand, and the general level of subjective well-being, on the other, a clear division between the EU15 and NMS may be expected, with people being more satisfied, happier and less alienated in the EU15. Previous research also suggests that individual resource control, as conceptualised in this report, will determine subjective quality of life in all of its dimensions throughout Europe, independently of the respective level of subjective well-being in a country. However, access to material resources is likely to dominate the overall evaluation of living conditions, particularly in countries with a lower standard of living. Factors related to social integration items will probably influence subjective well-being to a larger extent for individuals and in countries where the more basic material needs are satisfied. Both tendencies would result in a different structure of subjective well-being in the EU15 and NMS, according to the national prosperity level. Following the theoretically different nature of life satisfaction, happiness and sense of belonging, they are likely to be differently structured, with happiness referring more exclusively to intimate matters than life satisfaction, and sense of belonging emphasising the political surrounding with which a society provides its citizens. With reference to Sen (2000), another basic assumption is that societal matters will count when evaluating personal living conditions because people are aware that these provide the opportunity structure in which their life chances are embedded. The quality of society might be of higher importance for subjective well-being in the NMS, where poverty and unemployment are widespread, economies are unstable and a democratic culture is less established.

As stated above, the European Quality of Life Survey (EQLS) serves as the database for these investigations. In 28 countries, a comprehensive questionnaire was fielded by Intomart GFK to collect comparable information on household and family composition, working conditions, social position, income and standard of living, time use and work–life balance, housing conditions, political participation, social support and social networks, health and subjective well-being. National response rates varied widely, between 30% in Spain to a questionable 90% in Germany. In each country, around 1,000 persons were interviewed, except in the smaller countries of Luxembourg, Malta, Estonia, Cyprus and Slovenia (600 respondents each). Weighting variables added by the pollsters were calculated with reference to age, sex and region. A careful and thorough data check was made by the Social Science Research Centre (WZB) team in Berlin coordinating the research group that was engaged by the Foundation to conduct initial analytical monitoring. In the course of the data processing, recoded breakdown variables, indices and macro variables were added.

However, even this comprehensive and rich data source is not without some limitations, which should be kept in mind when interpreting the results. Sample sizes are too small to allow detailed analysis of important population sub-groups in each country such as, for example, single parents. The broad coverage of several subjects and life domains, which is undoubtedly an advantage, results in a lack of detailed questions to address each theme. Moreover, although meant to be representative of the whole population, minorities as well as people at the bottom or at the top of society are usually not fully covered by the national surveys. Some data problems remained unsolved with consequences for the analysis. For example, the income variable in Germany did not prove to be fully reliable, so related analysis has to be treated with caution; compared with other studies, it seems as if income information in the bottom quartile is much too low.[4]

[4] Details on the German income variable can be found in Fahey *et al*, 2005; for further information on the survey procedure and the results of the data check, see Arendt, 2003; Nauenburg and Mertel, 2004.

2 Levels of subjective well-being in Europe

Subjective quality of life is the sum of people's experiences of opportunities open to them, of the actual choices they make and the life results they achieve within social contexts (Delhey, 2004, p. 2). For decades, empirical research has tried to capture individuals' subjective experience of their lives with a number of indicators. The underlying assumption is that people's well-being can be defined by conscious experiences in terms of hedonic feelings or cognitive satisfaction (Diener and Suh, 1997, p. 191). Subjective well-being consists of three interrelated components: life satisfaction, pleasant effects and unpleasant effects. Effects refer to moods and emotions, whereas life satisfaction is rather cognitive (Diener and Suh, 1997, p. 200). Surprisingly, given the different questions posed in surveys ('How happy are you' versus 'How satisfied are you with your life in general'), most empirical studies do not distinguish between both measures of subjective well-being, sometimes writing about happiness although the underlying survey question refers to life satisfaction, and vice versa.

Although empirical findings suggest high correlations between both measures of subjective well-being, nonetheless, theoretical thinking advocates treating them as separate dimensions. Life satisfaction is mainly meant to capture cognitive aspects of evaluating one's life as a whole, whereas happiness refers to emotions and effects (Diener *et al*, 1999, p. 277). A third dimension of subjective well-being is included in this report, which is different from life satisfaction and happiness insofar as it relates to general feelings of belonging and integration: indicators constructing the index on alienation refer to self-reported pessimism, detachment from social order, social exclusion and anxiety. Information on the extent of alienation and on what impacts on associated feelings of marginalisation is especially relevant for social inclusion policies. Such a view understands the individual as a human being interrelated with society and adds a dimension of subjective well-being that captures societal circumstances.

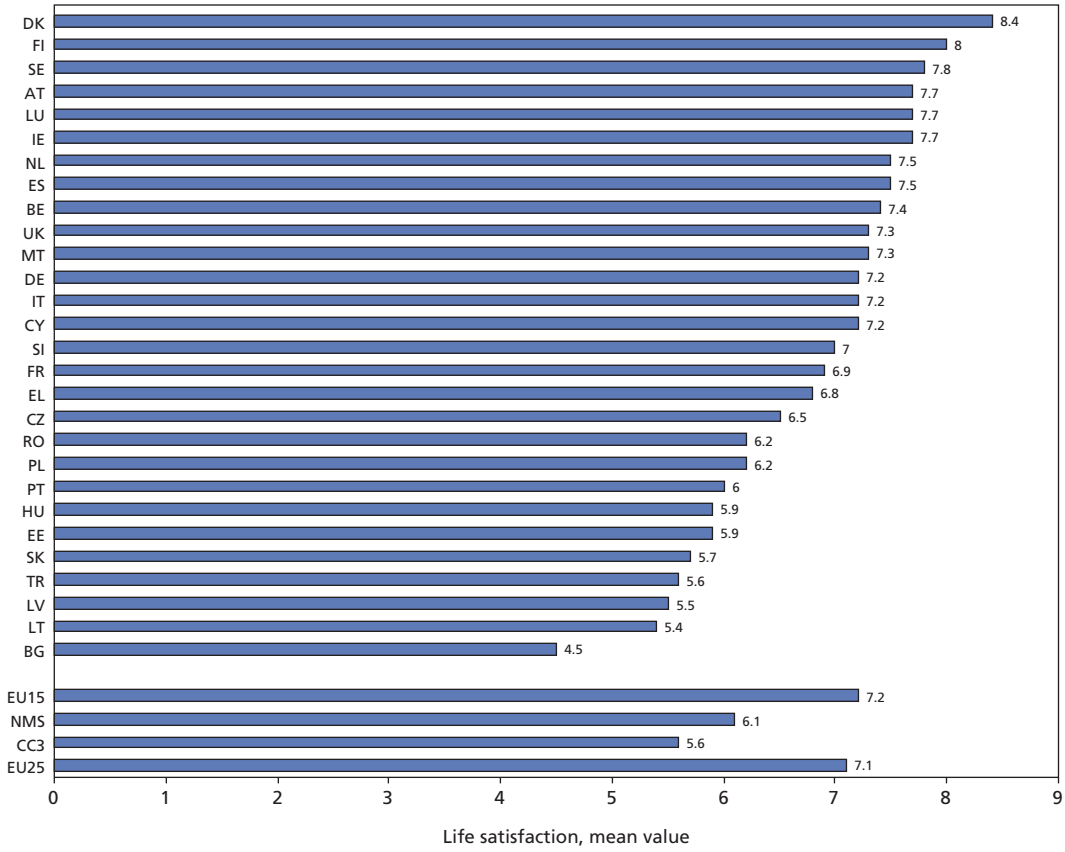
This chapter starts with a descriptive overview of how subjective well-being in these different dimensions is distributed throughout the enlarged Europe. Information on satisfaction with life in general, on happiness and sense of belonging is provided. Do the data confirm the existence of a new gap between well-being in the western and eastern European Member States in addition to the traditional north-south divide in the EU15? Do country groups exist that score high or quite low in all three dimensions of well-being? In addition, the analysis will show if the connection between a nation's economic prosperity and its level of subjective well-being, as established by previous research, is also confirmed by these data and these dimensions of subjective well-being. In order not to restrict country characteristics to the economic dimension, this analysis is expanded by adding the broader information provided by the Human Development Index. Can different levels of subjective well-being between countries be explained on the basis of the different chances of human development that they offer their citizens?

Furthermore, information is provided on satisfaction with different life domains and the impact of this satisfaction is measured to gain a greater understanding of how subjective well-being is structured. Which life domain dominates the structure of life satisfaction, happiness and sense of belonging? Are standard of living, family, job, social life and health equally important? How do the EU15 and NMS differ in this respect? Moreover, the analysis focuses on risk groups in every country and throughout Europe in order to establish who suffers most from a poor subjective quality of life at national and EU level.

Feelings of satisfaction, happiness and sense of belonging

Satisfaction with life in general has been measured on a one to 10 point scale (one = very dissatisfied and 10 = very satisfied). The higher the mean value of life satisfaction in a country, the more satisfied a nation's population is with the general living conditions. Figure 2 shows mean satisfaction values for all 28 countries. In addition, cross-country averages calculated with the help of population-adjusted weights are displayed. This implies that, as an example, the mean value for the 10 NMS is dominated by the results for population-rich countries like Poland. This calculation method is meaningful because the interest is in the quality of life of individual European citizens. However, this procedure should be kept in mind when differences between results for the EU15 and the NMS appear to be small. This does not necessarily mean that results for the single countries are equally distributed.

Figure 2 Life satisfaction in Europe, 2003



Question: 'All things considered, how satisfied would you say you are with your life these days? Please tell me on a scale from one to 10, where one means very dissatisfied and 10 means very satisfied' (Q.31).

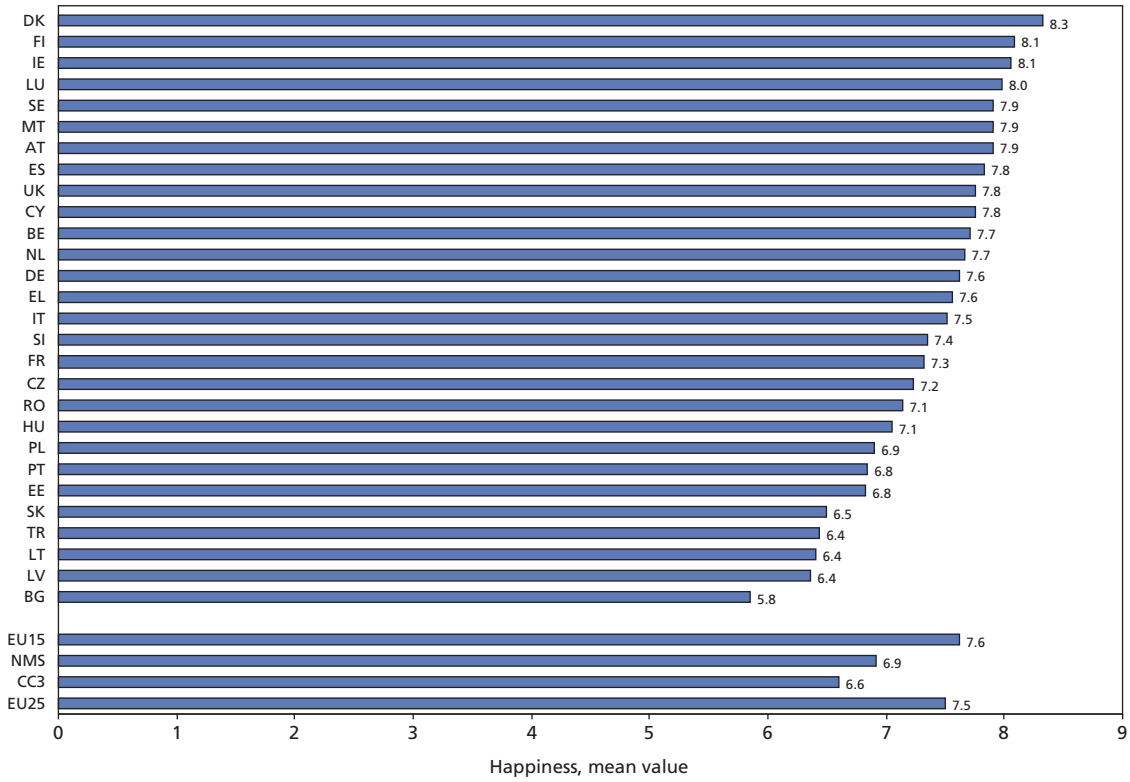
Source: EQLS 2003, author's calculations. Mean values.

On the contrary, the picture suggests that satisfaction with life varies widely throughout the enlarged Europe, with results showing a clear divide between the EU15 and NMS (Figure 2). The population of the EU15 is generally more satisfied than people in the NMS. Least satisfied is the population in the CC3, with the average satisfaction value here ranking far below the figures for the NMS and EU15. Malta and Cyprus are the only new Member States where satisfaction is on a par

with the EU15; neither country faced the challenges of transformation processes and severe economic cutbacks as did the former eastern bloc countries. Slovenia is also very close to the EU25 average. The least satisfied populations of Europe are found in Turkey, Latvia, Lithuania and Bulgaria, while the most satisfied are the Scandinavians. Life satisfaction is generally highest in Denmark, Finland and Sweden, and the populations of Austria, Luxembourg and Ireland are highly satisfied with their living conditions and life in general. Among the EU15, only France, Greece and Portugal perform relatively badly in this respect; Portugal even ranks below the NMS satisfaction average. These results confirm that, with the exception of Spain, the north-south gradient in subjective well-being in the EU15 is still apparent.

Turning to happiness, the picture is remarkably similar (Figure 3). Again, the population in the Scandinavian countries is the happiest and, in general, EU15 countries perform much better in this domain than the NMS, with Malta and Cyprus as the exceptions. Obviously, there is not only a satisfaction gap, but also a happiness gap between the EU15 and the NMS. As with the distribution of life satisfaction, it is the Portuguese population that is the least happy among the EU15. The Bulgarian and Turkish populations are once again among the poorest performers in relation to subjective well-being. The Romanian population, by contrast, ranks even above the NMS average of happiness. In comparison with the results for life satisfaction, people opt for higher rates on the happiness scale than they do on the satisfaction scale.

Figure 3 Happiness in Europe, 2003



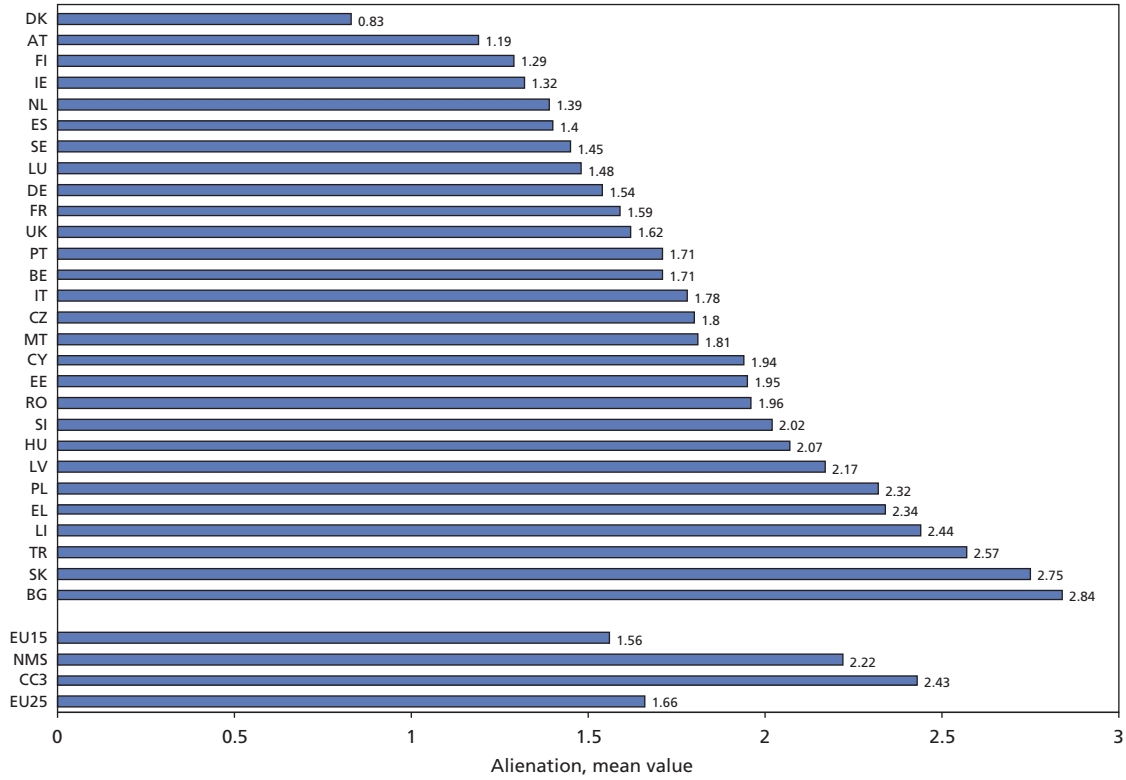
Question: 'Taking all things together on a scale of one to 10, how happy would you say you are? Here, one means very unhappy and 10 means very happy' (Q.42).

Source: EQLS 2003, author's calculations. Mean values.

The EQLS data not only provide information on general life satisfaction and happiness, but also on the respondents' sense of belonging and feelings of alienation (Figure 4). This dimension of subjective well-being does not refer to cognitive (life satisfaction) or emotional (happiness) aspects in the first instance, but captures a general attitude to life, encompassing more than private matters and referring to surrounding societal circumstances as well. People were asked whether they agree or disagree with the following statements (EQLS 2003, Q.30a – Q.30e):

- I am optimistic about the future;
- In order to get ahead nowadays, you are forced to do things that are not correct;
- I feel left out of society;
- Good luck is more important than hard work for success;
- Life has become so complicated today that I almost can't find my way.

Figure 4 Alienation in Europe, 2003



Note: The alienation index ranges from 0-5 and summarises agreement (agree completely and agree somewhat) with the following statements (in the case of optimism, it is disagreement): I am optimistic about the future; In order to get ahead nowadays, you are forced to do things that are not correct; I feel left out of society; Good luck is more important than hard work for success; Life has become so complicated today that I almost can't find my way. High mean values indicate widespread feelings of alienation.

Source: EQLS 2003, author's calculations. Mean index values.

The comprehensive measure displayed in Figure 4 is the result of an index that summarises agreement (in the case of optimism, it is disagreement) with the single statements or items (Cronbach's alpha: 0.63). Low mean values indicate that symptoms of alienation are not very prevalent throughout the population. The results show a general pattern which suggests that, in countries where satisfaction and happiness are widespread, feelings of alienation are not. Again, Denmark is at the top and Austria, Finland, Ireland, the Netherlands, Spain, Sweden, Luxembourg and Germany perform quite well in this respect, all ranking above the EU15 average. On the other hand, feelings of pessimism, marginalisation and resignation are quite common for the populations in Bulgaria, Slovakia, Turkey and Lithuania. All in all, the distribution of alienation corresponds to that for satisfaction and happiness, with only slight deviations: for example, Greece reports extraordinarily widespread feelings of alienation, more than experienced in most of the NMS. In comparison to the distribution of satisfaction and happiness, the division between the EU15 and the NMS according to their level of alienation becomes even more obvious, with the exception of Greece. With respect to social cohesion and the heterogeneity of the European social model, this pattern can be interpreted as an alarming signal, in that dissatisfaction, unhappiness and alienation are concentrated so clearly in the NMS.

To get a better impression of the challenges facing each country, Table 1 shows the results of each of the five statements of alienation. What proportion of a country's population is pessimistic and how many people feel left out of society or complain about the complexity of life in general? The most striking difference between the EU15 and the NMS and CC3 relates to the opinion that only bad behaviour is nowadays helpful to get ahead, which can easily be interpreted as recognising that it is beneficial to break rules and regulations and ignore the law. Some 60% of the population in the NMS agree with this statement. In addition, two-thirds of the NMS population believe that luck rather than hard work is more important for success, which points in the same direction and reveals a lack of belief in normal work and in the guarantee of a satisfying future through obeying the rules. Moreover, 44% of the NMS population think that life is so complicated that 'they almost cannot find their way' (compared with 32% in the EU15). This picture reveals a great deal of resignation and disappointment. Recent developments, especially in the post-communist countries, obviously did not foster belief in modern progress, increasing life chances and rising prosperity.

In the EU15, the case of Denmark is noteworthy. Half of the Danish population has no complaint about matters to do with alienation, leaving the rest of the European population far behind with this positive attitude. Germany and France show relatively high levels of pessimism. Around half of these populations report such feelings, which might relate to their relatively bad economic performance with low growth rates in recent years and an increasing insecurity due to welfare system reforms resulting in reduced social benefits. (For a more detailed analysis with regard to optimism, see Keck and Delhey, 2004.)

Table 1 Feelings of alienation and their distribution in the European population, 2003 (% of population agreeing completely or somewhat)

Single alienation items

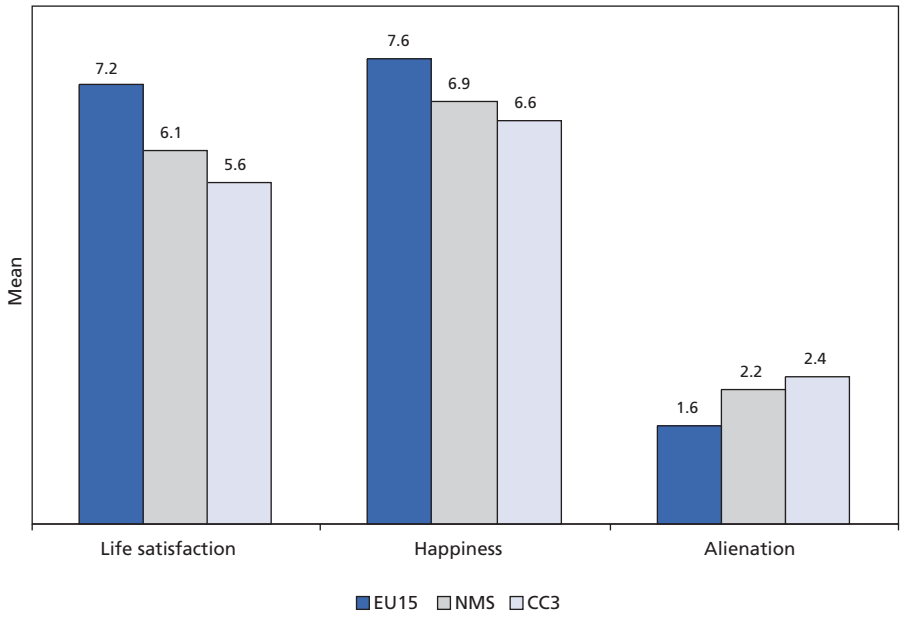
Country	No agreement with any item	Pessimism	Forced to do incorrect things	Exclusion	Luck is decisive	Life is too complic-ated	Agreement with at least four out of five items
Austria	34	26	36	8	39	14	5
Belgium	21	37	37	14	52	32	12
Denmark	50	7	26	5	29	17	2
Finland	28	11	34	12	47	26	5
France	22	55	24	18	38	28	9
Germany	27	49	34	10	40	23	9
Greece	7	34	75	16	60	50	17
Italy	21	32	30	9	49	61	10
Ireland	35	18	40	14	44	22	9
Luxembourg	21	26	37	8	53	27	6
Netherlands	26	25	31	8	56	23	7
Portugal	19	46	14	15	58	43	9
Spain	28	22	39	9	48	22	6
Sweden	30	15	47	12	39	31	10
United Kingdom	26	25	50	22	36	32	13
Cyprus	16	24	58	13	62	41	12
Czech Republic	19	34	39	17	62	34	12
Estonia	17	28	50	20	58	42	17
Hungary	12	40	63	9	62	33	17
Latvia	11	40	53	26	58	45	19
Lithuania	5	24	74	23	72	56	22
Malta	15	25	57	10	65	27	10
Poland	11	38	61	21	65	48	22
Slovakia	7	58	69	29	66	53	32
Slovenia	14	25	59	27	54	40	15
Romania	16	32	53	19	50	45	15
Bulgaria	6	51	68	38	65	64	37
Turkey	6	37	60	25	60	74	25
EU15	25	36	35	12	43	32	9
NMS	12	38	60	20	64	44	20
CC3	8	37	59	25	58	65	23
EU25	23	36	39	13	47	34	10

Index information: summing up agreement with single alienation items (Q.30a - e, agree somewhat and agree completely); Q.30a, I am optimistic about the future ('disagree completely' and 'disagree somewhat'), Q.30b, In order to get ahead nowadays, you are forced to do things that are not correct, Q.30c, I feel left out of society, Q.30d, Good luck is more important than hard work for success, Q.30e, Life has become so complicated today that I almost can't find my way.

Source: EQLS 2003, author's calculations.

Summing up, the main impression of these findings is that subjective well-being is quite unequally distributed across the enlarged Europe. The north-south divide in the EU15 is confirmed, with high subjective quality of life in the Scandinavian countries and low performance especially in Greece and Portugal. Additionally, the enlarged Europe has to face a huge gap in subjective well-being between east and west, which is more or less a gap between the EU15 and the NMS. The population of the transformation countries is least satisfied, most unhappy and reports widespread feelings of marginalisation, pessimism and resignation, which points to the severe economic cutbacks that these countries have had to cope with and the unrealised expectations of a higher standard of living for the entire population (Figure 5). However, the NMS do not form a homogenous group, nor do the EU15. There are huge internal country group differences that identify Malta, Cyprus and Slovenia as scoring highest in subjective well-being, while Bulgaria, Slovakia and Turkey report very low levels of satisfaction and happiness.

Figure 5 Subjective well-being, by country group



Note: Mean values of the respective indicators are shown. Life satisfaction is measured on a scale of 1-10, where one means dissatisfaction and 10 means satisfaction; the same scale has been used to measure happiness. The alienation index ranges from 0-5 and summarises agreement (agree completely and somewhat) with the following statements (in case of optimism, it is disagreement): I am optimistic about the future; In order to get ahead nowadays, you are forced to do things that are not correct; I feel left out of society; Good luck is more important than hard work for success; Life has become so complicated today that I almost can't find my way. High mean values indicate widespread feelings of alienation.

Source: EQLS 2003, author's calculations. Mean values.

Furthermore, the results suggest that the three different dimensions of subjective well-being investigated here – satisfaction, happiness and sense of belonging – are closely linked, especially according to life satisfaction and happiness. Table 2 shows the correlation between the three measures for the EU15 and NMS.[5] Although highly correlated, life satisfaction and happiness

[5] Correlations (Pearson's) at national level range from .737 (Sweden) to .512 (Luxembourg) according to satisfaction and happiness, between -.501 (Cyprus) and -.271 (Italy) according to satisfaction and alienation, and between -.445 (Cyprus) and -.167 (Luxembourg) according to happiness and alienation.

might refer to different states of consciousness, a factor which is explored below. Correlations between both these measures and alienation are weaker, which points to the fact that feelings of belonging or marginalisation might result not only from personal living conditions, but also from societal circumstances and – with reference to Sen – to the capability structure that each country offers its citizens. This aspect is also explored below.

Table 2 Correlation between measures of subjective well-being, EU15 (in bold) and NMS (in italic)

	Life satisfaction	Happiness	Alienation
Life satisfaction		*.63*	*-.42*
Happiness	**.65**		*-.38*
Alienation	**-.38**	**-.32**	

Note: Pearson's correlation coefficient, significant on a level of p = .000.

Source: EQLS 2003, author's calculations.

Subjective well-being and economic prosperity

Looking at the distribution of subjective well-being in the enlarged Europe, it is not unreasonable to assume that there is a direct relationship with a country's level of prosperity and welfare. High levels of life satisfaction or happiness are concentrated in prosperous EU15 countries. Recent publications took up this issue in order to explain variations in life satisfaction between countries. The impact of national wealth is tested with extended empirical approaches that explore levels of subjective well-being in as many countries as possible in order to overcome the geographical limitations of previous research in western European countries with similar high levels of economic prosperity. The findings show that inequalities between countries and cross-national relativities in welfare have a strong effect on subjective well-being, especially in countries where economic welfare is low (Fahey and Smyth, 2004).

As a first approximation to learn something about the distribution of subjective well-being in the enlarged Europe, the interaction of the three different measures of subjective well-being with a country's level of welfare and economic prosperity is explored. GDP per capita and the Human Development Index are chosen as indicators that capture the welfare context of one country compared with another. In the EU15 in 2001, GDP per capita is highest in Luxembourg (45,360 PPS – purchasing power standard) and lowest in Greece (15,680 PPS). It is considerably lower in the NMS, with the highest figures in Cyprus (18,290 PPS) and the lowest in Latvia (7,790 PPS). The CC3 have to cope with an even lower economic outcome, weakest in Turkey (5,770 PPS). Similar developments can be reported with respect to the Human Development Index (HDI), a composite measure that, besides being adjusted for real income, also refers to life expectancy and educational attainment in a country (UNDP, 2003). However, one disadvantage of the HDI is that the index produces similar values for the more prosperous countries. For better results, the analysis therefore does not use the index value itself, but the ranking position of a country's HDI-performance compared with others. Does subjective well-being follow its distribution?

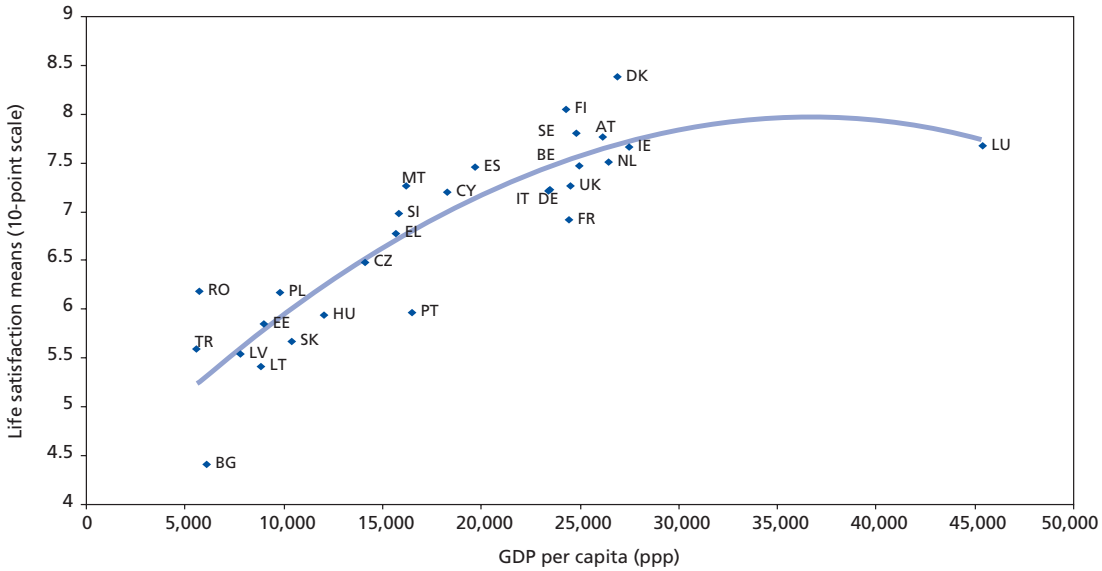
Figures 6 to 11 show country-level data on subjective well-being in combination with the countries' level of welfare. Variations in life satisfaction, well known from previous research, and also in

happiness and alienation are closely linked to cross-national differences in GDP per capita, life expectancy and educational attainment. Throughout the enlarged Europe, it seems to be a consistent pattern that the level of subjective well-being in a country follows its success in economic and human development, a result that poses a challenge for European policy-makers. The lower the GDP per capita and the worse the ranking position of the HDI value, the lower the level of subjective well-being in a country. However, this clear pattern reflects first of all the difference in welfare achievements between the EU15 and NMS. Calculated for the EU15 separately, results are less convincing and weaker in statistical significance, at least in relation to GDP per capita. Once national prosperity has reached a certain level beyond hardship and the fulfilment of basic needs is assured, subjective well-being remains only weakly linked to such a general measure of economic welfare, and other country differences, such as education, life expectancy or the quality of society, play an important additional role.

