



Quality of life in Europe: an illustrative report

Summary

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Introduction

The illustrative report on quality of life in Europe presents the descriptive and analytical components that could be used in the Foundation's monitoring programme on quality of life. The first task in developing such a programme is to establish indicators for the domains that are considered important, showing baseline figures for these that can be followed over time to indicate any improvement or deterioration. This type of descriptive monitoring does not set out to understand the processes or causal factors behind the indicators, but aims rather to give an account of the main dimensions. This approach may well provide a detailed picture of developments, but it cannot explain the changes in these indicators that would be required if monitoring programmes are to make a contribution to social policy development and innovation.

The **Foundation's companion report**¹ to the illustrative report, which sets out the conceptual framework, labelled a more in-depth approach 'analytical monitoring', and argued that this approach leads to an understanding of the relationships between domains and why indicators may change over time. For individual and national quality of life to improve in the European Union through evidence-based social policy, both descriptive and analytical monitoring programmes need to be involved. This is the aim of the illustrative report and its accompanying database of statistical indicators on living conditions and quality of life.

The first chapter of the illustrative report uses indicators from the database to demonstrate the descriptive monitoring process and how it can chart trends over time. The rest of the report uses an analytical approach to examine four specific themes around quality of life. Chapter 2 illustrates the importance of seeing current living standards as the result of a process of accumulation and erosion of resources over time, and highlights the close relationship between objective and subjective measures. Chapter 3 looks at the relationship between subjective health status and health care experiences and their relationship to an individual's personal characteristics and context. Chapter 4 explores cross-country measures of global subjective well-being, looking in particular at how these are structured. The final chapter analyses time use and its implications for work-life balance and social participation.

A descriptive account of the quality of life domains

The first chapter of the illustrative report attempts to provide benchmark figures for the descriptive monitoring process, using selected material from the database of quality of life indicators. There are a large number of indicators in the database and it was not possible to describe all of these in the report. Instead the chapter looks at all the domains specifically in relation to economic resources. This chapter also looks at the individual or household position in the income distribution, or their poverty status, as a prism through which to disaggregate the indicators of other domains. In future years, other themes can be adopted, such as age or gender, as the full range of indicators is available in the database. The main findings are described briefly here as they relate to economic resources and illustrate the links that emerged between domains.

¹ Monitoring quality of life in Europe, available online at www.eurofound.eu.int/publications/EF02108.htm

Economic resources, inequality and poverty

Though a wider concept, economic resources are often defined as money income, and the illustrative report refers to income in several ways. However, this is not the only measure adopted, as measures of lifestyle deprivation are also used. The report looks first at income in the form of the average level of income across different EU countries and how this is distributed among citizens. EU Member States are now among the most affluent in the world but, within the EU, the average income varies widely between countries. A high average income does not imply that all citizens within a country share the same standard of living. However, the report shows that countries with higher average incomes also tend to have lower levels of inequality as measured using a GINI coefficient (a measure of inequality). It is notable, for example, that Greece, Portugal and Spain, which have the lowest GDP per capita, are also countries where income is distributed most inequitably.

If relative income measures of poverty are used (i.e. poverty lines are set as a proportion of mean or median income), higher levels of income inequality also tend to be associated with higher levels of poverty. Evidence of this relationship is shown in the report. Although poverty rates vary considerably across EU countries, if 60% of median equivalent income is used as the standard, the report finds roughly the same ordering of countries in terms of their relative income poverty rates as was found when using the GINI coefficient. Northern European countries such as Denmark, the Netherlands and Sweden tend to have low rates of income poverty, while southern countries such as Greece, Portugal and Spain have high rates. A poverty time series in the report shows that income poverty has decreased across the EU in the late 1990s, except in France, the Netherlands and the UK. Within EU countries, women tend to have a far higher risk than men of being 'income poor' and this increased risk has not changed substantially over the 1990s.

It could be argued that the cross-sectional risk of poverty is not as important as the longer-term experience of low income. The report shows that 'persistent' poverty (poor in the current year and also poor in two or more of the previous three years) also varies widely across states in the EU, but the country order is relatively similar to that found with cross-sectional poverty rates.

Income was not the only measure of economic resources used in the report. Measures of 'lifestyle deprivation' can also be constructed from the European Community Household Panel Survey. These show the extent to which certain items or activities are lacking because of a shortage of resources. Levels of deprivation tend to mirror closely the level of income poverty: northern European countries have lower scores, southern European countries have higher scores, while Ireland and the UK experience moderate levels of deprivation. Interestingly, a marked decrease in deprivation levels can also be seen across all countries between 1994 and 1998.

As well as looking at more 'objective' indicators such as income and deprivation, the illustrative report (in line with the conceptual report) also sought to examine more subjective indicators such as personal satisfaction. In terms of levels of resources, the report shows that countries with higher levels of income poverty also tended to have higher levels of economic strain.

