



Quality of life
in Europe:
Trends
2003–2012



3rd
European
Quality
of Life
Survey

European Foundation for the Improvement of Living and Working Conditions

Third European Quality of Life Survey – Quality of life in Europe: Trends 2003–2012

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Country clusters by period of EU accession

EU15	15 EU Member States prior to enlargement in 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom)
EU12	12 Member States that joined in 2004 and 2007 (Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia)
EU27	27 EU Member States (as at the time of the survey)*

Country clusters by effects of the crisis

EA = economically affected

Non-EA North	the Czech Republic, Denmark, Poland, Sweden, the United Kingdom
Non-EA South and Periphery	Bulgaria, Latvia, Lithuania, Hungary, Romania
EA North	Austria, Belgium, Germany, Finland, France, Luxembourg, the Netherlands
EA South and Periphery	Estonia, Spain, Greece, Ireland, Italy, Cyprus, Malta, Portugal, Slovenia, Slovakia

Country clusters by type of welfare state

Nordic	Denmark, Finland, Sweden
Anglophone	Ireland, the United Kingdom
Continental	Austria, Belgium, France, Germany, Luxembourg, the Netherlands
Southern	Cyprus, Greece, Italy, Malta, Portugal, Spain
Central and Eastern European	Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

Country codes for EU27

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

* At the time of carrying out the third EQLS, Croatia's status was that of a candidate country for membership to the European Union. It became the 28th EU Member State on 1 July 2013.

Executive summary

Introduction

The European Quality of Life Survey (EQLS) examines the multi-dimensional domains of quality of life, focusing on aspects of everyday life (such as relations with family and friends) and on issues relevant to public policy (such as housing and social tensions). Economic factors – such as the ability to make ends meet, material deprivation and economic status – are also important influences on quality of life. To date, Eurofound has carried out three waves of the EQLS – in 2003, 2007 and 2011 – and comparison of results over time can provide evidence of trends and change, convergence or stability in and between the EU Member States.

This report explores patterns of stability or change over the last decade in the quality of life of the EU population aged 18 and over. It pays particular attention to differences across different country clusters, grouped according to period of EU accession (before or since 2004), impact of the economic crisis, and type of welfare regime. Specific attention is also paid to the situation of people in vulnerable situations: people on low incomes, older people in the EU12, single parents and the long-term unemployed.

Policy context

Many influences on quality of life have both a national and a transnational dimension. Quality of life is built on individual well-being, as well as the social cohesion of societies. In launching the Social Investment Package of 2013, the European Commission called on Member States to prioritise social investment and to modernise their welfare states in response to significant challenges – high levels of financial distress, increasing poverty and social exclusion, and record levels of unemployment (especially among young people). These add to the existing challenges of ageing societies and smaller working-age populations.

Over the next few years, one focus of Europe 2020, with the associated Employment Package and the Social Investment Package, will be on finding solutions to problems caused by the economic downturn and its social impact. It is important to know what effects the crisis and the resulting cutbacks in

national budgets have had on subjective quality of life and the quality of society. Another important issue is convergence – the narrowing of differences between EU countries and their regions and reducing inequalities between advantaged and disadvantaged groups in society.

Key findings

Subjective well-being has been stable over the last decade in the EU as a whole. In the Member States with the lowest scores in 2003, well-being increased, and most of the other Member States show more or less stable scores. The main exception is Greece, where the economic crisis is linked to sharp falls in both life satisfaction and happiness between 2007 and 2011.

For the most part, countries with higher levels of life satisfaction in 2007 reported decreased satisfaction in 2011, while those with lower levels in 2007 tended to report increases in 2011. Happiness declined in most countries between 2007 and 2011. In these times of recession, the lowest levels of subjective well-being are reported by the unemployed, particularly the long-term unemployed and people unable to work.

The proportion of households in Europe facing financial strain is growing, and there has been an increase in the proportion having difficulty making ends meet, especially among people in the lowest income quartile. Differences in subjective well-being between income quartiles are growing.

People aged 50–64 years have a relatively low level of life satisfaction and happiness, and the gap between this group and other age groups is growing.

Satisfaction with family and satisfaction with social life remained high and fairly stable between 2003 and 2011. In terms of work-life balance, the extent to which employees reported being too tired after work to do household tasks returned in 2011 to 2003 levels after a fall in 2007, while the proportion reporting having difficulty fulfilling family responsibilities was stable. The proportion reporting difficulty concentrating at work because of their domestic demands has increased somewhat.

The long-standing trend of increasing home ownership has stalled. However, greater policy attention to living conditions since 2007 may have contributed to improvement or at least maintenance of living conditions (in terms of housing and environment) for the most disadvantaged groups, despite the economic downturn.

Satisfaction with health decreased between 2003 and 2011, particularly for people in the lowest income quartile. Satisfaction with health in the central and eastern European Member States has increased but is still far below the level of the rest of the EU.

Satisfaction with education remained stable. Perceived quality of healthcare, quality of education and quality of childcare were relatively unchanged. Perceived quality of public transport increased, but perceived quality of state pension systems fell.

Average levels of trust in other people declined between 2003 and 2011, and there was an even sharper fall in trust in institutions. However, reported tension between social groups in the EU (measured multidimensionally) seems to be decreasing, with the exception of the EU12, where tensions between racial and ethnic groups are perceived as having increased between 2007 and 2011, having fallen between 2003 and 2007. The perception of tension between rich and poor rose between 2007 and 2011. Change in quality of life is associated with trust in people and perceived social tension: greater trust in other people corresponds with better quality of life, while an increase in perceived social tension correlates with reduced quality of life.

Policy pointers

- While life satisfaction and happiness is increasing in those countries that scored lowest in 2003, these levels still lag behind the rest of the EU. Cohesion policies and investment in social policies are needed to address this.
- Small declines in happiness and life satisfaction in the EU15 are influenced by the economic downturn. Where governments have limited financial resources, they must find other ways to support people in difficult situations, such as developing support structures and help with debt management.
- Workers are also under pressure as a result of the economic crisis. Its persistence may lead to increased burnout; hence, employers should pay more attention to work–life balance.
- Older workers who lose their jobs face a high risk of becoming long-term unemployed; in addition, for an older worker, the loss of employment might be accompanied by growing health problems. To keep workers economically active for longer, national governments and social partners need to formulate age-management measures, with a whole of working life perspective.
- Declining trust in public institutions is a concern, particularly in the EU15, and trust in such institutions is still low in the EU12. It is important, therefore, to keep investing in institutional capacity at both national and EU level. At the same time, governments need to manage expectations about what public institutions can and cannot deliver.
- Particularly in some EU12 Member States, reported tension between racial and ethnic groups has increased, but in general, the level of reported tension is lower than in the EU15. Differences in patterns of immigration and internal ethnic diversity must be taken into account when developing and implementing social cohesion policies.
- The analysis shows there is a case for a more active approach to social protection. In times of recession, lower household income has an even stronger negative influence on quality of life. National and EU policies should focus on preventive measures that help citizens prepare for periods of unemployment, such as encouraging saving, promoting participation in lifelong learning to increase employability, and supporting job-seeking.

Introduction

The meaning of quality of life

Quality of life is associated with the well-being of individuals, as well as the quality of the societies and environment in which they live. The World Health Organization (WHO) defines quality of life as

an individual's perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns. It is a broad-ranging concept affected in a complex way by the person's physical health, psychological state, level of independence, social relationships, and their relationship to salient features of their environment.

(WHO Quality of Life Group, 1993)

The quality of life of individuals and households reflects what they gain from the state, from the market and from their own personal and household resources (Rose, 1986). No institution has a monopoly on the services that contribute to quality of life; nevertheless, the role of national governments and policies is very important. Governments can help individuals to advance their quality of life by providing collective services that people cannot provide for themselves, such as schools, hospitals, housing, transport and collective security.

Policy context

European citizens and institutions have a common interest in improving quality of life. During the initial stages of its formation, the European Union focused predominantly on integration and collaboration in economic governance. Since 1992 in particular, the EU has been more concerned with socioeconomic progress and better living conditions for the citizens of the EU. Many influences on quality of life have a transnational as well as a national dimension, so EU institutions share in the responsibility for advancing quality of life across a continent of almost half a billion people. The promotion of quality of life – in terms of individual well-being and social cohesion – is a long-standing goal and policy priority of the EU; division between

'insiders' who have a satisfactory quality of life and 'outsiders' who are socially excluded must be prevented (European Commission, 2008b). Being seen to contribute to better quality of life can also strengthen the legitimacy of the EU in the minds of its citizens (Eurofound, 2009b).

Currently, the Europe 2020 strategy drives policy; this is a 10-year strategy agreed in March 2010 with five ambitious targets on employment, innovation, education, social inclusion, and climate change and energy to be reached by 2020. Europe 2020 reflects the importance of social inclusion and the fight against poverty. One of its primary objectives is to lift at least 20 million people out of poverty and social exclusion by 2020 (European Commission, 2010a).

Connected with Europe 2020 are the European Platform against Poverty and Social Exclusion (2010), the Employment Package (2012), the Youth Employment Package (2012), the Social Investment Package (2013) and other social policies.

- The European Platform against Poverty and Social Exclusion sets out key actions to reach the EU targets on poverty and social exclusion. Member States are urged to define and implement measures addressing the circumstances of groups at risk (European Commission, 2010b).
- One of the ways out of poverty and social exclusion is employment. The Employment Package looks into how EU employment policies intersect with a number of other policy areas in support of smart, sustainable and inclusive growth. It identifies the economic sectors with the greatest job potential and the most effective ways for EU countries to create more jobs (European Commission, 2012b).
- The Youth Employment Package comprises measures to help Member States tackle unacceptable levels of youth unemployment and social exclusion by giving young people offers of jobs, education and training (European Commission, 2012c).
- In the Social Investment Package, which builds on the initiatives mentioned above, the European Commission calls on Member States to prioritise social investment and to modernise their welfare states in response to the significant challenges they currently face (European Commission, 2013a).

Many other EU policies and programmes focus on improving dimensions of quality of life and reducing inequalities across and within countries. These include the EU regional policy (which includes the Structural Funds and Cohesion Fund); the European Social Fund (ESF); the Youth In Action Programme (among other objectives, intended to improve opportunities and inclusion for disadvantaged youth); the EU education and training policies (developed to contribute to extending access to high-quality education and to foster innovation, entrepreneurship and creativity); housing policies; and health policies. Another example is the White Paper on adequate, safe and sustainable pensions. It looks at how the EU and the Member States can work to tackle the major challenges that confront our pension systems (European Commission, 2012d).

In the coming years, both national governments and the EU will be confronted with many challenges in this field. These will initially be a result of the economic downturn, but other challenges will arise from changing demographic features such as an ageing population and a smaller workforce, and the affordability and sustainability of public budgets for social policies. All these policy fields influencing quality of life – health and housing, employment and exclusion, social protection and social cohesion – are elements in the multidimensional concept of the European Quality of Life Survey.

The European Quality of Life Survey

As the EU and its Member States draw up and implement policies and programmes, attention is increasingly being paid to a more integrated social and economic perspective. Moreover, policies and programmes in EU countries must often be accompanied by compulsory, regular evaluations to assess their effectiveness and efficiency. However, in the context of all these policies and programmes aimed at improving quality of life and reducing inequalities between groups and regions, much less information is gathered about the combined impact of such measures, even though this combined impact is the ultimate goal. In addition, unforeseen developments or unintended effects of policies (for example, at other government levels) may interfere with the desired policy impact.

Even though economic indicators such as gross domestic product (GDP) are important in assessing the level of well-being in a country, they are not sufficient. Increasingly, it is argued that public policy should be assessed more in terms of how it promotes the welfare of Europeans, taking into consideration social, environmental and economic conditions. A single focus on economic indicators is inadequate

to understand or assess differences in the well-being of different social groups of Europeans. Policymakers also need to consider Europeans' own perceptions of the quality of their lives and the quality of the society in which they live. New national initiatives, such as those in the UK and France, and international initiatives, such as the OECD Better Life Index, include well-being measures.

In this framework, Eurofound has developed a programme of activities around the monitoring and analysis of living conditions and quality of life in Europe. At the centre is a representative, questionnaire-based, face-to-face interview survey, the European Quality of Life Survey (EQLS). The EQLS examines a wide range of issues. The various dimensions include objective and subjective ratings, feelings and expectations concerning income, employment, labour conditions, accommodation, health, education, social contacts and support, political participation, trust in society and its institutions, tensions between social groups, attitudes towards migration, access to and quality of public services, and life in general. These dimensions more or less parallel those proposed in the report of the 2009 Commission on the Measurement of Economic Performance and Social Progress (the Stiglitz–Sen–Fitoussi Commission). That report underlines the multidimensionality of well-being and the interdependency of these dimensions (Stiglitz et al, 2009).

The first EQLS was conducted in 28 countries from May to September 2003. It involved interviews with over 25,000 adults aged 18 or over in the 15 Member States at the time, in the 10 Member States that would join in 2004, and in Bulgaria, Romania and Turkey. Fieldwork for the second survey was conducted among over 35,000 Europeans in 31 countries (the 27 EU countries plus Norway, Turkey, Croatia and the former Yugoslav Republic of Macedonia) from September 2007 to February 2008. The third survey was carried out from September 2011 to February 2012 in the EU27, and later in 2012 in the enlargement countries. For each survey, a series of reports was published, including an overview report and a number of more detailed analytical reports.

This report is one of a series of reports by Eurofound to examine the results from the third EQLS. These include the overview report *Quality of life in Europe: Impacts of the crisis* (Eurofound, 2012a) and reports on:

- subjective well-being;
- social inequalities;
- quality of society and public services;
- trends in quality of life in Europe (2003–2012);
- families in the economic crisis.

Objectives, research questions and research activities

Trend analysis

The EQLS delivers a wealth of data on a broad range of topics inherent to quality of life. The results from the three surveys are representative of the countries studied and include a large proportion of questions that are comparable over time. In order to gain insights into changes in quality of life in Europe over the last decade, the analysis for this report was carried out on the three waves of the EQLS. It focuses on the EU27 countries and generally concentrates on those variables whose formats are the same across the three EQLS waves.

Objectives

The objectives of this trend analysis are:

- to offer a general picture of changes in quality of life and its different dimensions over time in Europe by comparing findings from the 2003, 2007 and 2011 EQLS;
- to test hypotheses about changes over time derived from other research in this field and from policy developments in the EU;
- to compare results of the trend analysis with assessments made by other organisations and institutions at EU level.

Research questions

The following research questions were formulated.

- What relevant hypotheses about changes over time in quality of life and its dimensions can be established from other research in this field and from policy developments in the EU?
- What trends in subjective quality of life and its dimensions exist in the EU27 and in selected groups of countries, and what might explain the trends?
- What trends in objective indicators of quality of life and its dimensions exist in the EU27 and in selected groups of countries, and what might explain the trends?
- Is it possible to demonstrate effects of the economic downturn in these trends in subjective and objective quality of life (and its dimensions)?
- In what way does a multivariate analysis contribute to understanding trends in quality of life?

Focus on vulnerable social groups

In the trend analysis, special attention is paid to four groups of citizens in vulnerable situations: the lowest income quartile; the long-term unemployed; single parents; and those aged 65 and over, especially in eastern European countries, who have been identified as particularly disadvantaged (Eurofound, 2012a). Certain other trends are discussed on specific country clusters.

Focus on specific country clusters

Countries can be clustered according to different variables, resulting in different groupings of countries. A number of findings will be presented distinguishing between the older Member States (EU15) and those that joined the EU in 2004 or 2007 (EU12) so as to follow the effects of EU membership on quality of life.

Country clusters by period of EU accession

EU15	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, the United Kingdom
EU12	Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia

Another perspective on trends in quality of life is offered by looking at experiences in the different types of welfare systems in Europe. There are several ways of doing this, but this report applies the clustering presented by Hemerijck (2012). Hemerijck describes some of the main characteristics of and recent developments in five clusters of European welfare states.

- The Nordic welfare states are characterised by deliberate human capital strategies, dual-earner economies, strong performance and a diminishing influence of the social partners.
- The Continental group was characterised in the 1990s by a system that was considered to be the 'sick man' of Europe. Since then, reforms have altered the employment and pension systems (including the abolition of early retirement schemes), and introduced new policies to reconcile work and family life and encourage equal opportunities for men and women.

- The Anglophone countries are more or less comparable to the Continental group (in general, social spending is close to the EU average), but not so liberal.
- The Southern countries share certain similarities in development (in the 1980s and 1990s) and reforms (in the 1990s and 2000s). An important development is the greater control exercised by finance ministries over social policies.
- The Central and Eastern European Member States (which entered the EU in 2004 and 2007) are characterised by pension reforms introduced before 2003, a new role for social partners, an extended role for international organisations, and an experimental trial-and-error approach to a welfare state and market economy.

Country clusters by type of welfare state

Nordic	Denmark, Finland, Sweden
Anglophone	Ireland, the UK
Continental	Austria, Belgium, France, Germany, Luxembourg, the Netherlands
Southern	Cyprus, Greece, Italy, Malta, Portugal, Spain
Central and Eastern European Member States	Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

A third country clustering is intended to map the effects of the economic crisis through 2008–2011 in relation to the unemployment figures for each of the national economies during that time. This clustering into four groups of countries was derived from the European Commission report *Employment and social developments in Europe in 2012*. Countries are classified on the basis of whether they were economically affected by the global economic crisis (EA) or not (Non-EA).

Country clusters by effects of the crisis

Non-EA North	the Czech Republic, Denmark, Poland, Sweden, the UK
Non-EA South and Periphery	Bulgaria, Latvia, Lithuania, Hungary, Romania
EA North	Austria, Belgium, Germany, Finland, France, Luxembourg, the Netherlands
EA South and Periphery	Estonia, Spain, Greece, Ireland, Italy, Cyprus, Malta, Portugal, Slovenia, Slovakia

Structure of the report

This report presents a general picture of the developments in quality of life in Europe over time. It compares and interprets the findings from the three waves of the EQLS in 2003, 2007 and 2011. Additionally, it draws conclusions and insights relevant for policymakers, in public authorities and in social partner bodies.

The structure of the report is as follows.

- Chapter 1 describes the overall trends in subjective well-being. The major indicators of subjective well-being used throughout the report are life satisfaction and happiness.
- Chapter 2 examines trends in living standards and deprivation. Issues such as financial situation, ability to make ends meet, standards of living, material deprivation and income insecurity are discussed.
- Chapter 3 discusses trends in work–life balance.
- Chapter 4 looks at general trends and patterns of family life, social life and social exclusion.
- Chapter 5 examines trends in local environment, home and housing.
- Chapter 6 discusses trends in health, healthcare, education and public services.
- Chapter 7 focuses on trends in other variables reflecting quality of society.
- Finally, Chapter 8 concludes the report with the main findings and some policy pointers.