Certain inconsistencies that prompt a more thorough exploration of well-being between and within countries are worth noting. Some countries, at a comparable level in economic welfare, differ considerably in their performance of life satisfaction or happiness. This is true for the CC3 countries of Romania, Turkey and Bulgaria, for example. Moreover, many of the EU15 do not differ much on the GDP per capita scale, but do show clear differences in subjective well-being. As suggested in the previous paragraph, the connection between economic prosperity and well-being seems to be weaker the higher the general level of standard of living in a country, which points to the possible explanation of a saturation effect.

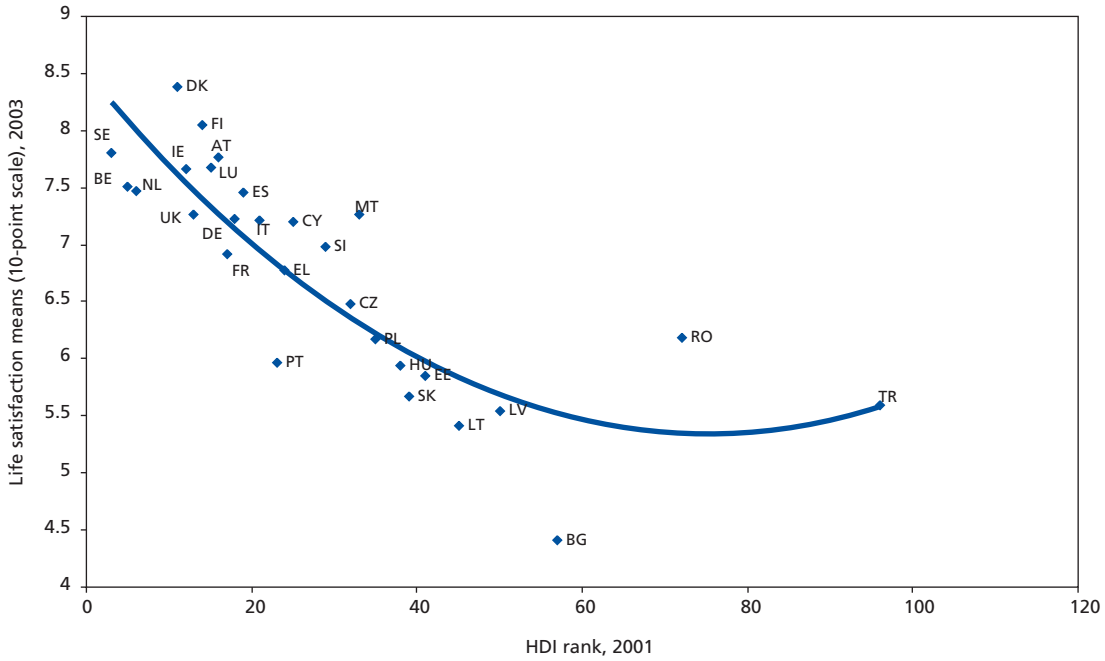
With respect to alienation, the picture shows a clear divide between the EU15 and NMS. Although the explanation according to economic prosperity seems to be convincing, it may also hide determining societal circumstances of the transformation process in the eastern European countries that diminished trust in politicians, policy intervention and institutional systems. For the EU15, the connection between economic prosperity and alienation is weak and, in statistical terms, insignificant.

Figure 6 Life satisfaction and GDP per capita, 2001



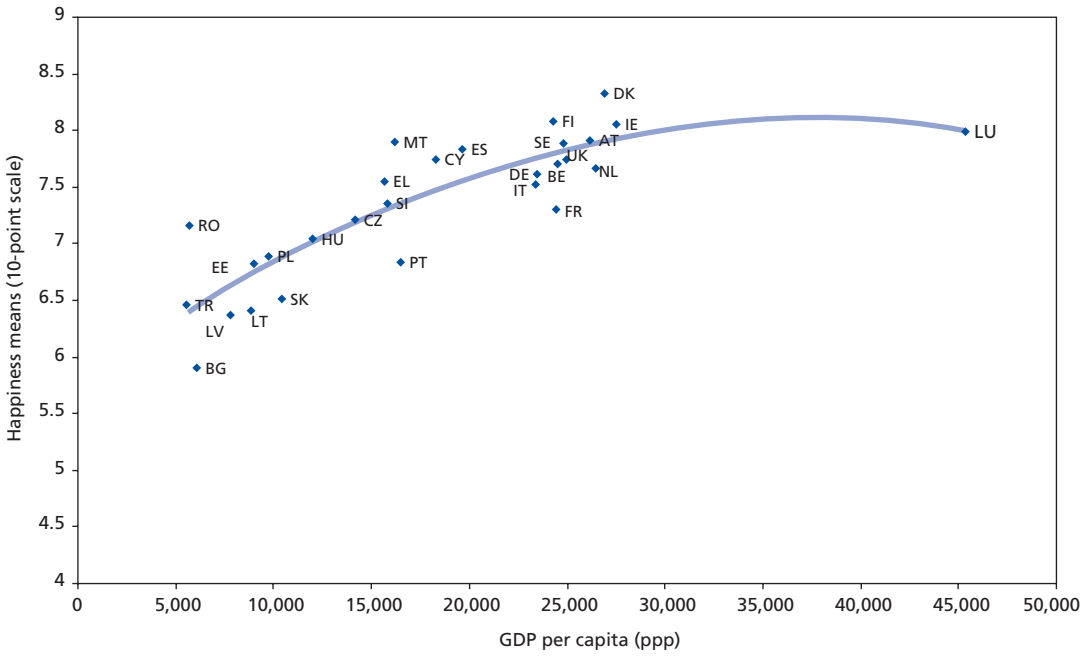
Source: EQLS 2003; Eurostat 2004. Mean values.

Figure 7 Life satisfaction and human development, 2003



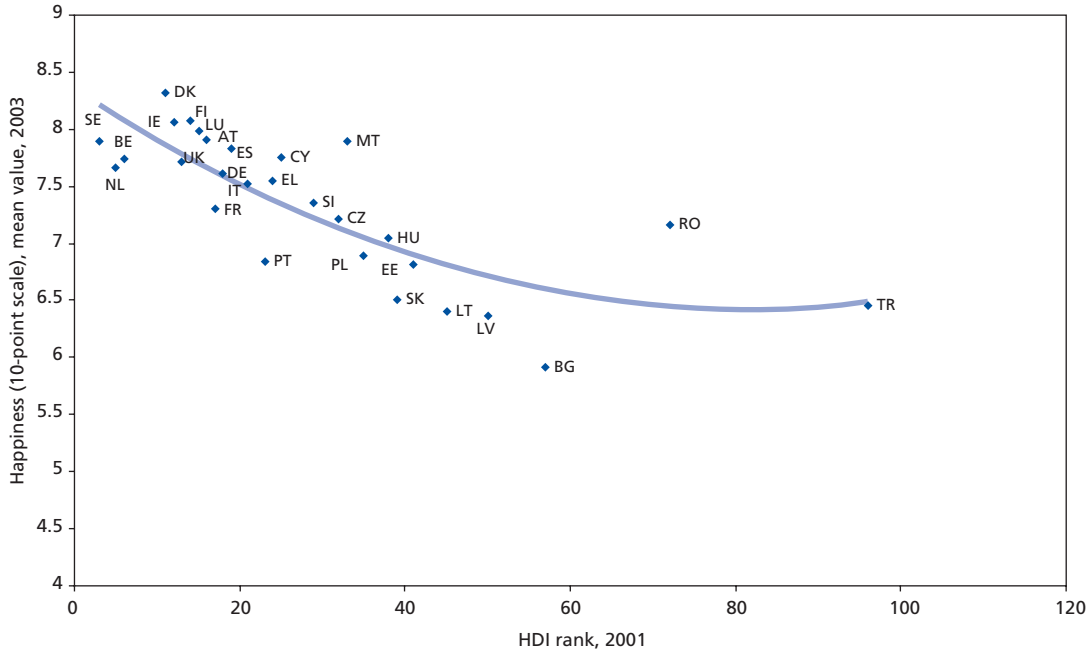
Source: EQLS 2003; UNDP 2003. Mean values.

Figure 8 Happiness and GDP per capita, 2001



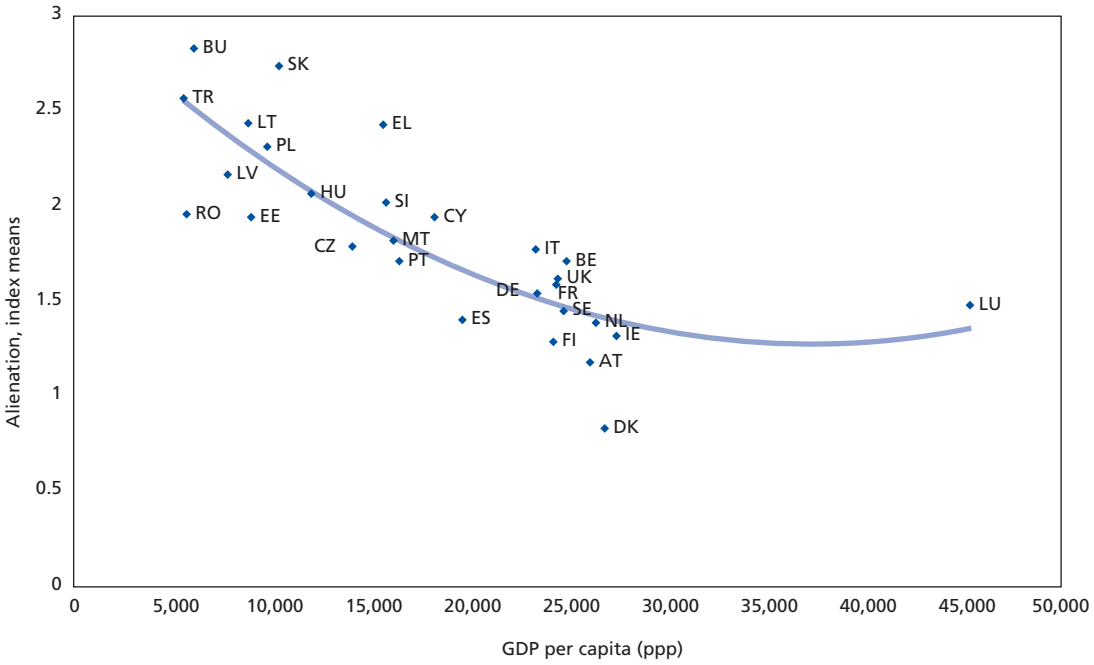
Source: EQLS 2003; Eurostat 2004. Mean values.

Figure 9 Happiness and human development, 2003



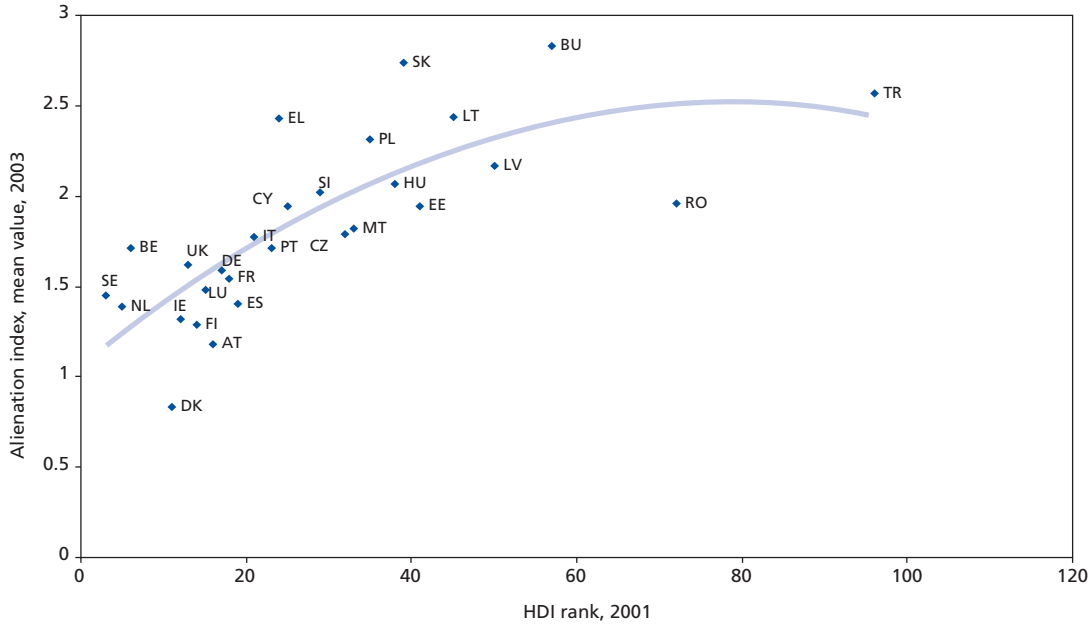
Source: EQLS 2003, UNDP 2003. Mean values.

Figure 10 Alienation and GDP per capita, 2001



Source: EQLS 2003; Eurostat 2004. Index means.

Figure 11 Alienation and human development, 2003



Source: EQLS 2003; UNDP 2003. Index means.

The correlations in Table 3 show how strong and significant is the connection between subjective well-being and welfare development in the enlarged Europe (EU25 and CC3). It is strongest for the life satisfaction measure. Happiness, which is essentially supposed to capture emotional aspects, and alienation, which might also refer to a variety of societal circumstances, have a slightly weaker interaction with GDP per capita and the Human Development Index. However, although these links are slightly weaker it remains an interesting connection.

Table 3 Correlations between subjective well-being and macro indicators of national welfare in 28 European countries (GDP per capita, Human Development Index; Pearson's correlation coefficient)

	GDP per capita (2001)			Human Development Index, value, 2001		
	EU25 + CC3	EU15	NMS	EU25 + CC3	EU15	NMS
Life satisfaction	.82***	n.s.	.94***	.84***	.75***	.93***
Happiness	.80***	n.s.	.95***	.81***	.62*	.89**
Alienation	-.76***	n.s.	-.74*	-.78***	-.65***	-.72*

Note : *** coefficients are statistically significant on a level of p = .000; ** coefficients are statistically significant on a level of p < .01; * coefficients are statistically significant on a level of p < .05; n.s. = not significant.

Source: EQLS 2003, author's calculations; Eurostat 2004; UNDP 2003.

However, these connections are only valid when comparing a variety of countries with considerably different levels of welfare. For the EU15, GDP per capita cannot explain the differences between the levels of subjective well-being; instead, it is the Human Development Index, with its added information on life expectancy and educational attainment, that helps to explain some variations, especially with regard to life satisfaction. For the NMS, economic prosperity remains an important predictor for subjective well-being.

Satisfaction with different life domains

With the EQLS data from 2003, information is available as to how Europeans evaluate their living conditions with respect to specific life domains. Respondents were asked not only how satisfied they are with their life in general, but also how they judge their education, present job, present standard of living, accommodation, health and social life. Hence, detailed information is provided on how individuals in different countries evaluate specific areas of their life (Tables 4-6).

Table 4 Satisfaction with different life domains

Mean satisfaction value	EU15	NMS	CC3
7.9	Family life		
7.8			Family life
7.7	Accommodation		
7.6		Family life	
7.5	Health		
7.4	Job		
7.3	Social life		
7.2	Standard of living		
7.1			Health
7	Education		
6.9		Job, Health	
6.8			
6.7		Accommodation	Accommodation, Job
6.6			
6.5			
6.4		Education	
6.3		Social life	
6.2			
6.1			
6			
5.9			
5.8			Social life
5.7		Standard of living	Education
5.6			
5.5			
5.4			
5.3			
5.2			
5.1			
5			
4.9			Standard of living
4.8			

Question: 'Could you please tell me on a scale from one to 10 how satisfied you are with each of the following items, where one means you are very dissatisfied and 10 means you are very satisfied?'

Source: EQLS 2003, author's calculations.

First of all, Table 4 confirms that the generally lower level of subjective well-being in the NMS and CC3 also applies to specific life domains. Respondents in these countries are less content with their material and social living conditions compared with the population in the EU15. The most striking discontent in the NMS and CC3 is expressed with the standard of living, a result that underlines the urgent need to improve overall material living conditions and access to resources in this region.

Table 5 Satisfaction with different life domains (highest and lowest)

	Most satisfied	2	3	4	5	6	Least satisfied
Austria	Accommodation	Family life	Social life	Health	Standard of living	Job	Education
Belgium	Family life	Accommodation	Job	Social life	Health	Standard of living	Education
Denmark	Family life	Social life	Accommodation	Standard of living	Health	Job	Education
Finland	Family life	Accommodation	Job	Social life	Health	Standard of living	Education
France	Family life	Accommodation	Health	Social life	Job	Standard of living	Education
Germany	Accommodation	Family life	Job	Health	Social life	Education	Standard of living
UK	Family life	Accommodation	Health	Job	Standard of living	Education	Social life
Greece	Family life	Health	Social life	Accommodation	Job	Standard of living	Education
Ireland	Family life	Health	Accommodation	Standard of living	Job	Social life	Education
Italy	Family life	Accommodation	Health	Social life	Job	Standard of living	Education
Luxembourg	Family life	Accommodation	Standard of living	Social life	Health	Job	Education
Netherlands	Family life	Accommodation	Standard of living	Social life	Health	Job	Education
Portugal	Family life	Education	Job	Accommodation	Social life	Health	Standard of living
Spain	Family life	Accommodation	Social life	Health	Job	Standard of living	Education
Sweden	Family life	Accommodation	Social life	Health	Standard of living	Job	Education
Cyprus	Health	Family life	Accommodation	Social life	Job	Standard of living	Education
Czech Republic	Family life	Accommodation	Health	Job	Education	Social life	Standard of living
Estonia	Family life	Job	Education	Health	Accommodation	Social life	Standard of living
Hungary	Family life	Job	Health	Accommodation	Education	Social life	Standard of living
Latvia	Job	Education	Family life	Accommodation	Health	Standard of living	Social life
Lithuania	Family life	Job	Health	Education	Accommodation		Standard of living
Malta	Family life	Accommodation	Health	Social life	Standard of living	Job	Education
Poland	Family life	Health	Job	Accommodation	Social life	Education	Standard of living
Slovakia	Family life	Accommodation	Health	Education	Job	Social life	Standard of living
Slovenia	Family life	Accommodation	Health	Social life	Job	Standard of living	Education
Bulgaria	Family life	Accommodation	Health	Job	Education	Social life	Standard of living
Romania	Family life	Education	Job	Health	Accommodation	Social life	Standard of living
Turkey	Family life	Health	Accommodation	Job	Social life	Education	Standard of living
EU15	Family life	Accommodation	Health	Job	Social life	Standard of living	Education
NMS	Family life	Job	Health	Accommodation	Education	Social life	Standard of living
CC3	Family life	Health	Accommodation	Job	Social life	Education	Standard of living
EU25	Family life	Accommodation	Health	Job	Social life	Standard of living	Education

Note: Domain satisfaction is measured on a scale of 1-10, where one indicates low satisfaction and 10 indicates highest satisfaction with the respective life domain.

Source: EQLS 2003, author's calculations.

For the EU15, education is the domain where criticism and discontent is most widespread. On the other hand, family life is evaluated as the most satisfying life domain for all of the countries, a finding consistent with other studies. Family life as a private sphere, less influenced by policy intervention than other areas, tends to be evaluated rather positively (Headey and Wearing, 1992; Cummins, 2003). However, this is not true for the evaluation of social life. In all

Table 6 Domain satisfaction, by country (means)

	Education	Job	Standard of living	Accommodation	Family life	Health	Social life
Austria	7.6	7.7	7.9	8.3	8.2	7.9	8.1
Belgium	7	7.8	7.6	7.8	8	7.6	7.6
Denmark	7.9	8.1	8.3	8.4	8.7	8.2	8.5
Finland	7.3	7.9	7.5	8	8.2	7.8	7.8
France	6.3	7	6.8	7.4	7.4	7.3	7.1
Germany	7.4	7.9	7.3	8.1	8.1	7.6	7.5
Greece	6.4	6.9	6.6	7.2	8.2	7.9	7.5
Ireland	7	7.5	7.6	8.1	8.2	8.1	7.4
Italy	7	7.4	7.1	7.7	8	7.6	7.4
Luxembourg	7	7.5	7.9	8.2	8.4	7.7	7.9
Netherlands	6.9	7.5	7.5	7.7	7.7	7.5	7.5
Portugal	6.9	6.8	5.9	6.7	7.4	6.6	6.7
Spain	6.7	7.1	7	7.5	8.2	7.5	7.4
Sweden	7.1	7.6	7.6	8.1	8.1	7.7	7.8
UK	6.9	7.3	7.2	7.7	7.8	7.4	6.7
Cyprus	6.9	7.2	6.9	7.5	7.9	8.1	7.4
Czech Republic	6.9	7.1	6.1	7.2	7.4	7.1	6.5
Estonia	6.7	6.8	5.7	6.4	7.1	6.6	5.8
Hungary	6.5	7	5.8	6.9	7.8	6.9	6.2
Latvia	6.6	6.8	5.7	6.3	6.5	6	5.4
Lithuania	6.3	7	5.1	5.9	7	6.5	5.5
Malta	7	7.4	7.5	8.2	8.5	7.9	7.7
Poland	6.2	6.8	5.5	6.5	7.8	6.8	6.2
Slovakia	6.6	6.5	5.1	6.8	7.1	6.7	6
Slovenia	6.4	7	6.5	7.5	7.7	7.1	7.1
Bulgaria	6.5	6.5	4	6.6	7.1	6.6	5
Romania	7.8	7.4	6.1	7.2	8.1	7.3	6.9
Turkey	4.7	6.4	4.6	6.5	7.9	7.2	5.5
EU15	7	7.4	7.2	7.7	7.9	7.5	7.3
NMS	6.4	6.9	5.6	6.7	7.6	6.8	6.3
CC3	5.7	6.7	4.9	6.7	7.8	7.1	5.8
EU25	6.9	7.3	6.9	7.6	7.9	7.4	7.2

Note: Domain satisfaction is measured on a scale of 1-10, where one indicates low satisfaction and 10 indicates highest satisfaction with the respective life domain.

Source: EQLS 2003, author's calculations.

country clusters, satisfaction with social life is comparatively low. Instead, family integration is highly valued despite increasing divorce rates and increasingly diverse models of household and family composition.

The ranking of satisfaction with different life domains in each country more or less validates the status of family life (Table 5). The populations of 25 out of 28 European countries evaluate it as the most satisfying life domain. Social life only appears to be one of the three most satisfying areas of life in Denmark, Spain and Sweden. Country-specific results also confirm that standard of living is the life domain requiring the most urgent improvement in most of the NMS. The only exceptions in this respect are the populations in comparatively prosperous countries like Slovenia, Malta and Cyprus. Standard of living is perceived to be the most unsatisfactory area of life, particularly in the transition countries. In the EU15, with the exception of Portugal and the UK, education is the most unsatisfactory domain. Countries in the EU15 also share a low satisfaction level in relation to the present job situation, whereas this area of life ranks higher in the NMS. However, when comparing the satisfaction levels rather than their ranking position, the job situation gets higher satisfaction scores in almost all of the EU15 than in the NMS. For further information, Table 6 shows the level of mean satisfaction in the different life domains by country.

Overall impact on life satisfaction

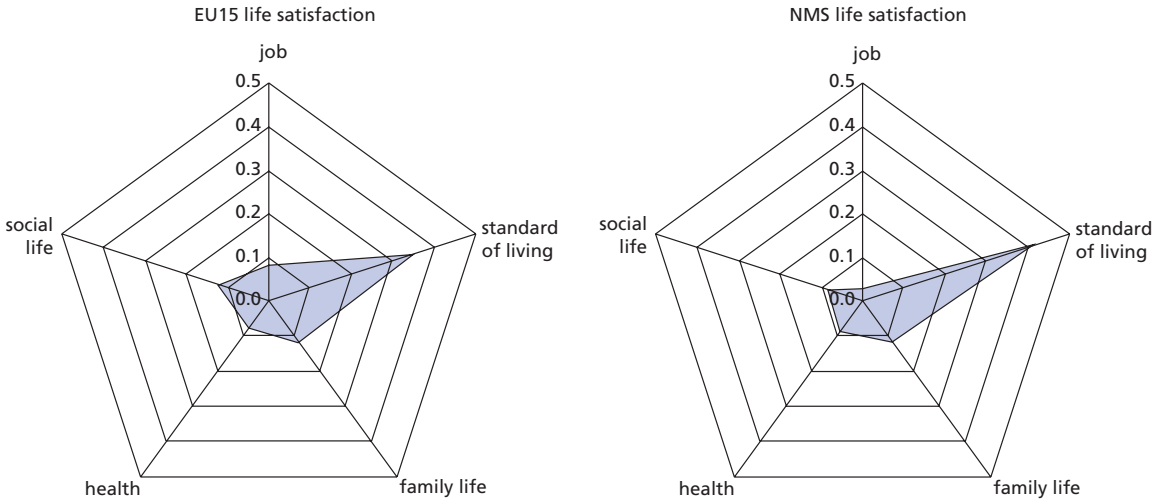
Next, the influence of domain satisfaction on subjective well-being is tested. Statistical analysis can explore which life domain impacts most on overall life satisfaction and which respective pattern arises in different country groups.[6] Therefore, a multiple OLS (ordinary least squares) regression model is calculated with the following variables to explain general life satisfaction: satisfaction with present job, with present standard of living, with family life, with health and with social life. These dimensions address a broad spectrum of the most important areas of life, ranging from material to social conditions including health. In addition, the influence of these domains on happiness and alienation is explored. Although, as previous analysis has shown, the three measures of subjective well-being are highly correlated, their different structure is often highlighted in the literature, with life satisfaction supposed to refer to cognitive aspects and happiness being more related to emotional aspects of well-being (Diener *et al*, 1999). The following analysis can investigate these issues with simple multiple statistical methods.

Figure 12 compares the results according to life satisfaction for the EU15 and NMS. In both country groups, satisfaction with standard of living turns out to be the most important precondition to promote satisfaction with life in general. However, the influence is stronger in the NMS. In both country clusters, satisfaction with family and social life and also with health is of minor importance for the variations in life satisfaction compared with the influence of standard of living. Apart from standard of living, EU15 citizens also regard their job and employment situation as an important contributor to life satisfaction. In the NMS, job satisfaction is weaker, pointing to the fact that employment in the NMS is highly correlated with material standard of living, whereas in the EU15 employment also provides a sense of social identity beyond the mere ability to control material resources.

[6] This subject has also been explored in detail by Delhey (2004). However, unfortunately, the results fail to be reproduced because the data are not comparable and the different surveys used neither the same life domains nor the same satisfaction scales. Where appropriate, nevertheless, results will be referred to in order to give an impression of the influence that different data sources can have on the interpretation of reality.

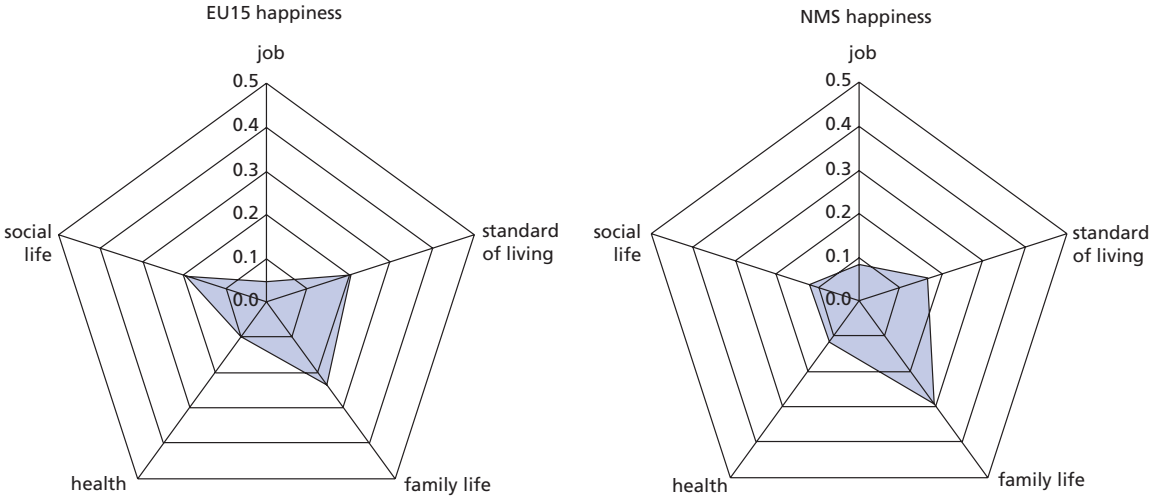
The picture changes when the domain satisfaction values are taken to explain happiness in the two country groups (Figure 13). Again, standard of living has a high impact on this indicator of subjective well-being. However, it is more important for the level of happiness to be integrated in a satisfying family and social life. Networks, contacts and overall social support obviously promote subjective well-being in its emotional aspects, whereas access to material resources supports, rather, the cognitive dimension captured with life satisfaction. Differences between the EU15 and NMS, according to level of happiness, relate to the value of family versus social life. People in the NMS put less importance on social contacts and value family life higher, whereas social life in the EU15 is considered to be as important as family life.

Figure 12 Influence of domain satisfaction on life satisfaction, EU15 and NMS (multiple OLS-regression, non-standardised B-coefficients)



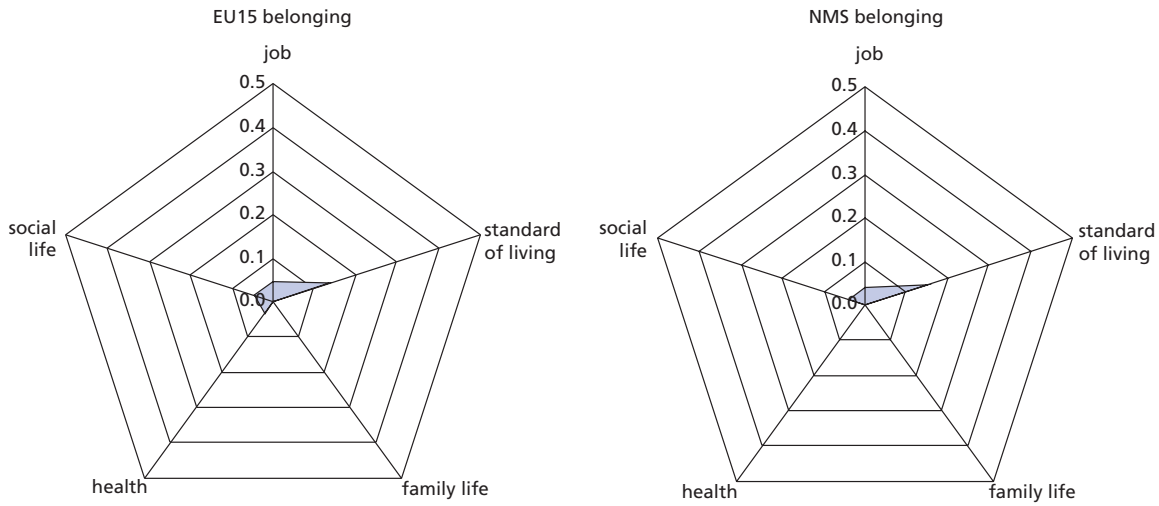
Source: EQLS 2003, author's calculations.