Economic resources and other life domains

Economic resources are a central determinant of quality of life and represent, along with health, education and family life, one of the core domains of the quality of life monitoring programme. Having low levels of resources impacts on other areas of life. Throughout the first chapter of the illustrative report, it can be seen how low income and poverty are related to particular outcomes in other domains, such as knowledge, education and training; health and access to health care; family life; and social participation.

Low levels of education and skills tend to be associated with higher levels of unemployment, insecure employment and low pay, and hence contribute negatively to quality of life. Education thus plays a key role in providing individuals with

the knowledge, skills and competencies to participate effectively in society. Though the average level of educational attainment varies considerably across countries in the EU, it is plain that those in the lowest income quartile are far more likely to have less than upper secondary education than those in the highest quartile. However, the odds vary significantly across countries with Ireland having the largest inequality (odds of over 6.5 in 1994), followed by Greece. Interestingly, the pattern of educational inequalities does not match that of income inequalities, with Italy and Portugal having the lowest odds in 1994.

Does this mean that people with a low education are also more likely to experience poverty? Figures show that, across all the countries, those with lower educational attainment have a greater risk of poverty, with the inequality being largest in Greece, Ireland and Portugal, and lowest in Germany and the Netherlands. Worryingly, the inequality between groups seems to have increased over the latter part of the 1990s in Austria, Denmark, Luxembourg, Portugal and the UK.

Moving on to health and access to healthcare, the report showed that, although life expectancy has increased across EU states and infant mortality has decreased substantially, health status is still strongly related to one's socio-economic position. Those in the lowest income quintile are more likely to have a chronic illness than those in the highest quintile. This inequality ranges from a 300% greater risk in Greece and a 212% greater risk in Portugal, to a 24% greater risk in Italy and Sweden.

One of the chief reasons for low income is unemployment and inactivity. The report presented evidence to show that levels of employment participation have been decreasing among men across almost all EU countries, except Ireland and the Netherlands, while participation rates among women have increased strongly. Unemployment, on the other hand, has been falling among both men and women in all countries except Belgium and Germany. This drop in unemployment rates partly explains the decreasing poverty and deprivation figures outlined earlier.

Risk of poverty is also strongly influenced by the family and household context of the person. Single parents are particularly prone to low income since their participation in the labour market is restricted. Young single parents in particular tend to have lower levels of educational attainment. The illustrative report shows that, in all countries except Greece and Italy, single parents have a higher risk of poverty (an odds ratio greater than one) than non-single parents. This risk increased between 1994 and 1998 in Portugal and the UK. Across the EU Member States, the proportion of single parents has increased dramatically in recent decades due to increasing numbers of relationships outside marriage and rising divorce rates.

The report showed that the relative burden of housing costs also varies considerably, with households in Finland spending almost a third of their net income on housing costs whereas those in Portugal and Ireland spend just over 16%. High housing costs means that a lower proportion of net income is available for other necessities and this can lead to higher levels of deprivation, even though net incomes themselves may not leave people at risk of poverty. Levels of housing deprivation (i.e. homes without indoor toilets or lacking space) were also shown to vary widely across countries, with Greece and Portugal having particularly high levels of deprivation in these areas. In terms of local environment and amenities, low household income also tended to be associated with a household being located in an area with high levels of crime and vandalism across all EU Member States except Austria, Greece and Portugal.

Analytical monitoring and quality of life

Chapters two to five of the illustrative report focus on particular issues in a more in-depth fashion. The aim is to sketch the form that analytical monitoring could take in the programme that was set out in the conceptual report on quality of life. However, the direction the programme itself will take will be determined by the current policy context.

Impact of income poverty and deprivation over time

Having low levels of economic resources can reduce an individual's ability to attain the living standards seen as normal in the society in which they live, and hence can limit participation in the life of that society. However, identifying those at risk of social exclusion is complicated by the fact that measures of an individual's income, and particularly their current income, are not necessarily a good guide to their real living standard. This has important policy implications both for poverty monitoring programmes such as the National Action Plans against poverty and social inclusion (NAPs/incl) in the Member States, submitted for the first time in mid-2001, and for national welfare systems.

Considerable progress can be made in resolving this conundrum by adopting a dynamic and multi-dimensional perspective that is theoretically informed. This involves examining income poverty over more than one year as well as combining income poverty with lifestyle deprivation. With small exceptions, the persistent income poverty approach succeeds in identifying a subset of poor individuals who not only face distinctive problems in escaping poverty but are also exposed to extreme levels of deprivation and subjective economic strain.

In particular, the report shows that, even where the focus remains on income, considerable progress can be made by shifting from a static/point in time perspective to a dynamic/longitudinal perspective. Furthermore, the combination of income and measures of actual living standards pays considerable dividends in enabling one to understand how individuals experience their objective circumstances. This better understanding forms the basis of more efficient social policy interventions and effective remedies to social problems.

From a quality of life perspective, the most vivid illustration of the limitations of a focus solely on income is provided by the striking impact that persistent deprivation has on the extent to which households experience severe economic strain, even when this is controlled for the former factor. Clearly, in order to understand how people experience their objective circumstances, the measurement and explanation of deprivation must be taken more seriously than has been the case in the past.