As the volume of relevant data varies from theme to theme, the size and structure of the chapters differ. Each chapter – except the introduction and final chapter – starts with a brief description of relevant trends in the policy context. Then the detailed results of the trend analysis are presented. Each chapter also involves the testing of some hypotheses about change over time. The last section of each chapter sums up key findings.

Due to the large size of the survey samples, almost all the differences in variables discussed in this report are statistically significant. Where analysis showed no significant differences yet the results are still deemed interesting, this is explicitly stated.

CHAPTER 1

Changes in subjective well-being

Changes in subjective well-being

Subjective well-being reflects a person's perception of the quality of their life. It is an aspect of quality of life that can complement other measures of progress, such as income and living conditions – to which it is only indirectly connected – as it provides information on how people are feeling in light of their circumstances.

The concept of subjective well-being gained greater importance towards the end of the 20th century, when researchers developed a range of measurements for happiness and life satisfaction to examine differences between individuals, groups and societies, and to offer a broader view of societal progress. The EQLS measures subjective well-being through cognitive indicators, such as overall satisfaction with life and satisfaction with various domains of life (such as health, standard of living and family), as well as through measures of positive and negative feelings or moods. Happiness and satisfaction are two distinct concepts that underlie a person's subjective well-being. Within this understanding, happiness reflects a personal disposition: the day-to-day moods and feelings of people (Diener et al, 1985; Diener and Lucas, 1999). Life satisfaction, on the other hand, involves a more evaluative judgment of one's well-being, since a person is asked to reflect upon their life from a more cognitive perspective. They measure their current situation compared to their expectations of life, which leads to an overall assessment of a person's satisfaction (Michalos, 1985). Life experiences and circumstances, especially negative ones such as unemployment, deprivation, illness and family breakdown, have a significant impact on life satisfaction (Eurofound, 2009a).

This chapter outlines the trends in subjective well-being over the three waves of the EQLS in 2003, 2007 and 2011, focusing on life satisfaction and happiness.

Life satisfaction and happiness

Change in life satisfaction and happiness

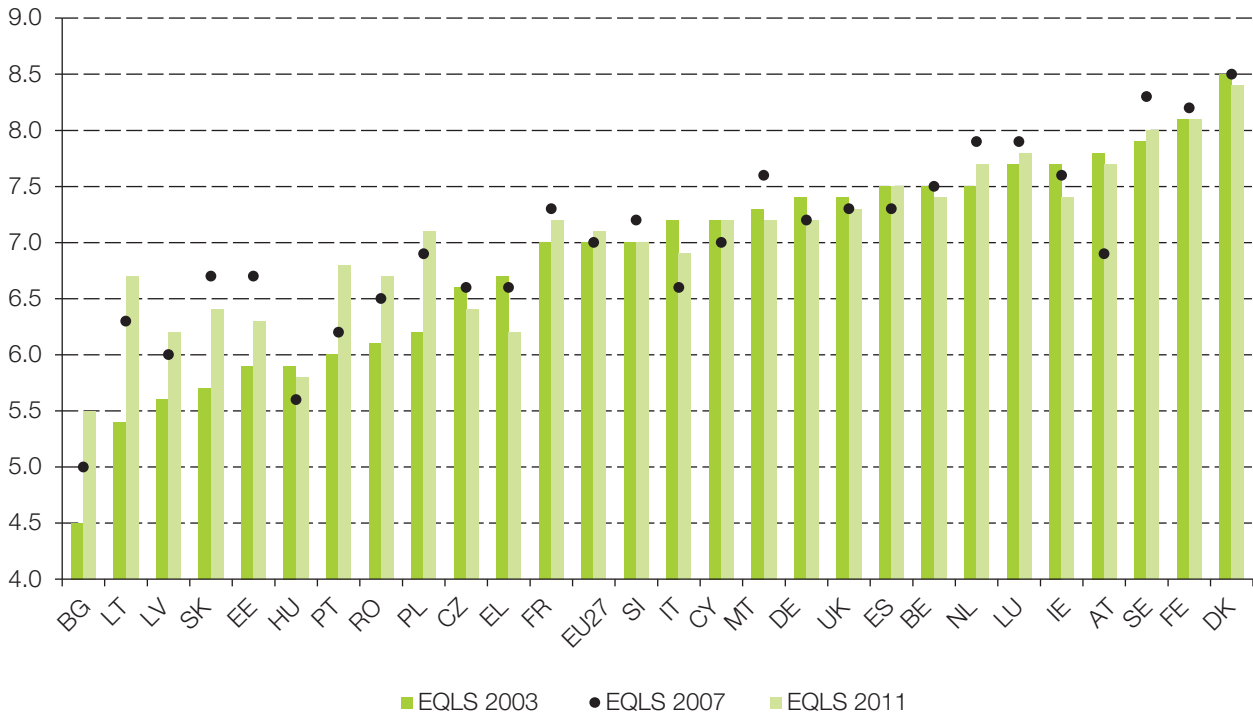
To measure life satisfaction, the EQLS asks: 'All things considered, how satisfied would you say you are with your life these days?' Each individual rates their satisfaction on a 10-point scale, with 1 representing 'very dissatisfied' and 10 representing 'very satisfied'. In both the 2003 and 2007 EQLS, Europeans gave quite a positive rating of 7.0 on average. In 2011, satisfaction remained stable, with a slight increase to 7.1.¹ Figure 1 shows the changes in life satisfaction for each of the 27 Member States of the EU.

The general trend is stable, with a gradual convergence in life satisfaction between countries. Many Member States with a low ranking in 2003 are catching up, while some of the higher-ranking states (mostly in the EU15) show somewhat declining levels of life satisfaction. In many countries, life satisfaction grew from 2003 to 2007 and then declined from 2007 to 2011. There are, however, also countries with the opposite pattern (Austria, Cyprus, Hungary, Italy and Spain) and countries where life satisfaction has risen consistently during the years covered by the surveys (Bulgaria, Latvia, Lithuania, Poland and Portugal). The lowest scores throughout the decade are seen in Bulgaria, but every four years the overall rating for life satisfaction there increased by half a point, rising from 4.5 in 2003 to 5.5 in 2011. Only two countries show a decline from 2003 to 2011: Ireland and, most notably, Greece.

On the subject of happiness, the EQLS asks: 'Taking all things together on a scale of 1 to 10, how happy would you say you are?' Figure 2 illustrates the development in happiness in each country.

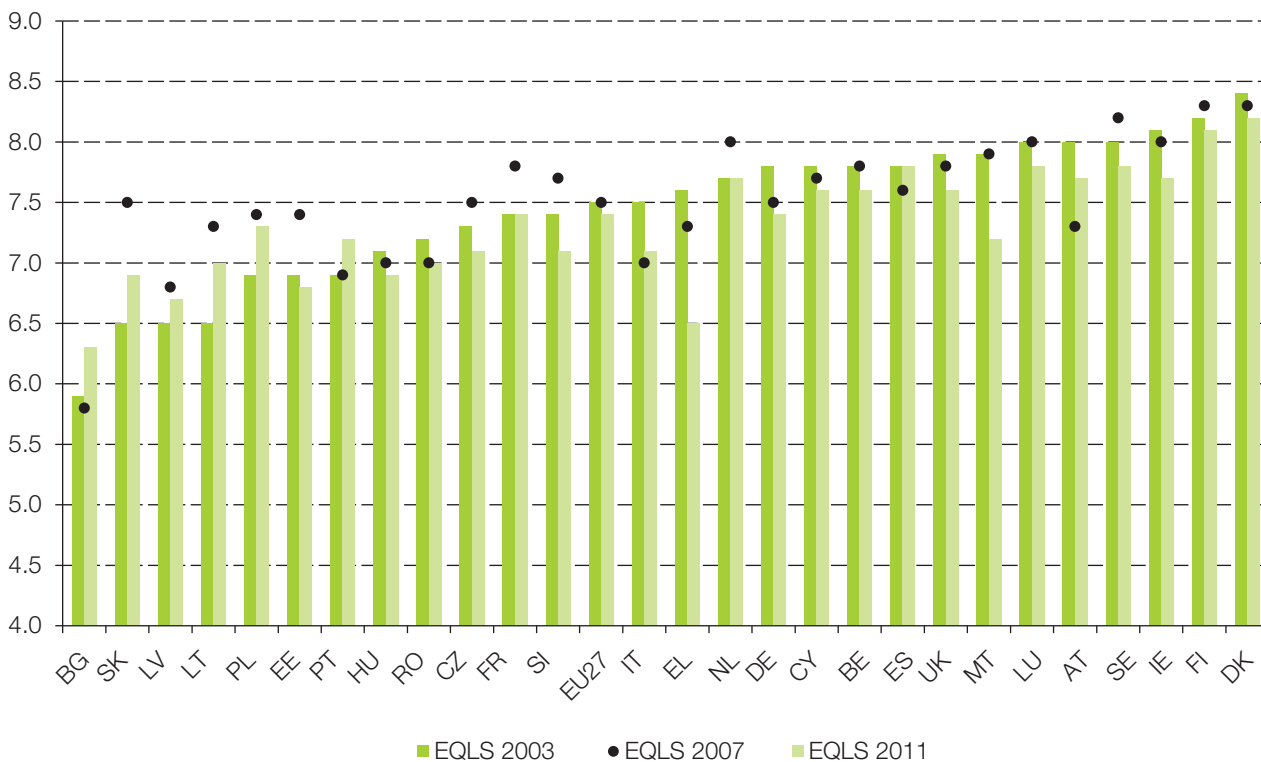
¹ This is the average figure for the entire EU population; countries with larger populations shape the outcome more than those with fewer residents, and a sharp decline in a number of small states may not affect the mean change so much if it has remained stable in the largest ones.

Figure 1: Changes in life satisfaction, by country



Note: Based on responses on a scale of 1 to 10 to: All things considered, how satisfied would you say you are with your life these days?

Figure 2: Changes in happiness, by country



Note: Based on responses to: Taking all things together, on a scale of 1 to 10, how happy would you say you are?

In the 2003 and 2007 EQLS, Europeans on average gave a positive rating of 7.5. In 2011, happiness remained essentially stable, with a slight decrease to 7.4. The general trend after 2007 is of a gradual convergence in happiness across countries. This is similar to the pattern with life satisfaction; however, in a greater number of countries, the pattern is that happiness was highest in 2007 and thereafter decreased. Again, there are exceptions. A few countries show the opposite trend with an increase in ratings between 2007 and 2011: Austria, Bulgaria, Italy, Portugal and Spain. In five countries (Cyprus, Hungary, Germany, Romania and particularly Greece), there is a decreasing trend from 2003 to 2011.

Effect of the economic downturn: hypotheses

It is particularly important to monitor subjective well-being indicators because the economic crisis and stagnation experienced in Europe in recent years appears to have had its strongest impact on the most vulnerable members of society (Eurofound, 2010b). At the same time, previously better-off people and families have experienced unemployment and deprivation as a result, and this is also expected to have an impact on their subjective well-being. To test this expectation, the following hypothesis was formulated.

Hypothesis 1: Given a relatively high level of life satisfaction in 2003 and 2007, there is more scope for it to fall rather than rise, particularly during times of recession.

This hypothesis is also based on findings in Canada, where the Canadian Index of Well-being shows a decline in the period from 2007 to 2010. Canadian well-being dropped by 24% between 2008 and 2010; one explanation for this decline is that Canadians experienced a sharp 10% decline in living standards in this period (Canadian Index of Well-being, 2012).

The hypothesis has been rejected because the average level of life satisfaction in the EU27 has remained stable despite the recession. This seems to agree with the results of other studies (although not with the Canadian Index of Well-being).

- The Life in Transition Survey of households and individuals across central-eastern Europe and the Baltic states, south-eastern Europe, the Commonwealth of Independent States and Mongolia was carried out by the European Bank for Reconstruction and Development in collaboration with the World Bank. The survey was carried out in 2006 and 2010. One of the conclusions was that, despite 'exceptionally severe' output falls in the period 2008–2010 in many of the participating countries, there was little change in overall levels of life satisfaction in 2010 relative

to 2006. Average (self-reported) satisfaction with life in the transition countries has remained almost constant compared to 2006 levels (European Bank of Reconstruction and Development, 2011).

- Deaton (2011) studied measures of subjective well-being in the United States and concluded that even large macroeconomic shocks to income and unemployment can be expected to produce only small and hard-to-detect effects on measures of average subjective well-being. The data in Deaton's study was collected between January 2008 and December 2010.

Since subjective well-being is influenced by factors such as income and living conditions, it is likely that the crisis has had more effect on subjective well-being in countries that are strongly affected by the economic crisis than in non-affected countries. Falling GDP and rising unemployment have particularly affected southern Europe, especially Cyprus, Greece, Portugal and Spain. Also affected are Ireland and some of the newer Member States (Estonia and Slovenia) (Eurofound, 2012a).

Hypothesis 2: The economic crisis has widened the gap in life satisfaction and happiness between countries that are strongly affected and countries that are mildly or hardly affected by the crisis.

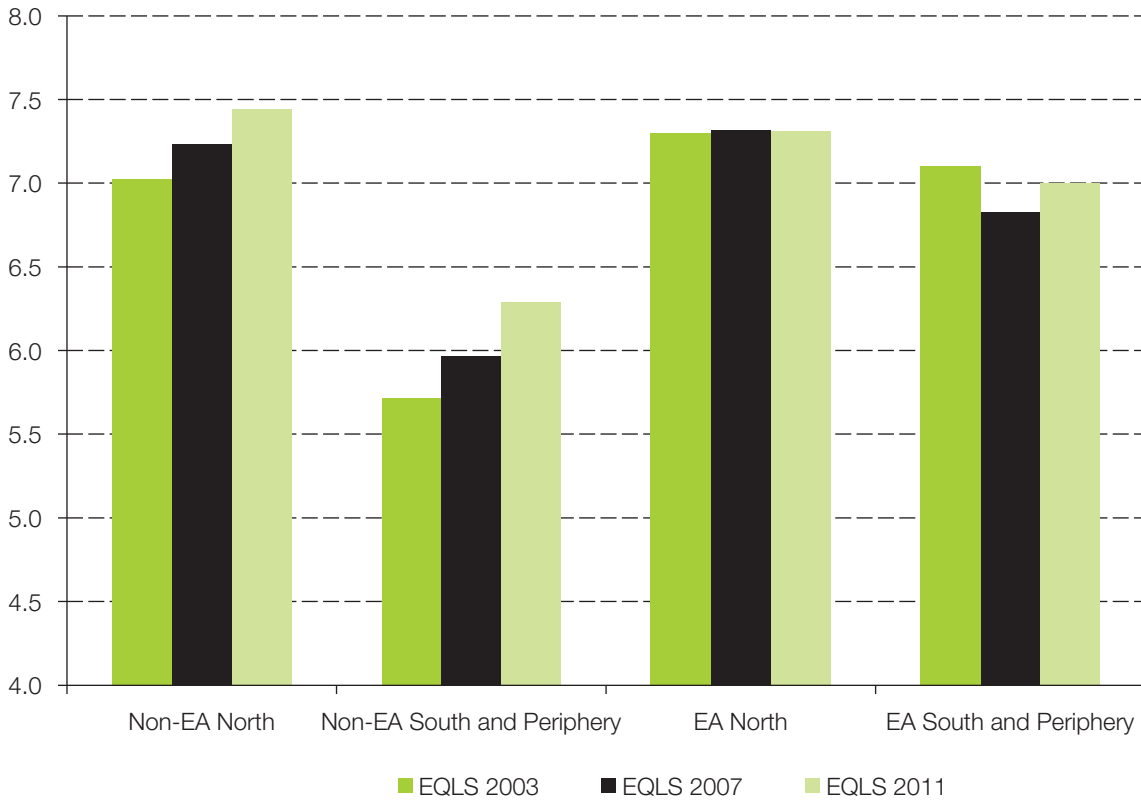
To test the second hypothesis, Figures 3 and 4 show the effect of the economic crisis on life satisfaction and happiness by country cluster; different trends are apparent in the two indicators.

Life satisfaction remained fairly stable in the EA North group and even increased in the other three clusters between 2007 and 2011, most evidently in the countries less affected by the economic crisis. The increase of life satisfaction in some economically affected countries can be attributed to the multidimensionality of subjective well-being. Stiglitz et al (2009) identified a number of key dimensions that affect subjective well-being simultaneously, which means that developments in one dimension can offset developments in another. Material living standards may deteriorate, for example, but this does not mean that other dimensions such as health and governance have also deteriorated.

The feeling of happiness, by contrast, tended to decline in three country clusters but remained stable, although still at a low level, in the group of south-eastern European Member States that were less severely affected by the crisis (Non-EA South and Periphery).

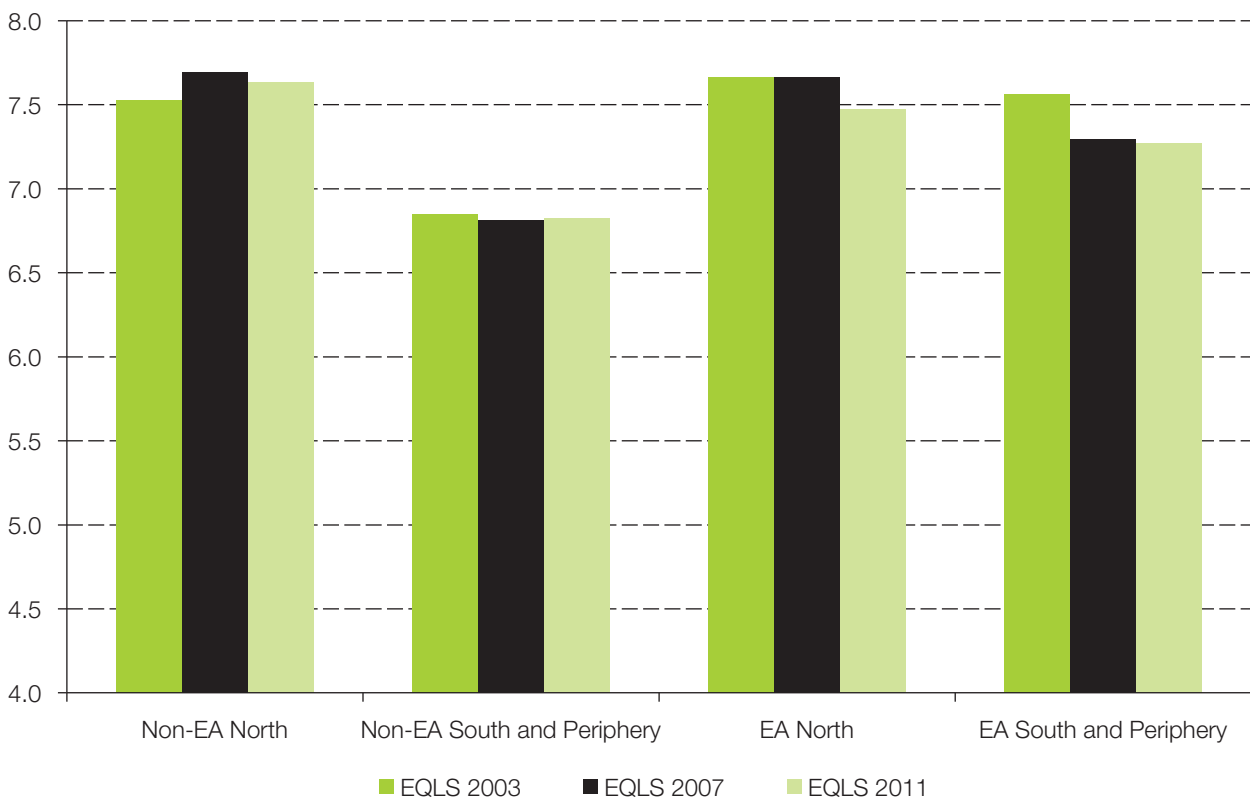
These results taken together disprove Hypothesis 2.