Figure 13 Influence of domain satisfaction on happiness, EU15 and NMS (multiple OLS-regression, non-standardised B-coefficients)



Source: EQLS 2003, author's calculations.

Figure 14 Influence of domain satisfaction on belonging (alienation), EU15 and NMS (multiple OLS-regression, non-standardised B-coefficients)



Source: EQLS 2003, author's calculations.

Calculations have also been made for alienation, with less satisfying results (Figure 14). The domain satisfactions provided from the EQLS do not explain much of its variance. In both country groups, it is primarily standard of living that contributes to a feeling of belonging and integration. Job satisfaction and satisfaction with social life are also significant, but of minor importance. Clearer results, one might assume, could be expected if the model had also included satisfaction with public domains like the political system, social benefits, social security, health care or pension systems, or public safety. This issue will be explored below in the context of the connection between perceptions of society and subjective well-being.

Tables 7 and 8 explore the impact of domain satisfaction on life satisfaction at a national level. The most striking result is that, in the NMS and CC3, standard of living turns out to be the most important predictor of overall life satisfaction, far ahead of satisfaction results for the other domains. Job satisfaction is of minor importance and produces significant results in only five countries in the NMS and CC3. The same is true for the social domains, including family and social life. Social support plays a key role independently of standard of living in only seven countries. The overall impression is that access to resources in the NMS is so limited that life chances are completely dominated by this shortage and other life domains become irrelevant, compared with this urgent need. This does not imply that family and social support is unimportant, but it indicates that poor living conditions largely determine how people feel about their lives.

In the EU15, standard of living also dominates the explanation of overall life satisfaction, but values other than material ones are also important and give a more complete picture. In three affluent Scandinavian countries (Denmark, Finland and Sweden), family life impacts most on the outcome of life satisfaction. All in all, family and social life are important contributors to life satisfaction in the majority of the EU15, with the high impact of social life sometimes exceeding the value associated with families. Compared with the NMS, the employment situation counts for more in the EU15. Although the results fail to reproduce the clear division between the income-

Table 7 Influence of domain satisfaction on life satisfaction, NMS and CC3 (results from multiple OLS regressions)

B	CY	CZ	EE	HU	LV	LT	MT	PL	SK	SI	BG	RO	TR
High importance of domain satisfaction for life satisfaction													
0.5		Standard of living	Standard of living	Standard of living	Standard of living	Standard of living			Standard of living		Standard of living	Standard of living	
0.4								Standard of living					
0.35													Standard of living
0.3	Standard of living, Family									Standard of living, Health			
0.25							Standard of living						
0.2			Family, Social life	Family	Job	Health		Family					
0.15			Job		Health, Family		Job	Health					Job
0.1		Social life		Social life		Job		Social life	Family		Family, Health	Social life	
Low importance of domain satisfaction for life satisfaction													

Note: Results shown are non-standardised B-coefficients; dependent variable: life satisfaction; only significant results are displayed; explanatory variables: satisfaction with present job, with present standard of living, with health, family and social life (all measured on a scale of 1-10).

Source: EQLS 2003, author's calculations.

Table 8 Influence of domain satisfaction on life satisfaction, EU15 (results from multiple OLS regressions)

B	AT	BE	DK	FI	FR	DE	EL	IE	IT	LU	NL	PT	ES	SE	UK
0.5					Standard of living		Standard of living					Standard of living			
0.4		Standard of living				Standard of living		Standard of living	Standard of living						
0.35										Standard of living	Standard of living				
0.3	Standard of living	Family	Family	Family	Social life								Standard of living	Family	Standard of living
0.25			Standard of living										Job	Standard of living	
0.2			Social life	Standard of living, Health				Social life	Family	Social life	Family			Social life, Health	Social life
0.15	Family			Social life		Job	Social life, Health			Family	Job, Social life	Health	Family, Social life		
0.1	Social life, Job	Job, Social life		Job		Family, Health, Social life		Job	Job		Health				Family

Note: Results shown are non-standardised B-coefficients; dependent variable: life satisfaction; only significant results are displayed; explanatory variables: satisfaction with present job, with present standard of living, with health, family and social life (all measured on a scale of 1-10).

Source: EQLS 2003, author's calculations.

oriented NMS and family-oriented EU15 as Delhey (2004) suggests[7], the tendency of this interpretation is confirmed in the data. In the NMS, the material dimension of life overwhelmingly dominates the outcome of overall life satisfaction. Family and social life is important when the overall economic prosperity in a country is high and basic needs are satisfied.

Disadvantaged and privileged groups across Europe

Which population groups are the most privileged or the most disadvantaged in terms of subjective well-being? Do similar patterns arise throughout Europe or are there specific risk factors present in some countries that bring about severely low levels of satisfaction, happiness or belonging? Who is rich and who is poor in perceived quality of life? To answer these questions, a relative as well as an absolute perspective is helpful. In a relative view, disadvantaged groups are identified in a national context and specific risk factors are compared across countries independently of the respective level of subjective well-being within one country. As shown above, these levels are quite different; it could be the case, for example, that unemployed people face a higher risk of being dissatisfied in many countries, but unemployed people in Sweden, when compared to unemployed people in Poland, are much more satisfied. These differences become apparent when an absolute perspective of comparison is taken as the starting point and a European frame of reference determines the interpretation. Who are the European poor in subjective well-being?

In a first step, the different measures of subjective well-being, treated separately up to now, are taken together to build one single indicator of perceived quality of life. Such an indicator can be constructed in several ways, capturing the national or European perspective as the frame of reference. There are two possible ways of building such a measure, one of which takes a European threshold to distinguish rich and poor people from the remaining population, whereas the other threshold is constructed with the help of national averages of satisfaction, happiness and alienation. Being below the national average of satisfaction and happiness, and being above the national average of alienation, becomes the criterion of performing badly in subjective well-being. This second measure also reflects inequalities in subjective well-being as well as the strength of the correlation between satisfaction, happiness and alienation in a country.[8]

Taking the European-wide criterion for well-being as a starting point, the results more or less mirror what the distribution of the single indicators above has already shown (Figure 15). The highest rate of satisfaction with quality of life is found in the Scandinavian countries, with a remarkable 41% in Denmark, and also in Ireland and Austria. Greece and Portugal are again the worst performers of the EU15 in this respect. The European poor in terms of subjective quality of life are to be found in Bulgaria, Slovakia, Lithuania and Turkey. These differences find their clear expression in the country-group results. In the EU15, about 15% of the population are ranked among the rich in subjective quality of life, compared with only 6% in the NMS. Likewise, the proportion of poor people in the NMS is four times higher than in the EU15 (16% as opposed to 4%).

[7] It should be kept in mind that, in the data Delhey (2004) worked with, the material dimension was covered by income satisfaction, whereas the EQLS data ask for satisfaction with standard of living, which is far more comprehensive and might explain the different results.

[8] Further statistical analysis was carried out to get an idea of the usefulness of combining the three measures of subjective well-being in one single indicator. The answer is not easy to give and it seems to be up to the interpretation of the researcher to decide on this issue. Correlations and factor analysis suggest that the three measures are very close, especially when life satisfaction and happiness are concerned. Instead, determinants of each measure reveal a different structure of each indicator, as the impact of domain satisfactions has shown above. For this reason, a compound measure is only chosen to make calculations for risk groups less redundant. However, for the following analysis, each measure of subjective well-being is treated separately to distinguish their different determinants.

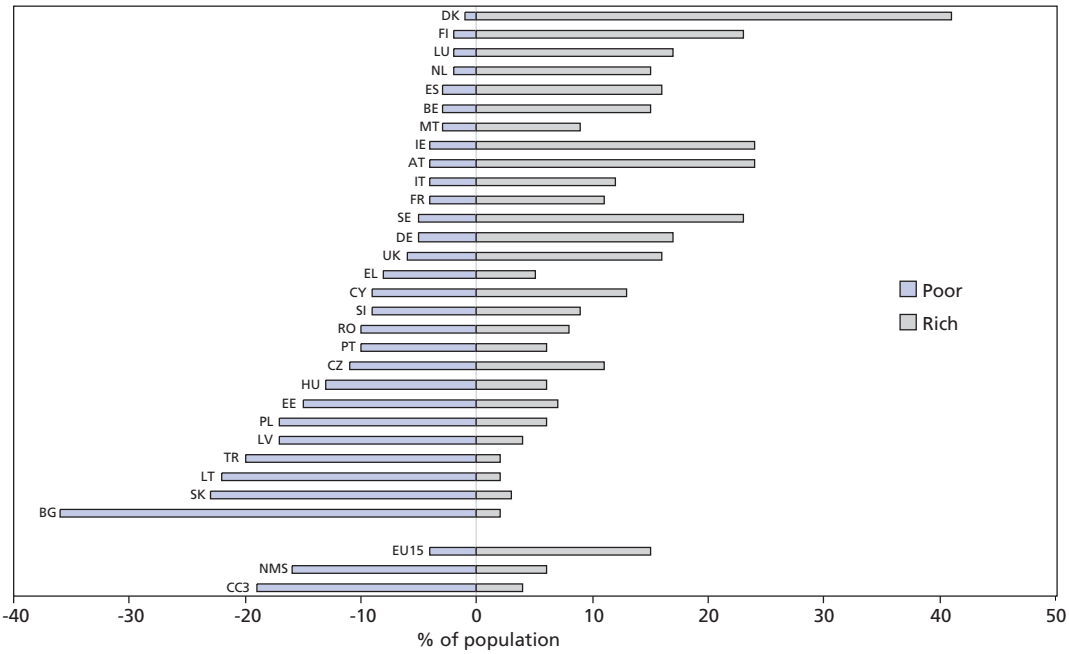
National results do not reproduce this clear division (Figure 16). The NMS and EU15 differ only slightly when comparing the share of the population which is rich or poor in national terms of subjective well-being. This suggests that, irrespective of the overall level of subjective well-being, its distribution seems to be quite similar in each country. One-third of the population feels very comfortable and is well-off, whereas about one-fifth of the population faces problems that result in a perception of grief and discontentment in various facets. Nevertheless, there are distinctive country-specific differences that reflect the distribution of well-being in each country. The most striking discrepancy between the EU15 and NMS is that the proportion of rich people in terms of subjective well-being by far exceeds the proportion of poor people in most of the EU15, whereas in many of the NMS both population groups are about equal.

In addition to knowing how many people suffer from a low level of subjective quality of life, it is interesting to know in detail what characterises people rated poor in terms of subjective well-being – this is unequally distributed in each country and some population groups are more disadvantaged than others. Unemployed people, as Table 9 shows, are at risk of being simultaneously dissatisfied, unhappy and alienated. With few exceptions, almost in every country, over one-third of unemployed people are underprivileged according to subjective well-being. Other risk groups are poorly educated people, unskilled workers, those on a low income, single parents and people suffering from chronic illness. Retired people have a higher risk of being dissatisfied and unhappy in the NMS than in the EU15, which might relate to higher pensions and better healthcare systems. A low level of education corresponds to low subjective well-being, especially in the NMS. Single parents are more at risk than the general population in the EU15. All in all, the results show that common inequalities, such as access to education, income and employment, formulate life chances and subjective well-being to a large extent.

Another way to capture the distribution of subjective well-being is the calculation of ratios which measure how much more one population group is affected by poor subjective quality of life than another. The higher the ratio, the more polarised is subjective well-being between the two respective groups. Table 10 shows the results. All in all, polarisation coincides with social inequalities attached to status and access to material resources. Income, education and employment status are the most decisive factors determining differences in subjective well-being between disadvantaged and privileged groups. Other attributes like sex, age, marriage or having children have less effect on polarisation.

Unemployed people are three times more likely to feel dissatisfied, unhappy and marginalised than employed people. Of course, there are country-specific differences. In the Scandinavian countries, particularly, and in some of the east European countries (Bulgaria, Hungary, Slovenia) fewer distinctions between the two groups are apparent, which could reflect good living conditions for unemployed people, but could also indicate bad living conditions for employed people. Polarisation between people with high and low levels of education is particularly high in the Czech Republic, Germany, Poland, Slovakia and Turkey. According to the country-specific results, people on a low income in the NMS are more disadvantaged, compared with the high income group, than in the EU15. Illness, of course, signifies a higher risk of a poor subjective quality of life than being healthy. Gender differences, as already shown above, are not very prevalent. There are marked distinctions between young and old people in the NMS. Young people can look forward to a higher level of satisfaction, happiness and sense of belonging than older people. In some of the EU15, old

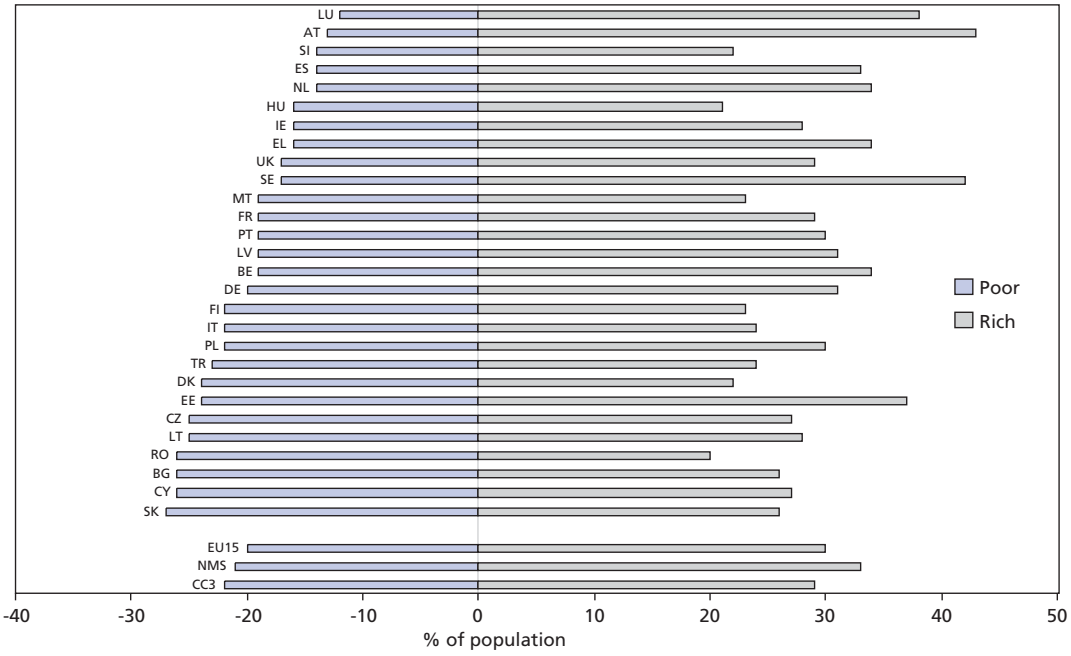
Figure 15 Poor or rich in subjective quality of life (European absolute threshold)



Note: European threshold for richness or poverty in subjective quality of life: richness = satisfaction >=8 and happiness >=8 (scales from 1-10) and no agreement with any of the alienation items; poverty = satisfaction <=5 and happiness <=5 and agreement with at least three out of five alienation items.

Source: EQLS 2003, author's calculations.

Figure 16 Poor or rich in subjective quality of life (country-specific national threshold)



Note: Country-specific richness or poverty in subjective quality of life measured as: being above (rich) or below (poor) the respective national averages of the life satisfaction and happiness scales, and being below (rich) or above (poor) the national average of the alienation index.

Source: EQLS 2003, author's calculations.

Table 9 Risk groups for poor subjective quality of life (country-specific thresholds, %)

	Total	Deviation from total						
Country		Unemployed	Retired	Low education	Unskilled worker	Low income	Long-standing illness	Single parent
Austria	13.1	26.9	1.8	1.1	5.2	7.8	12.3	12.7
Belgium	19.3	14	0	4.5	-0.2	5.4	10.2	8
Denmark	23.8	13.7	6.2	14.8	11.1	7	11	1.2
Finland	22.4	13.5	3.1	4.7	11.4	7.4	6.4	9.7
France	19.1	17.9	-1.7	-4.4	-	14.2	-3.6	7.6
Germany	20.6	42.1	-2.2	16.3	17.3	4.7	4.7	-
Greece	16.5	14.6	9	9.8	5.2	9.7	17.1	-
Ireland	17.6	29.5	0.6	13.3	3.3	11.9	8.9	20.9
Italy	22.3	-	1.5	3.7	14.1	11.3	19.2	-
Luxembourg	12.4	-	-3.6	1.9	5.2	2.8	1.2	-
Netherlands	14.8	-	4.3	3.7	18.5	12.5	8.5	17.6
Portugal	19.8	15.9	8.6	4.4	8.9	18.3	12.8	-
Spain	14.9	11.1	7.5	3.7	6.9	3.5	12.7	-
Sweden	16.9	-	2.7	8.4	6.6	6.4	12.5	14.9
UK	18.3	25.9	-3.2	1.7	11	14.5	8.5	-
Cyprus	26.2	-	8.8	19.7	-	22.1	24.6	-
Czech Rep.	25.8	36.7	9.6	19.2	9.3	18.8	15.8	
Estonia	23.6	25.2	12	0	10.2	16.4	12.8	-
Hungary	16.9	3.1	3	6.5	8.6	14.7	10.4	-
Latvia	20.5	28.1	6.6	7.2	7.5	12.8	9	-
Lithuania	25.2	21.8	7.1	10.2	17.5	17.4	12.1	-2.5
Malta	20.1	-	-7.4	1.9	3.4	1.3	7.9	-
Poland	22.1	18.2	7.2	15.4	11.7	7	7.1	-
Slovakia	27.6	24.2	12.4	19.5	23.6	19.5	15.8	-
Slovenia	13.6	9	5.3	5.8	10.9	8.8	10.8	-
Bulgaria	27.1	7.9	8.9	15.3	14.9	12.3	8.3	-
Romania	25.9	26.2	8.8	5.3	9.1	9.7	23.4	-
Turkey	23.3	18.6	0.2	3.4	13.2	15.6	16.8	-
EU15	20	23.5	1	4.6	8.4	9.3	7.1	16.6
NMS	20.6	19.8	6.5	12.6	10.7	11	9.6	7.6
CC3	22.2	19.2	3.2	4.2	12.6	11.9	16.2	3.3
EU25	23.9	24	1.2	3.8	8.9	9.4	8.8	14.1

Note: People are poor in terms of subjective well-being if they are below the country-specific average of life satisfaction and happiness and above the country-specific average value of the alienation scale (see Figure 16). This table shows the differences between the proportion of people who scored as poor in this regard within a population group compared with the average proportion of poor people in the whole country.

Example: In Austria, 13% of the population is poor in terms of subjective well-being. However, poor subjective well-being is far more widespread among Austrian unemployed people: the number of poor in these terms is 27 percentage points higher compared with the whole population.

(-) Number of cases below 30.

Source: EQLS 2003, author's calculations. Percentages.

Table 10 Poor subjective quality of life: Polarisation between different population groups

Country	Unemployed/ employed	Low/high education	Low/high income	Ill/healthy	Men/ women	Young/ old	Unmarried/ married	No children/ have children
Austria	3.4	1.6	2.2	2.7	1.2	0.8	1.8	1.3
Belgium	2	1.5	2	1.8	0.7	1.2	2	1.1
Denmark	2	1.9	2.9	1.7	1.2	1.3	1.9	1.4
Finland	1.9	1.5	2	1.6	1.4	0.9	1.7	1.3
France	2	0.9	2.5	0.8	1	1.3	1.5	1.2
Germany	3.9	3.1	2.2	1.3	1.4	1.4	1.7	0.9
Greece	2.7	2.5	2.4	2.6	0.9	0.4	1.1	0.5
Ireland	3.3	2.9	3	1.6	1.5	1.3	1.5	0.9
Italy	2.2	1.4	2.3	2	0.9	0.6	1.1	0.8
Luxembourg	1.8	2	6.1	1.2	1.3	1.9	2.1	1.3
Netherlands	2.7	1.8	3.4	2	1.1	0.8	2	1.2
Portugal	2.5	2.9	6.4	2	0.9	0	1.3	0.6
Spain	2.3	1.9	1.5	2.2	0.8	0.3	1.6	0.7
Sweden	1.5	1.8	2.5	2.6	1.2	1	2.7	1.5
UK	2.8	1.6	4.2	1.8	1.5	2	2	1.2
Cyprus	1.6	3	3.4	2.2	1.2	0.5	2.1	1.2
Czech Rep.	3.1	3.5	3.8	2	0.8	0.7	1.4	0.8
Estonia	2.7	1.8	3.8	1.8	0.9	0.3	1.5	0.9
Hungary	1.3	2	4	2.1	0.9	0.7	1.1	0.8
Latvia	3.4	1.6	3.8	2	1.1	0.3	1.3	0.8
Lithuania	2.2	1.5	3.2	2	0.9	0.3	1.3	0.8
Malta	2.6	1.3	1.1	1.4	1.2	1.4	1.6	1.8
Poland	2.9	3.2	2.3	1.6	1.1	0.5	1.2	0.8
Slovakia	2.7	3.5	2.5	1.9	1.1	0.7	1.8	1.2
Slovenia	1.9	2	4.1	2.6	0.7	0.2	1.4	0.9
Bulgaria	1.7	2.3	1.9	1.5	0.9	0.3	1.4	1.1
Romania	2.7	1.3	2.4	2.7	0.9	0.4	1.1	0.7
Turkey	2.2	3.1	3.2	2.1	0.9	1	1.1	0.8
EU15	2.5	1.7	2.3	1.5	1.1	0.9	1.5	1
NMS	2.8	2.7	2.9	1.8	1	0.6	1.3	0.9
CC3	2.3	2.1	2.7	2.2	0.9	0.8	1.1	0.8
EU25	2.4	1.7	2.1	1.6	1.1	0.9	1.4	0.9

Note: People are poor in terms of subjective well-being if they are below the country-specific average of life satisfaction and happiness and above the country-specific average value of the alienation scale. The table shows the proportion of poor people in one population group as a multiple of the proportion of poor people in another.

Examples: In Austria, unemployed people face a three-and-a-half times greater risk of being poor in terms of subjective well-being than the employed population. In Belgium, having or not having children does not seem to be related to subjective well-being: in both population groups, the share of the so-defined poor is at about the same level.

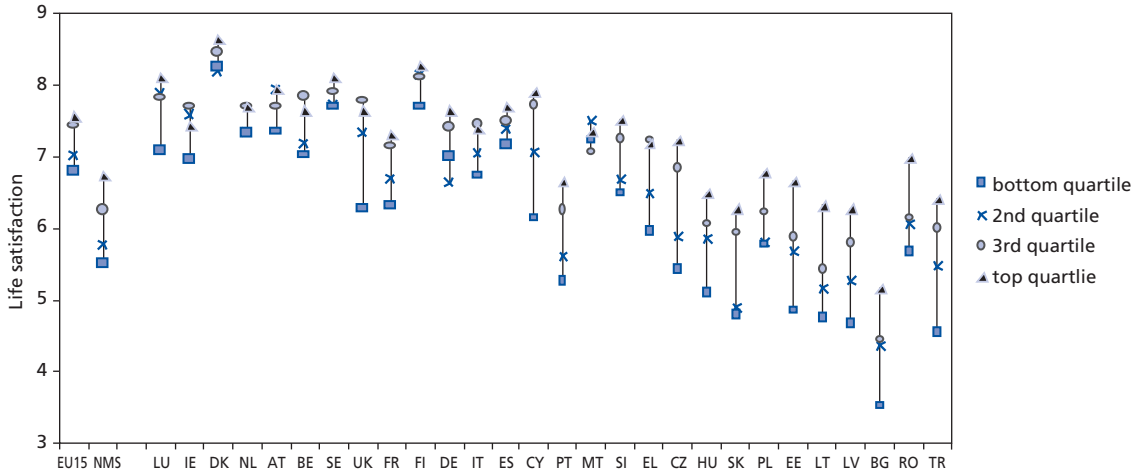
Source: EQLS 2003, author's calculations. Ratios.

people face a slightly higher risk of being poor in terms of subjective quality of life. Family integration, measured as being married, also positively affects well-being. Being married or living together is synonymous with a higher level of perceived quality of life than living alone, being divorced or widowed (categorised as 'unmarried' in Table 10). The more prosperous a country is in economic terms, the stronger this effect seems to be. Having children or not has a minor, but interesting, impact on the quality of subjective well-being in the different countries. In general, one can say that having children in less affluent countries diminishes subjective well-being, whereas in the richer EU15 well-being is stabilised and positively associated with having children, to some extent at least. This finding might relate to the risk attached to having many children when access to material resources is difficult.

The key message of these results is that there is a similarity in the population groups suffering from poor subjective well-being in all of the countries. At the same time, levels of satisfaction, happiness and alienation differ to a large extent. From a policy perspective, this finding has interesting implications. National social policy to improve quality of life should take care of disadvantaged risk groups. However, in the view of an EU-oriented social policy, increasing importance has to be attached to different life chances across regions. Figures 17-19 mix the relative with the absolute perspective of interpreting differences in subjective well-being within and across countries.

Figure 17 shows life satisfaction means for income quartiles in all 28 countries, which are sorted by level of national prosperity, measured according to GDP per capita. Two important messages can be derived from this picture. First, life satisfaction is generally distributed according to the individual's level of income. People in the top income quartile are more satisfied than people in the second or third quartile, and people belonging to the bottom income quartile are least satisfied with their life in general. This is true for nearly all countries shown in the graph. Second, life satisfaction

Figure 17 Life satisfaction, income quartiles and GDP per capita



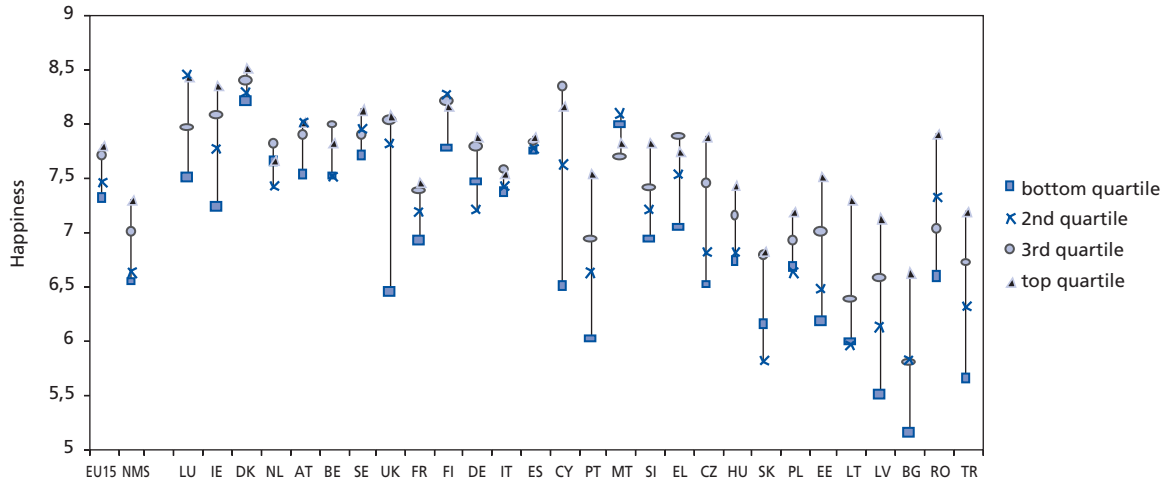
Note: Countries are sorted according to their level of GDP per capita in 2001 (Eurostat, 2004). Income information for Germany is not reliable.

Source: EQLS 2003, author's calculations.

outcomes are dependent on the nation's level of prosperity. Rich countries show higher satisfaction levels in each income quartile than poor countries. As a consequence, low income in the EU15 is associated with higher satisfaction levels than high income in the NMS. A citizen with low income in a rich country feels disappointed about restricted access to material resources, with the consequence that life satisfaction diminishes. Nevertheless, this person is less disappointed than people with high income in poor countries. These findings confirm the policy emphasis on raising individual living standards in a country but, furthermore, they clearly underline the importance of a country's welfare provision in improving quality of life. From a European perspective, this points to the urgent need to raise prosperity levels in the poorer NMS in order to improve capability structures and life chances.

The same calculations were made to explain happiness (Figure 18). Comparing results for the EU15 and NMS as two different population groups, the same pattern becomes apparent: the low income group in the richer EU15 is as happy as the top income quartile population in the poorer NMS. However, happiness seems to be less dependent on income level than is life satisfaction, as previous analysis has already shown. In seven out of 28 countries, it is not the top income quartile that is happiest and, furthermore, differences between the income positions are not always strong enough to confirm the clear pattern found in relation to life satisfaction. Obviously, national prosperity largely determines whether people are happy or not, but the variations of the results also suggest that it is not money alone that matters.

Figure 18 Happiness, income quartiles and GDP per capita

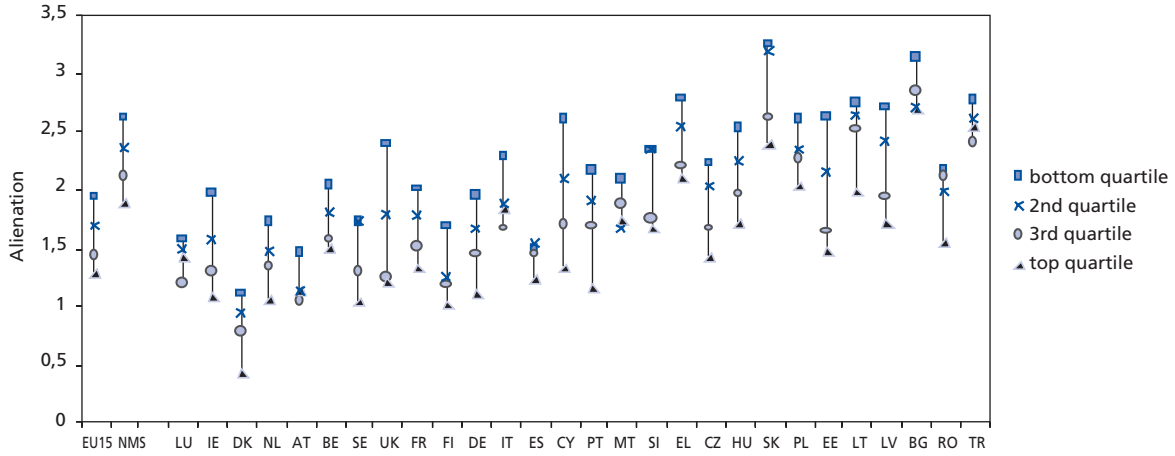


Note: Countries are sorted according to their level of GDP per capita in 2001 (Eurostat, 2004). Income information for Germany is not reliable.

Source: EQLS 2003, author's calculations.

With respect to alienation, the same simple, but striking, picture emerges (Figure 19). With few exceptions, the bottom income quartile in each country suffers most from feelings of alienation, while the higher the income, the less widespread are perceptions of alienation within a population. The same is true for comparisons across countries. The higher the level of national wealth – which generally also indicates lower corruption and higher quality of governance – the lower the national level of alienation. People in the NMS feel far more alienated than their EU15 counterparts.

Figure 19 Alienation, income quartiles and GDP per capita



Note: Countries are sorted according to their level of GDP per capita in 2001 (Eurostat, 2004). Income information for Germany is not reliable.

Source: EQLS 2003, author's calculations.

Most alienated of all is the low income group in the NMS, divided by a very wide gap from the top income group in the NMS and by an even wider gap from the top income group in the EU15.

This chapter has attempted to give an overall impression of the distribution of subjective well-being in three dimensions across the enlarged Europe. Life satisfaction, happiness and alienation are unequally distributed, with striking gaps between the EU15 and NMS. There are specific risk factors in all European countries that diminish subjective quality of life; unemployment in particular decreases well-being. In addition, the national levels of prosperity have a strong impact on the level of subjective well-being. The analysis suggests that the three measures of subjective well-being, although close to each other, are structured differently. Further detailed examination will seek to explain determinants of life satisfaction, happiness and alienation, taking advantage of the rich data source provided by the EQLS.