Health status and health care experiences

This chapter in the illustrative report examines the core area of health in terms of how health status varies both across and within countries. Conceptualising and measuring health status is difficult, but individuals tend to have a common-sense understanding of their own health status that has increasingly been used in health research, and this perspective is adopted in the report. The chapter also uses self-reporting of healthcare experiences from different countries to examine patient satisfaction with healthcare services.

The conceptual report argued that simply documenting subjective states was not enough: one should seek rather to understand the circumstances and contexts that lead to different subjective outcomes. Without these, it is not possible to form policy interventions, which is the *raison d'être* of quality of life monitoring programmes. This chapter in the illustrative report tries to relate subjective experience to objective circumstances. In the assessment of subjective health status, it shows that factors such as age and the experience of chronic illness decrease perceived health status, as would be expected. More interestingly, large differentials in health status can be seen between different socio-economic groups, with poorer health status being reported by those on low income. It is also shown that, while the level of funding for healthcare services has a significant influence on patient experiences of care, the direction and management of services can be just as important.

Subjective well-being and quality of life

While concepts of 'quality of life' vary greatly, one common thread they share is a concern for people's subjective assessments, that is, for how people feel about themselves and their situation in life. Such subjective assessments can be about specific domains such as health or economic resources, but can also concern an individual's overall sense of

psychological well-being. This chapter investigates how subjective well-being varies between European countries and how it has developed across time. In this regard, there is a strong east-west gradient in subjective satisfaction, with eastern European countries having far lower subjective satisfaction. A further striking pattern is that internal variations (or inequality, as it might be termed) in levels of subjective well-being are considerably greater in the less satisfied countries than in the more satisfied ones: that is, broadly speaking, eastern European countries have greater internal inequality in life satisfaction levels than do the EU Member States.

Another central finding is that differences between European countries in life satisfaction can largely be explained by the level of economic development. A simple analysis of GDP per capita in relation to country-level mean satisfaction scores accounts for 85% of the cross-country variation in Europe, a strikingly close fit.

Individual level variations are much more difficult to explain (and are much more extensive). A multi-level model drawing of the limited number of relevant predictor variables available in the 1999-2000 data-set for Europe could only account for less than 5% of the individual-level variations. However, of the variables examined, unemployment and marital status stood out as significant predictors of life satisfaction.

Use of time and quality of life

This chapter of the illustrative report examines how the balance of time an individual spends doing various activities impacts on quality of life, particularly through the balance between an individual's working time and family/leisure time. In recent years, it has been argued that paid and unpaid working time has increasingly encroached on the time available for other, perhaps more pleasurable, activities, creating an unhealthy imbalance. One of the main methods for investigating the work-life balance is through the use of time-diary surveys. Respondents are asked to keep a diary of their activities for a number of days, recording information not only on what occurred and when, but also who else was present and where the activity took place.

Time-diary information from the Multi-national Time Use Study is used to compare time use across a number of European countries. It shows that the Danish and the Dutch enjoyed relatively higher levels of free time than people in the other countries covered in the MTUS. These two countries also demonstrate that there are multiple means to the same end. Danes worked relatively long hours but performed less unpaid work while, in the Netherlands, people worked relatively shorter hours and performed more unpaid work. The data show that total working time declined across the countries between the 1960s and early 1980s, then began to rise again by the early 1990s. The proportion of free time expanded from the 1960s to the 1980s, then shrank slightly in the 1990s though, during the 1990s, people still enjoyed more free time than they enjoyed in the 1960s.

Looking specifically at work-life balance and using the UK National Time Use Study of 2000-01, the chapter finds that around 20% of men work on Saturdays and Sundays compared with around 10% of women. This shows that the weekend is not used solely for leisure, but most groups in the UK tend to take their leisure time at roughly the same times during the day with families socialising together. This suggests that most UK citizens enjoy a relatively good balance of work and other life domains. On the other hand, the chapter also investigated the extent to which people mixed work with leisure, e.g. taking work phone calls during family or leisure time, and found that men mixed activities to a larger degree than women and also that men's degree of mixing increased with age.

Finally, the chapter examined the extent to which people spent their time alone rather than mixing with others, whether these people were in their household or not. The UK study findings showed that people who lived alone spent a great deal more of their time alone than did people in larger households. Women living alone spend an average of nine hours 34 minutes by themselves per day, while men living alone spend an average of eight hours and nine minutes by themselves - three times the average time spent alone for all people in the UK.

The research found that people in the poorest 12% of household incomes, aged 65+ (especially women), who are unemployed or otherwise not working, and whose households do not have a car, also spend a greater than average proportion of their time alone. Women aged 45-64 working in a routine and/or manual occupation and living in Scotland or Wales run the greatest risk of spending more than average time alone. Many of the factors associated with the risk of being alone are comparable with the risks of other dimensions of lower quality of life.