Figure 3: Effect of economic crisis on life satisfaction, by country cluster (EA and Non-EA)



Notes: See note to Figure 1 for question wording; scale of 1–10.

Figure 4: Effect of economic crisis on happiness, by country cluster (EA and Non-EA)



Notes: See note to Figure 2 for question wording; scale of 1–10.

Effect of EU membership: hypothesis

When quality of life between European countries differs significantly, social cohesion can be achieved only through development and change. In order to reduce differences, countries that rank below average in quality of life need more significant progress to catch up. Differences would become smaller if low-ranking countries were to make more progress than high-ranking countries, leading eventually to convergence. If this does not happen, disparities between European countries will remain or even widen.

Issues of social cohesion and solidarity between Member States have gained importance with the enlargement of the EU from 15 to 27 Member States and in the context of the global economic crisis, which poses the challenge of protecting the most vulnerable groups within European society. EU membership is expected to have the most positive impact on quality of life in the countries that are, initially, below the EU average. If this is the case, the Member States that are lagging behind should show significant catching up with the leading EU countries, and thus social cohesion should improve. This perspective is the basis of Hypothesis 3.

Hypothesis 3: The impact of EU membership proves to be particularly influential on countries that are initially well below the EU average from a quality of life perspective, despite the economic crisis.

Examining the countries differentiated by welfare state characteristics, life satisfaction in the Nordic and Continental clusters remained stable. For the Anglophone and Southern clusters, life satisfaction dropped (-0.1). Most significant strides (+0.6) were made in the Central and Eastern European cluster. Happiness dropped in all except the Central and Eastern European cluster. These results support Hypothesis 3 and indicate a convergence in subjective well-being, despite the economic crisis. Lithuania (+1.3) and Bulgaria (+1.0), particularly, achieved higher average scores on life satisfaction in 2011 compared to 2003.

It is difficult to isolate exactly the effects of EU membership on life satisfaction in the Member States that joined in 2004 and 2007. A study by Abbot and Wallace gives circumstantial evidence of the positive effects, at least in the period 2003–2007. This study contributes to the debate about the relationship between economic conditions and subjective well-being by showing that the factors that contribute to well-being are not only associated with economic growth. On the basis of the Social Quality Model, it was found that social cohesion, social integration and empowerment are as important as economic factors for life satisfaction (Abbot and Wallace, 2012).

Changes in well-being among sociodemographic groups

Life satisfaction

Figure 5 presents life satisfaction levels over time for different sociodemographic groups in the EU. Generally, life satisfaction has been increasing over time among most groups. Exceptions are the 50–64 years age group, where it has been stable, and people unable to work, homemakers, single parents and people with their highest education at secondary level, which showed a small increase after a decrease in 2007.

Age and gender

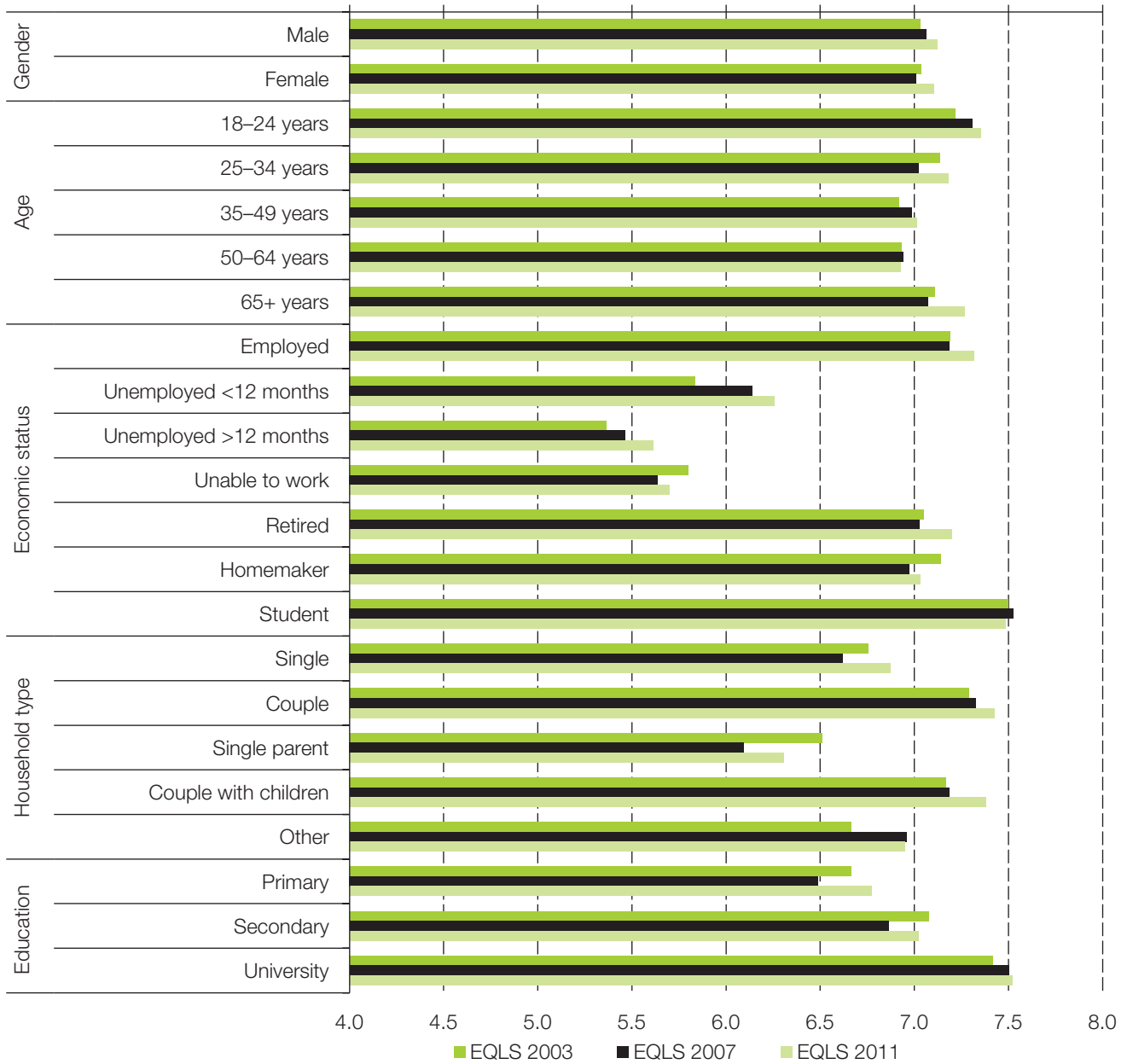
Men and women do not, on average, seem to differ in the level of their life satisfaction or happiness. When controlling in a regression analysis for country of residence, age, household structure, education, economic status, health and income, gender has no significant effect on life satisfaction (Eurofound, 2012a).

Age seems to be a more important factor than gender. Life satisfaction is consistently lowest in the 50–64 age group. The distribution of average life satisfaction follows a flat U-shape, rising again for people above 65 years of age. This observation is supported by earlier research on age and well-being (Blanchflower and Oswald, 2008, 2009; Frijters and Beaton, 2012). From 2003 to 2007, life satisfaction on average was decreasing both for the 25–34 age group and the 65+ age group. From 2007 to 2011, all age groups reported higher life satisfaction, with the exception of the 50–64 age group, thus reinforcing the U-shaped distribution.

The result of regression analyses on life satisfaction for the various age groups has the following results.

- In 2003, when controlling for country of residence, gender, household structure, education, economic status, health, and income, in relation to the reference group (35–49 years), the 18–24 and 25–34 age groups were significantly more satisfied with their life. This difference was largest in the youngest age group.
- This changed in 2007, when the 18–24 and 65+ age groups were significantly more satisfied with their life. The differences in 2007 were highest for the oldest (65+) age group. The 25–34 age group did not differ significantly from the reference group.
- In 2011, all age groups, except the 50–64 group, were significantly more satisfied with their life than the reference group. The differences were highest for the youngest (18–24 years) and the oldest (65+ years) groups.

Figure 5: Changes in life satisfaction, by sociodemographic group



Notes: See note to Figure 1 for question wording; scale of 1–10.

Couples with children and single parents include families where all children living in the household are either younger than 18, or over 18 and in education.

Economic status: hypothesis

Frey and Stutzer (2010) point out that being unemployed has a strong negative effect on subjective well-being; this assertion is the basis to Hypothesis 4.

Hypothesis 4: In times of recession, the unemployed and people unable to work experience a lower level of quality of life in comparison to other economic status groups.

When controlling in a regression analysis for country of residence, gender, age, household structure, education, health and income, being unemployed or unable to work leads to significantly lower levels of life satisfaction compared to the reference group of employed Europeans. This is the case for all three waves of the EQLS. Compared to the effects of being retired, a homemaker or a student, the negative effects of unemployment and being unable to work were high in 2003. These trends were less pronounced in 2007 but grew stronger again in 2011. Since the differences between these vulnerable groups and the other, less vulnerable, groups were highest in time of recession, Hypothesis 4 is supported.

Although levels of life satisfaction are low, it is nevertheless surprising that the long-term unemployed had higher ratings for life satisfaction in 2011 than in 2007; this might reflect the changing composition of the unemployed group. Perhaps also the large number of unemployed makes it seem less a personal failing. People who have recently become unemployed because of the economic crisis are perhaps still doing reasonably well and have not really felt the disadvantages of unemployment and living on benefits. The role of a welfare state is to provide more vulnerable groups with a safety net when they encounter trouble such as the loss of employment (Hemerijck and Vandenbroucke, 2012; Basso et al, 2012). For that reason, individuals may have been relatively protected from the financial crisis by the welfare systems across Europe (Hemerijck et al, 2012).

Among the employed, levels of satisfaction remained quite stable and then increased in 2011. An explanation for the 2011 rise might be that people appreciated more that they have a job. In times of insecurity, people become more aware of the value of their employment. As a result, an often-witnessed phenomenon in times of economic uncertainty is higher productivity among workers. Many feel the need to perform well when the threat of unemployment is perceived to be closer (Plantenga, 2013).

Being a student or employed still leads to highest levels of life satisfaction. For the group of retired people, there is a positive trend in average satisfaction in the EU12, from 5.7 in 2003 to 6.3 in 2011. This level was, however, still significantly below that of retired people in the EU15 (7.5) in 2011.

Household structure

When controlling for country of residence, gender, age, education, economic status, health and income, differences among household structure groups are significant for couples and couples with children, who were more satisfied with their life than the other household types. This is the case for all three waves of the EQLS. In 2007 and 2011, there were larger differences than in 2003. In contrast to 2003 and 2007, and compared to the reference group (couples), couples with children in 2011 were even more satisfied with their lives.

The difference, when compared with the reference group, is highest for single parents. This difference, however, decreased in 2011 compared with 2007 and 2003.

Education

Irrespective of country or residence, gender, age, household structure, economic status, health and income, the group of people who have only primary education reported significantly less satisfaction with their life compared to the reference group (those with secondary education) in both 2003 and 2007. However, the same regression analysis for 2011 demonstrated that the group with primary education showed no significant difference compared to the reference group in 2011. It has already been mentioned above that Figure 5 illustrates a decrease in life satisfaction among the group with secondary education as their highest level of education.

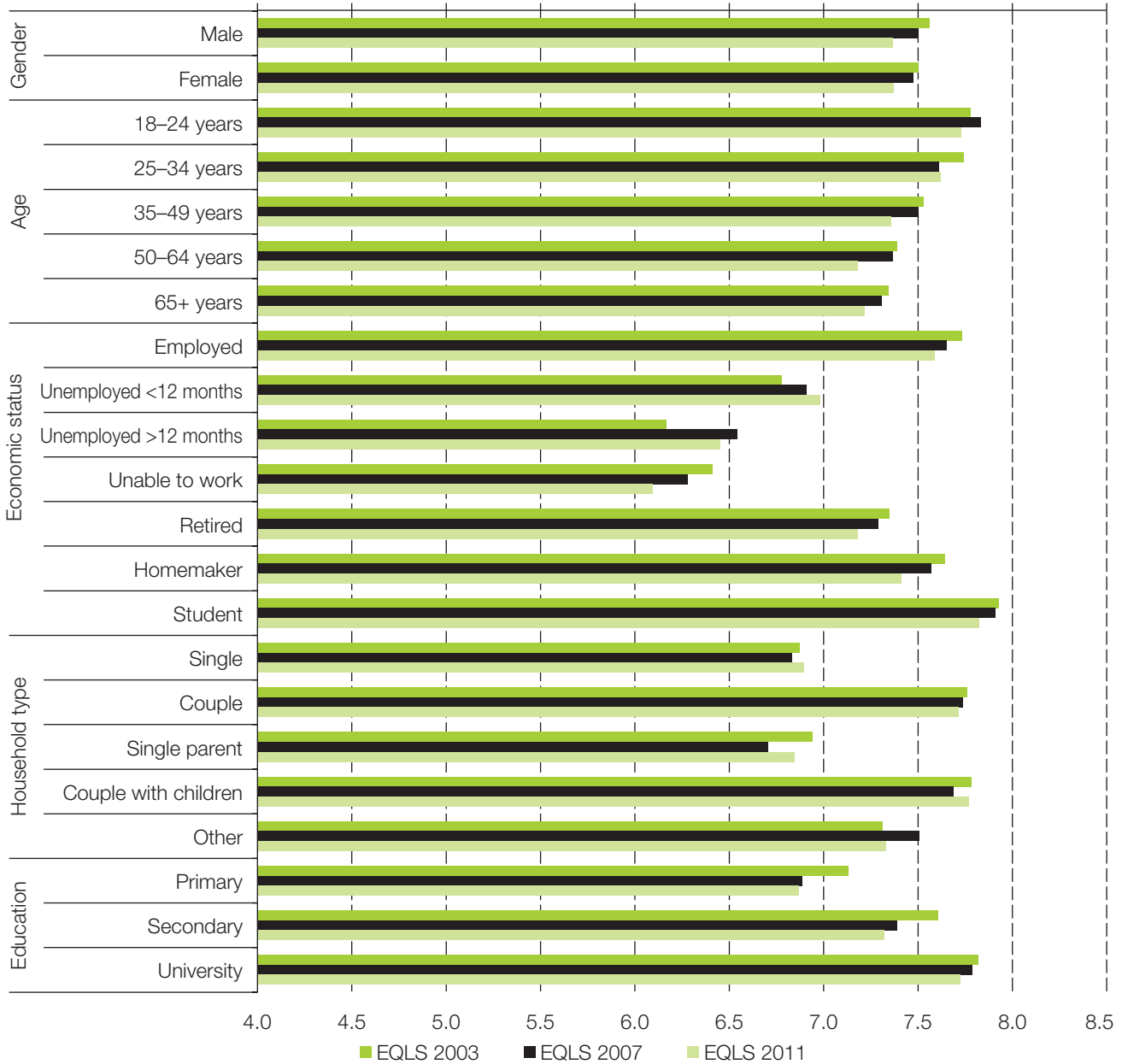
The group with tertiary education showed no significant differences compared to people with only secondary education in 2003, but in 2007, this group was significantly more satisfied with their life. This continued to be the case in 2011.

Happiness

Figure 6 shows the happiness levels of different sociodemographic groups in the EU.

While life satisfaction was somewhat higher in 2011 within practically all groups, happiness shows a different trend, declining in many sociodemographic groups: men and women, all age groups, all three levels of education and all within the economic status group, except for the short-term unemployed. In many cases, the decline had already begun between 2003 and 2007. Curiously, the group of long-term unemployed showed an increase in happiness ratings – although it is clear that people who were unemployed or unable to work also reported the lowest levels of happiness.

Figure 6: Changes in happiness, by sociodemographic group



Notes: See note to Figure 2 for question wording; scale of 1–10.

Couples with children and single parents include families where all children living in the household are either younger than 18, or over 18 and in education.

A peculiar pattern may be observed from the point of view of household structure. Three groups (singles, single parents and couples with children) show a trend of increasing happiness from 2007 to 2011, yet between 2003 and 2007 happiness decreased in the same groups. Of course, the level of happiness remains relatively low for both singles and single parents.

Support to vulnerable groups: hypothesis

On the basis of the analysis above, hypotheses were formulated and tested for the differences between specific sociodemographic groups. Hypothesis 5 was formulated to test changes in the quality of life of vulnerable groups.

Hypothesis 5: Policies that help to support vulnerable groups have resulted in the maintenance of or relatively higher quality of life compared to other groups.

The use of this hypothesis shows different results for different groups.

- For the EU15 country cluster, change in life satisfaction for the long-term unemployed between 2003 and 2011 is insignificant, showing stability. In the EU12, this group shows significantly higher ratings in average life satisfaction between 2003 and 2011. This implies better living conditions for this vulnerable group of people, which is supported by increasing expenditures per head on social protection in the EU12 (Püss et al, 2010; Eurostat, 2013).
- The hypothesis, however, does not hold for the 65+ age group in the sense that quality of life should have improved more compared to other age groups. However, there is a difference between the EU15 and EU12 country clusters. Satisfaction with life among older people in the EU15 remained stable, whereas the 65+ age group in the EU12 showed an increasing level of satisfaction between 2003 and 2011. This increase was still low, however, compared to the younger age groups in the EU12.
- The group of people who are unable to work due to illness shows mixed results on this hypothesis. Although progress has been made on life satisfaction from 2007 to 2011, happiness has dropped more than in other sociodemographic groups.
- Results are also mixed for single parents. After a decrease in life satisfaction and happiness in 2007, both increased in 2011, but not to the 2003 level.

In general, the hypothesis has to be rejected, although there seems to be some positive developments for certain groups (for example, the long-term unemployed and in the EU12).