Determinants of subjective well-being

3

What determines subjective well-being is a research question that opens a wide field of possible approaches. As the review of the relevant literature and of key results in Chapter 2 has shown, material living conditions are a major provider of subjective well-being, as are social relationships. The aim of this report is not to explore every determinant, but to explore those that seem to be very decisive and learn more about their interrelationship. As a conceptual framework, Allardt's triad of what constitutes quality of life has already been introduced. Having, Loving and Being are the three pillars that the individual's well-being relies upon: material living conditions, social relationships and support, and being a part of society in terms of feeling recognised and belonging. With reference to Sen (1993), the capability structure of a society, giving citizens the chance to live a life according to their needs, aspirations and wants, adds a cornerstone of what determines subjective well-being. Not only are a country's prosperity level, and its outcomes of human development, important, as previously stated, but so also are the quality of society in the perceptions of the citizens, the degree of trust they have in other people, in political and social institutions, as well as their perception of social divides. How does the quality of a society influence subjective well-being in different European countries? Do country-specific patterns of perceptions of society emerge and how are they interrelated with the command over resources that people have? Does a low standard of living necessarily lead to a large amount of perceived conflicts, to low trust and dissatisfaction with social security systems and social services? Therefore, individual resource control and the quality of society are the two major elements that will be referred to in this report with a view to exploring their impact on individual welfare. Resource control encapsulates access to basic goods, a decent standard of living, social support and the resource of time, addressing issues of time pressure and work–life balance (see Figure 1).

In this chapter, the impact of Having, Loving, Being and time use is investigated with simple descriptive statistical methods, presenting country-specific results of distributions and bivariate relationships between the explaining variables and subjective well-being, always keeping in mind the overall prosperity level of one country compared with the other as a possible additional decisive factor. Three research topics shape the approach chosen in this report: 1) the single impact of, as well as the relationship between, material resources and social support when evaluating overall living conditions; 2) the impact of time use, perceived time constraints and the ability to establish a work–life balance as determinants of subjective well-being, which opens a field of immediate policy relevance seldom addressed in this research area up to now; and 3) the interplay of individual resource control and societal surroundings, and the question of whether people differentiate between private and societal matters of life.

Having: Impact of material living conditions

Access to money and basic goods is a prerequisite to securing a decent and respectable standard of living. Low income, limited resource control and poverty are well known to diminish life chances and subjective well-being in all its facets, including general life satisfaction, optimism, belonging or self-respect. Comparing the EU15 and NMS, this is especially true for the transformation countries, where national economies are only slowly recovering. Recent studies have shown how material living conditions are distributed in the NMS, compared with the EU15, and how these distribution patterns impact on subjective well-being such as life satisfaction and feelings of marginalisation (Delhey, 2004; Böhnke, 2004; Fahey *et al,* 2005; Domanski *et al,* 2005). The EQLS provides a comprehensive database to examine in detail the relationship between material living conditions

and subjective well-being in the enlarged Europe. This section explores the connection with the help of descriptive statistics, focusing on the interplay between material resources and life satisfaction, happiness and alienation, without bothering about other possible intervening factors.[9] Therefore, at the outset, the distribution of access to material resources in the enlarged Europe is established in order to get an impression of regional inequalities. Second, life satisfaction outcomes are reported for population groups that suffer from restricted material living conditions, compared with more privileged people. A cross-country perspective is also given in order to explain national differences, by comparing life satisfaction levels in each country and the availability of basic goods.

Indicators and distribution

Material living conditions refer to a variety of different aspects. Income is the key dimension, which is often taken as the most accessible but, for several reasons, not entirely convincing indicator. The main point of criticism highlights the high number of missing cases in a dataset where income information is concerned. On average, about a quarter of people participating in representative survey samples refuse to reveal their financial circumstances. In order to overcome widespread reticence in these matters, respondents may choose from a range of incomes to classify their own situation, a method that elicits more answers but leads to inaccuracy. Furthermore, besides other difficulties, it is not easy to assess if the given estimations consider all household members contributing to the household income. Thus, research began to add other information on standard of living in order to increase the reliability of income data.

With the help of the EQLS data, several dimensions of material living conditions can be addressed. Respondents were asked which goods are available to them, if they are able to make ends meet and if they have solvency problems. Additionally, information on housing conditions is available, so that three dimensions can be covered with the data: perceived income poverty, limited access to basic goods and accommodation problems. To make calculations easier and clearer, a summary measure has been constructed by counting shortages in each dimension (Cronbach's Alpha: 0.86). The higher the index value, the more problems people have with their material living conditions (see Table 11 for details on the calculation procedure).

Table 11 Indicators for material living conditions (Having)

Dimension	Question No. in EQLS	Indicator
Having	Q.19	Problems with accommodation (shortage of space, rot in windows/doors/flats, damp/leaks, lack of indoor flushing toilet)
	Q.20, Q.21	Affordability of basic goods (keeping home adequately warm, holiday, furniture, meal with meat, clothes, having friends or family for a drink, car, home computer, washing machine)
	Q.58	Able to make ends meet
	Q.59	Solvency problems
	Index construction: Having deficits	Count Having = Q.19_1 Q.19_2 Q.19_3 Q.19_4 (yes) Q.20_1 Q.20_2 Q.20_3 Q.20_4 Q.20_5 Q.20_6 (cannot afford it) Q.21a Q.21b Q.21c (cannot afford it) Q.58 (with difficulty/with great difficulty) Q.59a Q.59b (yes). The higher the index value, the worse is the individual access to material resources.

[9] Multivariate statistical analysis is provided in Chapter 4.

Table 12 Shortages in material living conditions – distribution (% of population)

	Rot in windows/ doors/floors	Not able to keep home adequately warm	Cannot afford a washing machine	Not able to make ends meet	Solvency problems	Index value: Having deficits
Austria	4.5	0.6	0.8	4.4	4.3	0.9
Belgium	9.3	3.1	1.7	11.6	8.6	1.4
Denmark	4.9	1.8	1.9	4.8	3.3	0.9
Finland	8.4	0.8	2	6.1	10.5	1.4
France	10.8	6.9	2.6	11.8	11.7	1.6
Germany	3.6	3.9	1.7	9.7	6.2	1.3
Greece	11.3	12.2	3.8	28.1	23	3.2
Ireland	8.7	5.8	1.3	4.4	12.4	1.6
Italy	11.6	6	0.3	6.9	18.9	1.2
Luxembourg	5.5	6.5	2.8	3.4	5.8	0.8
Netherlands	8.8	1.7	0.6	8.8	7	1
Portugal	15.6	44.8	8.9	17.8	11.6	4
Spain	5.3	13.6	0.8	18.1	5.8	1.7
Sweden	2.3	0.5	2.4	5.7	6.1	1
UK	6.8	6.2	2.1	7.5	13.2	1.8
Cyprus	14.8	11	3.2	30.7	14.5	2.1
Czech Republic	5.7	7.7	0.7	18.6	8.2	2.5
Estonia	40.2	32.3	12.5	30.1	24	5.1
Hungary	24.3	11.1	1.5	27.9	18.9	4
Latvia	32.3	25.3	22.3	44	32.5	5.8
Lithuania	34.8	56.2	17.2	33.6	23.9	5.8
Malta	20.9	21	0.7	8.9	8.5	2.3
Poland	27.5	29.7	16.2	53.8	31.1	5.2
Slovakia	40.5	16.8	2.1	24.4	16.9	4.2
Slovenia	13.6	3.2	0.8	12.4	10.8	1.7
Bulgaria	19.3	51	20.4	58.3	5.3	6.4
Romania	29.7	50	33.6	40.4	32.2	6.7
Turkey	30.7	44	14.1	47	30.3	6.3
EU15	8	7.1	1.7	10.4	10.6	1.5
NMS	25.5	23.2	10.3	39.5	24	4.5
CC3	29.9	47	20.6	47.1	28.6	6.5
EU25	10.9	9.7	3.1	15.2	12.8	2

Note: The 'Having deficit' index summarises 16 shortages of material living conditions: the higher the index value, the worse is individual access to resources; for calculation procedure, see Table 11.

Source: EQLS 2003, author's calculations.

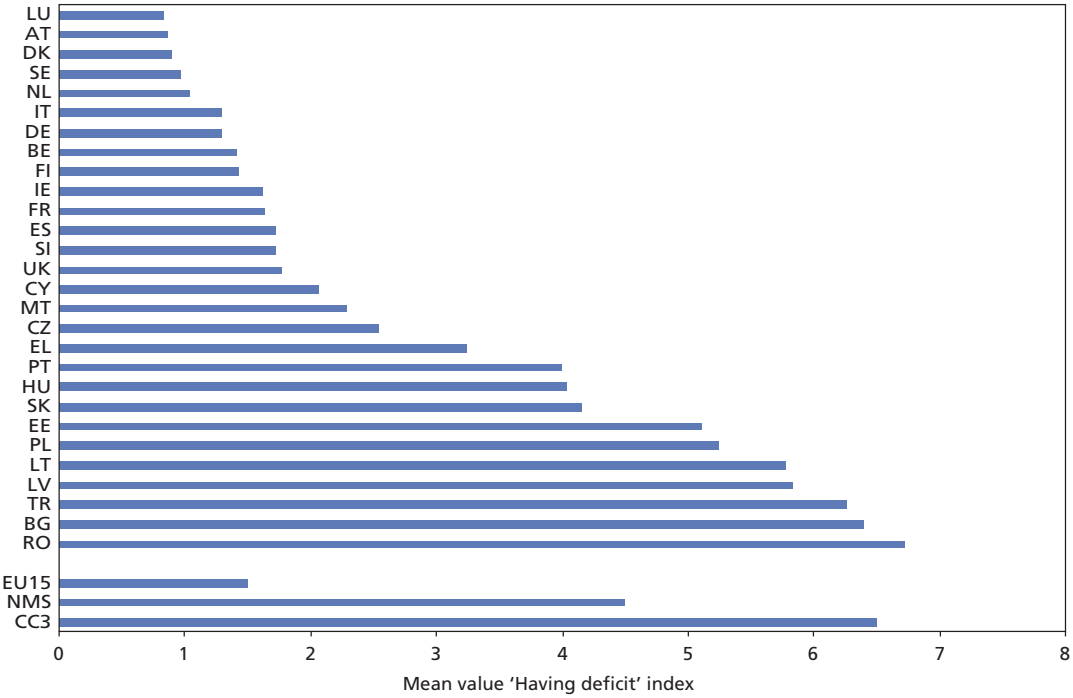
Table 12 gives an overview of how access to material resources is distributed in the enlarged Europe, with the help of selected indicators from the list above. Huge welfare gaps are immediately apparent. Irrespective of the disadvantage chosen, the remarkable differences between the EU15 and NMS are eye-catching. About 8% of the EU15 population has to cope with rot in windows, doors or floors, whereas such accommodation problems are common for about a quarter of the

NMS population and almost one-third (30%) of the population in the CC3. In Austria, Finland and Sweden, less than 1% of the population are unable to keep their home adequately heated. In Bulgaria and Lithuania, on the other hand, more than half of the population has to deal with such adverse housing conditions. Moreover, almost every household in the EU15 possesses a washing machine. In the NMS, one in 10 citizens must do without a washing machine, while in the CC3 there are even fewer washing machines.

Being unable to make ends meet points to a high poverty risk. Some 10% of the EU15 population perceive difficulties in this respect. Such problems are far more widespread in the NMS, where more than one-third of the population runs out of money quite often. In Bulgaria, Romania and Turkey, almost half of the population perceive themselves to be at risk of poverty. Moreover, solvency problems are also unequally distributed; only 3% of the Danish population are affected compared with one-third of the population in Latvia.

The index on 'Having deficits' summarises these single impressions by counting the difficulties people in each country indicate (Figure 20). The index ranges from zero to 16: the higher the value, the more shortcomings people have to cope with. The results again clearly separate the EU15 from the NMS. In Luxembourg, Austria, Denmark and Sweden, people report fewer than one of the 16 difficulties on average. By contrast, people in Turkey, Bulgaria and Romania suffer on average from six disadvantages, indicating very restricted material living conditions. Within the NMS population, Slovenians score highest, whereas in Poland, Lithuania and Estonia, on average five deficits reduce the standard of living. Within each country group, the range of access to basic goods is very high.

Figure 20 Deficits of Having (ranking of mean index values)



Note: The 'Having deficit' index summarises 16 shortages of material living conditions: the higher the index value, the worse is individual access to resources; for calculation procedure, see Table 11.

Source: EQLS 2003, author's calculations.

Material living conditions and subjective well-being

How do material shortcomings interact with subjective well-being? Investigations on income and its impact on subjective well-being have already shown that low income groups in nearly all of the countries are least satisfied, unhappy and alienated. The higher the income, the better people feel – a general pattern that is valid irrespective of the national level of satisfaction, happiness or alienation (Chapter 2). Going beyond income, the same is true for general access to material

Table 13 Several aspects of Having and their impact on life satisfaction

	Total	Affordability of all basic goods ensured	Affordability of basic goods limited	Being able to make ends meet	Not able to make ends meet	No solvency problems	Solvency problems
Austria	7.8	7.8	5.8	7.8	5.5	7.8	6.1
Belgium	7.5	7.6	5.9	7.5	6	7.6	6.3
Denmark	8.4	8.4	-	8.4	7.4	8.4	7.2
Finland	8.1	8.1	6.3	8.1	7	8.2	7.1
France	6.9	7.1	5.3	6.9	5.6	7.1	5.8
Germany	7.2	7.4	5.3	7.2	5.1	7.3	6
Greece	6.8	7.2	5.5	6.8	5.3	7.1	5.9
Ireland	7.7	7.9	5.6	7.7	5	7.9	6
Italy	7.2	7.3	5.6	7.2	6.1	7.3	7
Luxembourg	7.7	7.7	-	7.7	-	7.7	7
Netherlands	7.5	7.6	6	7.5	6.2	7.5	7.3
Portugal	6	6.5	5	6	4.6	6.2	4.5
Spain	7.5	7.6	6.2	7.5	6.5	7.6	5.9
Sweden	7.8	7.9	-	7.8	6.3	7.9	7
UK	7.3	7.5	5.5	7.3	4.9	7.5	5.8
Cyprus	7.2	7.4	5.9	7.2	8.1	7.4	6.2
Czech Republic	6.5	6.9	5.2	6.5	4.8	6.7	4.4
Estonia	5.9	6.5	5	5.9	4.7	6.1	5
Hungary	5.9	6.5	5.1	5.9	4.8	6.2	4.7
Latvia	5.5	6.4	4.8	5.5	4.5	5.9	4.9
Lithuania	5.4	6.4	4.8	5.4	4.2	5.6	4.9
Malta	7.3	7.4	6.4	7.3	5.8	7.3	6.6
Poland	6.2	6.7	5.4	6.2	5.5	6.5	5.5
Slovakia	5.7	6.3	4.8	5.7	3.9	6	4.2
Slovenia	7	7.2	5.2	7	5.4	7.1	5.8
Bulgaria	4.4	5.8	3.9	4.4	3.6	4.4	4.6
Romania	6.2	7.3	5.6	6.2	5	6.4	5.7
Turkey	5.6	6.6	4.8	5.6	4.6	6	4.7
EU15	7.3	7.4	5.5	7.9	5.7	7.4	6.3
NMS	6.1	6.7	5.2	7.5	5.3	6.4	5.2
CC3	5.6	6.8	4.9	7.3	4.5	5.9	4.9
EU25	7.1	7.3	5.4	7.9	5.5	7.2	6

Note: (-) number of cases below 30.

Source: EQLS 2003, author's calculations.

resources. Lacking a decent standard of living diminishes subjective quality of life to a large extent: people suffering from poverty – here measured with two indicators summarising self-perceived income poverty and deprivation – are less satisfied, unhappy and more alienated than the population in general and than affluent people not experiencing material shortages. This is true for the country clusters (Figure 21) and also applies for each country (Table 13).

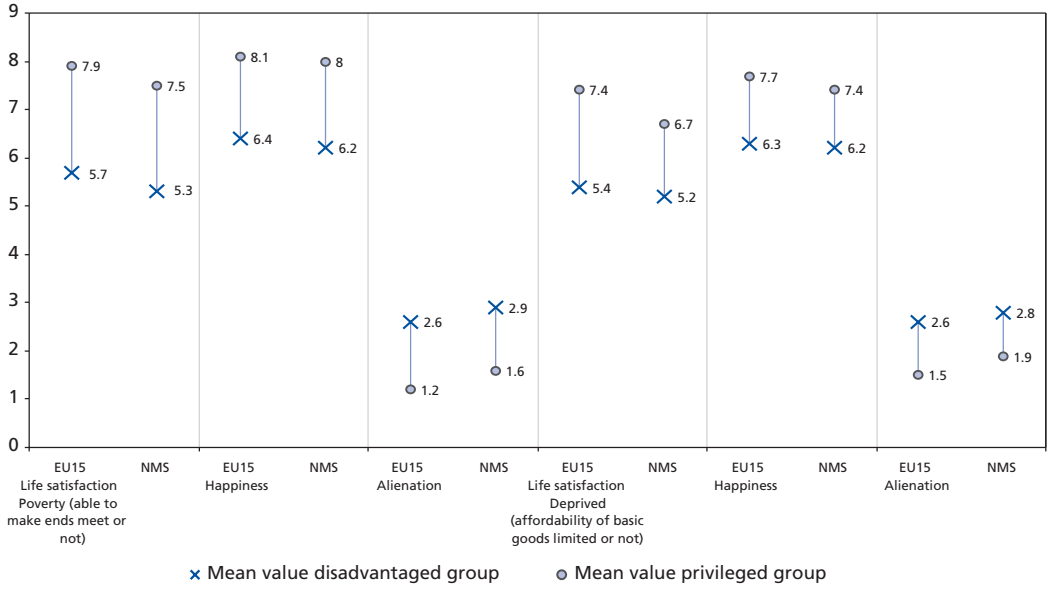
Table 13 shows three aspects of Having, distinguishing between privileged as well as population groups at risk and how they score on the life satisfaction scale. The key message is that people who have ready control over material resources, who can afford basic goods, who are able to make ends meet or who do not complain about any solvency problems are more content with life than poor people. Irrespective of a country's satisfaction level, very low satisfaction with life in general is reported by people who are poor in the sense that they are unable to make ends meet, have solvency problems or only limited access to basic goods. Accommodation problems have little effect in this respect (not shown in Table 13). Limited access to basic goods, e.g. a meal with meat or fish, new clothes or replacing old furniture, obviously captures poor living conditions more accurately and is synonymous with a sharp decrease of life satisfaction in each country.

As Figure 21 suggests, this generally valid pattern takes place at the respective levels of subjective well-being in the different countries, which means that poor people in the EU15 are still more satisfied, happier and less alienated than their counterparts in the NMS. However, these differences are less noticeable, especially with regard to life satisfaction and happiness, although the general level of life satisfaction is higher in the EU15 than in the NMS. This can be explained by the size of the privileged population and of the risk group in each country cluster. In the EU15, being unable to make ends meet and having limited access to basic goods is a very strong indicator of severe poverty and only about 8% of the population have to cope with such living conditions. The standard of living is very low for this risk group and life satisfaction diminishes accordingly, but without affecting very much the high average level of life satisfaction in the EU15. Correspondingly, deprivation is far more widespread in the NMS population (39%), which is reflected in the low average life satisfaction levels.

Limited access to basic goods, such as heating, furniture, a meal with meat or fish, clothes or a washing machine, is likely to measure absolute rather than relative poverty, and therefore does not reflect the country-specific levels of subjective well-being. The experience of such poor living conditions and deprivation causes feelings of exclusion as far as living standards and welfare are concerned. As a result, satisfaction with life (as well as happiness and sense of belonging) is greatly reduced.

Reinforcing the perspective of the cross-country comparison, the impression is that the lower the national prosperity (GDP per capita), the lower the individual standard of living and the lower the level of life satisfaction. The correlation coefficient (Pearson's) between GDP per capita and the 'having deficit' index amounts to -.871, which indicates, not surprisingly, the dependency of the individual standard of living on the general level of welfare in a country. Figure 22 confirms this narrow relationship between people's general access to material resources and their overall level of life satisfaction: the correlation coefficient amounts to -.907, calculated for all 28 countries. Thus, similar to the results in Chapter 2, both reference frames – national as well as cross-country related – help to explain differences in life satisfaction outcomes.

Figure 21 Do material shortcomings diminish subjective well-being? (differences between specific population groups)

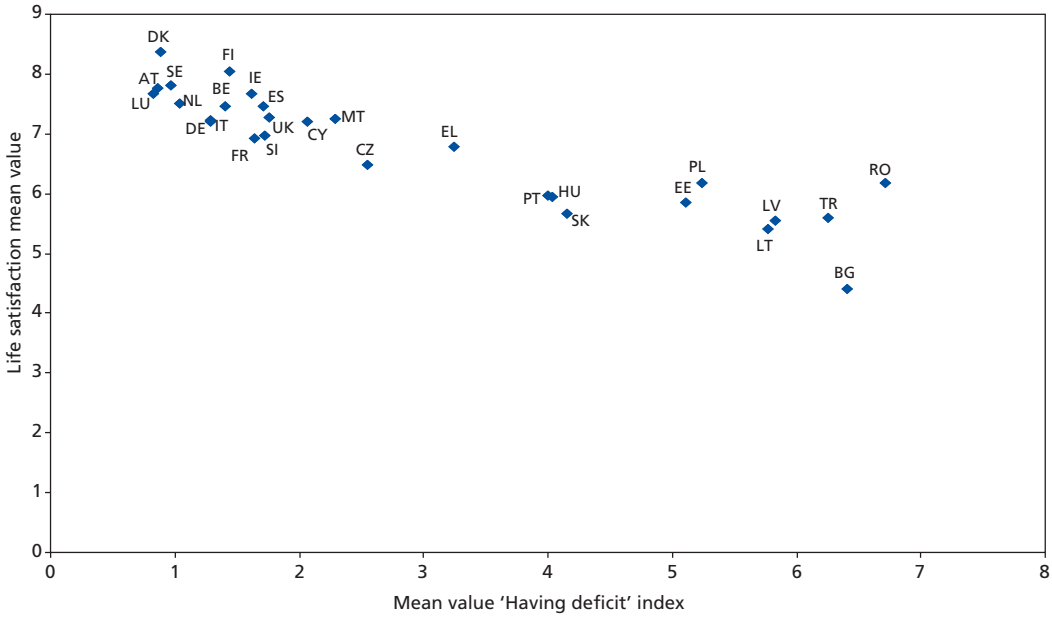


Note: The table shows mean values for life satisfaction and happiness (scale 1-10) and alienation (scale 0-5).

Example: People in the EU15 and in the NMS who are unable to make ends meet are less satisfied with life in general than people who are able. However, poor people in the EU15 are more satisfied, happier and less alienated than poor people in the NMS.

Source: EQLS 2003, author's calculations. Mean values.

Figure 22 Life satisfaction and access to material resources



Note: The 'Having deficit' index summarises 16 items that indicate poor material living conditions. The higher the index value, the lower the standard of living in a country, on average. Life satisfaction is measured on a scale of 1-10, where one means dissatisfaction and 10 means satisfaction.

Source: EQLS 2003, author's calculations.

Loving: Impact of social relationships

In this section, the focus is on social relationships and their impact on subjective well-being. As the introduction has already suggested, determinants of well-being cannot be reduced to the economic situation of a country or to individual access to material resources alone, although these factors are highly influential. Separate to the Having dimension, social support contributes significantly to making people satisfied and happy. As the results so far have shown, happiness seems to be especially influenced by aspects of Loving.

The focus here is on the availability of social support provided by families, friends and social networks. However, another aspect of social integration might also be of interest where subjective well-being is concerned. Besides receiving support, giving support to others might influence individual welfare positively. Providing help and being engaged in voluntary work strengthens civil society structures and is often regarded as promoting social capital and the social cohesion of a society. From the individual perspective, such an engagement stabilises social networks and is likely to promote a sense of belonging. Although the EQLS provides some information on this subject, it is not possible to address it as intensively as the other domains. Nevertheless, at least some insight can be gained with regard to the distribution of voluntary work and helping others, and its interplay with subjective well-being.

Indicators and distribution

At the outset, there is an overview of how social integration patterns are distributed in the enlarged Europe. The EQLS database provides information about how often someone has contact with relatives and friends, and about the availability of support in case of emergencies. Furthermore, marriage and having children is taken as an indicator of family integration. Table 14 lists the respective variables and question numbers in the EQLS, and explains the index construction procedure. As with the 'Having deficit' index, related to material living conditions, a summary measure is also useful to address the social relationship domain with one single indicator. The 'Loving deficit' index addresses living conditions that indicate social isolation. It ranges from zero to eight; the higher the index value, the more limited is social integration for the respective person.[10]

Table 14 Indicators for social relationships (Loving)

Dimension	Question No. in EQLS	Indicator
Loving	Q.34, Q.35	Contact with families and friends
	Q.36	Availability of support
	Q.33	Having children
	Q.32	Marital status
	Index construction: Loving deficits	Count Loving = Q.34c Q.35 (several times a year/less often) Q.36a Q.36b Q.36c Q.36d (nobody) Q.32 (separated, divorced, widowed, never married and not living with a partner) Q.33 (no children). The higher the index value, the more limited the social contacts and support.

[10] Cronbach's alpha, a measure of the reliability of the index construction, is not very strong (0.34) and it is obvious that variables like having children or being married, although they could, do not necessarily have to measure social isolation. On the other hand, being unable to count on social back-up from friends and social support in case of an emergency and moreover not being integrated in a family system independently of marital status is likely to measure social isolation. The analysis that follows shows the usefulness of this index construction and helps to make the the results more relevant.

The biggest differences between countries relate to contact with family members (Table 15). By and large, the NMS are more family-oriented than the EU15. Almost half of the population in the NMS is in contact with one or other parent almost every day. Percentages range from 27% of the population in Lithuania to 82% in Malta. In the EU15, the share of the population having such close contact with family members is on average 31%, ranging from only 14% in Sweden to 46% in Ireland.

Table 15 Social integration in different dimensions (% of population)

	Contact with mother or father		Contact with friends or neighbours		No support available in case of depression	No support if needed money to face an emergency	Index value: Loving deficits
	More than once a day / every day or almost every day	Several times a year or less often	More than once a day / every day or almost every day	Several times a year or less often			
Austria	36	13	55	4	3	4	0.91
Belgium	35	14	48	8	8	15	1.11
Denmark	20	20	50	4	3	10	0.92
Finland	18	27	64	3	3	6	0.96
France	20	30	46	5	4	16	1.15
Germany	31	16	50	4	4	14	1.03
Greece	44	25	74	4	4	10	1.04
Ireland	46	11	76	1	1	4	1.01
Italy	44	14	61	4	5	7	1.05
Luxembourg	33	24	57	6	9	9	1.02
Netherlands	31	13	52	3	5	12	1.01
Portugal	44	17	83	2	3	14	1.08
Spain	36	22	65	3	3	5	0.96
Sweden	14	29	47	5	2	6	0.9
UK	28	27	59	4	5	15	1.13
Cyprus	57	5	48	7	5	11	0.93
Czech Republic	34	11	42	6	5	12	1.08
Estonia	35	18	53	3	8	31	1.3
Hungary	51	12	61	7	3	15	1.02
Latvia	36	15	53	4	6	37	1.4
Lithuania	27	19	62	5	5	21	1.15
Malta	82	6	82	7	7	7	1.03
Poland	55	9	69	5	6	19	1.06
Slovakia	51	8	62	4	2	11	1.02
Slovenia	35	13	62	4	2	8	0.9
Bulgaria	46	17	73	5	5	33	1.16
Romania	52	14	67	6	4	32	1.31
Turkey	40	27	64	4	5	20	1.15
EU15	31	30	57	4	4	11	1.04
NMS	49	10	62	5	5	17	1.07
CC3	43	22	66	5	4	24	1.2
EU25	34	19	57	4	5	12	1.05

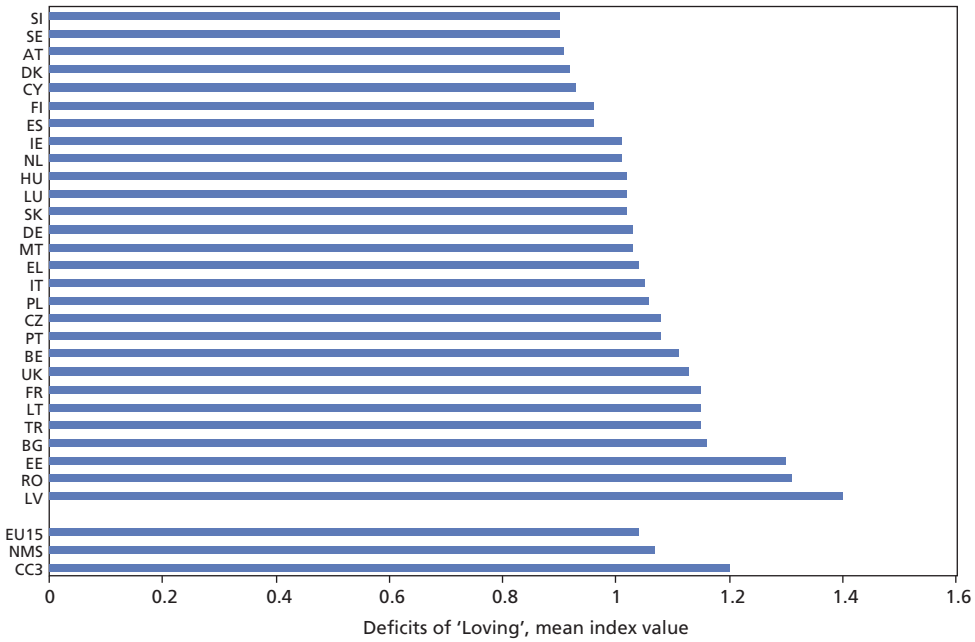
Source: EQLS 2003, author's calculations.

All in all, family contacts are more highly valued and widespread in southern European countries like Portugal, Italy and Greece, whereas in the Scandinavian countries, as well as in the Baltic States, contacts with parents are less frequent. However, differences are less striking with respect to contact with friends and neighbours. More than half of the population in the EU15 and in the NMS report such daily contacts, although social contacts of this kind are more frequent in southern European Member States than in the Scandinavian countries. Isolation, by contrast, is not very prevalent throughout Europe. Less than 10% (even less than 5% in most countries) of the respondents are not integrated in social networks and report only sporadic contact with friends and neighbours (see also Saraceno and Olagnero, 2004; Saraceno *et al*, 2005).

The same is true in relation to available support in case of depression. There are no differences in this regard between the EU15 and NMS. However, the distribution of available monetary support in case of financial difficulties is quite marked. People can rely on such support if they live in a prosperous country with a relatively high standard of living. Helping someone with money in the NMS is less frequent. In poor countries like Bulgaria, Estonia, Latvia and Romania especially, more than 30% of the population cannot rely on support if financial resources are short.

The 'Loving deficit' index summarises all available information and can be understood as a measure of the quality of social integration referring to restricted contacts with family and friends, to limited availability of social support and to living alone, i.e. without a partner and without children. It summarises eight deficits and the higher the mean values, the more deficits people are reporting on social integration. As Figure 23 shows, although the country values are very close, the ranking replicates the pattern of Scandinavian countries having highest scores and the CC3 having lowest scores.

Figure 23 Deficits of Loving (ranking of mean index values)



Note: The 'Loving deficit' index ranges from 0-8; the higher the mean value, the more limited is social support.