Income differences: hypothesis

People with an income in the bottom income quartile in their country are also a disadvantaged group. Evidence from the second EQLS showed that income differences were more

significant for quality of life than age or gender differences (Eurofound, 2009b).

Hypothesis 6: In times of recession, lower household income has continued to reduce quality of life more than age or gender differences.

This hypothesis has been supported by the results of a multivariate analysis (see Annex 2, Table A3). The impact of income differences on quality of life proves to be higher than the impacts of age and gender differences. When controlling for other variables and setting the bottom income quartile as the reference group, all higher quartiles show significantly higher levels of life satisfaction. This confirms earlier findings that higher household income is associated with higher life satisfaction (Eurofound, 2010b; Eurofound, 2012a).

Determinants of life satisfaction: hypothesis

When controlling for other variables, several socioeconomic indicators are correlated with life satisfaction. To discover whether the same variables are determinants of life satisfaction at different points in time, the following hypothesis was formulated.

Hypothesis 7: There are no significant changes in the determinants of life satisfaction in the 2003 and 2007 EQLS waves compared to the 2011 wave.

To test the stability of the correlations between socioeconomic indicators and life satisfaction in the period 2003 to 2011, a regression model largely resembling that in the Eurofound report *Quality of life in Europe: Impacts of the crisis* (2012a) was employed. This regression model was applied to the three EQLS waves and resulted in three sets of regression coefficients, one set for each wave. The results for 2003, 2007 and 2011 show no essential differences; therefore this hypothesis is supported. This finding is consistent with findings by Abbot and Wallace (2012), who concluded that the regression coefficients in their social quality model, which explains life satisfaction, were stable from 2003 to 2006.

CHAPTER 2

Changes in living standards and deprivation

Changes in living standards and deprivation

The EU is a wealthy region with, on average, a high standard of living for its citizens. Nevertheless, there are still many households that experience difficulties in making ends meet and that have relatively low living standards. These deprived households are often concentrated in areas where unemployment rates are high and salaries are low (Eurofound, 2012a, 2005).

Within a Member State, urban areas generally have lower unemployment than rural areas or small towns. This results in smaller proportions of jobless households, higher average incomes and fewer people at risk of poverty and material deprivation (European Commission, 2011). Chronic illness, lack of access to educational opportunities, low social mobility and low geographical mobility are limiting factors for finding work that generates adequate income. Furthermore, certain life stages, such as retirement, result in reduced income and may lead to financial difficulties (Eurofound, 2012a).

However, low income is not the only cause of financial strain. Costs also play a role. Some regions in Europe, in particular certain urban areas, have high living costs. In the EU, rising living costs are a major issue, and Member States outside the euro zone are experiencing mounting inflation (Eurofound, 2012a). Financial strain on an individual level can be caused by the costs associated with raising children, providing financial support to relatives, or repaying loans, to name just a few examples.

This chapter discusses developments in living standards and deprivation by examining changes in the financial situation of Europeans, ability to make ends meet, ability to afford basic goods and services and standards of living. It also looks at the relationship between inequality within a country and quality of life.

Policy context

Combating poverty and social exclusion is mainly the responsibility of national governments, but it is also an important part of the Europe 2020 strategy for smart, sustainable and inclusive growth. The European Platform against Poverty and Social Exclusion, which is part of the strategy, was launched in 2010. This platform aims to identify best practices and to promote mutual learning, policy coordination, dialogue with institutional and non-institutional actors, funding and strategic partnerships. Among its main activities, the platform seeks to improve access to work, social security, essential services and education. Other actions include better use of EU funds to support social inclusion and combat discrimination, social innovation to find smart solutions in post-crisis Europe (especially more effective and efficient social support), and new partnerships between the public and the private sectors (European Commission, 2010a).

Within-country inequality: hypotheses

Quality of life, as indicated by life satisfaction and happiness, may be related to inequality within a country. A high degree of inequality can influence subjective assessments of well-being. When some people have a much higher standard of living than others within the same country, the latter may assess their own situation in a more negative way. One means of measuring within-country inequality is by using Gini coefficients.² The following hypothesis was formulated to test the effect of inequality.

² The Gini coefficient is a measure of income inequality. A coefficient of 0 means perfect equality (everyone has the same income) and 100 means perfect inequality (one person has all the income, everyone else has nothing).

Hypothesis 8: There is a relationship between within-country equality (as measured by Gini coefficients) and trends of increasing or decreasing quality of life.

As a result of the economic downturn, wages have suffered in many sectors. Public funding for services of general interest, such as healthcare and public transport, has been reduced, resulting in higher private costs for the inhabitants of various countries – or in some cases services have been cut, affecting lower income groups in particular. As a result, countries heavily affected by the crisis may show a different correlation between within-country inequality and the increase or decrease of quality of life. For that reason, a second hypothesis on this correlation was formulated.

Hypothesis 9: In countries most affected by the recession, the relationship between within-country inequality, as measured by Gini coefficients, and increasing or decreasing quality of life differs from that in countries less affected by the crisis.

Hypothesis 8 and Hypothesis 9 were tested with regression models for all countries together, as well as for the four country clusters grouped by effects of the crisis. The focus of the regression analysis was the way in which life satisfaction and happiness were influenced by the Gini coefficients of each country.

The Gini coefficients were found to have a very little effect on life satisfaction and happiness, indicating that the regression model had no or very limited explanatory power. This leads to the conclusion that the evidence for or against Hypotheses 8 and 9 is, at best, inconclusive. This is in line with the conclusion of Nasser (2012) that there is no, or a very low, correlation between subjective well-being and income distribution at a macro level, as represented by the Gini coefficients.

A similar conclusion was also drawn from one of the secondary analysis reports based on the 2011 EQLS (Eurofound, 2013). In this case, it was also found that using income decile ratios has more explanatory power in relation to differences in individual feelings of inequality. The analysis was specifically

directed at responses that interviewees gave when asked to compare their financial situation to that of other people in their country. This variable, however, is not available for all three EQLS waves. For that reason, it was not included in the analyses for this study.

Financial situation

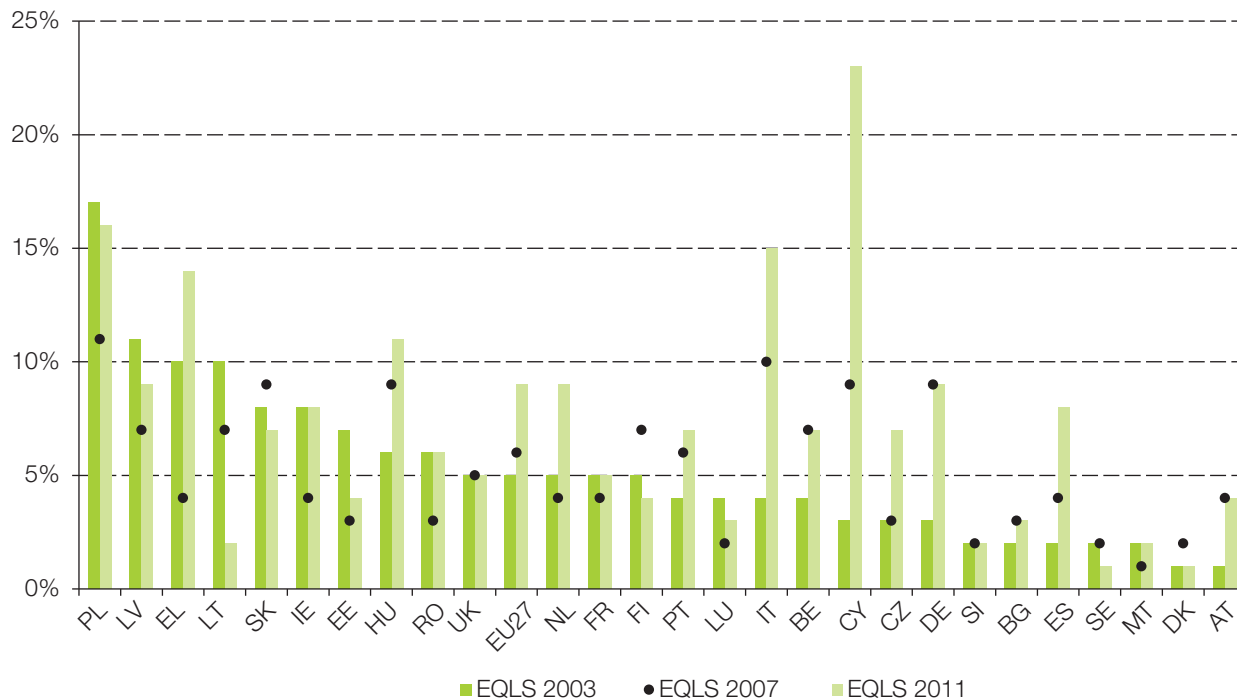
Many people in Europe face some sort of financial difficulty. Some, for instance, are unable to pay their bills. To study this, people have been asked whether they are able to pay their rent or mortgage payments for accommodation on time and whether they are able to pay their utility bills (such as electricity, water and gas). This creates three groups: those that have serious financial difficulties (both rent or mortgage and utility arrears), those that have some difficulty (either rent or mortgage or utility arrears) and those that have no difficulties in paying their bills (no arrears). This section looks at those facing serious or some financial difficulties.

Figure 7 shows the changes in the proportion of households with both rent or mortgage and utility arrears. In 2011, 9% of all European households had rent or mortgage arrears as well as utility arrears at some time during the year. In 2003 and 2007, 5% and 6% respectively of European households were in this situation. In other words, the proportion of households facing serious financial strain is increasing.

Large differences between Member States are apparent. In 2011, the percentage of households having rent or mortgage arrears as well as utility arrears ranged from 23% in Cyprus to 1% in Denmark and Sweden. In 2007, the range was from 11% in Poland to 1% in Malta; in 2003, the range was from 17% in Poland to 1% in Austria.

In 2003, 2007 and 2011, on average, 8% of all European households reported either rent or mortgage arrears or utility arrears at some time during that year. Once again, there were large differences across Member States. They ranged from 27% in Greece to 2% in Luxembourg, the Netherlands and Denmark in 2011; from 22% in Bulgaria to 2% in Sweden in 2007; and from 25% in Romania to 2% in Luxembourg and the Netherlands in 2003.

Figure 7: Changes in proportion of households with both rent or mortgage and utility arrears, by country



Note: Based on responses to: Has your household been in arrears at any time during the past 12 months, that is, unable to pay as scheduled any of the following? a. Rent or mortgage payments for accommodation, b. Utility bills, such as electricity, water, gas

Ability to make ends meet

Household income provides the means to buy both necessities as well as goods and services that are regarded as part of a normal standard of living in European societies today (Eurofound, 2009a). Since net household income is difficult to compare between Member States, mostly due to differences in actual purchasing power per country, the EQLS asks the respondents to consider whether their monthly household income is adequate or inadequate to meet their needs. The ability to make ends meet can be treated as a proxy for income, but this indicator is more than just a measure of income. It may also include wealth resources, in-kind support, social support and other means by which one makes ends meet.

When comparing the surveys, it appears that the proportion of households having no problems at all in making ends meet declined since 2007, from roughly one in three to one in four. In 2011, households that have (great) difficulty making ends meet were back at the 2003 level (about one in six), after showing a small decline in 2007. Households with some difficulties in making ends meet showed a small but steady upward trend.

Generally speaking, the group of citizens having trouble in making ends meet is larger in the EU12 countries. While the size of this group dropped rapidly between 2003 and 2007,

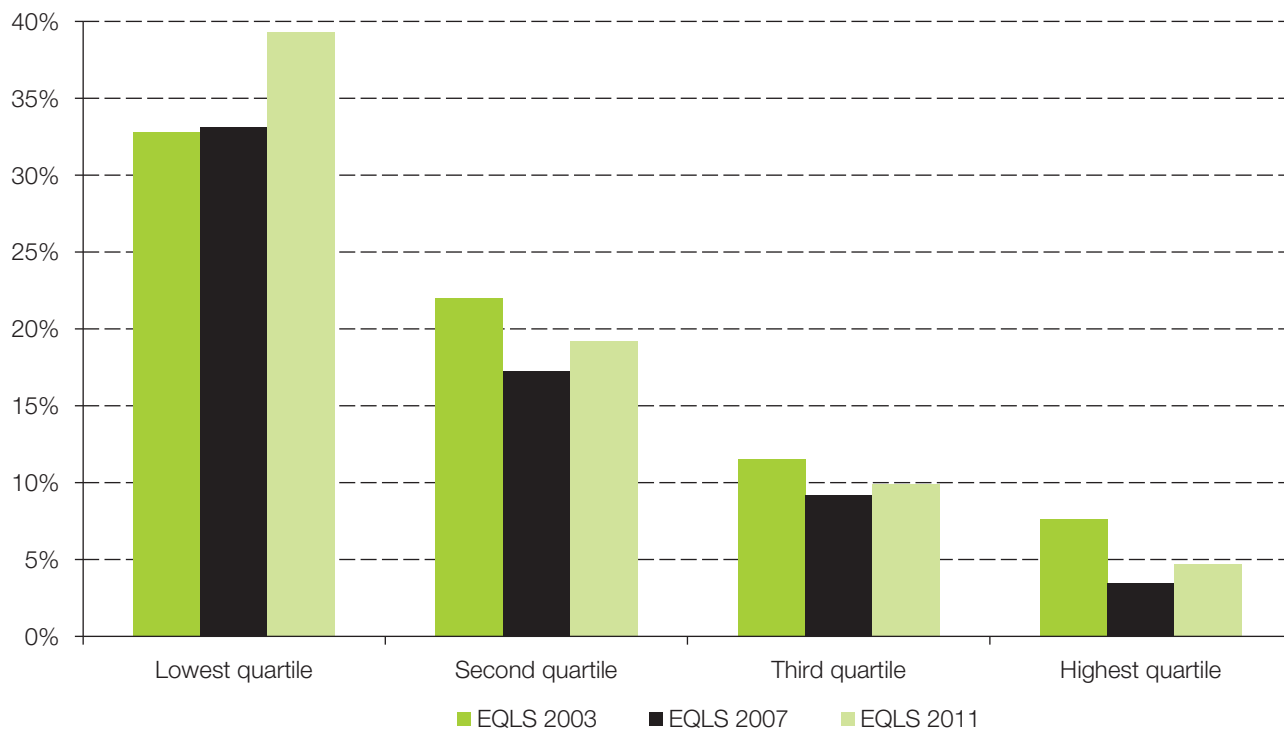
contributing to more equality between EU15 and EU12, this trend stopped between 2007 and 2011. However, even though the group of people having trouble making ends meet increased in both the EU12 as well as in the EU15 between 2007 and 2011, the difference between EU15 and EU12 grew smaller, because this group increased more in the EU15 countries.

Within the group of Europeans experiencing difficulty in making ends meet, there are differences between age groups. The proportion of older Europeans (aged 65 and over) who experience difficulty making ends meet remained relatively stable between 2003 and 2011. The proportion of young Europeans (aged 18–24) experiencing difficulty making ends meet decreased by more than 6% between 2003 and 2007, while increasing again by more than 5% between 2007 and 2011.

Figure 8 breaks down the survey results into income quartiles and shows that the proportion of people having difficulty making ends meet increased between 2007 and 2011, especially in the lowest income quartile. The other income quartiles show a slight decrease overall during the period 2003–2011; this decrease took place mainly between 2003 and 2007.

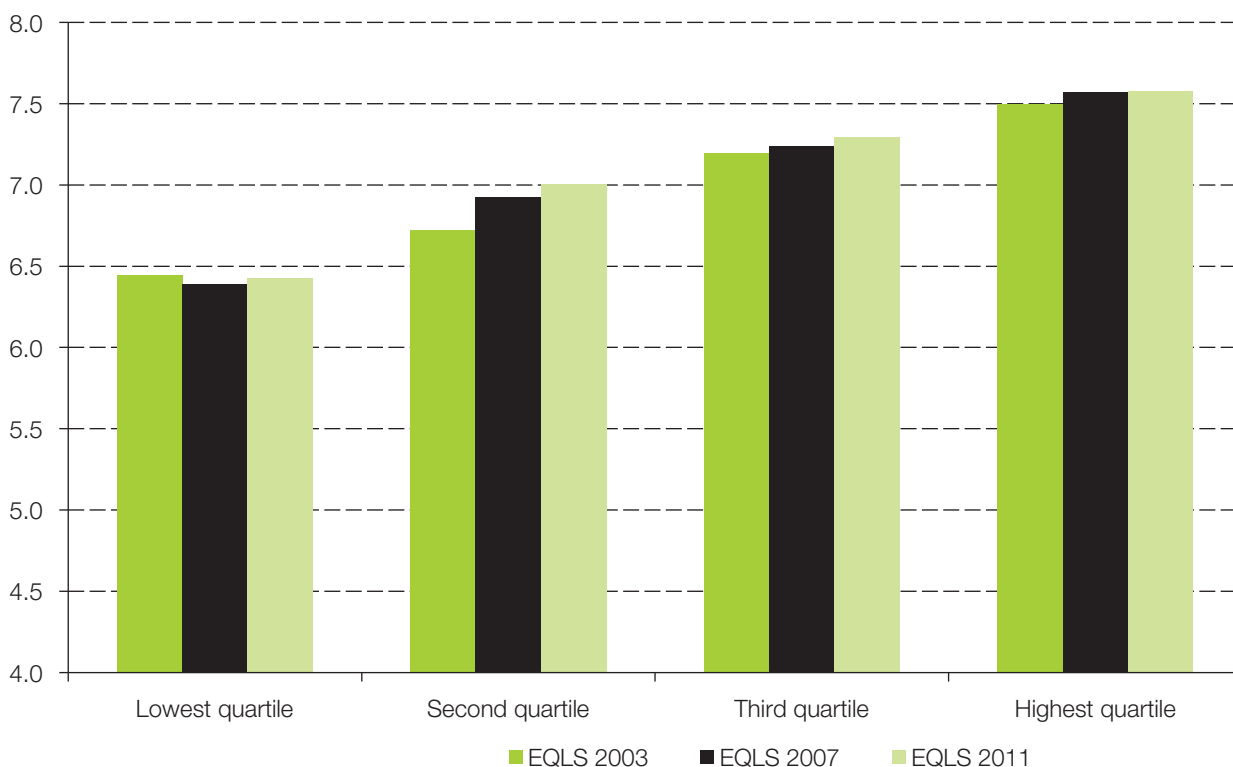
Europeans with a low income are considered to be a vulnerable group in the context of quality of life (Eurofound, 2012a). Figure 9 illustrates changes in life satisfaction by income group.

Figure 8: Changes in proportion of households having difficulty making ends meet, by income quartile



Note: Based on responses to: A household may have different sources of income and more than one household member may contribute to it. Thinking of your household's total monthly income: is your household able to make ends meet?

Figure 9: Changes in life satisfaction, by income quartile



Note: Based on responses on a scale of 1 to 10 to: All things considered, how satisfied would you say you are with your life these days?

The results of the trend analysis show that life satisfaction for all four income quartiles remained fairly stable between the three rounds of the EQLS, with some minor differences. The lowest quartile showed a decline between 2003 and 2007, and although there was a minor increase in life satisfaction between 2007 and 2011, the gap between it and the other quartiles grew during the decade.

Ability to afford everyday goods and services

Material deprivation is defined as the inability to afford essential or basic items or requirements. Respondents were asked whether they would be able to afford six basic requirements if they wanted them. This indicator looks at what households currently cannot afford, regardless of what people own and how much they earn, thus capturing their financial strain. The basic requirements are:

- keeping the home adequately warm;
- paying for a week's annual holiday away from home (not staying with relatives);
- having a meal with meat, chicken or fish every second day if you want it;
- replacing any worn-out furniture;
- buying new, rather than second-hand, clothes;
- having friends or family for a drink or meal at least once a month.

Similar questions have been asked by EU-SILC (Eurostat, 2013). For social cohesion to improve, fewer people should be unable to pay for these goods and services; ultimately, each household in a society should have access to such necessities and normal activities. Table 1 looks at trends in the ability to afford normal goods and services.

The proportion of respondents going without basic goods or services varies substantially over the period. Between 2003 and 2007, more people were able to afford these goods and services; this was completely reversed between 2007 and 2011. It even worsened for all but one item, with the same proportion of people in 2003 and 2011 reporting not being able to keep their house warm. The proportion of people unable to afford the other goods or services increased.

In 2011, 37% of people from the EU27 reported that they could not afford a week's holiday, which is an increase of 7 percentage points since 2007 and 4 percentage points since 2003. The EU-SILC questionnaire includes roughly the same question, and finds the same rate with regard to the proportion of Europeans who could not afford a holiday in 2010 (Eurostat, 2013). One in 10 people in 2011 reported going without meat, chicken or fish, not because they are vegetarians but because they are poor; 17% of people could not afford to buy new clothes, which is an increase of three percentage points on 2003. Over one-third of Europeans (35%) could not afford to replace worn out furniture, and 15% could not afford to meet friends for a meal or drink.

Because people want different goods and services, deprivation is a matter of degree and perception. Deprivation may range from having a little shortage of money, resulting in sometimes

Table 1: Changes in proportion of Europeans who cannot afford everyday goods and services

Cannot afford ...	2003	2007	2011	Percentage point change, 2003–2011
	%	%	%	
... a meat, chicken or fish meal, at least every second day	9	7	10	+1
... to keep the house warm	12	9	12	0
... to buy new, not second-hand, clothes	14	12	17	+3
... to have others for a drink or meal monthly	14	12	15	+1
... to replace worn-out furniture	31	29	35	+4
... an annual week's holiday	33	30	37	+4

Note: Based on responses to: *There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it?*

having to do without one or two items, to frequently having to do without new clothes, a holiday or new furniture.

- In the 2003 EQLS, 60% of respondents reported that they did not have to do without any normal purchases, while 22% could not afford one or two items that most Europeans could afford. At the same time, 18% of respondents reported doing without at least three items.
- The second EQLS in 2007 found only a small positive change; 16% of people reported doing without at least three items in 2007.
- In 2011, the situation worsened, and this proportion rose to 21%, 3 percentage points above the 2003 level.

There remains a stark divide between the majority of people who are able to pay for all or almost all of the mentioned goods and services, and the one in five who routinely have to do without at least three of these items.

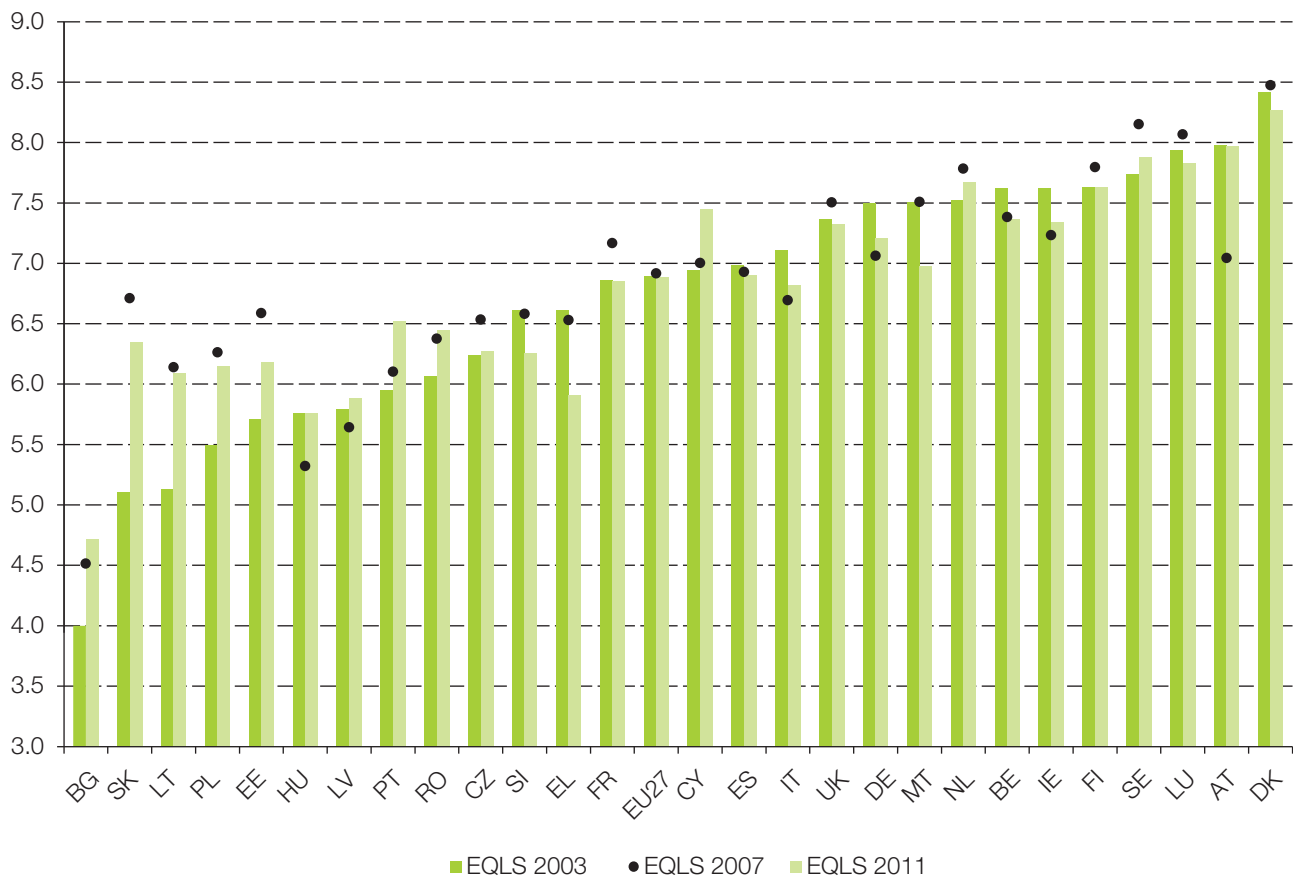
Standard of living

A more subjective measure than the six-item measure of material deprivation is satisfaction with standard of living. People are asked to compare themselves with others, thus assessing their standard of living in their specific context. The changes in satisfaction with standard of living by country are illustrated by Figure 10.

On a scale from 1 to 10, Europeans rate their satisfaction with their standard of living on average at 6.9 in 2003, 2007 and 2011. However, there are clear differences between Member States. The same countries were at the bottom and top of the rankings in 2003 and 2011: Bulgaria at the bottom, with an average satisfaction rating in 2011 of 4.7, and Austria and Denmark at the top, with rankings of 8.0 and 8.3 respectively. Overall, the average levels of life satisfaction in relation to the standard of living are converging among Member States.

Most progress in satisfaction with standard of living over the period 2003–2011 can be found in Slovakia (from 5.1 to 6.3) and Lithuania (from 5.1 to 6.1). These new Member States show substantial increases in satisfaction with standard of

Figure 10: Changes in satisfaction with standard of living, by country



Note: Based on responses to: *Could you please tell me on a scale of 1 to 10 how satisfied you are with ...? Your present standard of living.*

living, although scores were higher in 2007 than in 2011. Some countries show declining satisfaction, particularly Greece, where the average rating dropped from 6.6 to 5.9. Just as with life satisfaction in general, Austria and Hungary show the peculiar trend of a decrease in satisfaction with standard of living between 2003 and 2007, and a return to the 2003 level in 2011.

Material deprivation by income quartile and age group

For all age groups combined, the bottom income quartile showed an increase from an average 1.9 items they cannot afford to 2.4 between 2003 and 2011. In other words, deprivation has grown, on average. This increase was highest in the 50–64 age group, where the average number of unaffordable items rose from 1.8 in 2003 to 2.9 in 2011. In the bottom income quartile, only young people (18–24 years) experienced improvement, among whom the number of unaffordable items dropped from 2.1 to 1.8.

In the top income quartile, however, the number of unaffordable items reported by young people increased from

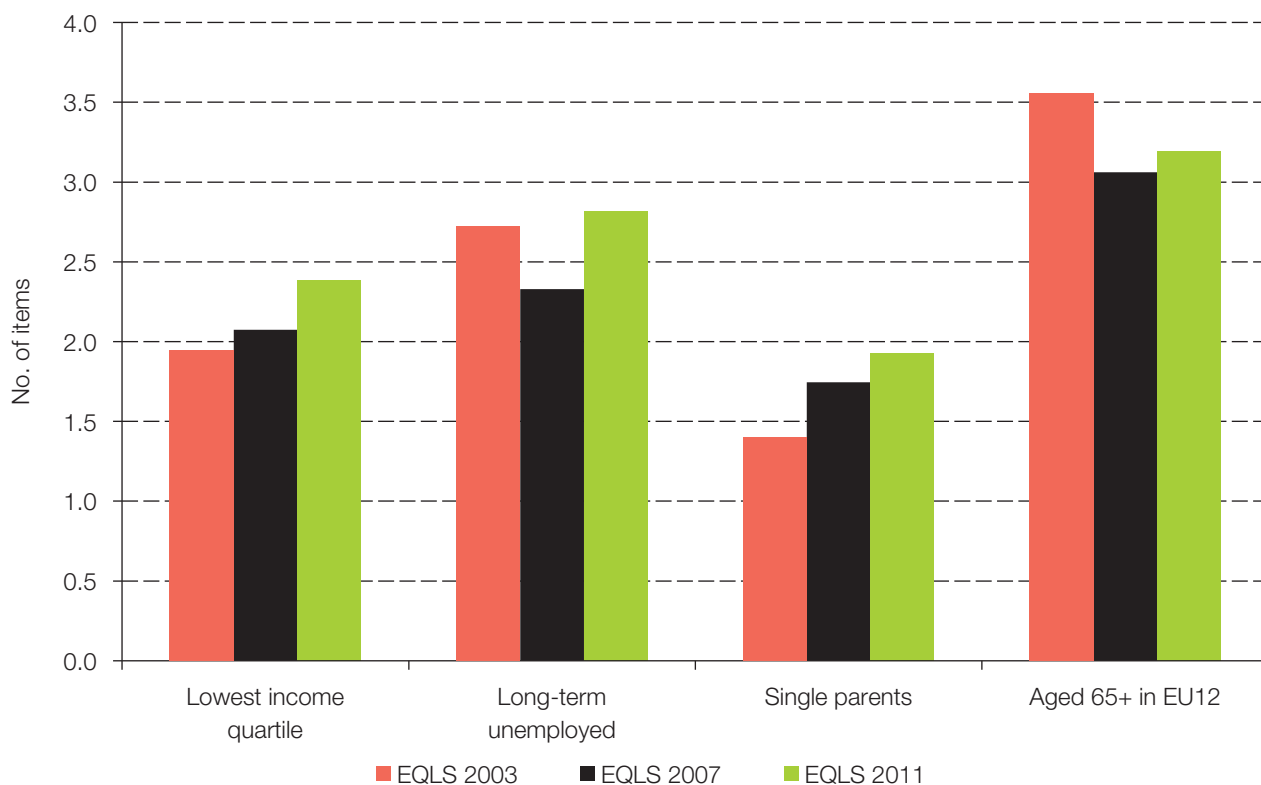
0.5 in 2003 to 0.7 in 2011. Other age groups (aged 25+) in the top income quartile showed a reduction in deprivation.

Material deprivation by vulnerable group

Figure 11 sketches the trend in material deprivation for each of the vulnerable groups defined earlier: the long-term unemployed, those on low incomes, single parents and those aged 65+ in the EU12.

Between 2007 and 2011, there was an increase in deprivation among all four groups. Of these groups, the 65+ age group in the EU12 reported the highest number of unaffordable items, and single parents reported the lowest number. However, since 2003, the number of unaffordable items reported by single parents has grown steadily and significantly. The low-income group displays a similar, but less steep, trend. For these two groups, there is a rising trend, despite economic conditions, whereas the two groups that cannot afford the most items (the long-term unemployed and 65+ in the EU12) show a trend that appears to follow the economic situation.

Figure 11: Changes in number of everyday goods people cannot afford, by vulnerable group



Note: Based on responses to: There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it?

CHAPTER 3

Changes in work–life balance

Changes in work–life balance

The balance between the rewards and demands of work and those of family life are an important influence on subjective well-being (Eurofound, 2009a, Ch. 3; 2009b; Kotowska et al, 2009). A person's work–life balance reflects a number of aspects of life that an individual values highly; namely, their income, health and family (Eurofound, 2004). Among the different policies supporting satisfactory work–life balance, workplace practices appear to be particularly crucial, especially where public policies and care services are less developed. These workplace practices and policies can include measures concerning childcare or care for the elderly (ETWF et al, 2012), generally found in certain larger workplaces (Eurofound, 2011a), but mostly address leave arrangements and working time. This chapter explores how work–life balance and related factors have evolved in Europe from 2003 to 2011.

Policy context

Europe 2020 underlines the importance of a sound work–life balance as a factor that increases labour market participation, particularly for young people, older workers and women (European Commission, 2010a; ETWF, 2012). There is a recognition that gender equality and a good work–life balance go hand in hand, and that there is a need for a lifecycle approach with attention to work–life balance throughout working life. This translates into a need for innovation in the organisation of work, as well as the acknowledgement that affordable care, not only for children but also for other dependents, is essential for reconciling employment with care responsibilities (Eurofound, 2012a; OECD, 2007). This has resulted in policy initiatives from the European Commission, Member State governments and the social partners addressing topics such as working time, childcare and leave arrangements.

Working time

One factor influencing work–life balance is working time. Generally, there is a declining trend in the average number of working hours per week in the EU27, leading to convergence between the EU12 and EU15. According to the EQLS,

between 2003 and 2011, the average number of working hours a week decreased by 1.3 hours.³ Life satisfaction has increased, regardless of the length of working time. For people who work 20 hours or fewer per week, changes were small, whereas among people working over 20 hours a week, there were substantial increases in life satisfaction. Over the period, life satisfaction remained highest in the group working 21–34 hours.

The trend is different for happiness in relation to working hours. In 2003, 2007 and 2011, people working 34 hours a week or fewer were happier than people working longer hours. Between 2007 and 2011, however, there was a decrease in happiness among the group working 34 hours or fewer. At the same time, people working 35 hours a week or more reported that they were happier. Although the levels of life satisfaction and happiness do not appear to show definitive trends, the fact that there is a convergence in happiness across all working time categories may once again be attributed to a higher level of appreciation for having a job in 2011, as discussed in Chapter 1 (Plantenga, 2013).

Work–life balance

The EQLS examines life satisfaction in relation to working hours and commitments outside work, as well as problems for work and family life. Work–life balance is measured by three indicators:

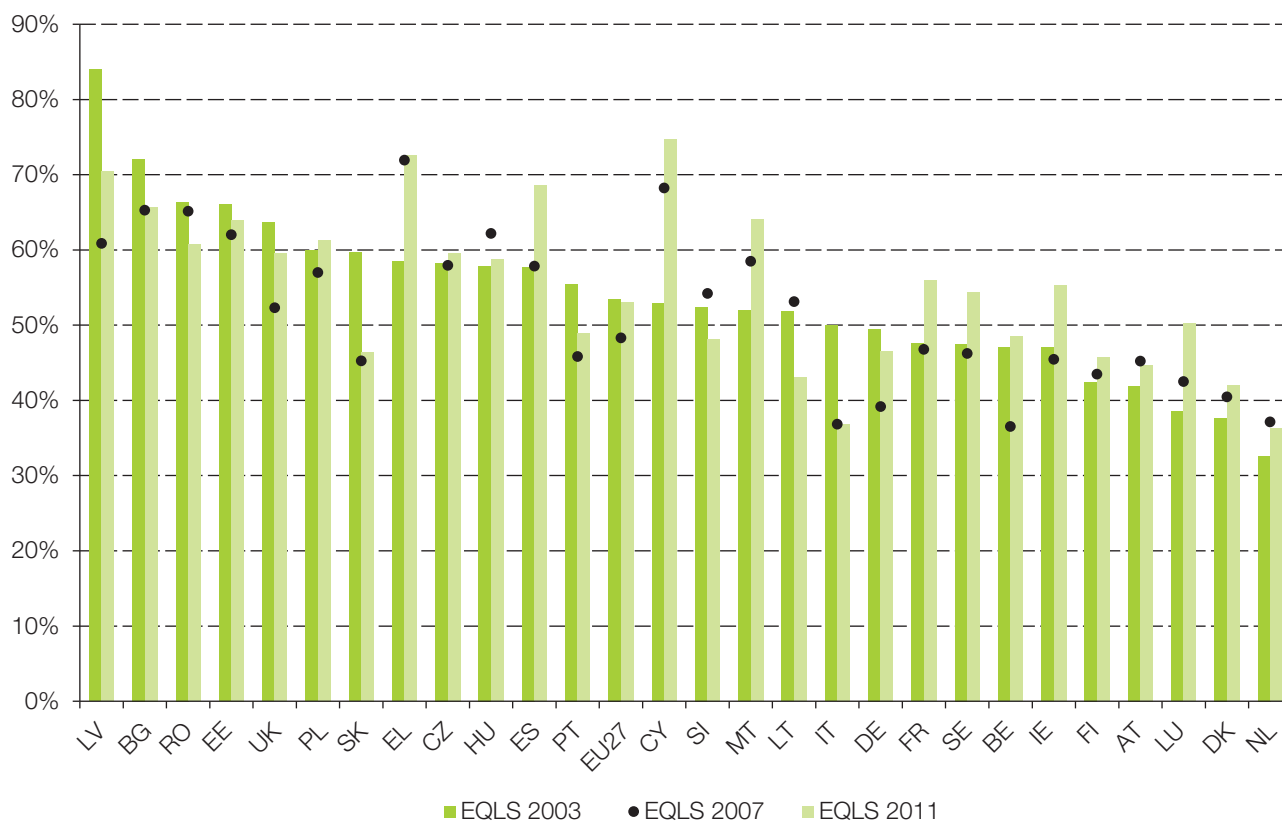
- coming home from work too tired to do some of the necessary household jobs;
- difficulty in fulfilling family responsibilities;
- difficulty in concentrating at work.