Source: EQLS 2003, author's calculations.

The connection between overall prosperity in a country and the quality of social relationships seems to be weaker than it is with material resources, although it tends to be obvious at first glance. Correlation analysis between GDP per capita and the 'Loving deficit' index comes up with a significant coefficient of -.543, indicating an existing relationship, albeit a weaker one than between GDP per capita and individual access to material resources.

People were also asked whom they can rely upon in case they need support for various reasons, for example, if they need help around the house when they are ill or if they need advice about a serious personal or family matter. The results for the country groups complete the impression of how solidarity patterns are distributed throughout Europe (Table 16). Family is the most reliable form of support Europeans can rely upon when they need help. Friends also provide important support, but only a minority of people can count on neighbours or work colleagues if they are in need. Again, it is apparent that family solidarity is more evident in the NMS, whereas the population in the EU15 can count on friends to a greater extent. In case of depression and financial support, results are as discussed above. Half of the population in the EU15 as well as in the NMS can count on family members if they need advice in psychological matters. More than one-third of the population in the EU15 can rely on friends in this respect, less so in the NMS (27%). For most Europeans, a family member is the first person to ask for financial support and only one in 10 respondents report choosing to ask a friend.

Table 16 Solidarity patterns in Europe

		EU15	NMS	CC3
Help around the house when ill	Family member	81	90	86
	Work colleagues	1	1	1
	Friend	10	4	5
	Neighbours	4	3	4
	Nobody	2	1	3
Advice about a serious personal or family matter	Family member	65	75	70
	Work colleagues	2	4	1
	Friend	26	14	17
	Neighbours	1	2	4
	Nobody	3	4	7
Depression	Family member	52	53	56
	Work colleagues	2	8	2
	Friend	36	27	32
	Neighbours	2	5	5
	Nobody	4	5	4
Raise money to face an emergency (€1,000 in EU15, €500 in NMS and CC3)	Family member	70	62	54
	Work colleagues	1	3	3
	Friend	10	10	14
	Neighbours	0	2	2
	Nobody	11	17	24

Source: EQLS 2003, author's calculations.

All in all, solidarity patterns in the enlarged Europe are distributed in a particular way: for all Europeans, regardless of their nationality, family support counts most, but there is a north-south divide in relying on family members for help in case of an emergency. Scandinavian countries are obviously more individualistic, which results in less established family values in favour of social networks provided by friends, associations and organisations. In addition, in the NMS, family orientation is more prevalent than in the EU15, which supports the hypothesis that the richer and more developed a country is, the less prevalent are close contacts with family members and the more important are social networks provided by friends. Next, the focus moves to the impact these findings have on the subjective well-being of citizens.

Social relationships and subjective well-being

Does a lack of social support influence people's general satisfaction with life? Are people in such a situation unhappy or do they feel alienated? Furthermore, how is this interaction related to material resource control? Do people who are poor in material terms have access to stabilising social relationships that might mitigate the consequences of lack of resources? Or do disadvantages mount up, with the likelihood of being poor in material as well as in social terms? For this purpose, not only social relationships as such, but also their interaction with material resource control are referred to in their impact on subjective well-being. As an example, people who are multiply deprived, i.e. suffering from both limited access to basic goods and limited support from others in case of need, are selected as an extremely disadvantaged population group, with shortcomings in the Having as well as in the Loving domain.

The availability of support is an important provider of subjective well-being. Life satisfaction outcomes decline significantly in the population group who cannot count on social back-up in case of need, compared with those who are socially well integrated (Table 17). This pattern is visible in each country irrespective of the level of subjective well-being in the population. In the NMS as a country cluster, the gap between people who are socially integrated and those who are not amounts to one point on the one to 10 scale. For the EU15 population, this gap is not much smaller, a fact that points to the overall value of social relationships for promoting individual welfare. With respect to contacts with friends, the result is quite similar. Having only limited opportunities to contact friends decreases subjective well-being significantly. Dissatisfaction is strongest when social relationships diminish and living conditions are poor in a material sense as well. General satisfaction with life is very low for this population group – and is lower still when the general level of welfare in a country is also inadequate.

Figure 24 displays the same results and compares the mean values for life satisfaction, happiness and alienation for the risk group, compared with the privileged population group in the EU15 and NMS. This figure shows that people who cannot rely on social support or who are multiply deprived are less satisfied, unhappy and feel more alienated than people who are socially integrated or who do not suffer from any restricted living conditions. Moreover, and more importantly, these risk factors diminish subjective well-being irrespective of a country's level of subjective quality of life. Consequently, people without social support in the NMS are less satisfied than people without social support in the EU15 (5.3 as opposed to 6.6). Even those people in the NMS who can rely on social support are less satisfied than people without social back-up in the EU15.

Table 17 Dimensions of social integration and their impact on life satisfaction (population groups and mean satisfaction values)

	Total	Support available	Only limited support available	Frequent contact with friends	Limited contact with friends	Basic goods and social support available	Multiple deprivation (limited availability of basic goods and social support)
Austria	7.8	7.8	6.9	7.8	6.8	7.9	-
Belgium	7.5	7.5	7.2	7.5	7.5	7.6	-
Denmark	8.4	8.4	8.3	8.4	7.8	8.5	-
Finland	8.1	8.1	7.4	8.1	7.3	8.2	-
France	6.9	7	6.5	6.9	6.4	7.1	-
Germany	7.2	7.4	6.4	7.3	5.8	7.5	5.1
Greece	6.8	7	5.7	6.8	5.3	7.3	4.8
Ireland	7.7	7.7	7.1	7.7	7.5	7.9	-
Italy	7.2	7.3	6.5	7.2	6.5	7.4	-
Luxembourg	7.7	7.7	7.8	7.7	7.3	7.7	-
Netherlands	7.5	7.6	7.1	7.5	7.2	7.7	-
Portugal	6	6.1	5.4	6	5.7	6.6	5.1
Spain	7.5	7.5	6.9	7.5	6.3	7.6	-
Sweden	7.8	7.9	7	7.8	7.2	7.9	-
UK	7.3	7.4	6.6	7.3	6.1	7.5	4.8
Cyprus	7.2	7.4	6.1	7.2	7.1	7.5	-
Czech Republic	6.5	6.6	5.5	6.5	6.1	6.9	4.2
Estonia	5.9	6.3	5.1	5.8	5.4	6.6	4.6
Hungary	5.9	6.1	5.3	6	5.4	6.6	4.5
Latvia	5.5	6.1	4.7	5.6	4.8	6.6	4.3
Lithuania	5.4	5.7	4.5	5.5	4.6	6.4	4.1
Malta	7.3	7.3	6.9	7.3	7.5	7.4	-
Poland	6.2	6.4	5.4	6.2	5.2	6.8	5.1
Slovakia	5.7	5.8	4.6	5.7	5.2	6.3	3.8
Slovenia	7	7.1	6.2	7	5.6	7.2	-
Bulgaria	4.4	4.8	3.7	4.5	3.5	5.8	3.4
Romania	6.2	6.6	5.4	6.2	5.7	7.4	5.1
Turkey	5.6	5.8	5	5.6	5.1	6.7	4.4
EU15	7.3	7.4	6.6	7.3	6.4	7.5	5
NMS	6.1	6.3	5.3	6.2	5.4	6.8	4.8
CC3	5.6	5.9	5	5.6	5.1	6.8	4.5
EU25	7.1	7.2	6.3	7.1	6.2	7.4	4.9

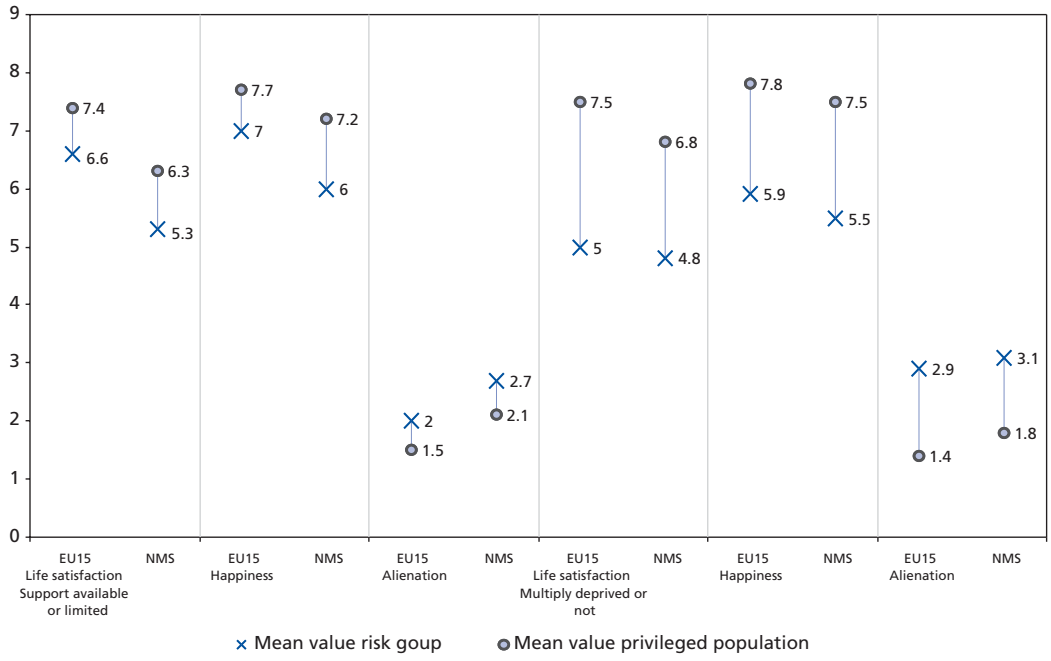
Note: (-) number of cases below 30.

Source: EQLS 2003, author's calculations.

With regard to multiple deprivation, the results are slightly different, reflecting the absolute character of this social disadvantage. Again, the gap between multiply deprived people and those who are privileged is more than obvious in both country groupings, but multiply deprived people, regardless of where they live, face similar low levels of life satisfaction. However, this does not affect the average life satisfaction outcomes in the EU15 because only a small minority of their population suffers from such adverse living conditions; this is a group with feelings of exclusion prompted by the contrast between the general standard of living and welfare levels that lag far behind. In the NMS, on the contrary, such poor living conditions are widespread and life satisfaction levels are generally lower.

Being disadvantaged in a material as well as in a social sense can be understood as a strong social exclusion indicator, diminishing subjective well-being to a large extent throughout Europe. The lack of social support impacts negatively on life satisfaction outcomes, as does poverty. When limited access to basic goods and lack of social support combine and indicate exceptionally disadvantaged living conditions, life satisfaction decreases significantly; multiply deprived people in all countries suffer most from a poor quality of life.

Figure 24 Deviation from subjective well-being for specific population groups



Example: People who cannot rely on support are less satisfied with life in general than people who can count on social back-up. However, lacking support in the NMS implies considerably lower satisfaction and happiness levels than in the EU15.

Source: EQLS 2003, author's calculations.

The absence of both basic goods and social support has the greatest impact on reducing subjective well-being. This underlines the important role that social back-up plays in ensuring subjective well-being and suggests that available social support might operate as a buffer capable of mitigating dissatisfaction and poor quality of life. Table 18 shows calculations of life satisfaction outcomes for different population groups: for the lowest income group who can rely on social support and for

those who cannot. It also includes outcomes for unemployed people who are integrated in social networks and for those without such relationships.

Table 18 Availability of social integration and its impact on life satisfaction (Life satisfaction mean values for population groups)

	Total	Lowest income quartile, limited social support	Lowest income quartile, social support available	Deviation	Unemployed, limited social support	Unemployed, social support available	Deviation
Austria	7.8	-	7.4	-	-	6.8	-
Belgium	7.5	7	7	0	6.2	6.6	0.4
Denmark	8.4	7.5	8.4	0.9	-	8.2	-
Finland	8.1	7.4	7.8	0.4	-	7.3	-
France	6.9	5.7	6.5	0.8	-	6.1	-
Germany	7.2	6	7.3	1.3	4.1	5.4	1.3
Greece	6.8	5.3	6.1	0.8	-	5.9	-
Ireland	7.7	-	7.1	-	-	6.6	-
Italy	7.2	-	6.8	-	-	6.1	-
Luxembourg	7.7	-	7.3	-	-	-	-
Netherlands	7.5	6.8	7.3	0.5	-	6.6	-
Portugal	6	5	5.4	0.4	-	5.2	-
Spain	7.5	6.6	7.2	0.6	-	7	-
Sweden	7.8	6.6	7.8	1.2	-	8.2	-
UK	7.3	5.6	6.7	1.1	4.9	6.8	1.9
Cyprus	7.2	-	6.2	-	-	-	-
Czech Republic	6.5	4	5.6	1.6	-	4.6	-
Estonia	5.9	4.3	5.5	1.2	-	-	-
Hungary	5.9	4.5	5.2	0.8	-	4.8	-
Latvia	5.5	4.2	5.4	1.2	3.6	4.9	1.3
Lithuania	5.4	3.8	5	1.2	3.6	4.7	1.1
Malta	7.3	-	7.1	-	-	-	-
Poland	6.2	5.1	6.1	1	4.2	5.6	1.4
Slovakia	5.7	2.9	4.7	1.8	3.1	4.4	1.3
Slovenia	7	-	6.5	-	-	6.3	-
Bulgaria	4.4	3.2	3.8	0.6	3.7	4.6	0.9
Romania	6.2	5.2	6.1	0.9	4.9	6.6	1.7
Turkey	5.6	4.1	4.7	0.6	4.8	4.2	-0.6
EU15	7.3	6	7	1	4.8	6.3	1.5
NMS	6.1	4.7	5.7	1	4	5.4	1.4
CC3	5.6	4.4	5	0.6	4.6	4.6	0
EU25	7.1	5.7	6.7	1	4.6	6	1.4

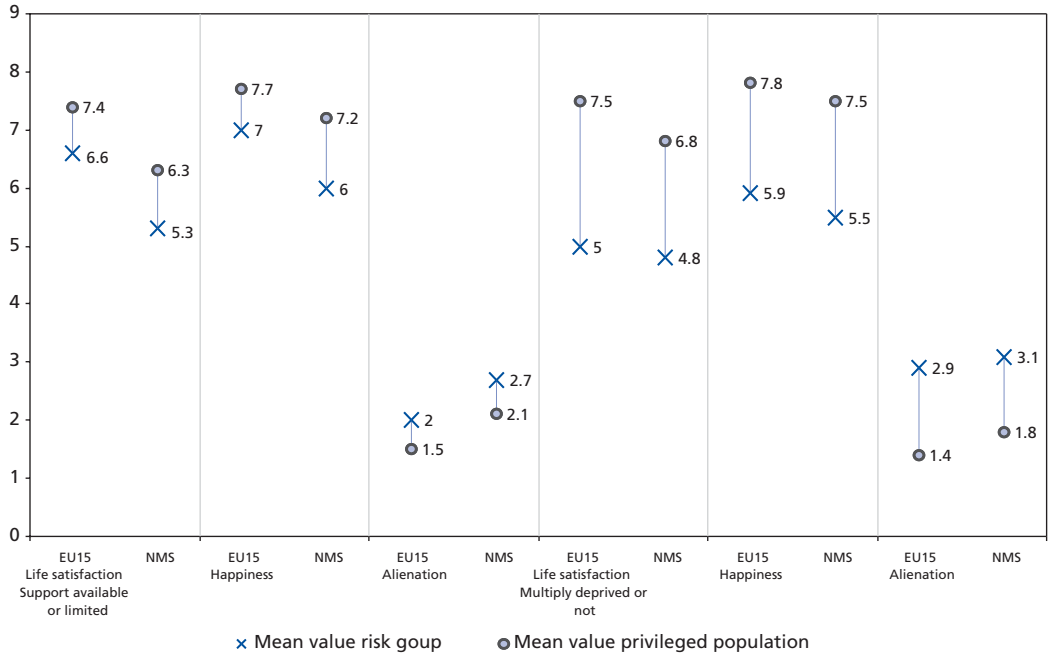
Note: (-) number of cases below 30.

Source: EQLS 2003, author's calculations.

Regardless of the level of life satisfaction in a country, low income as well as unemployment reduces subjective well-being significantly, even more so when social support is missing (Table 18). Those disadvantaged people who can rely on social networks are much better off, although clearly below the population's life satisfaction average value. In the EU15 and in the NMS, the availability of social support cushions the impact of lacking resources and unemployment.

Social relationships can also partly explain life satisfaction levels between countries. As Figure 25 shows, life satisfaction outcomes are higher in countries where social support is generally more accessible. However, comparing this picture with Figure 22, which considered the impact of material resources, this effect is reduced in importance. The level of life satisfaction in a country is strongly linked to access to material resources (Having). Social relationships (Loving), although also decisive, are of less significance.

Figure 25 Life satisfaction and availability of social support



Note: The 'Loving deficit' index summarises eight items indicating limited access to social relationships and social support. The higher the index, the lower the quality of social integration. Life satisfaction is measured on a scale of 1-10, where one means dissatisfaction and 10 means satisfaction. Correlation coefficient for these two measures amounts to -.656 (Pearson's), significant at a level of p = .000.

Source: EQLS 2003, author's calculations.

Voluntary work, political activity and helping others

In addition to the beneficial effect on subjective well-being of receiving social support, providing others with support also has a positive effect. Doing voluntary work, engaging in political activity and supporting others with money or food, although different from each other, all symbolise a specific aspect of social integration, which points to solidarity and altruism in supporting and caring for someone else and being connected to others. Is this form of social integration linked to high individual welfare and subjective well-being? Does maintaining others increase life satisfaction (Argyle, 1999)? Alongside Having, Loving and Being, 'Doing' is another pillar of quality

of life that is crucial for well-being, occasionally referred to as a single domain or also often understood as a sub-dimension of Being. 'Doing' describes supporting others, political engagement and voluntary work (Allardt, 1993). Table 19 summarises the situation in Europe.

Table 19 Voluntary work, political activity and helping others in Europe (% of population)

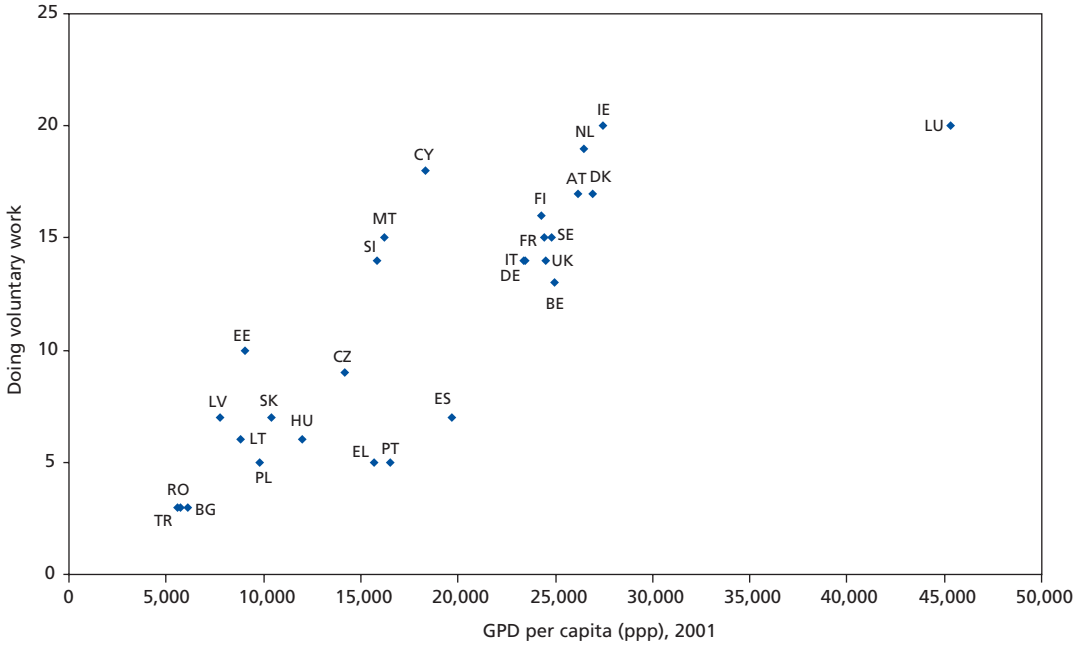
	Doing voluntary work	Political activity	Helping others
Austria	17	23	18
Belgium	13	19	20
Denmark	17	32	29
Finland	16	26	27
France	15	16	18
Germany	14	14	15
Greece	5	13	22
Ireland	20	22	17
Italy	14	16	15
Luxembourg	20	22	17
Netherlands	19	21	21
Portugal	5	7	17
Spain	7	14	24
Sweden	15	45	22
UK	14	16	22
Cyprus	18	17	49
Czech Republic	9	12	23
Estonia	10	11	30
Hungary	6	7	31
Latvia	7	23	37
Lithuania	6	17	38
Malta	15	38	44
Poland	5	11	25
Slovakia	7	16	23
Slovenia	14	13	25
Bulgaria	3	6	34
Romania	3	8	39
Turkey	3	10	39
EU15	13	17	19
NMS	6	12	27
CC3	3	9	39
EU25	12	16	20

Note: Doing voluntary work: over the past month, having served on a committee or done voluntary work for a voluntary organisation (Q.23b); Political activity: having attended a meeting of a trade union, a political party or political action group, having attended a protest or demonstration, signed a petition, contacted a politician or public official over the past year (Q.24a, b); Supporting another: giving regular help in the form of either money or food to a person not living in own household (Q.62).

Source: EQLS 2003, author's calculations.

An overview is given of how such solidarity patterns are distributed in the enlarged Europe (Table 19). Doing voluntary work, an indicator that is often considered representative of the quality of civil society structures, is far more common in the EU15 than in the NMS or in the CC3 (13%, 6% and 3%, respectively). In only three of the 10 NMS – the well-known exceptions of Malta, Cyprus and Slovenia – more than 10% of the population carry out voluntary work. Greece and Portugal are the two EU15 countries with small numbers who are voluntarily active. The poorer a nation is, the less active is its population in strengthening civil society structures, a pattern clearly suggested by these results and confirmed in Figure 26. Two country clusters emerge that hardly overlap at all: the richer EU countries with high levels of voluntary work and the economically weaker EU Member States and candidate countries with low levels of voluntary activity. Greece, Portugal and Spain belong to the latter group, while Slovenia, Malta and Cyprus belong to the former.

Figure 26 Prevalence of voluntary work in relation to national prosperity



Source: EQLS 2003; Eurostat 2004.

Political activity (measured as either having attended a meeting of a trade union, a political party or political action group, or having attended a protest or demonstration, signed a petition, or contacted a politician or public official over the past year) is also unequally distributed. Such engagement is most prevalent in the EU15, where 17% of the population is active in one way or another. The relevant share of the population is lower in the NMS (12%) and even lower in the CC3 (9%). Among the EU15, political engagement is most widespread in Sweden and Denmark. Latvia and Malta are the NMS countries where political engagement is most common.

With regard to solidarity patterns, the picture is surprisingly different. Asking if the respondents regularly support people outside their own household with either money or food reveals that such activity is more prevalent in the NMS than in the EU15. In the CC3, the share of the population supporting others is even higher: 39% of the population in Turkey, Romania and Bulgaria give

Table 20 Life satisfaction outcomes of people concerned about others

	Total	Doing voluntary work		Political activity		Supporting others	
		Yes	No	Yes	No	Yes	No
Austria	7.8	8	7.7	7.7	7.8	7.7	7.8
Belgium	7.5	7.7	7.4	7.5	7.5	7.5	7.5
Denmark	8.4	8.5	8.4	8.3	8.4	8.4	8.4
Finland	8.1	8.2	8	8.2	8	8	8.1
France	6.9	7	6.9	7.1	6.9	7	6.9
Germany	7.2	7.9	7.1	7.4	7.2	7.3	7.2
Greece	6.8	7.4	6.8	6.9	6.8	7	6.7
Ireland	7.7	8.1	7.6	7.6	7.7	7.6	7.7
Italy	7.2	7.7	7.1	7.3	7.2	7.1	7.2
Luxembourg	7.7	8	7.6	8	7.6	7.7	7.7
Netherlands	7.5	7.7	7.5	7.7	7.5	7.6	7.5
Portugal	6	6.2	6	6.2	6	6.2	5.9
Spain	7.5	7.5	7.5	7.7	7.4	7.6	7.4
Sweden	7.8	7.9	7.8	7.9	7.8	7.8	7.8
UK	7.3	7.7	7.2	7.5	7.2	7.5	7.2
Cyprus	7.2	7.5	7.2	7.1	7.2	7.4	7.1
Czech Republic	6.5	7.2	6.4	7	6.4	6.9	6.3
Estonia	5.9	6.5	5.8	6	5.8	6	5.8
Hungary	5.9	6.7	5.9	6.1	5.9	6.2	5.8
Latvia	5.5	6.3	5.5	6	5.4	5.9	5.3
Lithuania	5.4	6.8	5.3	6	5.3	5.5	5.3
Malta	7.3	7.7	7.2	7.3	7.2	7.4	7.2
Poland	6.2	7	6.1	6.4	6.2	6.4	6.1
Slovakia	5.7	6.9	5.6	6.3	5.5	5.8	5.6
Slovenia	7	7.3	6.9	7.2	7	7	7
Bulgaria	4.4	-	4.4	4.1	4.4	4.6	4.3
Romania	6.2	7	6.2	6.2	6.2	6.4	6
Turkey	5.6	-	5.6	6.1	5.5	6.1	5.3
EU15	7.3	7.6	7.2	7.5	7.2	7.4	7.2
NMS	6.1	7	6.1	6.4	6.1	6.4	6
CC3	5.6	6.6	5.6	6.1	5.6	6.1	5.3
EU25	7.1	7.6	7	7.3	7	7.1	7.1

Note: (-) number of cases below 30.

Source: EQLS 2003, author's calculations.

regular help to persons outside their own household. Two explanations are possible regarding these differences. First, given the much lower living standard in the poorer NMS and CC3, the need for help is accordingly greater. The necessary welfare services are underdeveloped, so that solidarity among the people is greatly needed and becomes an important element in stabilising living conditions. Furthermore, the results do not reveal if the support is financial or otherwise. However,

it is already known from the analysis that providing financial help is far more widespread in the affluent EU15 countries, so it may be concluded that widespread solidarity with people in need in the NMS and CC3 takes a non-monetary form.

Given the close relationship between voluntary work and a country's prosperity level, on the one hand, and between life satisfaction outcomes and GDP per capita, on the other, one can derive that the connection between life satisfaction and being actively engaged and involved in supporting others is similar. Table 20 compares life satisfaction outcomes for people who are voluntarily active and those who are not in each country, for people politically involved and people who are not, and for people supporting others or not. The general tendency in the country clusters, and also at national level, is that active social integration is synonymous with higher life satisfaction. People who are voluntarily active are more satisfied with life than people who are not, a gap most obvious in the NMS.

The same tendency becomes apparent with regard to political activity: people who are politically engaged are more satisfied with life in general, although an opposing argument could be that protesting and standing up for better living conditions might be of immediate concern for disadvantaged – and therefore less satisfied – people. Country-specific results show that the latter interpretation is valid only for Bulgaria, Cyprus, Denmark and Ireland, where satisfaction levels of politically engaged people are slightly worse than those of people not engaged.

The act of supporting others with either money or food does not distinguish clearly between those who are satisfied and those who are dissatisfied. Looking at the country clusters, a gap is visible for the NMS and the CC3, so it can be assumed that solidarity in the poorer countries is provided by those who are well-off to those who are disadvantaged.

People in the NMS and in the CC3 who do voluntary work and who support others profit more in terms of being satisfied with their life in general compared with the EU15 population. Doing voluntary work is less common in the poorer NMS and few people belong to voluntary organisations. Additional analysis has shown that the higher the income of a person, the more likely for him or her to assume such responsibilities. Therefore, it may be concluded that voluntary activity is mainly in the preserve of a specifically selected group and the effect of being more satisfied than others is based on the affluence of this group. Providing others with support is easier for those who enjoy stable living conditions and who belong to the more affluent section of the population. Thus, there is no direct link between life satisfaction and active social integration. There is a greater chance of being voluntarily or politically active and of supporting others when people benefit from a decent standard of living and stable living conditions. The higher life satisfaction values of people who are active in civil society relate to their higher living standards. Further calculations clearly show this interrelationship. When access to resources is controlled for, the impact of the variables indicating active social integration on subjective well-being declines and becomes miniscule. For the NMS and CC3, it is not even statistically significant, at least with respect to life satisfaction. This indicates that, for the most part, only privileged people can participate in and strengthen civil society structures. Higher levels of life satisfaction cannot directly be derived from societal commitment, but from agreeable and stable living conditions.

However, in the more affluent EU15, doing voluntary work or being politically active is also a value in itself that promotes subjective well-being, as further calculations have shown. It is a small but

discernible effect. It seems that a certain level of standard of living has to be assured before people can devote time to things other than life's necessities. In the least prosperous CC3, subjective well-being is almost exclusively determined by access to resources and social integration, in terms of giving or receiving support, has little or no effect.

Being: Impact of quality of society

This section deals with the quality of society as perceived by the citizens as a source of well-being. Again, reference is made to Allardt (1993), who emphasised the individual's need for integration into society as the dimension of Being besides Having and Loving, which have already been discussed. Other authors also refer to the quality of society as one of the main pillars of individual welfare, alongside objective living conditions and subjective well-being (Sen, 1993; Veenhoven, 1996; Zapf, 1984). People's social context structures their lives and affects individual well-being. How people evaluate political institutions, whether they trust other people, or if they perceive that there are many conflicts around them, indicate worries and insecurities that might be negatively interrelated with personal welfare.

Up to now, personal living conditions have been examined for their influence on subjective well-being. Access to material resources and social relationships proved to be important providers of life satisfaction, happiness and belonging. However, another result of the previous analysis is that overall living conditions in a country, its level of prosperity and welfare, as well as characteristics of its political culture (measured via GDP per capita and the Human Development Index), also determine individual quality of life. Similar impressions can be derived from other studies (Inglehart and Klingemann, 2000; Veenhoven, 2000; Frey and Stutzer, 2000). Therefore, it can be presumed that the more affluent a country is and the higher people rate the quality of the society they live in, the more satisfied is its population as a whole.

The following research questions will be considered in this section. First, country-specific patterns of how people evaluate their society are described and it is shown how these patterns interrelate with people's command over material resources. Does a low standard of living imply a large amount of perceived conflicts and is poverty connected with low trust in people? If socially vulnerable people are less satisfied with the political and social system, they could possibly form an underclass that no longer feels bound by accepted values and norms, creating a potential for political mobilisation. The question is whether countries differ in the quality of society their citizens attribute to it according to the level of economic prosperity. Second, the relationship between quality of society and subjective well-being is explored. How does the perceived quality of society, in its several dimensions, interact with life satisfaction, happiness and alienation? These results offer a first impression of the importance of societal aspects when people come to evaluate their overall living conditions.

Indicators and distribution

The EQLS data provide the opportunity to explore these issues in detail. Information is available about the trust people have in the state pension and the social benefit system, about how much trust people have in each other and about tensions they perceive between social groups, such as poor and rich people or men and women. Furthermore, respondents were asked to evaluate the quality of public services in their country, e.g. health services, education system and public

transport. As with the calculation procedure for Having and Loving, an additive index has been constructed, summarising statements that indicate problems with the quality of society, such as low trust, perception of tensions or perceived difficulties with public services (Table 21). With reference to Allardt (1993), the index on quality of society is referred to as the 'Being deficit' index and ranges from zero to 13 (Cronbach's alpha: 0.74). The higher the index value, the lower the perceived quality of society.

The EQLS data make it possible to get an impression of how Europeans judge the quality of their society and how that evaluation is interrelated with subjective well-being. Do people differentiate between private and societal matters? Do they criticise the functioning of political institutions and governmental policies without being negatively influenced in their personal evaluation of their own living conditions? As stated at the outset of this report, this kind of information can be interpreted as an indicator for the capability structure that a society offers its citizens. The more satisfied people are with the quality of their society overall, the more options they may perceive in relation to planning and making arrangements for the future which will positively influence their personal quality of life.

Table 21 Indicators for quality of society (Being)

Dimension	Question No. in EQLS	Indicator
Quality of society (Being)	Q.27	Trust in the ability of the following systems to deliver when you need it?
		a) State pension system
		b) Social benefit system
	Q.28	Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?
	Q.29	Tension between social groups:
		a) poor and rich people
		b) management and workers
		c) men and women
		d) old and young people
		e) different racial and ethnic groups
	Q.54	Quality of each of the following public services:
		a) health services
		b) education system
		c) public transport
		d) social services
		e) state pension system
	Index construction Being deficits	Count Being = Q.27a Q.27b (hardly any trust/no trust at all) Q.28 (0-4) Q.29a Q.29b Q.29c Q.29d Q.29e (a lot of tension) Q.54a Q.54b Q.54c Q.54d Q.54e (0-5). The higher the index value, the lower people rate the quality of their society.

Some results are already well known (Nauenburg, 2004). For example, it has been pointed out that the awareness of tension between social groups is structured quite differently in the enlarged Europe. The population in the NMS and in the CC3 perceive the highest tension between rich and poor people and between management and workers, reflecting traditional class divisions, whereas in the EU15, people are much more aware of tension between different racial or ethnic groups. On average, one-third of the EU15 population is aware of conflicts between rich and poor people, whereas one in two citizens in the NMS perceive this (Table 22). People were also asked to evaluate the public services in their countries. The educational system, healthcare and the state pension system are rated higher in the EU15 than in the NMS and CC3. The widest quality gap between the EU15 and NMS is perceived with regard to the healthcare system. In nearly every country, people are mostly convinced of the quality of the educational system compared with other services. Another general pattern is that young people, who regard themselves as contributors with no guarantee of future benefits, are more critical of the state pension system than are older age groups.

In fact, trust in national state pension systems is very low and more than half of the respondents in the EU15 have doubts about its future sustainability (Table 22). Slightly lower percentages are shown for the NMS. With respect to the future functioning of social benefit systems, doubts are more widespread in the NMS (62%), but also in the EU15, where 42% of the population doubt that social security can be provided at the same level in the future. Population groups who are dependent on benefits from the social security system, such as unemployed people or single parents, are most critical (Nauenburg, 2004).

The question of whether people trust each other addresses another general aspect of quality of society. In the dataset, people report trust in other people on a one to 10 point scale. The higher the mean values are, the more people trust their fellow-citizens. Results are consistent with the other findings reported thus far. The EU15 population is the most trusting, whereas the amount of trust is lower in the NMS and lowest in the CC3. Social trust is understood as a collective property, as a powerful social good and as an indicator for social capital. The trustworthiness of a society is more widespread in the EU15, the people of which are on average more affluent and less affected by severe disadvantages. These results are in line with recent research on this subject, emphasising that individual living conditions, success and, above all, societal conditions are decisive in generating social trust (Delhey and Newton, 2003, 2004). With few exceptions, people with low income and especially those who are unemployed, in almost all countries, report lower levels of trust in other people (Nauenburg, 2004). The experience of hardship obviously leads to scepticism, suspicion, insecurities and a more self-centred attitude.

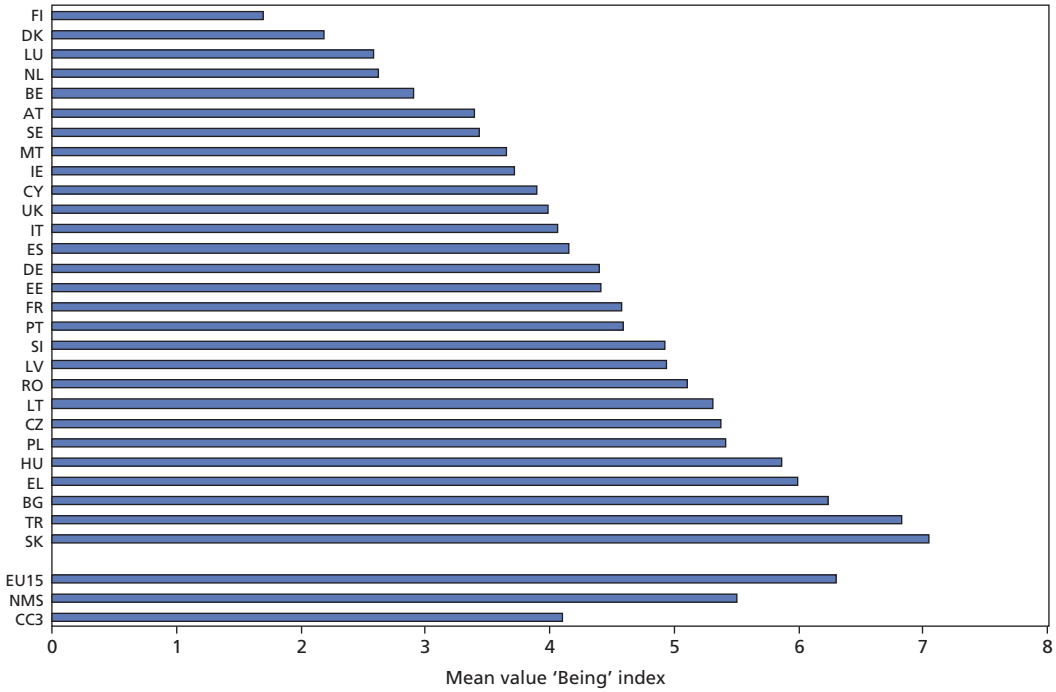
Table 22 Perceptions of society (% of population)

	Low trust in state pension system	Low trust in social benefit system	Low trust in other people	A lot of tension between rich and poor people	Low quality of educational system	Mean index value: Being deficits
Austria	60	31	5.9	30	8	3.4
Belgium	32	18	5.7	36	7.3	2.91
Denmark	39	19	6.9	4	7.6	2.19
Finland	12	15	7.1	21	8.2	1.7
France	62	36	5.8	46	6.1	4.58
Germany	65	54	5.6	36	6.5	4.4
Greece	53	55	4.7	58	5.4	5.99
Ireland	30	28	5.9	28	6.9	3.72
Italy	62	51	5.7	21	6.2	4.06
Luxembourg	18	14	5.4	21	6.2	2.59
Netherlands	21	18	6.1	25	6.7	2.63
Portugal	33	33	5	24	5.4	4.59
Spain	61	44	6	32	6.2	4.16
Sweden	42	26	6.3	24	6.7	3.44
UK	50	41	5.8	23	6.4	3.99
Cyprus	39	52	4.1	18	6.2	3.9
Czech Republic	59	58	4.8	44	6	5.37
Estonia	52	61	5.4	50	6.3	4.41
Hungary	53	69	5	61	6.2	5.86
Latvia	67	63	4.9	44	5.9	4.94
Lithuania	68	77	5	62	6	5.31
Malta	32	26	4.8	27	7.2	3.65
Poland	40	60	4.7	52	5.8	5.41
Slovakia	70	73	4.5	49	4.3	7.05
Slovenia	55	49	5.4	43	6.4	4.93
Bulgaria	62	66	4.4	54	4.4	6.24
Romania	56	67	5.4	53	6.5	5.1
Turkey	35	59	4.5	60	4.4	6.82
EU15	55	42	5.8	31	6.4	4.09
NMS	49	62	4.8	51	5.8	5.5
CC3	43	62	4.7	58	5	6.31
EU25	54	45	5.6	35	6.3	4.32

Note: For the calculation procedure of the 'Being deficit' index, see Table 21; the higher the mean value, the lower the quality of society in the perception of individuals.

Source: EQLS 2003, author's calculations.

Figure 27 Deficits of Being (ranking of mean index values)



Note: The 'Being deficit' index ranges from 0-13; the higher the mean value, the poorer people perceive the quality of their society.

Source: EQLS 2003, author's calculations.

With the help of the 'Being deficit' index, these impressions can be summarised (Figure 27). According to the results reported, the population in the EU15 estimates the quality of their societies far more positively, with the mean values for the three county groups indicating lower quality in the NMS and lowest in the CC3. However, within each country group, there are remarkable differences. People in Scandinavia and in Luxembourg evaluate the quality of their societies most favourably. In the NMS, Cyprus and Malta also judge the quality of their society quite well; results here are even better than the EU15 average. The populations in Hungary, Bulgaria, Turkey and Slovakia are the least content. Surprisingly, Greece is also among the worst performers and its population is more critical about the quality of society than the average value indicated by citizens in the NMS. One can conclude that there is a connection between quality of society, on the one hand, and national economic performance and quality of governance, on the other. Furthermore, there were suggestions that people's own social status and daily living conditions also affect their evaluation of the society in which they live. The next section will deal with these issues in more detail.

Quality of society and control over personal resources

Exploring the relationship between perceptions of societies and the command people have over resources is a research perspective that is of interest to political sociologists as well as policy-makers. Does unemployment foster a general scepticism about other people? Do poor living conditions generate a critical attitude towards social and public services? The general focus of this subject is on the political attitudes of socially disadvantaged people: do their attitudes differ

according to level of living standard and access to the labour market? Moreover, do they differ from country to country, or can a general pattern be detected with respect to the relationship between resource control and the perceived quality of the society?

Table 23 Quality of society (mean values of 'Being deficit' index in different population groups)

Country	Total	Low income	Unemployed	Retired	Unskilled worker	Low education	Single parents	Multiply deprived
Austria	3.4	3.9	3.5	2.8	3.4	3.4	4.3	-
Belgium	2.9	3.7	4.1	2.6	3.5	3.3	4.5	-
Denmark	2.2	2.5	2.6	2	2.5	2.1	3.4	-
Finland	1.7	1.8	2.2	1.6	1.8	1.9	2	-
France	4.6	5.3	5.8	4	5.5	4.2	5.6	-
Germany	4.4	4.5	5.8	3.9	4.7	4.5	5.4	6
Greece	6	6.2	5.7	5.6	6.2	5.8	-	6.8
Ireland	3.7	4.1	4.4	2.8	4	4.1	4.6	-
Italy	4.1	5.2	-	3.5	4.1	4.1	-	-
Luxembourg	2.6	2.4	-	2	2.1	2.3	-	-
Netherlands	2.6	3	3.6	2.6	3	2.9	2.9	-
Portugal	4.6	4.3	5.3	4	4	4.7	-	4.4
Spain	4.2	3.8	5.2	3.5	4.4	4	5.8	-
Sweden	3.4	3.6	-	3.4	4	3.8	4.6	-
UK	4	4.2	4.8	3.1	3.9	3.6	-	5.4
Cyprus	3.9	4.4	-	3.9	4	4.4	-	-
Czech Republic	5.4	6.3	6.1	4.9	5.5	5	-	6.7
Estonia	4.4	5.1	5.4	4.2	3.7	4.3	-	5
Hungary	5.9	6	6	5.5	5.8	5.6	-	6.6
Latvia	4.9	5.4	5.8	5.1	4.9	5.5	4.9	5.8
Lithuania	5.3	5.5	5.7	5.4	5.2	5.3	5	6.2
Malta	3.7	3.9	-	3.3	4.6	3.8	-	-
Poland	5.4	5.7	6	4.9	6	4.8	-	5.9
Slovakia	7.1	7.4	7.7	6.6	7.4	6.9	-	7.8
Slovenia	4.9	5.3	5.4	4.6	5.5	4.6	-	-
Bulgaria	6.2	6.5	6.5	6.1	5.8	5.7	-	6.6
Romania	5.1	4.9	5.6	4.7	4.6	4.3	-	5.3
Turkey	6.8	6.6	7.5	6	7.6	6.7	-	7.5
EU15	4.1	4.4	5.1	3.6	4.2	4.1	5.1	5.8
NMS	5.5	5.9	6.1	5.1	5.7	5.1	6.1	6
CC3	6.3	6.1	6.9	5.5	6.4	6.3	7	6.7
EU25	4.3	4.7	5.3	3.9	4.4	4.2	5.3	5.9

Note: Quality of society is measured with the 'Being deficit' index summarising the following indicators: social trust, trust in social systems, tension between social groups and quality rating of public services (see Table 21 for detailed information on construction). The index ranges from 0-13; the higher the values are, the lower people rate the quality of their society. Multiply deprived = limited access to basic goods and no support in case of emergency; (-) number of cases below 30.

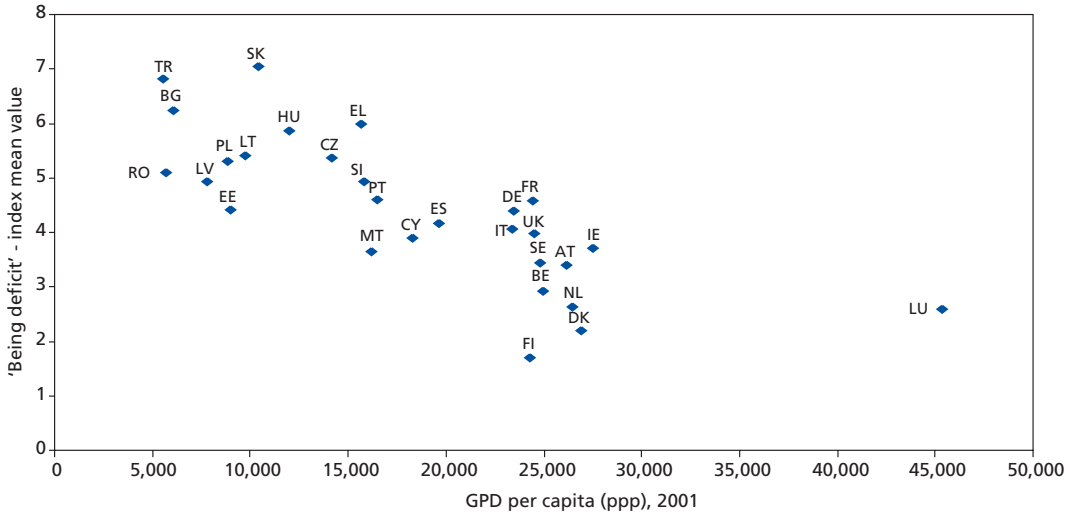
Source: EQLS 2003, author's calculations.

Table 23 helps to identify population groups that evaluate the quality of their society most critically. For this purpose, the average amount of deficits concerning the quality of society is reported for different population groups. The 'Being deficit' index refers to social trust, trust in social systems, tension between social groups and quality rating of public services, summarising 13 single items (for construction details, see Table 21). Table 23 shows mean values of this index for the low income population group, for unemployed, retired, poorly educated people, unskilled workers, single parents and also for persons who are multiply deprived (with limited access to basic goods and who cannot rely on social support in case of emergency). The higher the values are, the lower people rate the quality of their society.

People with low income and unskilled workers perceive their society more critically than does the general population. Nonetheless, a low standard of education is not linked with critical perceptions of this kind. However, being unemployed, a single parent or, particularly, being multiply deprived is synonymous with low trust in society. These population groups emerge as most critical of the capability structure they are offered in their countries. The findings describe a general tendency throughout Europe, regardless of the overall national level of dissatisfaction with societal circumstances in a country. Retired people do not perceive as many deficits with regard to the quality of their society. This is an interesting finding because, as analysis has shown – unlike in the EU15 – retired people in the NMS are economically weak. Although the results suggest a link between economic vulnerability and the perception of many problems with politics and society, this pattern fails to explain the fact that retired people in the NMS and in the CC3 are less critical about the quality of society than the population in general.

However, as Figure 28 suggests for the cross-country comparison, the connection between the general level of welfare in a country and the quality of society that its citizens associate with it is quite strong. The less prosperous a country is, the more critically people evaluate its political institutions and the more people perceive conflicts and distrust others. All in all, the results underline two general patterns with respect to the relationship between resource control and perceptions of societies: 1) the more affluent a society is, the higher people rate its quality; and 2) the more people are socially disadvantaged, the more critical their perceptions are.

Figure 28 Quality of society and GDP per capita



Note: Correlation between GDP per capita and Being deficits (Pearson's): -.771.

Source: EQLS 2003, author's calculations; Eurostat 2004.

Quality of society and subjective well-being

The next objective is to gain insight into the relationship between perceptions of society and subjective well-being. For this purpose, life satisfaction outcomes in different population groups will be distinguished (Table 24). Are people who see many reasons to criticise social and public

Table 24 Life satisfaction means and indicators of quality of society

		Trust in the social benefit system		Trust in other people		Quality of social services	
Country	Total	Low	High	Low	High	Low	High
Austria	7.8	7.2	8.2	7.3	8.4	6.4	8.1
Belgium	7.5	6.8	7.9	6.8	8.1	6.4	7.8
Denmark	8.4	8.2	8.6	7.8	8.8	7.7	8.6
Finland	8.1	7.6	8.2	7.4	8.4	7.3	8.4
France	6.9	6.4	7.4	6.1	7.7	6.5	7.4
Germany	7.2	6.9	7.6	6.5	8.1	6.2	7.7
Greece	6.8	6.5	7.5	6.5	7.2	6.2	7.7
Ireland	7.7	7.1	7.7	6.8	8.4	7.4	8
Italy	7.2	7.1	7.9	6.8	7.9	6.6	7.7
Luxembourg	7.7	7.8	7.8	7.2	8.5	7.7	8
Netherlands	7.5	7.4	7.6	7.1	8	6.8	7.9
Portugal	6	5.8	6.2	5.4	7.1	5.6	6.7
Spain	7.5	7.2	8.2	7	8.1	7.1	7.9
Sweden	7.8	7.5	8.1	6.9	8.5	6.7	8.1
UK	7.3	7	7.7	6.5	8.1	6.4	7.8
Cyprus	7.2	7.1	7	7.1	8.2	6.6	7.8
Czech Republic	6.5	6.2	6.6	5.9	7.7	6	7.1
Estonia	5.9	5.7	6.7	5.2	6.4	5.2	6.5
Hungary	5.9	5.7	6.7	5	7.4	5.6	6.9
Latvia	5.5	5.2	6.1	4.9	7	4.9	6.5
Lithuania	5.4	5.2	6.5	4.6	6.5	4.7	6.1
Malta	7.3	6.8	7.5	7	8.3	6.8	7.6
Poland	6.2	5.8	6.9	5.8	6.9	5.8	7
Slovakia	5.7	5.3	6.5	5	7.2	5.3	7.3
Slovenia	7	6.6	8.1	6.3	7.9	6.2	7.6
Bulgaria	4.4	4	6.3	3.9	5.7	4.1	6.7
Romania	6.2	6	7.2	5.2	7.2	5.4	7.1
Turkey	5.6	5.5	5.7	5	6.2	5	6.7
EU15	7.3	6.9	7.7	6.6	8.1	6.5	7.8
NMS	6.1	5.8	6.9	5.6	7.2	5.7	7
CC3	5.6	5.5	5.9	4.9	6.5	5	6.8
EU25	7.1	6.7	7.6	6.4	8	6.2	7.7

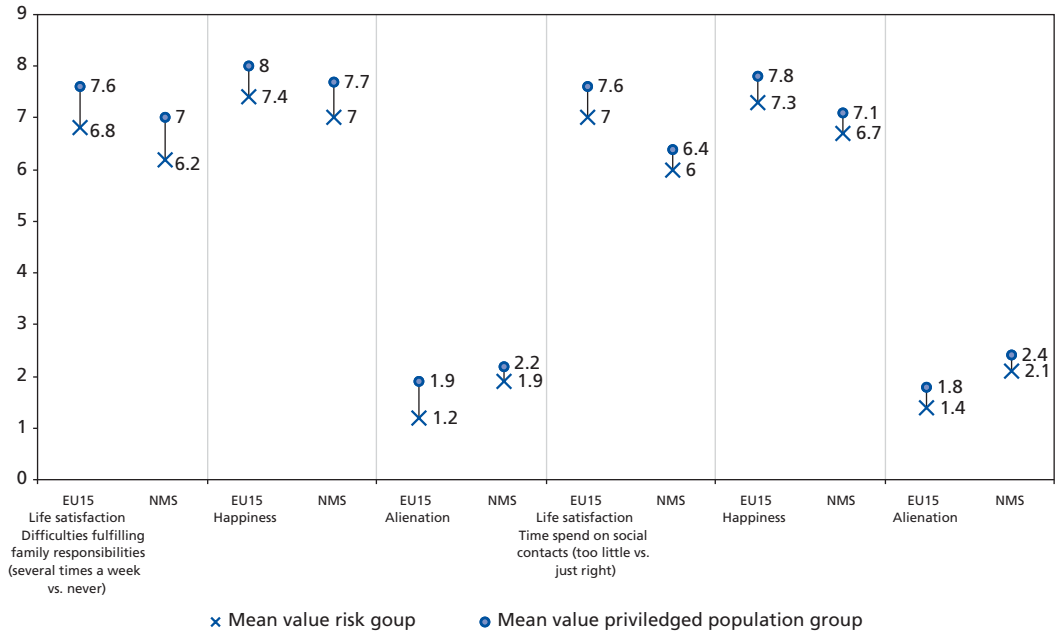
Note: Definition of high trust = ratings > 7 on a scale of 1-10; definition of low trust = ratings < 5 on a scale of 1-10; same for quality of social services.

Source: EQLS 2003, author's calculations.

services in their countries less content with their life than people who do not? Is low trust in other people interrelated with dissatisfaction with life in general? Table 24 differentiates according to different dimensions between the life satisfaction of people perceiving a low quality of society and those perceiving a high quality of society.

Indeed, at this descriptive level, there seems to be a strong link between the chosen indicators of quality of society and life satisfaction outcomes. The general pattern is that life satisfaction varies with the quality of society that people perceive. People trusting the social benefit system of their country, people evaluating the social services of their society quite positively and people with high trust in their fellow-citizens are more satisfied with their life in general than either their critical counterparts or the general populations. This is confirmed irrespective of the overall level of life satisfaction in a country. Being provided with the necessary support structures that one can count upon in case of need seems to play an important role when it comes to evaluate subjective well-being. Figure 29 illustrates the country-group specific results. Lacking trust in the social benefit system and having doubts about other people is connected with lower life satisfaction and also with unhappiness and with alienation, for the EU15 as well as for the NMS. At the same time, the picture gives an impression of the variations across countries. In the NMS, as already stated, subjective well-being is generally lower. This discrepancy is reflected in the fact that people distrusting their social benefit systems in the EU15 are as satisfied with their life in general as those in the NMS population who trust their welfare systems. Consequently, in addition to the uneven distribution of criticising the quality of society within a country, there are also major differences across countries.

Figure 29 Deviations in life satisfaction between specific population groups

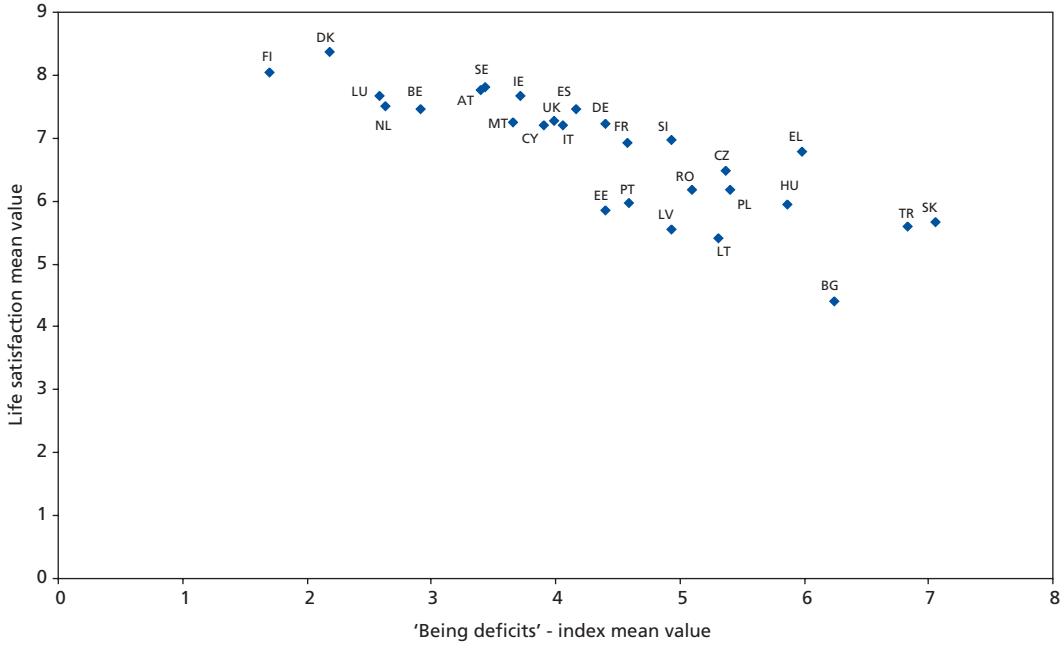


Example: People in the EU15 with low trust in the social benefit system of their country are less satisfied (6.9) with life in general than people with high trust in the social benefit system (7.7). Moreover, the respective population groups in the NMS are even less satisfied.

Source: EQLS 2003, author's calculations.

Life satisfaction outcomes as well as perceptions of the quality of society vary widely across Europe. Figure 30 suggests a connection between these measures. The more problems people in a country perceive (the higher the mean value of the 'Being deficit' index), the lower the general level of life satisfaction is. According to the results thus far, life satisfaction as well as the perceived quality of society varies between the different European countries according to their overall level of welfare, so that the key to understanding this distribution is the prosperity level of a country. In addition, life satisfaction outcomes as well as critical perceptions within a country also differ according to people's individual command over resources. Thus, at an individual level, the relationship between perceptions of society and subjective well-being might not be a direct one, but mediated instead through access to resources. In Chapter 4, these interrelationships are explored in more detail with the help of sophisticated statistical analyses in order to understand the relationship between subjective well-being and its determinants, such as material resources or perceptions of society. The message so far is that critical opinions of society are concentrated in less wealthy countries, where the level of subjective well-being is lower, and in population groups which are socially disadvantaged and less satisfied with life than others, irrespective of the country.

Figure 30 Life satisfaction and quality of society (country level)



Note: The index on 'Being deficits' summarises 13 items indicating perceptions of a low quality of society. The higher the index value, the more respective problems people in a country perceive. Life satisfaction is measured on a scale of 1-10, where one means dissatisfaction and 10 means satisfaction. Correlation coefficient (Pearson's): -.832, significant on a level of p = .000, N = 28.

Source: EQLS 2003, author's calculations.

Impact of time pressures

This section expands on the factors that determine subjective well-being in a particular way. Information on time use can reveal how people perceive the way they spend their time in different activities and how they manage to balance work and family life in particular. Do difficulties in this respect decrease subjective well-being and what country-specific patterns arise? Compared with

the previous analysis, time use and work–life balance have a selective position as determinants of subjective well-being because results relate only to the employed population. This limitation has to be kept in mind when reviewing the impact of time pressure on subjective well-being.

How people spend their time in different activities becomes especially crucial with regard to the interaction between work and family. From a policy point of view, reconciling work and family is a core issue, reflected in the EU social policy agenda (European Commission, 2000) as well as in the European employment guidelines (EU Council, 2002). Two major policy goals are decisive in making the compatibility of work and family a priority issue: the goal of increasing labour force participation, especially for women, and the urgent need to raise fertility rates in order to slow down the demographic change throughout Europe. From an individual perspective, the balance between work and family is becoming increasingly important because the traditional breadwinner model, whereby men go to work and women care for children and do the housework, is no longer attractive and is no longer compatible with modern ideas of combining work and family. Women increasingly want equal participation with men in the labour force, without neglecting to have children. Moreover, there is greater hope of sharing housework fairly. Men wish to assume more family responsibilities and be involved in child-rearing. Optimising parental leave options, expanding care services and arranging flexible work-time regulations are, therefore, key social policy issues. Keeping this in mind, it can be assumed that an unsatisfactory work–life balance influences subjective well-being in a negative way.

Indicators and distribution

Unlike other studies, the EQLS data do not provide detailed 'diary information' of how much time a day a person spends on various activities. Instead, respondents report their perception of how they are able to combine paid work and family responsibilities. Do they perceive difficulties or not? Moreover, they are asked to evaluate whether they spend too much or too little time engaged in particular activities, so that knowledge about time use can extend to time constraints in the area of recreation and voluntary work. Table 25 shows the EQLS questionnaire time use indicators.

Table 25 Indicators to analyse time pressure

Dimension	Question No. in EQLS	Indicator
Time use	Q.13a	Perception of work-life balance: Come home from work too tired to do some of the household chores; difficulties in fulfilling family responsibilities because of the amount of time spent on the job; difficulties concentrating at work because of family responsibilities
	Q.13b	
	Q.13c	
	Q.39	Perception of fair share of housework
	Q.40	Perception of amount of time spent in different areas of life (too much, just right, too little): job/paid work, contact with family members, social contact, hobbies/interests, sleeping, voluntary work or political activities
	Index construction: 'Time pressure'	Count time_ind = Q.13a Q.13b Q.13c Q.39 Q.40a (several times a week/ too much) Q.40b Q.40c Q.40d Q.40e Q.40f (too little) Variables time_ind 'Index on time constraints' The higher the index value, the more time constraints people perceive

People were asked how often they come home from work too tired to do housework, whether it is difficult for them to fulfil their family responsibilities and if they find it difficult to concentrate at work because of their family responsibilities. These questions capture the issue of work–life balance. The division of housework between family members is addressed by another question: respondents are asked to estimate if they are doing more, less or an equal share of housework. Finally, people are asked if they allocate too much, too little or sufficient time to activities such as paid work, contact with family members, social contacts, hobbies, sleep and voluntary work. Summing up the single impressions, an index is constructed which summarises all deficits concerning time pressure. The index ranges from zero to 10; the higher the index value, the more time constraints people perceive (Cronbach's alpha: 0.61).

Initial results show that work significantly affects family life (Table 26; see also Keck, 2004). Citizens in the EU15, however, report fewer difficulties concerning their ability to combine work and family life than the population in the NMS and CC3. This finding might relate to the different amount of working hours in the two country groups and could also reflect the quality of childcare services and the flexibility of work-time arrangements in the different countries. The continental and Scandinavian countries are especially well-off in this regard, with only a minority of employed persons perceiving problems combining work and family. Difficulties in fulfilling family responsibilities several times a week are perceived by 9% of the EU15 population, whereas 15% of the NMS population report such problems. Some 29% of the NMS population are often too tired to do housework after coming home from work; almost one-third thinks that they spend too much time at work; the figure for the Turkish population is very high, at 65%. In the EU15, such difficulties are also widespread, ranging from 12% in Luxembourg to 43% in Sweden.

The index gives an impression of how perceived time constraints are distributed (Figure 31). At first glance, the ranking order of the single countries does not seem to follow an obvious pattern. Nevertheless, prosperous EU15 countries, such as Austria, Belgium, Denmark, Finland, France and Germany, rank among the first 10 countries perceiving fewest time constraints, whereas Turkey, Romania and Slovakia rank at the bottom of the index. Therefore, the interrelationship between GDP per capita and the index on time pressure is statistically significant and indicates a quite close relationship. Table 26 also provides some unexpected results: Bulgaria, for example, although one of the poorest countries, performs quite well and its population does not perceive many problems with regard to spending their time in different activities. Conversely, Sweden, as a relatively wealthy nation, where the average amount of working hours is comparatively moderate, is located towards the end of the index scale. The Swedish population perceives many tensions concerning work–life balance and satisfactory time use. This reflects the fact that cultural expectations, and the popularity of the idea to spend more time on social contacts and recreation, might play an important role in formulating people's evaluation of their time budget. In Bulgaria, for example, even long working hours might not be perceived as a restriction on quality of life because having a job to provide a basic standard of living is of the utmost importance and finding a balance between work, family and social life could be considered an almost unheard of luxury.