Tiredness after work

Figure 12 shows that the European average for reporting tiredness after work does not differ much between 2003 and 2011. A decrease in tiredness was reported between 2003 and 2007, from 54% to 48%, followed by an increase in 2011 to 53%.

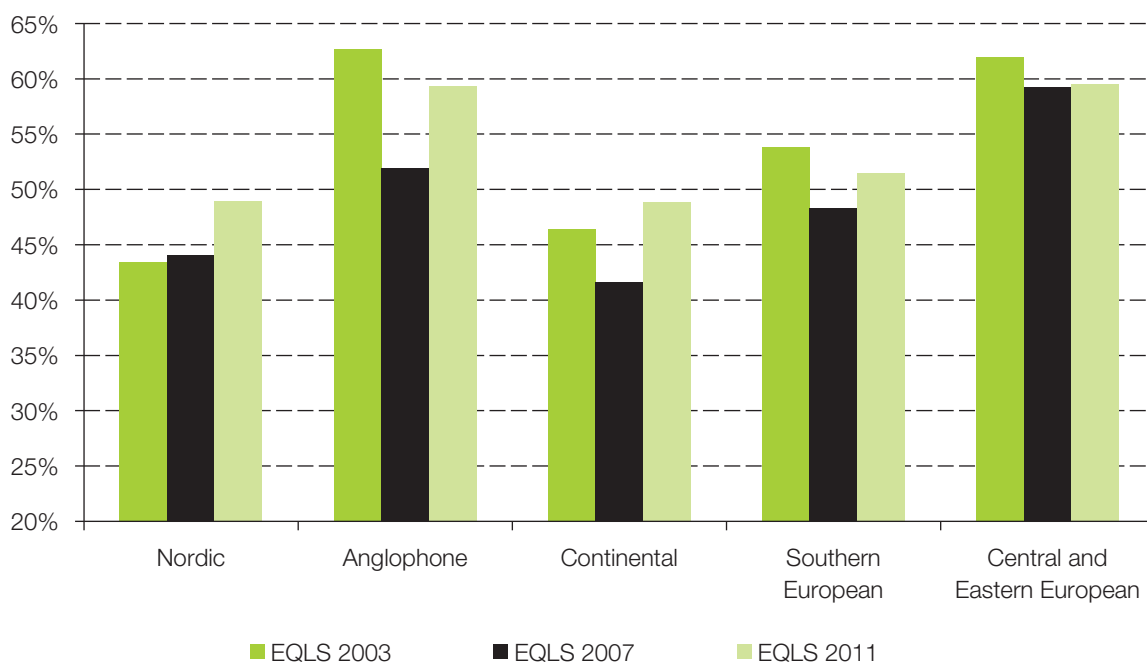
³ According to the European Labour Force Survey (EU LFS, 2010), the average number of usual weekly working hours for a worker's main job is 38, while in the EQLS 2007 and 2011, the figure is 39 hours, including unpaid working time.

Figure 12: Changes in the proportion of employees coming home from work tired at least several times a month, by country



Note: Based on responses to: How often has each of the following happened to you during the last 12 months? I have come home from work too tired to do some of the household jobs which need to be done.

Figure 13: Changes in the proportion of employees coming home from work tired at least several times a month, by country cluster (welfare state)



Note: See note to Figure 12 for question wording.

Examining the Member States in turn, significant differences are clear:

- The countries with the lowest levels of tiredness after work in 2011 were the Netherlands, with 36% reporting tiredness at least several times a month, and Denmark at 42%. These two countries had the lowest levels of reported tiredness after work in 2003 as well.
- A number of countries had relatively high levels of reported tiredness after work, especially those in the Central and Eastern European cluster and the United Kingdom.
- Italy and Latvia saw the largest declines in tiredness after work. Latvia saw an overall decline of 14% between 2003 and 2011 (but still at a very high level), and Italy a decline of 13%.
- In several countries there were large increases in 2011 compared to 2003. In Cyprus the proportion of people experiencing tiredness after work rose by 22% between 2003 and 2011. In Greece the increase was 14%, followed by Spain at 11%.
- Luxembourg is unusual because in 2003 it had one of the lowest rates of workers reporting tiredness after work (39%). By 2011, however, this had increased to 50%. While Luxembourg still ranks quite low on this indicator, this is a relatively large increase.

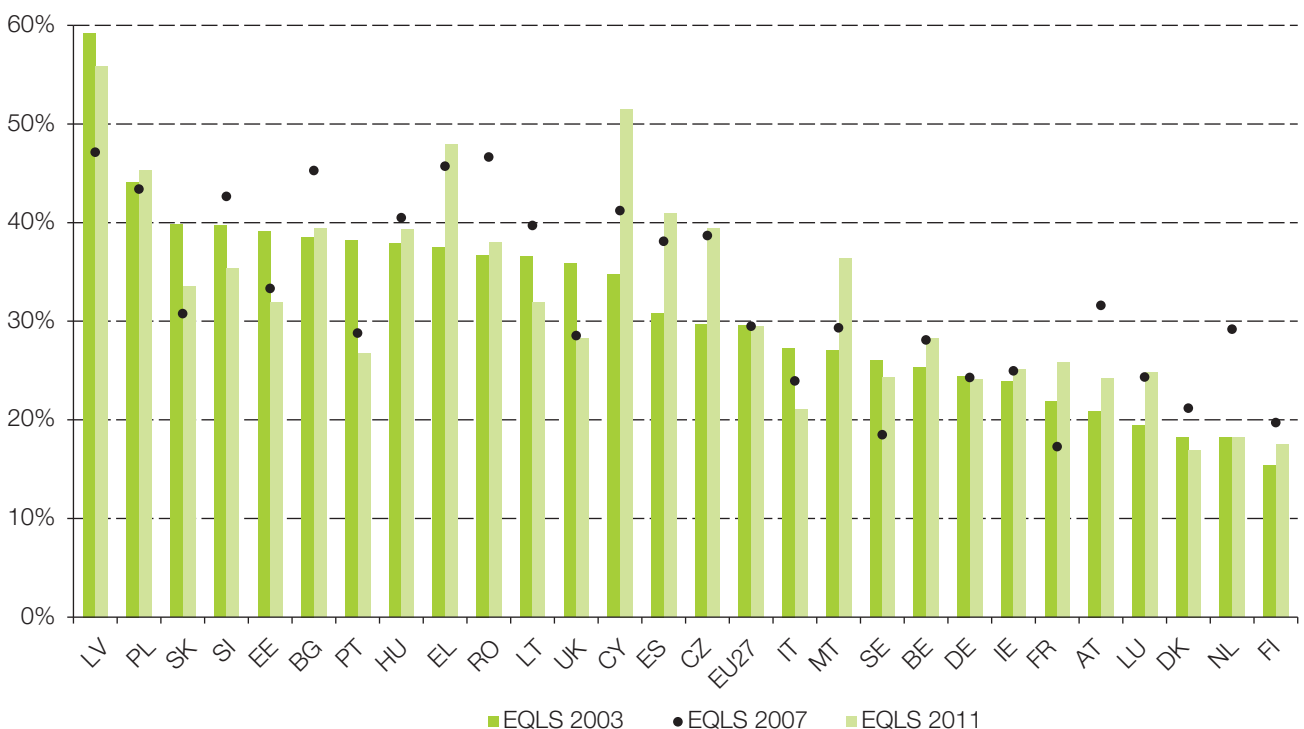
Difficulty fulfilling family responsibilities

Figures 14 and 15 show the European averages for reported difficulty fulfilling family responsibilities at least several times a

month in 2003, 2007 and 2011. The proportion of employees who report that they have difficulty fulfilling their family responsibilities is quite stable at 30% across the three surveys. There are, however, differences between the Member States.

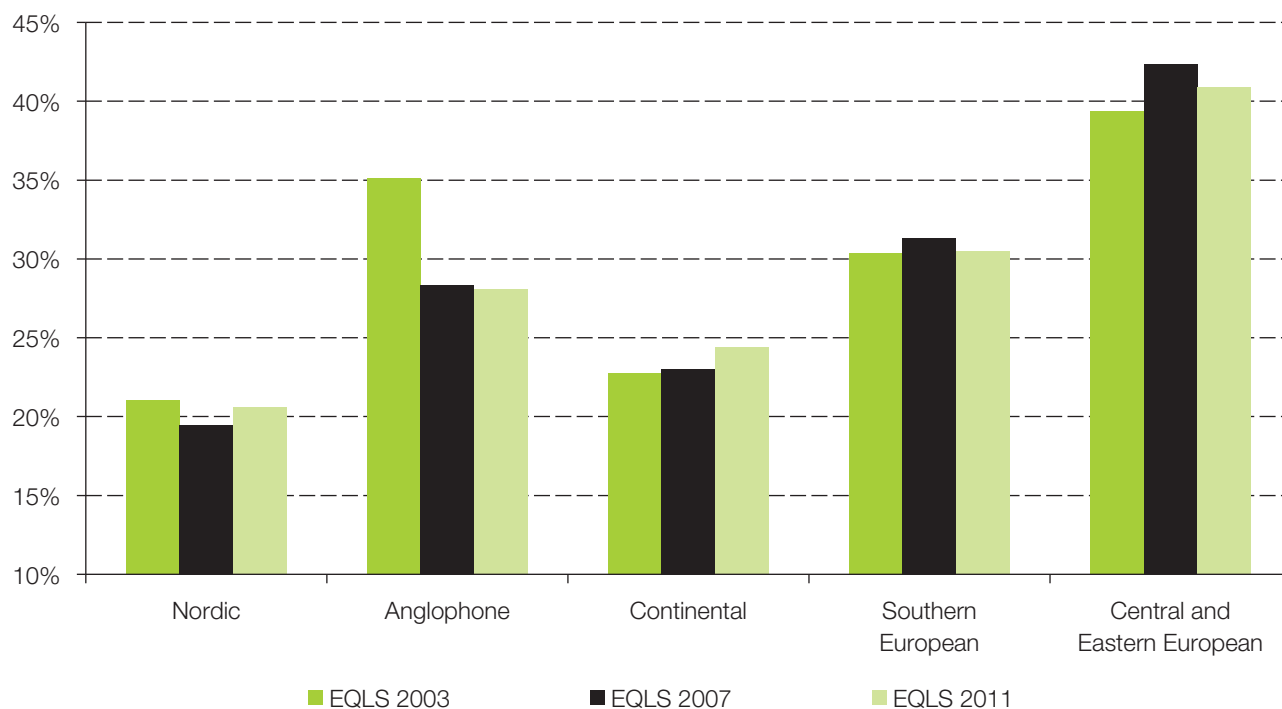
- Cyprus and Greece stand out because of the relatively high level of difficulty fulfilling family responsibilities reported by respondents in those countries in 2011 and the significant increases in this indicator since 2003 (17% in Cyprus and 10% in Greece). There was also an increase in the level of difficulty experienced by respondents in the Czech Republic, Malta and Spain.
- Central and Eastern European respondents experienced consistently higher levels of difficulty in fulfilling family obligations; Latvia stands out in particular.
- Member States with the lowest proportion of workers reporting difficulty in fulfilling family obligations in 2011 were mainly found in the Nordic and Continental clusters of welfare state types; workers in Italy and Ireland also showed relatively low levels. The Netherlands and Austria are unusual cases, where the proportion of workers reporting difficulty increased strongly from 2003 to 2007 and then decreased in 2011 to near the 2003 level.
- In Italy, the United Kingdom, Portugal and Estonia, the proportion of employees finding difficulty fulfilling family responsibilities dropped significantly from 2003 through 2007 to 2011.

Figure 14: Changes in the proportion of employees having difficulties at least several times a month fulfilling family responsibilities, by country



Note: Based on responses to: How often has each of the following happened to you during the last 12 months? It has been difficult for me to fulfil my family responsibilities because of the amount of time I spend on the job.

Figure 15: Changes in the proportion of employees having difficulty at least several times a month fulfilling family responsibilities, by country cluster (welfare state)



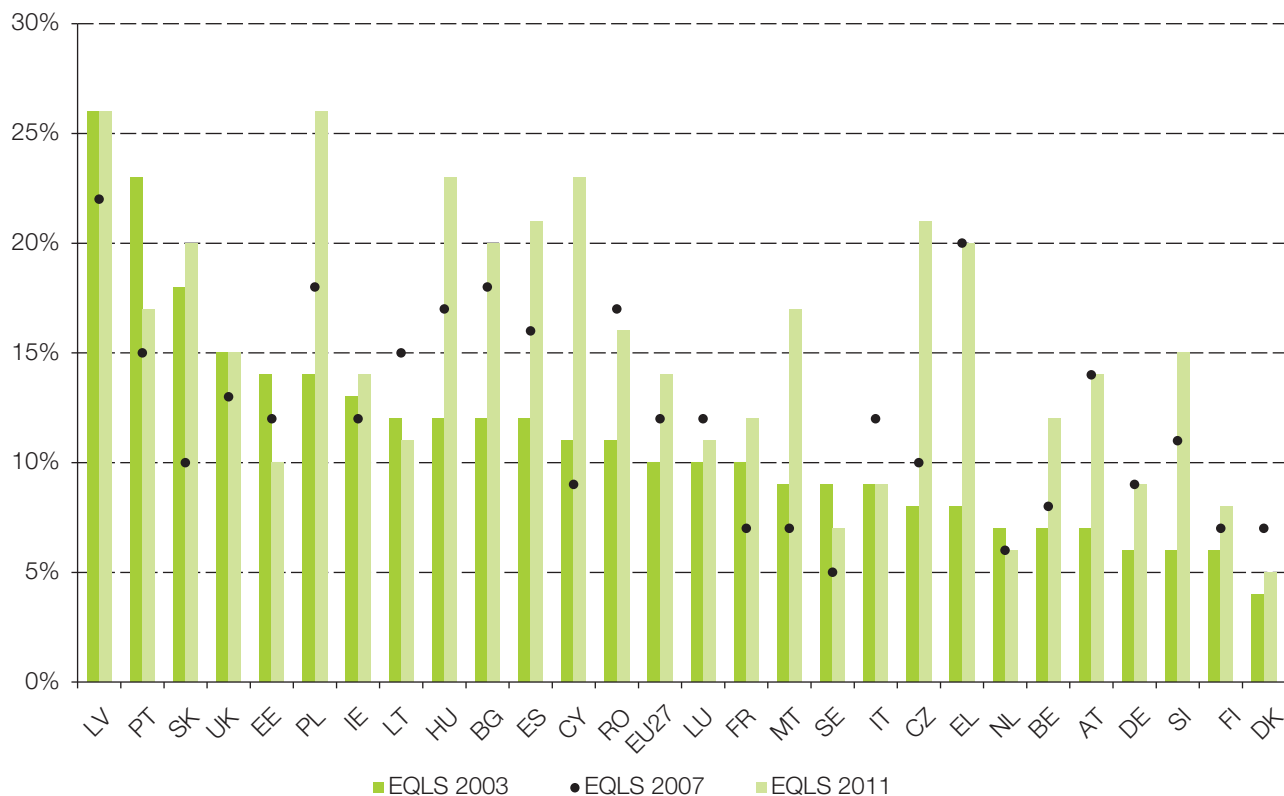
Note: See note to Figure 14 for question wording.

Difficulty concentrating at work

Figures 16 and 17 show the European averages for reported difficulty in concentrating at work at least several times a month because of family responsibilities in 2003, 2007 and 2011. For the whole of Europe, there was a small increase between 2003 and 2011 in the proportion of respondents reporting that they had difficulty in concentrating at work. In 2003, 10% of Europeans found it difficult to concentrate at work; by 2011, this was 14%. Across the Member States, there are different patterns of change in difficulty concentrating at work.

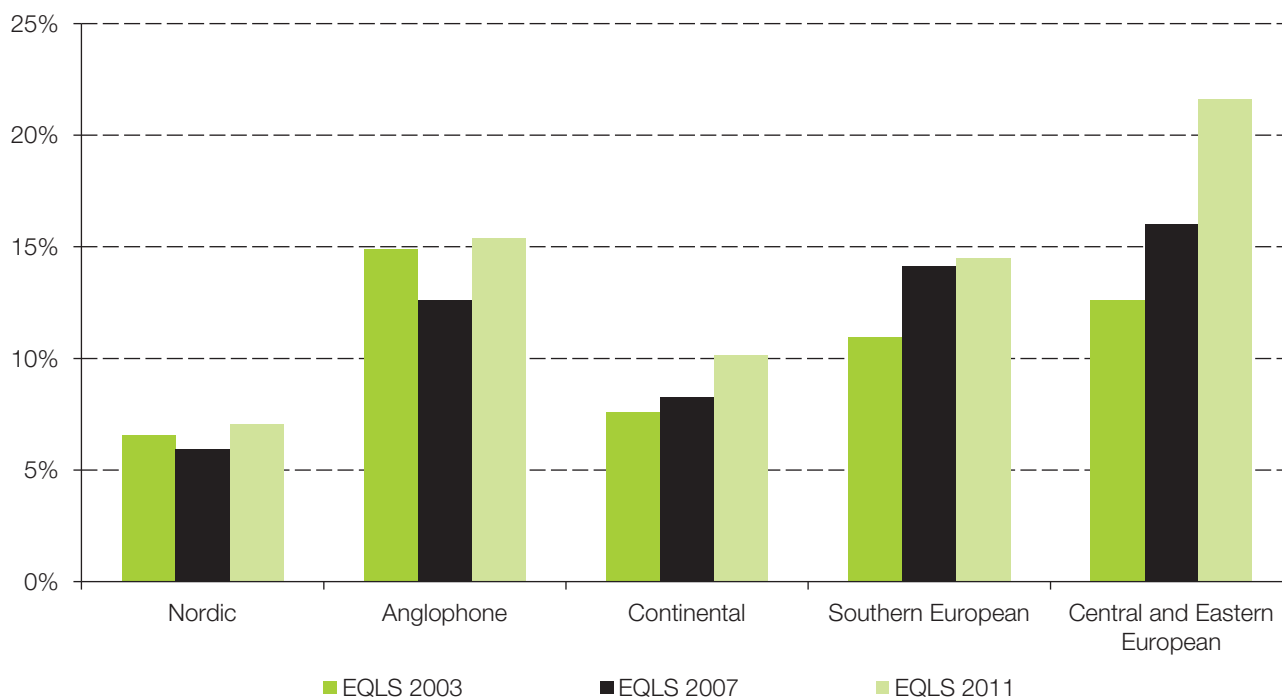
- The Central and Eastern European cluster of countries had a relatively high proportion of people with some difficulty in concentrating at work in 2011. Poland and Latvia had the highest proportions of workers reporting difficulty, both at 26%. Other countries with relatively high proportions compared to the rest of Europe include Hungary (23%), Cyprus (23%), the Czech Republic (21%) and Spain (21%).
- In the Central and Eastern European cluster of countries, there was a significant increase from 2003 through 2007 to 2011. In Poland, difficulty concentrating at work increased by 12% compared to 2003. There were also strong increases in Hungary, the Czech Republic, Bulgaria, Romania and (from a rather low level in 2003) Slovenia.
- There were many large increases in this variable among the Member States compared to 2003, even among countries that had relatively low levels in the 2003 EQLS. This was the case in some of the countries from the Southern cluster, such as Cyprus, Greece, Malta and Spain, but also in some of the countries from the Continental cluster (Austria, Belgium and, to a lesser extent, Germany and France).
- The countries with the lowest proportions of people reporting difficulty in concentrating at work in 2011 were Denmark (5%), the Netherlands (6%) and Sweden (8%). These countries also saw relatively small change compared to 2003 levels. Generally, the position of the Nordic countries was stable.
- In Portugal and Estonia, the proportion of people finding it difficult to concentrate at work because of family responsibilities decreased significantly; both countries had relatively high proportions of workers with some difficulty in 2003.

Figure 16: Changes in the proportion of employees having difficulty concentrating at work at least several times a month, by country



Note: Based on responses to: How often has each of the following happened to you during the last 12 months? I have found it difficult to concentrate at work because of my family responsibilities.

Figure 17: Changes in the proportion of employees having difficulties concentrating at work at least several times a month, by country cluster (welfare state)



Note: See Figure 16 for question wording.

- In contrast to the Southern and the Central and Eastern European clusters, the results were relatively constant in the United Kingdom and Ireland (the Anglophone cluster) between 2003 and 2011.

Policy effectiveness: hypothesis

Several programmes and policies to improve work-life balance have been implemented not only by the European Commission, but also by Member States, and so an improvement in work-life balance might be expected. Taking the analyses of the three variables for work-life balance together, the following hypothesis was formulated.

Hypothesis 10: Since 2003, perceptions of work-life balance, as reflected by the three EQLS variables – not coming home tired from work, having few problems fulfilling family responsibilities, and having no problem in concentrating at work – have improved (as a result of policy prioritisation).

On average, reported problems in concentrating at work because of family responsibilities have grown, and the picture for the other two variables has been stable. This hypothesis is, therefore, not supported.

In the Nordic cluster and most of the Continental cluster, however, policies that address work-life balance may have helped workers. There are also some individual countries, such as Italy, Portugal and Estonia, where the situation seems to have improved in the last decade.

CHAPTER 4

Changes in family and social life

Changes in family and social life

The family environment plays an essential role in an individual's emotional development and in preparing children for life in society. The family is often called upon to support its vulnerable members, such as elderly people and people with disabilities, becoming a last-resort provider of social protection in times of need. Therefore, the Council of Europe promotes the social, legal and economic protection of families. The council pays special attention to vulnerable family members, gender equality and children's rights (Council of Europe, 2013).

One of the important facets of Europe's efforts to cope with demographic change is supporting families now to better reconcile their responsibilities to care for family members and their everyday working life. Although cooperation at EU level on demographic change and gender equality has progressed, there remains a diversity of policies on family issues across Europe. Social changes caused by the postponement of childbirth, declining fertility and the ageing of the population have led to growing concern among policymakers and calls for policies to improve the availability and quality of childcare and services for the elderly (Eurofound, 2012a).

Turmoil in financial markets may not translate directly into turmoil in family life, but strain from work and the economic downturn alongside ongoing societal change can affect the family life of people in Europe. Eurofound (2009b) argues that while public policies can and do have an impact on quality of life, quality of life is also influenced profoundly by factors beyond the control of government, such as family life and informal relationships with friends and neighbours.

Apart from family life, social life also contributes to the well-being of an individual. Social life can be defined as the time an individual spends in contact with their social network, for instance friends, neighbours, classmates or fellow students, and workmates.

Policy context

EU policies in the field of the family are specifically directed at the position of children. The protection of children's rights is an explicit objective of the EU. In late February 2013, the European Commission adopted the Recommendation *Investing in*

children: Breaking the cycle of disadvantage as part of the Social Investment Package, which proposes a long-term social strategy to help overcome the current crisis and to strengthen the capacity of individuals. The Recommendation provides guidance for Member States on how to tackle child poverty and social exclusion through measures such as family support and benefits, quality childcare and early-childhood education. Social investment approaches to individual capacities are particularly beneficial for children from disadvantaged backgrounds, thus providing high social returns. They are also a crucial factor in breaking cycles of intergenerational transmission of poverty. Within the framework of the Recommendation, the European Platform for Investing in Children (EPIC) will be used to collect and disseminate innovative practices that were found to have a positive impact on children and families in EU Member States. EPIC will also serve as a platform for sharing the best of policymaking for children and their families, and foster cooperation and mutual learning in the field through thematic seminars and workshops (European Commission, 2013a; Europa, 2013).

Satisfaction with family life

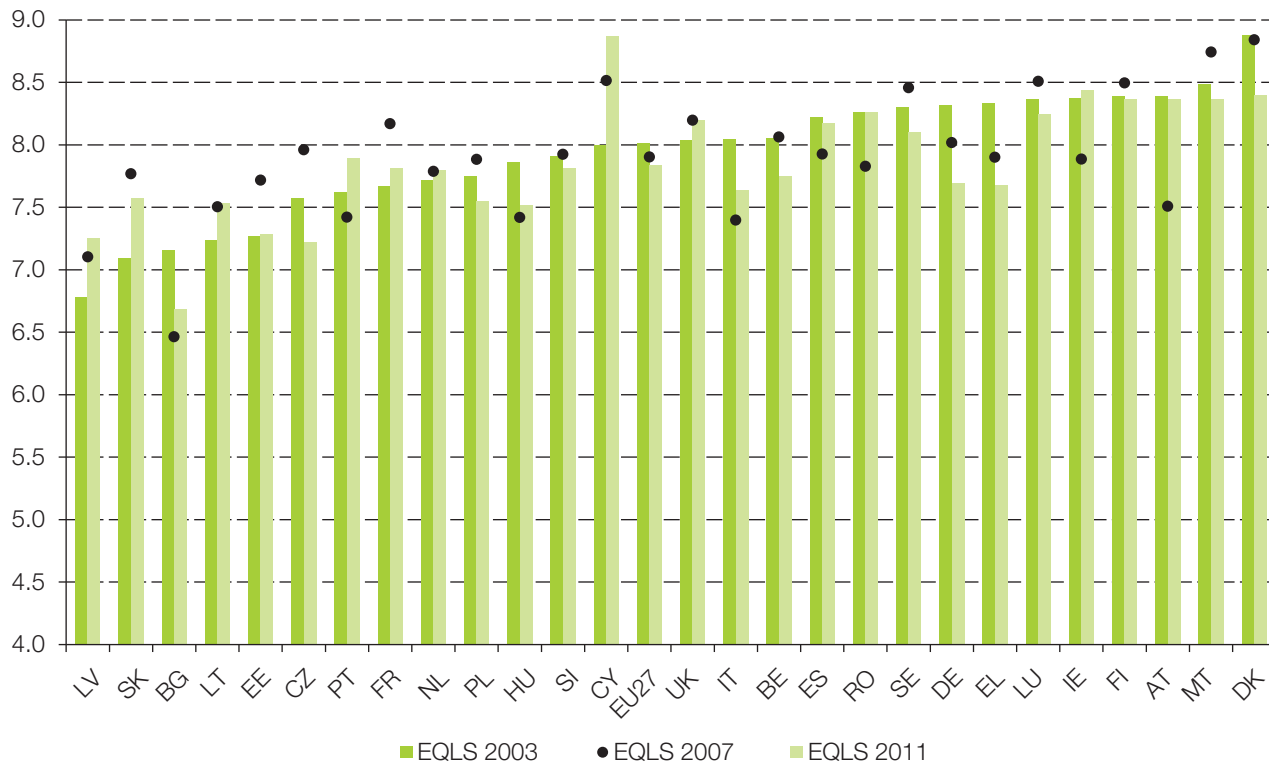
Satisfaction with family life and satisfaction with social life both have positive correlations with life satisfaction and happiness (Eurofound, 2012a). Figures 18–20 show changes in satisfaction with family life, sorted by country and country cluster.

Looking at the developments in mean satisfaction with family life in Europe over the period 2003–2011 (Figure 18), it has been largely stable, with only a very slight downward progression in average levels of satisfaction from 8.0 in 2003, to 7.9 in 2007 and 7.8 in 2011.

Between 2003 and 2011, satisfaction with family life dropped most sharply in Greece (-0.7), Germany (-0.6), and Denmark and Bulgaria (-0.5). In Slovakia and Latvia, average satisfaction with family life increased by 0.5, and in Cyprus by 0.9 to the highest level in Europe for 2011 (8.9).

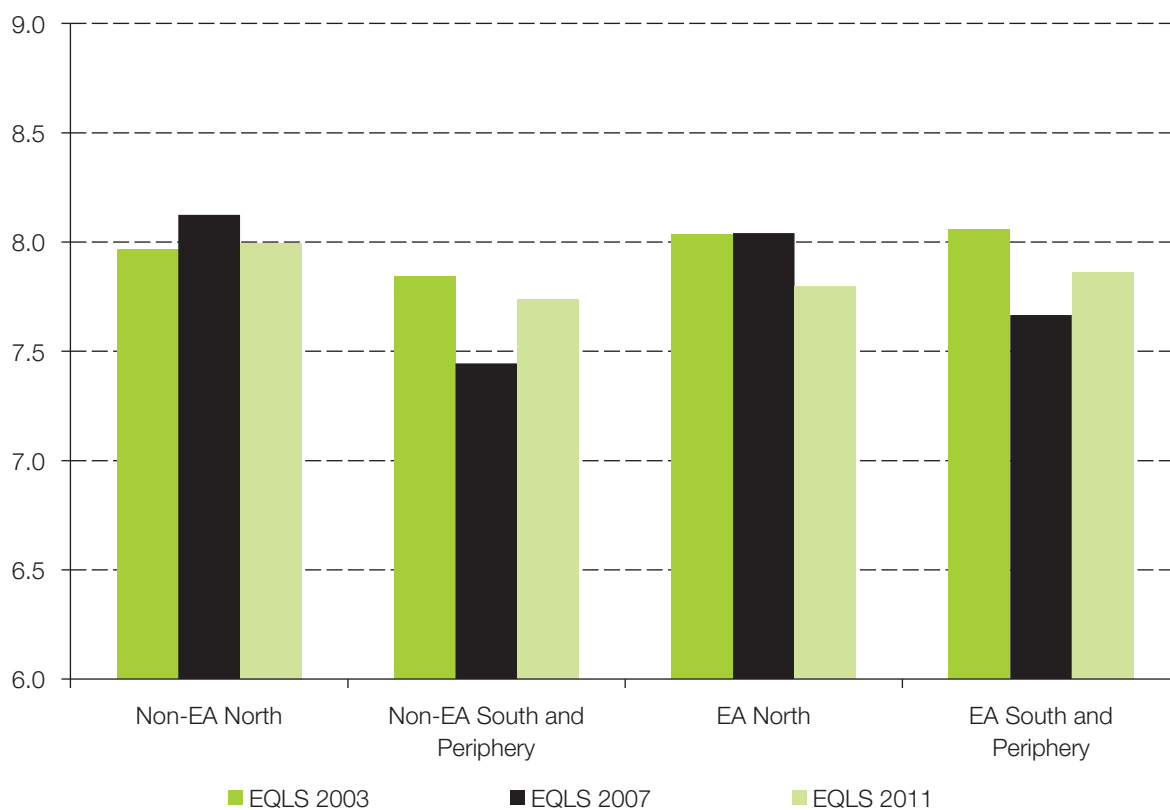
In the country clustering that identifies those most and least affected by the financial crisis, there are no clear trends between 2003 and 2011 (Figure 19).

Figure 18: Changes in satisfaction with family life, by country



Note: Based on responses to: Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items ...? Your family life.

Figure 19: Changes in satisfaction with family life, by country cluster (EA and Non-EA)



Note: See note to Figure 18 for question wording.

Figure 20: Changes in satisfaction with family life, by country cluster (welfare state)

Note: See note to Figure 18 for question wording

In the cluster grouping countries by type of welfare state, the Anglophone group shows an upward trend in satisfaction with family life (+0.2), and the Central and Eastern European group shows a downward trend (Figure 20).

Men and women reported almost the same levels of satisfaction with family life, and there was no significant change over the three waves of the survey.

In relation to age and satisfaction with family life, there were small but significant differences. Over the period, the youngest age group was most stable, with an increase of 0.2 between 2003 and 2007. The youngest age group also showed the highest averages in 2007 and 2011. The averages of all other age groups dropped between 2003 and 2011. The largest decline can be seen in the 50–64 age group, with a drop of 0.3 between 2003 and 2011. A possible explanation is the increase in the pension age, obliging people to prolong their working lives and spend less time with their families.

Satisfaction with social life

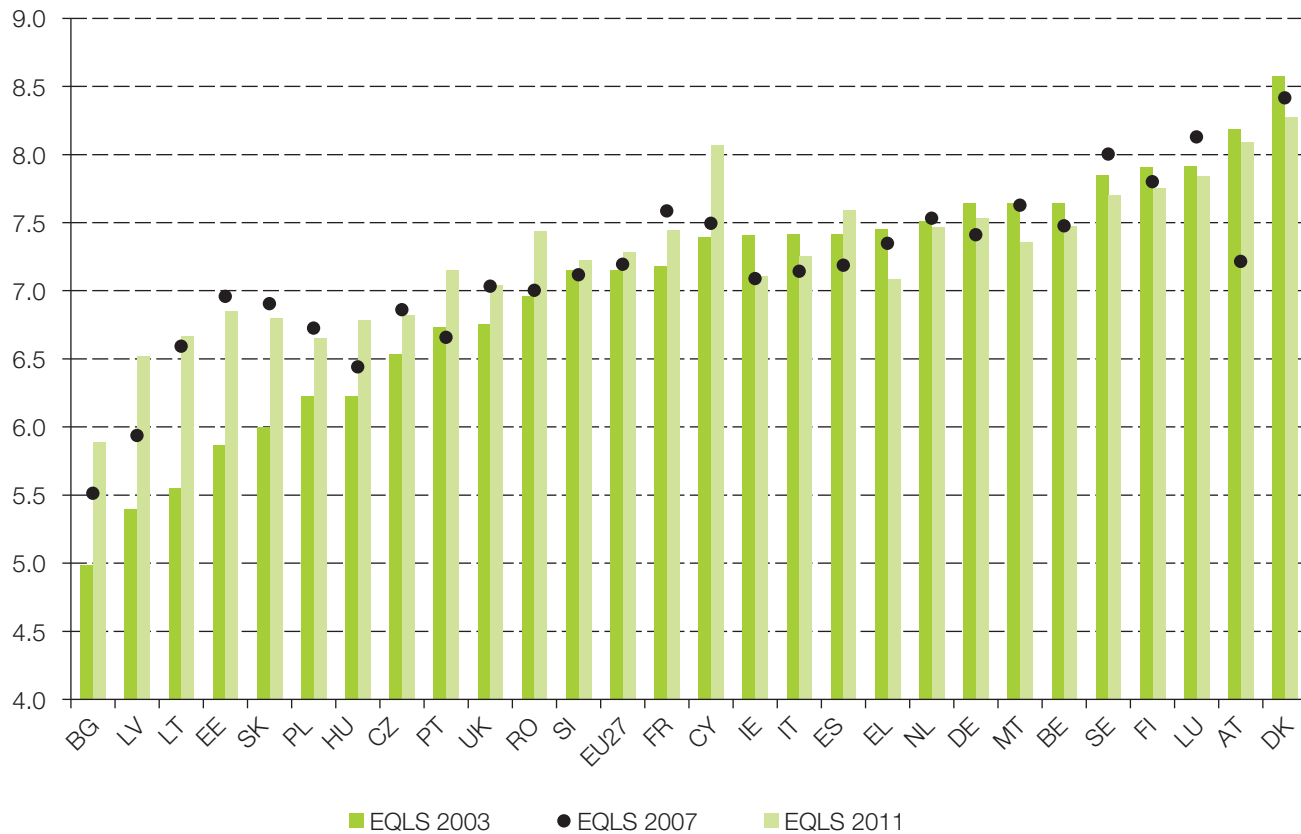
The average score for satisfaction with social life in the EU, like that for satisfaction with family life, barely changed over

the period (Figure 21). The largest decline between 2003 and 2011 – although still small – was in Greece (-0.4), and the largest increases were in Estonia (+1.0), Lithuania (+1.1) and Latvia (+1.1). Generally, there has been a larger increase in the newer Member States, causing some convergence.

Within the cluster that groups countries by effect of the economic crisis, the 2003 figures for both Non-EA groups were low and had an upward trend through the three surveys (Figure 22). This seems to indicate that, in the absence of economic factors, satisfaction with social life in Europe seems to have improved. Meanwhile, in both groups of economically affected countries, there was no clear pattern between 2003 and 2011.