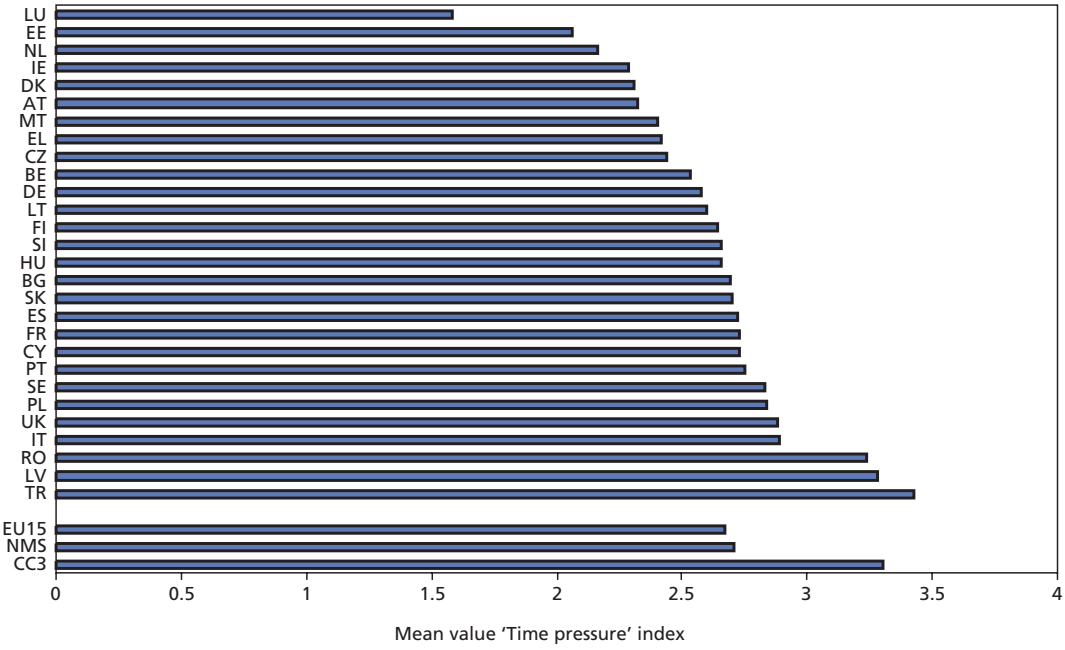
Table 26 Difficulties in reconciling work and family life (employed population only)

	Difficulties in fulfilling family responsibilities several times a week	Too tired to do some housework several times a week	Spend too much time on paid work	Spend too little time on social contacts	Index on time constraints
Austria	4	12	27	30	2.32
Belgium	7	20	25	30	2.53
Denmark	5	16	27	28	2.31
Finland	5	14	29	43	2.64
France	8	18	27	32	2.73
Germany	5	17	31	30	2.58
Greece	14	29	43	27	2.42
Ireland	7	19	31	28	2.29
Italy	10	22	34	38	2.89
Luxembourg	9	15	12	17	1.58
Netherlands	5	12	20	29	2.16
Portugal	13	25	32	33	2.75
Spain	17	39	31	24	2.72
Sweden	8	19	43	32	2.83
UK	12	27	33	37	2.88
Cyprus	17	33	48	42	2.73
Czech Republic	10	22	46	29	2.44
Estonia	17	38	23	22	2.06
Hungary	14	30	32	35	2.66
Latvia	27	47	41	42	3.28
Lithuania	15	29	25	30	2.6
Malta	11	35	28	37	2.4
Poland	17	32	30	39	2.84
Slovakia	10	20	39	49	2.7
Slovenia	16	27	35	33	2.66
Bulgaria	20	37	29	49	2.69
Romania	17	36	33	55	3.24
Turkey	27	36	65	39	3.43
EU15	9	22	31	32	2.67
NMS	15	29	34	37	2.71
CC3	23	36	52	33	3.3
EU25	10	23	31	45	2.7

Note: The index on time pressure ranges from 0-10; the higher the index value, the more time constraints are perceived; correlation between GDP per capita 2001 and index on time pressure: .621 (Pearson's), significant on a level of p = .000, 28 countries.

Source: EQLS 2003, author's calculations.

Figure 31 Deficits of time use (ranking of mean index value)



Source: EQLS 2003, author's calculations.

Women and men differ very little in their perception of having difficulties combining work and family life (Keck, 2004). However, they differ a lot in their employment patterns. Women tend to adjust their formal working-time arrangements according to their family responsibilities. Having young children less than three years old often results in their taking time off work and part-time arrangements for women are very common in the EU15 to facilitate work and family. Difficulties reported by men correspond with the amount of time they spend on the job. The more hours they work, the more difficulties they perceive. Too much work is also associated with increasing time constraints in other areas of life. People abandon their hobbies and interests, as well as voluntary work, when most of their time is taken up by work (Keck, 2004).

Time use and subjective well-being

The core task of this section is to examine the influence on subjective well-being of perceived time constraints and, in particular, of perceived difficulties in establishing a balance between work and family – a subject often neglected in research about life satisfaction or happiness. Therefore, the reasons why someone should report difficulties combining employment and family responsibilities will not be covered because this would demand a precise consideration of national childcare provision, working-time arrangements, cultural habits and equal opportunities between men and women. Instead, the focus here is on the evaluation of time use in different areas of life and how this interacts with subjective well-being (Table 27). As an essential sub-dimension of social integration, is the way that time is spent important in establishing a good quality of life? Do the EU15 and NMS differ in the way that time use shapes subjective well-being?

Table 27 Work–life balance and life satisfaction outcomes

	Total population	Difficulties fulfilling family responsibilities		Too tired to do some housework		Housework responsibilities	
		Several times a week	Never	Several times a week	Never	More than your fair share housework	Just about the right share
Austria	7.8	-	8	6.8	8	8.1	7.9
Belgium	7.5	7.6	7.9	7.5	7.9	7.4	7.9
Denmark	8.4	-	8.8	8.2	8.8	8.3	8.7
Finland	8.1	7.7	8.4	7.8	8.9	8.3	8.3
France	6.9	6.1	7.1	6.5	7.3	6.9	7.2
Germany	7.2	-	7.5	7.3	7.4	7.7	7.4
Greece	6.8	6.3	7.6	6.3	7.7	6.4	7
Ireland	7.7	6.6	8.2	7.3	8.4	7.5	7.7
Italy	7.2	7	7.6	7.1	7.8	6.8	7.4
Luxembourg	7.7	-	7.9	7.2	8.3	7.8	8
Netherlands	7.5	-	7.8	7.2	8	7.7	7.8
Portugal	6	6	6.6	5.6	6.2	6	6.3
Spain	7.5	7.3	8	7.5	7.9	7.5	7.6
Sweden	7.8	7.2	8	7.4	8.4	7.9	8.1
UK	7.3	6.8	8	7.1	8	7.2	7.8
Cyprus	7.2	6.9	7.6	7.1	7.2	7.5	7.6
Czech Republic	6.5	6.4	7.3	6.6	7.5	6.1	6.8
Estonia	5.9	5.6	6.3	5.5	-	5.1	6.3
Hungary	5.9	6.1	6.5	6	6.5	5.7	6.3
Latvia	5.5	5.4	6.3	5.9	-	5.4	5.9
Lithuania	5.4	5.3	5.9	5.1	6.4	5.2	5.5
Malta	7.3	7	7.5	7.1	7.7	7.5	7.4
Poland	6.2	6.3	7.1	6.4	7.3	6.1	6.4
Slovakia	5.7	5.5	6.7	5.5	-	5.5	6
Slovenia	7	6.8	7.6	7	-	6.8	7.3
Bulgaria	4.4	4.3	5	4.2	4.3	4.4	4.9
Romania	6.2	6.2	6.9	6.2	-	5.9	6.5
Turkey	5.6	5.6	6	5.6	5.7	5.5	5.8
EU15	7.3	6.8	7.6	7.1	7.7	7.4	7.5
NMS	6.1	6.2	7	6.3	7.1	6	6.4
CC3	5.6	5.6	6.1	5.6	5.7	5.5	5.9
EU25	7.1	6.7	7.5	7	7.6	7.2	7.3

Note: The table shows life satisfaction means, measured on a scale of 1-10, with one indicating low satisfaction and 10 indicating high satisfaction; (-): number of cases below 30. Results in columns 3-8 represent the employed population only.

Source: EQLS 2003, author's calculations.

Table 28 Life satisfaction means per country, indicators of time use and its perception

		Time spend on paid work		Time spend on family		Time spend on social contacts	
Country	Total	Too much	Just the right amount	Too little	Just the right amount	Too little	Just the right amount
Austria	7.8	7.1	7.9	7.3	7.9	7.3	8
Belgium	7.5	7.6	7.7	7.3	7.6	7.3	7.6
Denmark	8.4	8.4	8.6	8.2	8.5	8.2	8.5
Finland	8.1	8.1	8.7	7.8	8.2	8	8.1
France	6.9	6.8	7	6.8	7	6.7	7.1
Germany	7.2	6.8	7.9	7	7.4	6.9	7.5
Greece	6.8	7	7.1	6.4	6.9	6.2	7.1
Ireland	7.7	7.4	8	6.8	8	7	8
Italy	7.2	7.2	7.4	7.2	7.3	7.1	7.4
Luxembourg	7.7	7.2	7.6	7.3	7.9	7.5	7.8
Netherlands	7.5	7.5	7.7	7.3	7.7	7.4	7.7
Portugal	6	6.1	6.4	5.7	6.2	5.9	6.2
Spain	7.5	7.4	7.8	7	7.6	7.2	7.6
Sweden	7.8	7.8	8	7.8	7.8	7.4	8
UK	7.3	7.4	7.4	7.1	7.6	6.8	7.8
Cyprus	7.2	7.2	7.5	6.9	7.7	7	7.5
Czech Republic	6.5	6.8	6.8	6.3	6.7	6	6.8
Estonia	5.9	5.9	6.1	5.8	6.1	5.7	6.1
Hungary	5.9	6.1	6.5	5.8	6.3	5.9	6.3
Latvia	5.5	6.1	6.2	5.8	5.6	5.5	5.8
Lithuania	5.4	5.7	5.8	5.4	5.5	5.1	5.8
Malta	7.3	6.7	7.4	6.9	7.5	7.2	7.5
Poland	6.2	6.3	7	6	6.3	6.1	6.3
Slovakia	5.7	5.9	6.1	5	5.9	5.4	6
Slovenia	7	6.9	7.3	6.7	7.2	6.5	7.2
Bulgaria	4.4	4.4	4.7	4.3	4.7	4.3	4.9
Romania	6.2	6.3	6.6	6.1	6.4	6.1	6.5
Turkey	5.6	5.3	6.3	5	5.9	5.2	5.9
EU15	7.3	7.2	7.5	7	7.4	7	7.5
NMS	6.1	6.3	6.7	5.9	6.3	6	6.4
CC3	5.6	5.5	6.2	5.2	5.9	5.4	5.9
EU25	7.1	7	7.4	6.9	7.2	6.8	7.3

Note: The table shows life satisfaction means, measured on a one to 10 point scale, with one indicating low satisfaction and 10 indicating high satisfaction; only employed people were asked, total life satisfaction means are displayed for the whole population.

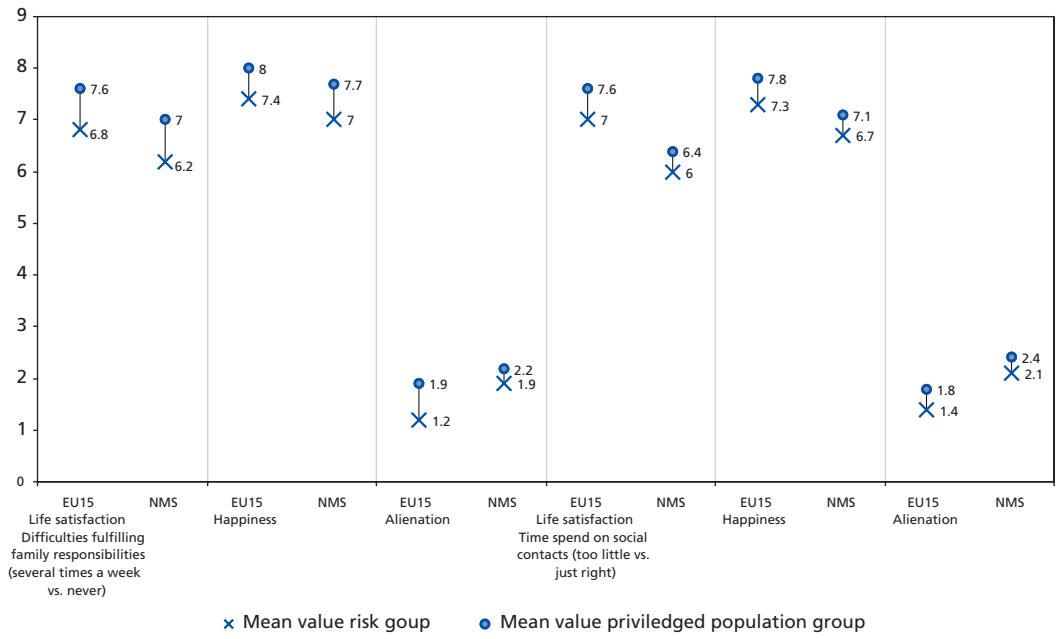
Source: EQLS 2003, author's calculations.

How do Europeans' perceptions of the amount of time they spend in several domains of life interact with subjective well-being? People were asked whether they think they spend too much, too little or sufficient time in several domains of life, such as work, family or social contacts. The

results show that life satisfaction clearly varies in relation to contentment about the individual time budget and the ability to spend as much time as one would like in different areas of life (Table 28). People who report that they work too much are less satisfied with their life in general, compared with people who believe that they work appropriate hours. However, in several countries, those working too hard are at the same level of life satisfaction as, or even above, the average, which indicates that working too much is better than not working at all. Subjective well-being also decreases when there is too little time to be with family or friends. Indeed, looking at the country-specific results, the consequences of too much work seem to have less of an impact than do restrictions on sharing time with family members or other social contacts. All in all, despite country differences and irrespective of the overall level of life satisfaction, the general tendency is that time constraints with respect to family and social contacts, as well as spending too much time on the job, restrict subjective well-being across all countries.

Figure 32 shows these results for the EU15 and the NMS, also adding the respective values for happiness and alienation. This helps to identify, in both country groups, differences in well-being between people perceiving time constraints and the corresponding relation with happiness and belonging. Problems combining work and family life, as well as too little time available to spend with friends, restrict subjective well-being in several dimensions. At the same time, it appears that this kind of polarisation takes place at different levels of subjective well-being in the EU15 and in the NMS. Respondents in the NMS who frequently perceive difficulties fulfilling their family responsibilities because of too much work several times a week are less satisfied, unhappier and feel more alienated than their counterparts in the EU15. With respect to time available for social contacts, the NMS population with no problems in this area is, nevertheless, less satisfied, unhappier and more alienated than people perceiving such difficulties in the EU15.

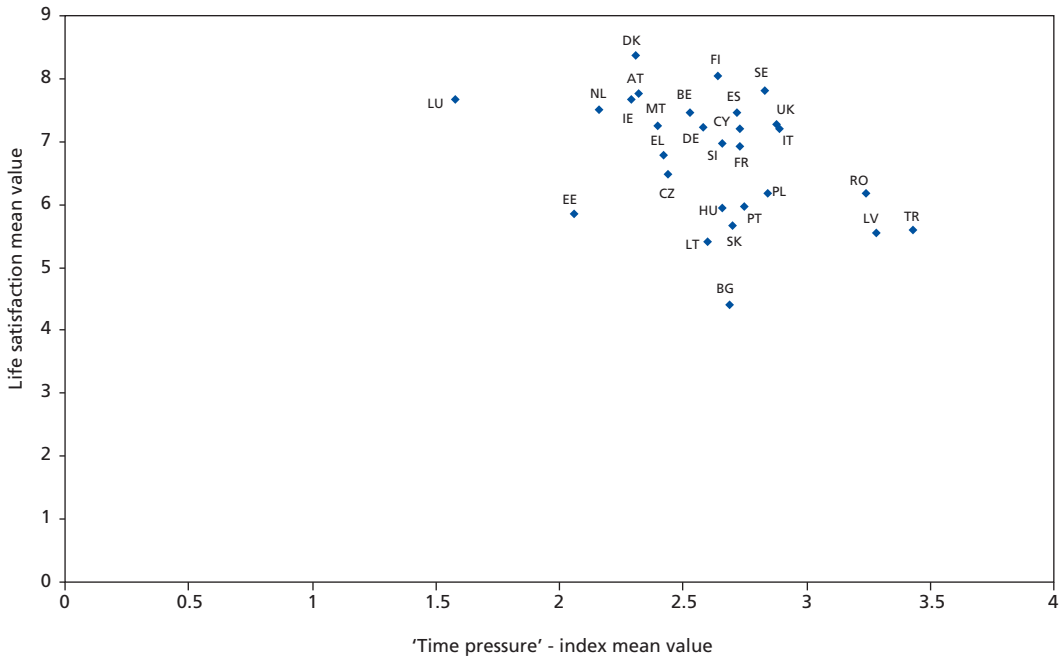
Figure 32 Deviations in subjective well-being between specific population groups



Source: EQLS 2003, author's calculations.

To underline the role of time pressures in explaining the level of life satisfaction between countries, Figure 33 shows life satisfaction outcomes per country and the overall level of time pressure perceived. The link is weak, although statistically significant. In countries where a lot of conflicts between work and life are perceived and many people feel they are driven by time pressures, average life satisfaction outcomes are weaker. This is the case in Turkey, Romania and Latvia, for example. A high level of satisfaction with life, on the other hand, is found where there are better possibilities of reconciling work and family life, and where there are few problems related to time pressure (Luxembourg, Denmark, Netherlands). However, other factors may be at work because life satisfaction outcomes vary considerably between countries such as Lithuania, Hungary, Slovenia, France, Cyprus, Spain, Sweden and Finland, although people in these countries report about the same amount of time constraints on average.

Figure 33 Life satisfaction outcomes and time constraints



Note: The index on time pressure summarises 10 items indicating time constraints. The higher the index value, the more problems with time use and work–life balance are perceived. Life satisfaction is measured on a scale of 1-10, where one means dissatisfaction and 10 means satisfaction. Correlation coefficient (Pearson's): -.408, significant on a level of p = .031.

Source: EQLS 2003, author's calculations.

It should be kept in mind that this overall tendency is derived from bivariate statistical analysis. Chapter 4 will explore determinants of subjective well-being in more detail and will reveal how great the impact of the variables are in relation to each other. Does the effect of time pressure on subjective well-being remain influential when additional dimensions are considered? Perhaps time pressure is closely related to material resource control, so that the hidden key to explain subjective well-being is access to basic goods? These questions are addressed in the following chapter, dealing with complex models of multivariate statistics.

4 Interplay between individual situation and social context

What impacts on subjective well-being? Up to now, this question has been explored with the help of descriptive tables and bivariate relationships between subjective well-being and one dimension at a time. Determinants which were tested covered a wide range of everyday life aspects: access to material resources (Having), support through social relationships (Loving), the quality of society as perceived by the citizens (Being) and time pressure and perceptions of a work–life balance (Time use). For all three indicators of subjective well-being – life satisfaction, happiness and sense of belonging – access to these resources proved to be significant. Additionally, the analysis has shown that not only individual resource control in its different facets determines how satisfied and happy people are, relative to others in their country. Cross-country comparisons also showed the importance of overall welfare and prosperity in a country in explaining the absolute level of subjective well-being. In particular, the gap between the EU15 and NMS became obvious in this respect.

Although very revealing and helpful, descriptive bivariate relationships cannot explain the whole story. Explaining what determines subjective well-being in detail needs more sophisticated statistical techniques in order to keep apart the influence of one variable from another. For instance, policy-makers like to know if unemployment causes dissatisfaction. However, they need to be sure whether it is really unemployment that causes the effect or if other factors are hidden behind this relationship, such as low income, a low level of education or lack of training certification – factors closely interrelated with unemployment. The aim is to identify determinants of subjective well-being which are independent from others.

This chapter focuses, firstly, on the three most important providers of subjective well-being discussed in the literature: the interplay of material resources (Having), social relationships (Loving) and the quality of society (Being). Is the importance of income and consumer goods for subjective well-being confirmed independently from social back-up? Or is limited access to basic goods closely interrelated with lack of social support, e.g. poor people are also socially isolated? Moreover, it is important to know whether the perception of society is a separate explanatory value, albeit – as the analysis has already shown – closely interrelated with poor living conditions. What patterns arise in the cross-country comparative perspective with respect to the relative importance of Having, Loving and Being?

Secondly, a model is introduced that additionally refers to such socio-demographic aspects as sex, age and employment status, and also addresses country characteristics. The overall question is whether private or societal circumstances impact most on subjective well-being and if different explaining mechanisms arise in the EU15 and NMS. When evaluating their life as a whole, do people differentiate between their personal living conditions and the societal structures and position in which they find themselves, and over which they are not very likely to have influence? Do societal conditions contribute to making people happy or do private and societal matters remain separate?

Influence of Having, Loving and Being on subjective well-being

To analyse this research question, multivariate regression models were calculated for the three country groupings (EU15, NMS and CC3) that explore the single effects of Having, Loving and

Being for subjective well-being. The three explanatory variables represent a wide spectrum of indicators related to the different domains of individual welfare. As stated above, Having summarises individual access to material resources, perceived poverty and basic goods; the Loving dimension stands for social support that people can rely upon; and Being summarises available information that indicates the quality of society citizens perceive relating to tension, trust in social benefit systems, public services and other people in general. Bivariate correlation coefficients are shown in Table 29 in order to get a notion of the interrelationship of Having, Loving and Being. If effects in a multivariate model are smaller than the bivariate relationship, this indicates close interrelationships between the explaining variables.

Looking at the bivariate relationships between Having, Loving or Being and subjective well-being, results reported thus far are confirmed: the strong influence of material resource control (Having) on life satisfaction and happiness in all country groups; the remarkably strong impact of the quality of society in the view of citizens for all three forms of subjective well-being and its especially close relationship with feelings of belonging; and the decisive impact that social relationships have on happiness.

Table 29 Impact of Having deficits, Loving deficits and Being deficits on life satisfaction, happiness and alienation (bivariate correlations and multiple OLS regression coefficients, beta)

	Bivariate			Multivariate		
	EU15	NMS	CC3	EU15	NMS	CC3
Life satisfaction						
Having deficits	-.39	-.42	-.43	-.32	-.36	-.40
Loving deficits	-.18	-.15	-.10	-.12	-.07	-.04
Being deficits	-.28	-.32	-.30	-.20	-.26	-.26
Happiness						
Having deficits	-.31	-.38	-.41	-.26	-.32	-.37
Loving deficits	-.23	-.23	-.13	-.18	-.15	-.08
Being deficits	-.18	-.24	-.30	-11	-.18	-.26
Alienation						
Having deficits	.32	.39	.25	.26	.35	.22
Loving deficits	.10	.13	.07	.04	.05	n.s.
Being deficits	.32	.27	.27	.26	.21	.25

Note: Dependent variables are life satisfaction, happiness and feelings of belonging or marginalisation (alienation); 'Having deficits' summarise several shortages on access to material resources; 'Loving deficits' are related to shortcomings with regard to social integration, contacts and the availability of support; 'Being deficits' refer to the perceived quality of society.

Source: EQLS 2003, author's calculations.

The multivariate analysis strengthens this general tendency of the results. A supply of basic goods and a decent standard of living are most important in guaranteeing subjective well-being. Life satisfaction, happiness and alienation are strongly influenced by the Having dimension in all country groups. Its impact is even higher, the poorer the countries are. In the CC3, access to material resources is of highest relevance in predicting the outcome of subjective well-being. The

results also confirm the different structure of life satisfaction and happiness. Although the main factor promoting happiness also comes from access to material resources, this link is weaker than it is for life satisfaction or alienation, and social support is more important in promoting happiness. These results indicate the more emotional and intimate nature of happiness compared with the other measures of subjective well-being. With respect to alienation, it can be pointed out that, again, standard of living is of high explanatory value. However, people's perception of the quality of their society also impacts strongly on the sense of belonging. On the other hand, relationships with others are of minor importance in this regard. Throughout Europe, whether and how people can rely on social support is almost irrelevant in explaining general feelings of alienation. When people are asked to evaluate their sense of belonging, societal circumstances are obviously very important and are directly taken into account.

Comparing the bivariate with the multivariate results offers insight into the connection between Having and Loving. Poor people often fail to get the necessary support from others; respective regression coefficients in Table 29 decline when controlled for the other variables. Nevertheless, social back-up is a very important provider of subjective well-being in its own right. This is even more evident in the more prosperous EU15 countries. In the poorer CC3, social support is least decisive in determining subjective well-being; instead, access to resources produces the strongest effect.

The findings clearly demonstrate the influence that societal circumstances have on individual well-being. Perceptions of society (Being) help to explain life satisfaction, happiness and alienation in the EU15 and NMS, independently of their interaction with standard of living and social support. However, the overall impression is that, throughout Europe, subjective well-being in all dimensions is most strongly influenced by poor material living conditions. The results convincingly suggest the dominance of material supply, of a decent standard of living and access to basic goods, as the main provider of subjective well-being. This is especially true with respect to life satisfaction and happiness, and is also valid for alienation in the NMS. However, social relationships, an available network to rely upon and social support in general, play an important role in maintaining subjective quality of life, not only as a buffer to prevent severe consequences of material disadvantages, but also as a decisive domain of overall individual welfare. Social relationships count more for happiness than for life satisfaction and alienation.

These important findings are confirmed when analysing the relationship of the three quality of life domains with life satisfaction at national level (Tables 30 and 31). In all 28 countries except Sweden, individual access to material resources (Having) is the decisive factor in establishing life satisfaction. In addition, the second dimension of influence is how people rate the quality of the society they live in and its provision of opportunities and life chances. Although they are interrelated, and people living in poverty are likely to evaluate their society more critically than others, these two different dimensions determine life satisfaction independently of each other, noticeably throughout Europe. The essential message is that, to increase subjective well-being, it is not enough to fight poverty and social disadvantage. The political and institutional structure of a society needs to be revised and improved to promote better overall living conditions.

Table 30 Influence of deficits in Having, Loving and Being on life satisfaction in the NMS and CC3 (results from multiple OLS regressions)

beta	BG	LV	CY	HU	RO	LT	PL	SK	MT	EE	TR	CZ	SI
High importance for life satisfaction													
40				Having	Having	Having		Having		Having	Having	Having	
35	Having	Having											Having
30	Being	Being	Having			Being	Having	Being					
25				Being	Being		Being		Having	Being	Being		
20			Loving									Being	Being
15	Loving		Being						Being				
10		Loving			Loving		Loving	Loving	Loving	Loving			
5													

Low importance for life satisfaction

Note: The table shows standardised regression coefficients; dependent variable: life satisfaction measured on a scale of 1-10, only significant results are displayed. Explanatory variables: index on Having deficits (shortages on access to material resources), Loving deficits (limited social support from others) and Being deficits (negative perceptions of society). See Tables 11, 14 and 21 for detailed information on the construction procedure.

Source: EQLS 2003, author's calculations.

Table 31 Influence of deficits in Having, Loving and Being on life satisfaction, EU15 (results from multiple OLS regressions)

beta	IT	NL	ES	DK	IE	FI	PT	UK	SE	EL	FR	DE	BE	LU	AT
High importance for life satisfaction															
40					Having		Having			Having					
35			Having					Having				Having	Having		
30	Having	Having									Having				
25						Having					Being				Having
20		Loving		Having Loving	Being	Loving	Being	Being	Being Having	Being		Being	Being		
15	Loving Being		Being	Being		Being			Loving					Having	Loving Being
10			Loving					Loving		Loving		Loving	Loving	Being Loving	
5											Loving				

Low importance for life satisfaction

Note: The table shows standardised regression coefficients; dependent variable: life satisfaction measured on a scale of 1-10, only significant results are displayed. Explanatory variables: index on Having deficits (shortages on access to material resources), Loving deficits (limited social support from others) and Being deficits (negative perceptions of society). See Tables 11, 14 and 21 for detailed information on the construction procedure.

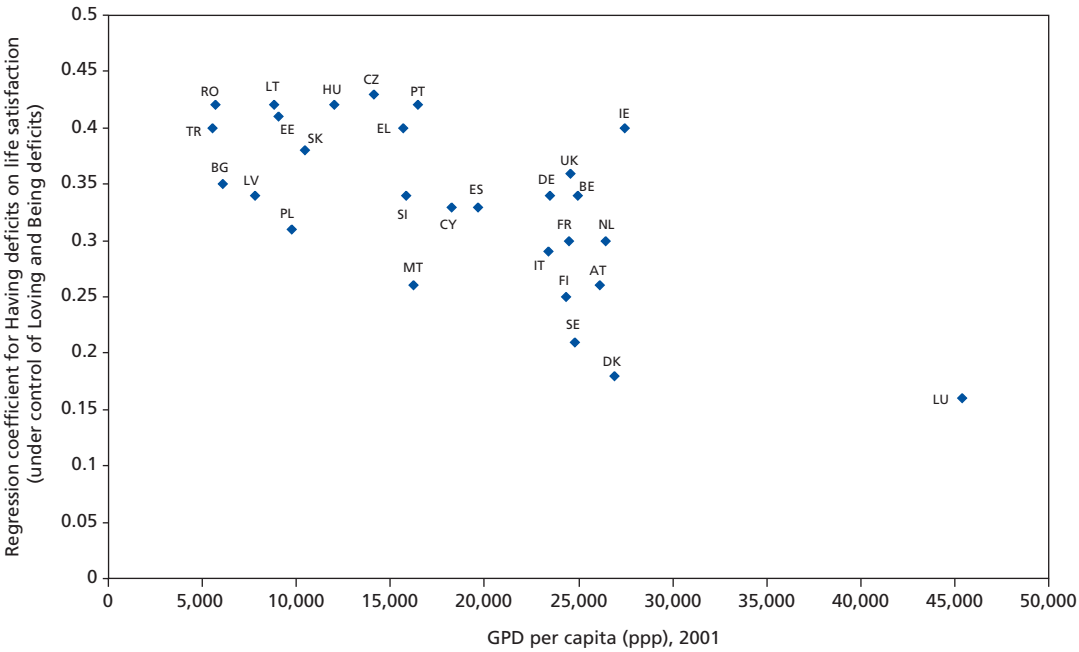
Source: EQLS 2003, author's calculations.

Another impression can also be derived from the country-specific results. The availability of social support is compared with the other two dimensions of quality of life which are of minor importance in explaining life satisfaction (although not to explain happiness, as shown above). There are only few exceptions where Loving counts more than Having or Being. The results suggest that the less

affluent a country is, the more important Having and Being become. In a total of five of the NMS and CC3 combined, Loving does not, on its own, have a significant effect on explaining life satisfaction. Generally, social relationships seem to count more for life satisfaction in the EU15. In order to establish whether this pattern has something to do with the level of welfare in the respective countries, Figures 34–36 show the importance of Having, Loving and Being in each country for life satisfaction outcomes dependent on the level of national prosperity, measured as GDP per capita.

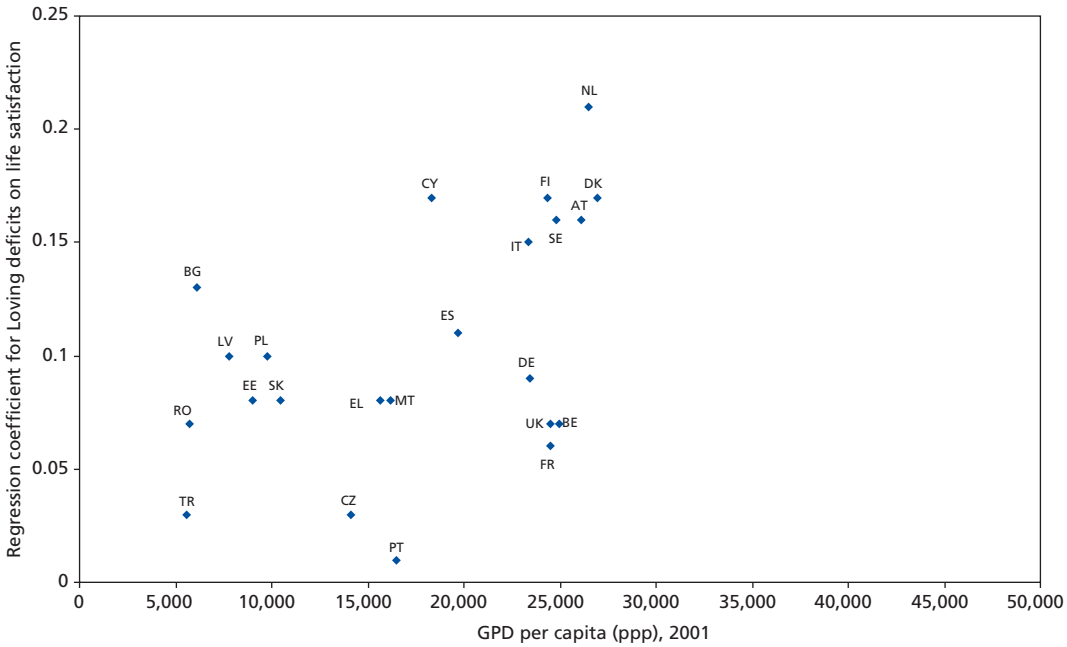
A connection can be seen, indicating the overall level of prosperity in a country as a decisive factor in explaining life satisfaction. The lower the GDP per capita in a country is, the more important control over material resources becomes (Figure 34) and the more decisive is the quality of the society (Figure 36) in explaining life satisfaction outcomes. Despite some deviations, this is the overall tendency. With respect to the influence of Loving on life satisfaction (Figure 35), the result contradicts the hypothesis of the debate on post-materialism and value change, i.e. that the more modernised a country is and the more individualised its citizens are, the less important family and children-related values become (Inglehart, 2001, 2002). In the more affluent countries, social support influences life satisfaction more than in countries where the standard of living is generally low and people have to cope with poor living conditions. This result is easily explained. It does not mean that social contacts, family support and a dense network of relationships are without weight in the poorer countries. However, when people are asked to rate their overall living conditions and subjective well-being, shortages in material terms that determine everyday life are generally foremost in their minds and also impact strongly on the quality of social support. Where extreme poverty is rare, people highlight other domains of life as significant for their level of subjective well-being.

Figure 34 GDP per capita and the importance of Having deficits for life satisfaction (regression coefficient beta under control of Loving deficits and Being deficits)



Source: Eurostat 2004; EQLS 2003, author's calculations.

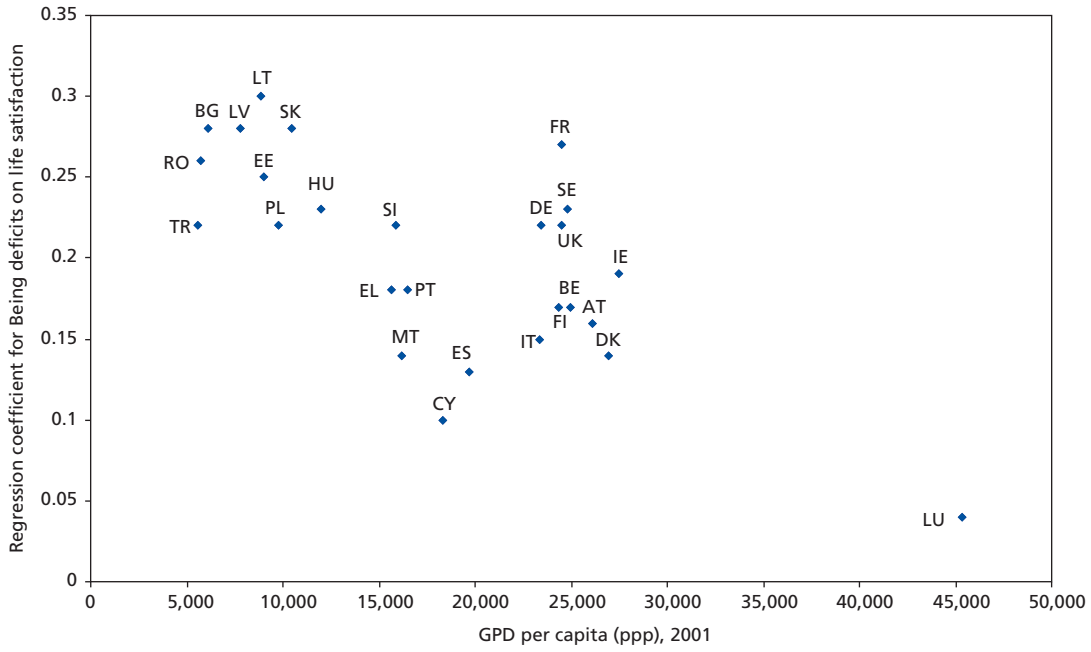
Figure 35 GDP per capita and the importance of Loving deficits for life satisfaction (regression coefficient beta under control of Having deficits and Being deficits)



Note: Only statistically significant results are displayed.

Source: Eurostat 2004; EQLS 2003, author's calculations.

Figure 36 GDP per capita and the importance of Being deficits for life satisfaction (regression coefficient beta under control of Having deficits and Loving deficits)



Source: Eurostat 2004; EQLS 2003, author's calculations.

Critical factors determining subjective well-being

Finally, a more detailed statistical procedure is chosen to explore the determinants of life satisfaction, happiness and alienation with reference to the most interesting research question: whether private or societal matters offer a better explanation of subjective quality of life or whether they are both significant and how they are interrelated. What is necessary to make people feel satisfied, happy and a sense of belonging? For this purpose, several regression models are calculated, integrating all relevant dimensions referred to thus far. First, socio-demographic characteristics, such as employment status, educational level, age, sex and region, are tested for their influence on life satisfaction, happiness and alienation in order to capture the importance of the individuals' social status on subjective well-being. Then, resource control in its different facets is added, represented through the summary indices of Having and Loving deficits and time constraints (for the employed population only), indicating access to material resources, social relationships and perceived difficulties with time use. This step-by-step procedure helps to identify interrelationships between the different explaining variables, which become apparent when coefficients decline from one model to the other.

In addition, the quality of society, as perceived from the perspective of the citizens, is chosen as an indicator to explain subjective well-being, understood as a window through which the capability structure a nation offers its citizens can be observed. This dimension is different to the others: although evaluated from the individuals' perspective, the focus is on the quality of the society. As another indicator emphasising the societal rather than the individual side, GDP per capita is chosen as a country characteristic capturing much information about the general welfare level. In previous versions of the calculation procedure, many more country characteristics were included, such as the growth rate of GDP, the level of modernisation or existence of corruption, which not only describe the level of welfare, but also aspects of the political culture in a country. As it turned out, these variables are highly correlated with GDP per capita, so it is reasonable to concentrate on this dimension only. Thus, it should be kept in mind that GDP per capita captures more than the economic aspect of a country's welfare alone. All in all, four major determinants are tested in their influence on subjective well-being: socio-demographics, individual resource control, quality of society and country characteristics. The question is what impact each of these dimensions has separately on subjective well-being and how they are interrelated.

Tables 32 and 33 show the results for life satisfaction in the EU15 and NMS. With respect to socio-demographic characteristics in both country clusters, unemployment and a low level of education reduce life satisfaction. In the NMS, retired people are less satisfied than employed people. When access to material resources is added to the model (Model 2), effects of the socio-demographic characteristics decline, which points to the fact that in the NMS unemployed and poorly educated people, as well as retired people, suffer from a low standard of living that is causing much of the dissatisfaction. It is not unemployment as such – although it is a minor factor – but the risk of poverty connected with unemployment that reduces life satisfaction. In Model 3, the availability of social support is added as an explanatory variable for life satisfaction and, in both country groups, effects of Having decline, but only to a slight extent – an indication of the high independent explaining power of social back-up for being satisfied with life.

By adding the quality of society as perceived by the citizens (Model 4), the explaining variance of the model increases in both country groups: perceptions of society are a powerful predictor of life

satisfaction in the EU15 and even more so in the NMS. The effects of Having decline again, resulting in the conclusion that poverty and critical evaluations of the society are interrelated, a result already derived from the descriptive part of this report and now confirmed. The final step, the extension of the analysis with GDP per capita as a country characteristic, does not improve the models as such. At first sight, and bearing in mind previous analysis, this is surprising, but it should be borne in mind that this is a result valid for the EU15 and the NMS treated as separate groups. Calculations in the previous chapters referred to all 28 European countries. When calculating a respective model for the enlarged Europe, GDP per capita is again of significant explaining power, a result that underlines the rather homogeneous level of welfare within the EU15 and within the NMS, taken as two separate groups, compared with the huge gap that exists between the two country clusters.

Model 6 shows the respective results for the employed population in order to include time constraints and an unsatisfactory work–life balance in the analysis. In both country clusters, time pressures can help to explain life satisfaction outcomes independently of other restrictions. Difficulties related to work–life balance and the perception of time constraints are decisive in determining subjective well-being. This is another policy-relevant finding, indicating the urgent need to improve childcare services and make working arrangements more flexible. Additional analysis and step-by-step models (not shown here) revealed an interrelationship between access to material resources and time constraints: the poorer people are, the more problems they have in establishing a balance between work and family, and the more time pressures they have to cope with. Generally, for people in less affluent countries, time constraints play a minor role when it comes to evaluating subjective well-being. The problem in establishing a work–life balance is of greater relevance in the more prosperous EU15 countries. Here, too much work or too little time for social contacts – and, conversely, too little time spent on the job and too much on social contacts – limits subjective well-being. This is worth noting because the main focus is obviously not on being burdened by a demanding work life or on the lack of social relationships, but on the perceived inability to spend the desired amount of time in various life domains.

The key result of this analysis is that both private as well as societal characteristics matter in determining subjective well-being. For Europe as a whole, material living conditions are the most decisive individual circumstances related to making people feel good. However, the perception of society is one of the three most important features and has its own effect on poor subjective quality of life, irrespective of the individual's standard of living. This is a result of immediate relevance for policy-makers. People not only refer to their individual living conditions when they evaluate their overall well-being, but also to the institutional, political and social structures surrounding them and providing them with life chances, opportunities and the capability to live a life according to their own needs and wants.

Table 32 Life satisfaction explained by socio-demographic, individual, societal and country characteristics, EU15 (multiple OLS regression models)

	EU15					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6 (employed population only)
Socio-demographic characteristics						
Employment status (reference category: employed)						
Unemployed	-.18	-.09	-.08	-.08	-.08	-
Retired	n.s.	n.s.	n.s.	n.s.	n.s.	-
Other	.03	.05	.04	.03	.04	-
Age finished education (20+)						
Up to 15 years	-.15	-.06	-.06	-.05	-.05	n.s.
16-19 years old	-.10	-.06	-.06	-.05	-.05	-.05
Other	-.08	-.05	-.03	-.03	-.02	n.s.
Sex women (men)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Age (35-49)						
18-34	.04	.05	.08	.08	.08	.08
50-65	n.s.	n.s.	n.s.	n.s.	n.s.	.03
65+	.07	n.s.	n.s.	n.s.	n.s.	n.s.
Region (urban/rural)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Individual resource control						
Having deficits (limited access to material resources)		-.37	-.35	-.31	-.31	-.28
Loving deficits (limited availability of social support)			-.14	-.13	-.13	-.16
Time pressure (work and life out of balance)						-.09
Quality of society						
Being deficits (negative perceptions of society)				-.19	-.20	-.17
Country characteristics						
National wealth, GDP per capita					.02	n.s.
Explained variance	5%	17%	19%	23%	23%	19%

Note: Dependent variable is life satisfaction; n.s. = not significant in statistical terms; 'Having deficits' (limited access to material resources), 'Loving deficits' (limited availability of support), 'Time pressure' (perceived time constraints) and 'Being deficits' (negative perceptions of society) refer to the indices as discussed above (Tables 11, 14, 21 and 25).

Source: EQLS 2003, author's calculations.

Table 33 Life satisfaction explained by socio-demographic, individual, societal and country characteristics, NMS (multiple OLS regression models)

	NMS					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6 (employed population only)
Socio-demographic characteristics						
Employment status (reference category: employed)						
Unemployed	-.19	-.09	-.09	-.08	-.09	-
Retired	-.12	n.s.	n.s.	n.s.	n.s.	-
Other	n.s.	n.s.	n.s.	n.s.	n.s.	-
Age finished education (20+)						
Up to 15 years	-.15	-.06	-.06	-.06	-.06	-.05
16-19 years old	-.09	-.04	-.04	-.03	-.03	n.s.
Other	.04	.03	.05	.04	.04	n.s.
Sex women (men)	.03	.04	.04	.04	.04	.04
Age (35-49)						
18-34	.10	.07	.10	.10	.10	.09
50-65	n.s.	-.05	-.05	-.05	-.05	-.06
65+	.09	n.s.	.04	n.s.	n.s.	n.s.
Region (urban/rural)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.
Individual resource control						
Having deficits (limited access to material resources)		-.37	-.34	-.30	-.31	-.34
Loving deficits (limited availability of social support)			-.12	-.11	-.11	-.11
Time pressure (work and life out of balance)						-.09
Quality of society						
Being deficits (negative perceptions of society)				-.24	-.24	-.25
Country characteristics						
National wealth, GDP per capita					n.s.	n.s.
Explained variance	8%	20%	21%	27%	27%	27%

Note: Dependent variable is life satisfaction; n.s. = not significant in statistical terms; 'Having deficits' (limited access to material resources), 'Loving deficits' (limited availability of support), 'Time pressure' (perceived time constraints) and 'Being deficits' (negative perceptions of society) refer to the indices as discussed above (Tables 11, 14, 21 and 25).

Source: EQLS 2003, author's calculations.

What explains happiness and alienation? Table 34 analyses these two dimensions of subjective well-being with the same set of variables referred to above. Unemployment and low education also diminish happiness, and retired people in the NMS are unhappier than employed people, even when the effects are not very strong. Young people are happier than older age groups, a pattern evident in the EU15 as well as in the NMS. Most important, however, is the strong impact of available social support on the level of happiness. Although access to material resources is also crucial, social relationships influence happiness much more than they impact on life satisfaction. As regards alienation, on the other hand, social support is of minor importance. Besides a decent standard of living, a sense of belonging is mostly determined by the way people evaluate the quality of their society. Being dissatisfied with social services and distrusting other people is connected with alienation. The major impact of the political and economic structure on subjective well-being is underlined by the significant impact that GDP per capita has in the NMS.

The results confirm that life satisfaction, happiness and alienation vary and emphasise different aspects of subjective well-being. Compared with life satisfaction, happiness is much more focused on personal matters in the enlarged Europe. Social relationships are more relevant in providing happiness. With respect to alienation, personal characteristics – other than resource control – are of less importance. The general feeling of integration and belonging to society is far more influenced by the perception of society and by country characteristics, while social relationships do not count very much in explaining this dimension of subjective quality of life.

All in all, the findings identify private as well as societal circumstances as key dimensions of life satisfaction, happiness and alienation that policy-makers should note. The most important factor in improving subjective quality of life is individual access to material resources in order to ensure a decent standard of living. Access to the labour market remains a considerable provider of well-being in all Member States. Retirement in the NMS results in a decline in subjective well-being. Moreover, people's perceptions of the quality of their society and its capability structures also determine their personal welfare to a large extent.

Table 34 Happiness and alienation explained by socio-demographic, individual, societal and country characteristics (multiple OLS regression models, standardised regression coefficients, beta)

	Happiness		Alienation	
	EU15	NMS	EU15	NMS
Socio-demographic characteristics				
Employment status (reference category: employed)				
Unemployed	-.08	-.06	.05	.05
Retired	n.s.	-.04	.04	n.s.
Other	.03	n.s.	.05	n.s.
Age finished education (20+)				
Up to 15 years	n.s.	-.08	.07	.06
16-19 years old	-.02	-.03	.06	.10
Other	n.s.	.04	n.s.	n.s.
Sex women (men)	n.s.	.02	-.04	n.s.
Age (35-49)				
18-34	.11	.10	-.09	n.s.
50-65	-.05	-.06	.02	n.s.
65+	-.05	-.04	n.s.	n.s.
Region (urban/rural)	.01	n.s.	.03	.08
Individual resource control				
Having deficits (limited access to material resources)	-.25	-.25	.24	.29
Loving deficits (limited availability of social support)	-.21	-.21	.06	.07
Time pressure (work and life out of balance)				
Quality of society	-.12	-.19	.26	.22
Being deficits (negative perceptions of society)				
Country characteristics	n.s.	n.s.	n.s.	-.04
National wealth, GDP per capita				
Explained variance	18%	25%	19%	23%

Note: Dependent variable is life satisfaction; n.s. = not significant in statistical terms; 'Having deficits' (limited access to material resources), 'Loving deficits' (limited availability of support), 'Time pressure' (perceived time constraints) and 'Being deficits' (negative perceptions of society) refer to the indices as discussed above (Tables 11, 14, 21 and 25).

Source: EQLS 2003, author's calculations.

5 Subjective well-being and its determinants

Subjective well-being has been at the centre of this report as a crucial dimension of quality of life. How satisfied are people in the enlarged Europe with their life in general or with specific life domains; are they happy; do they report feelings of alienation? What determines poor subjective quality of life in different European countries and regions, and what can policy-makers do in order to improve individual welfare?

Analytical monitoring of subjective well-being in the enlarged Europe needs a comprehensive documentary approach as well as research questions which facilitate analysis of generally valid patterns of determinants and mechanisms. Therefore, the report has extensively documented distributions of objective living conditions as well as subjective well-being in different dimensions. Furthermore, relationships and causal effects played a decisive role in establishing what impacts on subjective well-being and how its distribution can be explained.

Compared with other work in this research field, this study has some advantages worth emphasising. Despite being the subject of different questions in surveys and also being theoretically distinguished, happiness and life satisfaction are often mixed up. Studies refer to life satisfaction when the underlying question really relates to happiness, and vice versa. This study is multidimensional in its approach to subjective well-being and addresses life satisfaction, happiness and sense of belonging. For this reason, differences between these measures of individual welfare can be highlighted. Moreover, this is one of the first studies to address subjective well-being in the enlarged Europe, based on interviews using identical questionnaires conducted simultaneously. In addition, the EQLS provides the opportunity to identify determinants of subjective well-being rarely referred to, up to now, in this field of research: the issues of perceived time constraints and quality of society are two innovative main focuses of particular interest from a policy point of view. Hence, the advantage of this study is that personal as well as societal matters of life can be explored with regard to their value in shaping individual well-being.

With reference to Eric Allardt and Amatyra Sen, four major dimensions have been central to investigating their impact on subjective well-being in the enlarged Europe. Access to material resources, social support and time use are referred to as individual resources which, when they are restricted, could weaken subjective well-being. Moreover, the quality of society is regarded as another important domain that influences individual welfare. It is captured through perceptions of citizens with regard to the quality of social and public services as well as with the help of macro indicators, such as GDP per capita.

Besides giving an impression of the distribution of subjective well-being in Europe, the research posed the following questions:

1) what impact material resources, social relationships, time use and perceptions of society have on life satisfaction, happiness and alienation;

2) how these four dimensions of quality of life are interrelated and if perceptions of society play an important role in terms of personal subjective well-being;

3) whether different explaining mechanisms arise with regard to subjective well-being in the EU15 compared with the NMS. All in all, the focus has been on the interplay of individual resource control and societal circumstances in explaining life satisfaction, happiness and sense of belonging.

Country analysis

One essential message is that subjective well-being is very unequally distributed throughout the enlarged Europe. The results suggest that, in addition to the north–south divide in the EU15, a marked east–west divide exists between the EU15 and the NMS. The latter gap exists not only with regard to life satisfaction, but also in relation to happiness and sense of belonging. This points to the severe economic cutbacks these countries have to cope with and indicates unrealised expectations. In countries where life satisfaction and happiness predominate, widespread feelings of alienation are usually not widespread. The population in the CC3 is the least satisfied. From the perspective of policy-making concerned with social cohesion, this result is challenging: poor subjective quality of life in Europe is regionally clustered and concentrated in the least prosperous NMS and in the CC3. Malta and Cyprus are the only new Member States that perform as well as the EU15 with respect to subjective quality of life. Neither country experienced the challenges of the transformation process as the post-communist countries did. Slovenia is also very close to the EU15. However, people who are poor in terms of subjective quality of life are to be found in Turkey, Bulgaria, Slovakia and Lithuania. Among the EU15, Scandinavians feel best, while Greece and Portugal show comparatively low levels of subjective well-being.

Independently of the level of subjective well-being in its different dimensions, risk groups in each European country are more or less the same. In every country, socially disadvantaged people are less satisfied, unhappy and more likely to feel alienated than the average population. Poverty and unemployment, well-known targets of EU social policy, lead to low levels of subjective quality of life. Limited access to material resources is the dominant risk factor in the NMS, whereas for the EU15 population, unemployment particularly limits subjective quality of life. Furthermore, unskilled workers and poorly educated people are also severely disadvantaged in this respect. In the NMS, retirement is linked to a risk of poor subjective quality of life. This relates to the low quality of pension systems in these countries; moreover, in the NMS, old people are less likely to gain from system change compared with younger age groups.

These results clearly indicate the need for policy intervention and reveal country-related as well as EU-wide targets. Measures against poverty and unemployment are of major relevance in increasing individuals' subjective well-being. Governments should take action to raise subjective well-being by promoting access to education and improving quality of life for older people, especially in the NMS. Furthermore, EU social policy should focus on specific regions. Although unemployed and poor people in each country are less satisfied than the population's average, socially disadvantaged people in affluent EU15 countries are sometimes better off than privileged people in the poorer NMS. This finding reflects the generally lower level of subjective well-being in the NMS and the welfare gap between the two country clusters. It confirms the need for supporting economic development, especially in the poorer regions of the enlarged EU.

Impact of material conditions

It is well known that poverty diminishes life chances. Poor people are dissatisfied, unhappy and feel alienated – an established finding valid for all countries and regions around the world. In the enlarged Europe, access to material resources is unequally distributed. Information on perceived income poverty, on limited access to basic goods like furniture or a washing machine, and on housing conditions reveals a severely lower standard of living in the NMS compared with the EU15. Investigations on income and its impact on subjective well-being have shown that low income groups in nearly all countries are least satisfied, unhappy and feel alienated. Lacking a decent standard of living also diminishes subjective quality of life to a large extent, irrespective of the indicator chosen. Perceived poverty, solvency problems and the lack of essential basic goods cause dissatisfaction with life in general. Compared with other influencing factors, further analysis has shown that material living conditions have the greatest impact on subjective well-being. Life satisfaction, happiness and alienation are mostly influenced by people's opportunities to achieve a decent standard of living and to escape poverty. This is true irrespective of the general level of welfare in a country. Nevertheless, national economic prosperity is also crucial in explaining subjective well-being with regard to cross-country differences: the higher the GDP per capita in a country, the higher its level of life satisfaction and happiness, and the lower the level of alienation. These results clearly endorse the EU priorities to combat poverty and social exclusion and to reinforce economic growth in disadvantaged regions. To be happy and satisfied with life is directly determined by access to a decent standard of living; this impact is stronger, the poorer a nation is.

Social integration

The analysis also focused on the impact that social integration patterns have on subjective well-being. Social integration and solidarity were measured via the frequency of social contacts, family integration and the availability of support in case of emergency. With respect to contacts and social support, the general pattern suggested in the results is that the richer and more developed a country is, the less prevalent are close contacts with family members and the more important are social networks provided by friends. The results show that the NMS are more family-oriented than the EU15 and, within the EU15, frequent family contacts are more widespread in the southern European countries of Portugal, Italy and Greece. Family support is the most reliable form of maintenance that Europeans can rely upon when they need help but, again, this is more in evidence in the NMS. The population in the EU15 can count on friends to a larger extent than the NMS population. Scandinavian countries are more individualistic: their populations report less established family values in favour of social networks provided by friends, associations and organisations.

The impact of social relationships on subjective well-being is significant. They have a sustaining and stabilising function, particularly for very disadvantaged people, such as those who are poor and unemployed. Although material supply remains the main provider of subjective well-being, an available network to rely upon plays an important role in maintaining subjective quality of life. Family integration and social support offer protection from severe consequences of material disadvantage and social integration is also a crucial dimension contributing to personal well-being in its own right. Moreover, the analysis reveals that the higher the prosperity level of a country and the more basic needs that are satisfied, the less important individual control over material resources becomes and the more important social support is when people think about how satisfied

they are with their life in general. With regard to policy-making, these results suggest the need to strengthen policy approaches that aim at facilitating community engagement and stabilising family ties as well as other social relationships. Although money is highly decisive in determining satisfaction with life, social support is also a main provider. This implies that, in the case of unemployment, for example, it is important to let people re-enter the labour market as quickly as possible because social bonds at the workplace help to stabilise subjective well-being. The level of social benefit provided, one might conclude, is important but not sufficient in itself.

To establish family ties and social relationships that one can rely on requires a supporting infrastructure as well as sufficient leisure time. This is another lesson from the results. People who manage to establish a balance between their job and family life are much more satisfied than people who perceive difficulties in this respect. Time use, the perception of time constraints and the way that people are able to reconcile family and work life is another issue investigated in this report. How time is spent is an essential dimension in establishing a good quality of life. The more problems people have in spending enough time with their family and doing the housework, the less content they are with their life in general. On average, employed people in the NMS perceive more time constraints than in the EU15; however, establishing a work–life balance is of higher relevance in the more affluent EU15 countries. Moreover, the results indicate an interrelationship between a decent standard of living and time use in the EU15: the poorer the living conditions are, the more difficulties people perceive in reconciling work and family life. This is easy to understand: being able to pay for babysitters or a cleaning service facilitates the opportunity to reconcile work and social life. The findings clearly underline the fact that time use is an important source of subjective well-being. Being dissatisfied or unhappy interacts with stressful living and working conditions, and with problems in combining employment and family responsibilities. This is a challenge for policy-makers and emphasises the need for more flexible work-time regulations and for an improvement in childcare services, including better provision for children under three years old.

Quality of society

Finally, the analysis was extended to consider the impact of the quality of society on subjective well-being. This is a research question of specific importance: do societal circumstances count when people rate their personal life situation? First, it is a generally valid pattern throughout large parts of Europe that socially vulnerable people have low trust and evaluate the social and public services in their country more critically. Furthermore, there is evidence that people in the NMS judge the quality of their societies particularly critically. The more disadvantaged people are, the stronger are their negative perceptions of society. In less prosperous countries, people evaluate public services more critically and feel more alienated.

A strong link is apparent between the quality of the society people perceive and their subjective well-being. There is a direct connection between individual welfare and governmental action. As an example, people evaluating the social services of their society quite positively are more satisfied with their life in general than their critical counterparts. Although still mainly influenced by individual access to material resources, subjective well-being is also determined by societal circumstances. This is an important message. Perceptions of society help to explain life satisfaction, happiness and alienation in the EU15 and NMS, irrespective of the level of living standards and social support. These results encourage policy-making for public welfare: striving for

satisfying standards of social benefits and sound governmental action will directly influence the way people feel about their personal living conditions.

All in all, what counts in making people feel satisfied, happy and a sense of belonging? How do individual and societal matters interrelate in their impact on subjective well-being? The key result is that both private and also societal characteristics are significant in determining subjective quality of life and that policy intervention has direct impact on improving citizens' individual welfare. For Europe as a whole, individual material living conditions – i.e. living a life free from poverty and deprivation – are most decisive in making people feel good. However, the quality of society is also one of the important aspects constituting subjective quality of life and country characteristics help to understand why people judge their life the way they do. The wealthier a country is and the higher the quality of its political culture, the more satisfied is its population. Analysis at national level showed that, in almost all European countries investigated, a decent standard of living is the most decisive factor in establishing well-being. Moreover, how people evaluate the quality of their society, and how they are provided with opportunities to live according to their aspirations and needs, greatly influences their satisfaction with life in general. With regard to Sen (1993 and 2000), these findings confirm the importance of the capability structure that a society offers its citizens in order to live a life according to their basic needs and wants. People's happiness is directly interrelated with social and political settings.

Policy implications

Although material living conditions count most for all three measures of subjective well-being investigated in this report, the results also confirm that life satisfaction, happiness and alienation refer to different aspects of subjective well-being. As a rule of thumb, one can say that life satisfaction refers to cognitive states of consciousness, whereas happiness is emotional and mainly addresses intimate matters of life. Alienation, summarising feelings of belonging and integration, captures societal and political circumstances to a larger extent than the other two measures of subjective well-being. Therefore, social relationships become relevant to a greater extent in providing happiness, compared with life satisfaction. With respect to feelings of alienation, resource control is also a key element, but social relationships do not play an important role. The general feeling of integration and belonging to society is shaped far more by the perceptions of society, its quality and ability to provide its citizens with a satisfying infrastructure, sustaining social benefit system and convincing policy strategy.

These results clearly indicate the need for policy intervention. Dissatisfaction, unhappiness and feelings of alienation are concentrated in Europe's poor regions and most of the NMS, where assistance is obviously needed most urgently. The level of subjective well-being reflects the level of national prosperity and the quality of the society, which underlines policies prioritising economic development without neglecting welfare and social standards. Poor subjective well-being particularly affects socially disadvantaged population groups, such as the unemployed, poor and socially isolated people, as well as unskilled workers, all of which characteristics could be addressed by policy intervention. These results do not conclude, as some studies do, that the impact of living conditions on subjective well-being is negligible. On the contrary, the core message of this report is that subjective quality of life, as a main provider of individual welfare, can be improved by raising the individuals' standard of living, by developing the political and democratic

culture in a country and by providing citizens with better opportunities to live a life according to their needs and aspirations. Individual characteristics and psychology might determine subjective well-being to a large extent, but social inequality and the quality of a society are also decisive factors. Their improvement and modification can and should be of immediate concern for policy-makers.

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Promoting people's well-being is a key goal of European social policy: happy, fulfilled and engaged citizens are essential components of a flourishing society. This report explores factors underlying Europeans' satisfaction with life, their happiness and feeling of integration in their society. It looks at the impact factors such as material conditions, social relationships, use of time and feelings about society have on individual life satisfaction. The findings are based on the Foundation's First European Quality of Life Survey 2003 *which was carried out across 28 countries: the EU25, two acceding countries – Bulgaria and Romania – and one candidate country, Turkey. The report reveals that levels of individual well-being reflect levels of national prosperity, with dissatisfaction, unhappiness and feelings of alienation being concentrated in Europe's poorer regions. The core message is that individual quality of life can be improved by raising standards of living, by developing the political and democratic culture in a country, and by providing citizens with better opportunities to live life according to their needs and aspirations.*

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