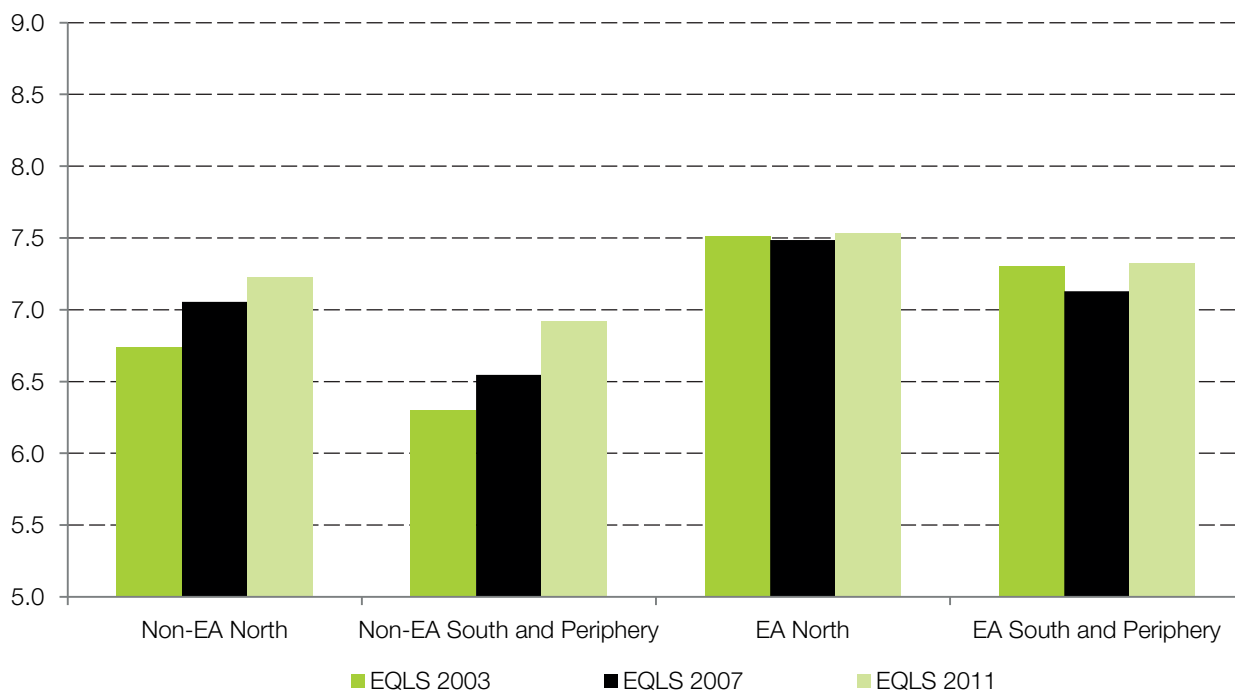
Turning to the country clusters grouped by type of welfare states, the Central and Eastern European cluster showed an upward trend through 2003, 2007 and 2011, and in the Continental group, the results were stable (Figure 23). There was no clear trend in the other clusters. On balance, between 2003 and 2011 the Central and Eastern European Member States and the Anglophone countries showed an increase in satisfaction with social life (+0.5 and +0.3) and the Nordic countries showed a small decrease (-0.2).

Figure 21: Changes in satisfaction with social life, by country

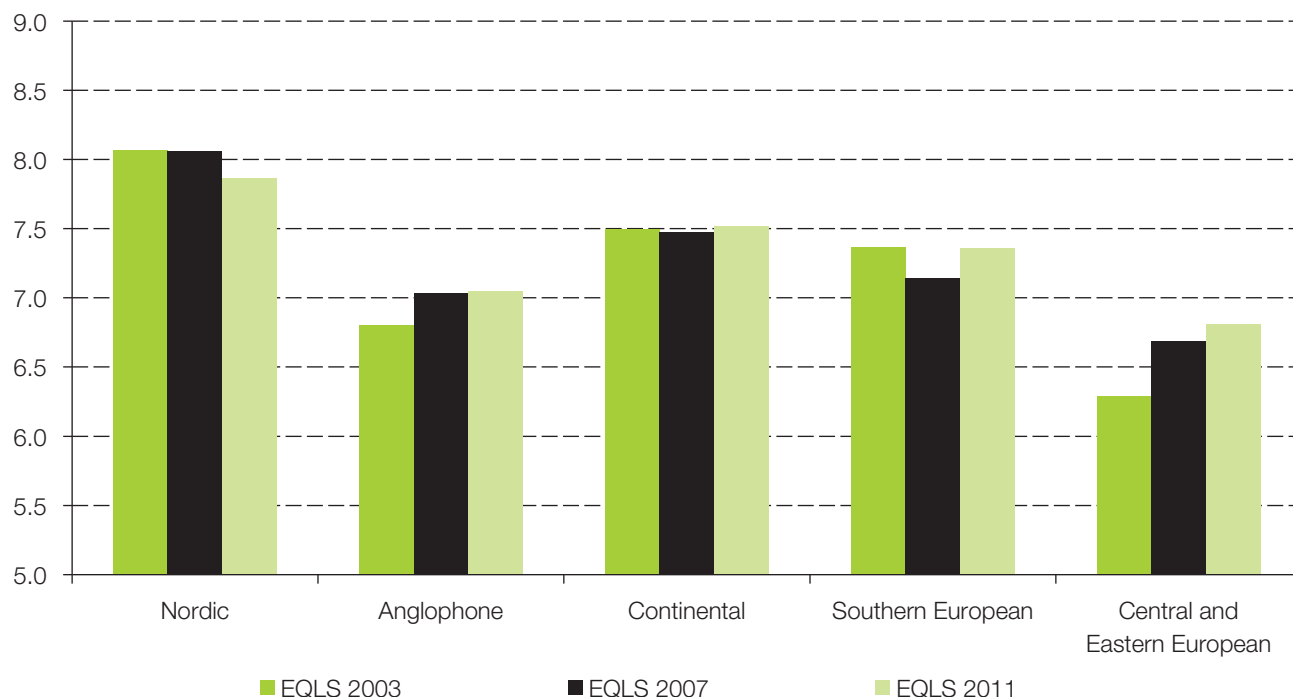


Note: Based on answers to: Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items ...? Your social life.

Figure 22: Changes in satisfaction with social life, by country cluster (EA and Non-EA)



Note: See note to Figure 21 for question wording.

Figure 23: Changes in satisfaction with social life, by country cluster (welfare state)

Note: See note to Figure 21 for question wording.

Household structure: hypotheses

Households with children

The third EQLS concluded that single parents, in particular, are significantly less satisfied with their life than couples, and that this difference cannot be attributed to income alone. Those who live with a partner report even more satisfaction if they have children in the household (Eurofound, 2012a). To test this association, two hypotheses were formulated on family and social life.

Hypothesis 11: When controlling for other factors, such as income, employment status, household type and work–life balance, the quality of life of households with children is more resilient in times of economic recession.

To test Hypothesis 11, an ordinary least squares (OLS) regression analysis was carried out. For 2003, 2007 and 2011, when controlling for household size, economic status and income, lower levels of life satisfaction are reported by single people, single parents and ‘other’ household structures compared to couples (the reference group) (see Table A4, Annex 3). The largest difference is between the couples and single parents. There is no significant difference

between couples with children and couples without children. Perceptions of happiness display a similar pattern (see Table A5, Annex 3). Again singles, single parents and ‘other’ household structures report lower levels of happiness. Single parents and single people differ most from couples. While in 2007 and 2011, there was no significant difference in happiness between couples with and without children, in 2003, there was a small but significant difference.

Considering these results, it can be concluded that having children in the household does not necessarily lead to a more resilient quality of life in times of economic recession. It seems that the quality of life of people living as part of a couple, whether or not they have children, is most resilient. Thus Hypothesis 11 is not supported.

Single parents

Dolan et al (2008) conclude that the evidence of the effect on well-being of having children is mixed and differs depending on indicator and country. Sometimes researchers find that having children has positive effects on life satisfaction and yet negative effects on happiness. Sometimes it is found that life satisfaction is negatively affected by having children, for instance in the case of single parents, divorced mothers, when the family has recently moved, or when the

child is sick and needs more care. In other words, if other circumstances are relatively negative, children seem to be an addition challenge to well-being. A second hypothesis was formulated on this aspect of well-being.

Hypothesis 12: When controlling for factors such as income, employment status and health, single parents are more heavily affected by the economic crisis than other household types, measured by their quality of life and satisfaction with family life.

To test this hypothesis, an OLS regression analysis was again carried out. For 2003, 2007 and 2011, when controlling for economic status, income and health, being single, a single parent and in 'other' household types are associated with lower life satisfaction when compared to couples (Table A4, Annex 3). However, the difference is highest for single parents. There is an association between household composition and levels of happiness (see Table A5, Annex 3). Here the difference is highest between the couples and single people and single parents, although this decreased over the period between 2003 and 2011.

Single people, single parents and 'other' household types are associated with lower satisfaction with family life when compared to couples. The difference is largest for single people, followed by single parents. The difference between couples and single parents did not change much during the period covered by the EQLS surveys.

The results show that both single people and single parents have a lower level of satisfaction with life, lower levels of happiness and lower satisfaction with family life. In these respects, Hypothesis 12 is supported, but there is no evidence of change over time associated with the global economic situation.

Changes in satisfaction among sociodemographic groups

Satisfaction with social life is not associated with gender. For both men and women, there is a small increase in satisfaction with social life of 0.17 between 2003 and 2011. All age groups show an increase in satisfaction between 2003 and 2011; the increase is largest for the 65+ age group in the EU12.

Satisfaction with family life is slightly higher for people living in rural areas and villages compared to those in urban areas. Overall differences have remained stable over the period of the three surveys.

Sources of support

For most people, everyday life is supported by family, friends, neighbours and workmates to whom they can turn for help when routines are disturbed. People may turn to their family and social network when, for example, they need help during illness, for advice on a serious matter, or for raising money in an emergency (Eurofound 2010, 2012a). It is expected that, especially in difficult times, family and the social network are vital for support and that people able to access such support enjoy higher subjective well-being.

Table 2 provides insight into changes in life satisfaction when considered in the context of the sources of support people have. It is important to acknowledge that the proportion of people who cannot fall back on family or their social network for all situations described below is small. In general, the size of this group remained stable from 2003 through 2007 to 2011.

The results of the three survey waves demonstrate that people who feel they are able to turn to family for help are generally most satisfied with life, followed by those who rely on their social network (for example, friends and colleagues). People who get their support outside their social network and family are in general least satisfied with life.

Support networks: hypothesis

In the Eurofound report *Subjective well-being in Europe*, which is based on the second EQLS, evidence was found to support the hypothesis that a lack of financial support reduces life satisfaction levels more for people who are relatively more deprived (Eurofound, 2010b). To examine this finding in the current context, the following hypothesis was formulated.

Hypothesis 13: The quality of life in households with access to a more robust social support network is more resilient in times of economic recession.

Generally, there is a positive trend in satisfaction in relation to support from family and social network as well as the category 'other/nobody', independent of the economic downturn. In fact, for two types of support, the category 'other/nobody' shows even stronger growth in satisfaction than for family and social network. Even so, life satisfaction for people who can fall back on support from their families and on their social network is higher than for the (small) group who lack this type of support. Therefore, this hypothesis cannot be neither supported nor refuted.

Table 2: Life satisfaction by sources of support

	Life satisfaction score		
	2003	2007	2011
Help around the house when ill:			
Family	7.09	7.10	7.20
Social network	6.82	6.76	7.01
Other/nobody	6.19	5.35	6.40
Need advice about a serious personal or family matter:			
Family	7.09	7.11	7.23
Social network	7.02	6.88	7.02
Other/nobody	6.03	6.05	6.36
Need someone to talk to when feeling a bit depressed:			
Family	7.13	7.17	7.26
Social network	7.00	6.87	7.06
Other/nobody	6.23	6.13	6.47
Need to urgently raise money to face an emergency:			
Family	7.27	7.21	7.27
Social network	6.96	6.97	6.92
Other/nobody	6.08	6.22	6.70

Note: Based on answers to: *From whom would you get support in the following situations?*
Weighted data; mean score on a scale of 1 to 10.

CHAPTER 5

Changes in home, housing and local environment

Changes in home, housing and local environment

As well as local neighbourhood services, the broader environment, built and natural, also affects quality of life. This applies especially to the natural environment, which is the source not only of resources but also of aesthetic pleasure, artistic inspiration and recreation. A dissertation by Vemuri (2004) proves the contribution of the natural environment to satisfaction levels and quality of life as a whole. In particular, the natural environment has a direct relationship with neighbourhood satisfaction and a mostly indirect relationship with life satisfaction. This chapter outlines developments and trends in the housing of Europeans and in their satisfaction with their homes and local environment.

Policy context

The EU plays a part in environmental policies and has a more limited role in addressing housing deprivation and improving living conditions in neighbourhoods, mainly through the allocation of structural funds.

Recent policy developments in European economic governance, which allow the European Commission to make recommendations to Member States on their housing policies, reinforces the interaction between national housing policies and the EU's policy-directing function.

The quality of the environment in a neighbourhood is a direct responsibility of public agencies (Eurofound, 2010). As part of the Europe 2020 strategy, an initiative called 'A resource-efficient Europe' was launched. It focuses on 'healthy neighbourhoods', recycling and insulation. Local environments in rural areas are further affected by the Common Agricultural Policy, which comprises a large share of the EU's

budget and which has a major impact on the rural environment (Eurofound, 2012a).

Also relevant to this policy area is the European Innovative Partnership on Active and Healthy Ageing (EIPAHA). This includes an initiative to create an age-friendly environment in the EU by 2020, to be achieved through greater participation, collaboration and innovation. Inspired by the WHO Age-friendly Environments Programme,⁴ and further complemented by the use of ICT, the initiative will launch a network of cities, regions and municipalities committed to deploying innovative approaches to make their living environment more age-friendly.

The European Commission has proposed a new Environment Action Programme for the EU. Entitled 'Living well, within the limits of our planet', it will guide environmental policy up to 2020. The proposal aims to enhance Europe's ecological resilience and transform the EU into an inclusive and sustainable green economy.

Home and housing

Both the quality of dwellings and issues more broadly related to housing, such as the associated costs, are important for the well-being of Europeans. Indicators from the EQLS for home and housing quality are:

- ownership;
- size of accommodation (number of rooms);
- problems with accommodation;
- satisfaction with accommodation;
- housing security and affordability.

⁴ The WHO Age-friendly Environments Programme is an international effort to address the environmental and social factors that contribute to active and healthy ageing. The programme helps cities and communities become more supportive of older people by addressing their needs across eight dimensions: the built environment, transport, housing, social participation, respect and social inclusion, civic participation and employment, communication, and community support and health services.

Ownership

Home ownership has been on the rise in the EU since the 1980s (OECD, 2011). This can be explained by ageing populations with increased capital accumulation, and by governments selling off social housing stocks and introducing fiscal incentives for home ownership. This increase in home ownership also applies to the period 2003 to 2007, during which the proportion of EQLS respondents reporting they were living in a house that they fully owned or had bought with the help of a mortgage increased from 66% to 70% (Eurofound, 2010);⁵ in 2011, this figure was 65%. At the country level, according to EQLS data, some notable changes occurred across 2003, 2007 and 2011. There is, however, no clear pattern for certain (clusters of) countries.

Size of accommodation

The average number of rooms for households in the EU27 was 3.8 in 2003, 3.8 in 2007 and 3.6 in 2011 (Figure 24). The small

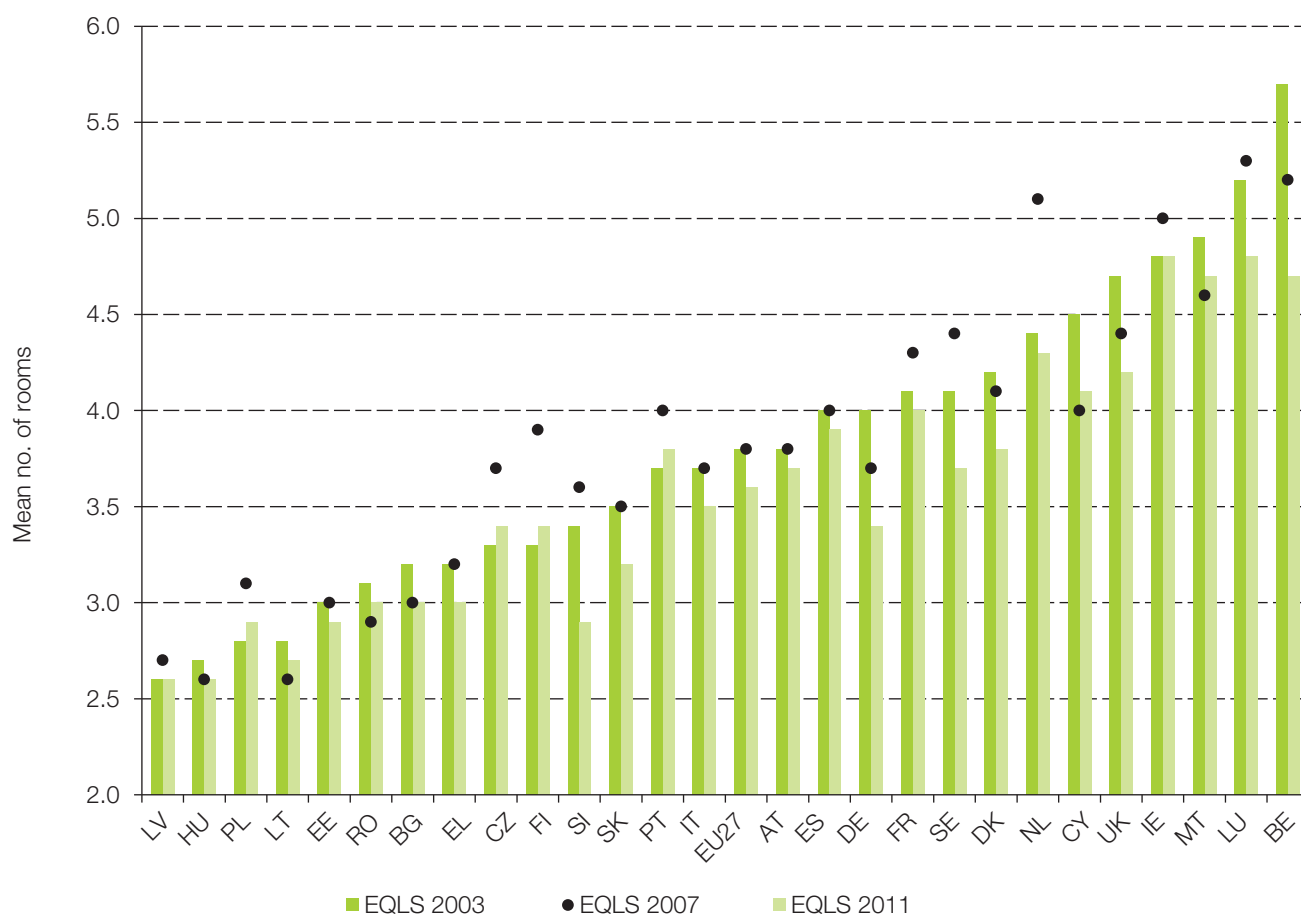
decline between 2007 and 2011 most likely relates to the ageing of the population and smaller average household sizes.

When comparing Member States, large differences are evident. The maximum in 2011 was 4.8 rooms on average in Ireland and Luxembourg and the minimum was 2.6 rooms in Latvia and Hungary. In 2007, the maximum was 5.3 rooms in Luxembourg and the minimum 2.6 rooms in Lithuania and Hungary. In 2003, the maximum was 5.7 rooms per household in Belgium and the minimum 2.6 rooms in Latvia.

Problems with accommodation

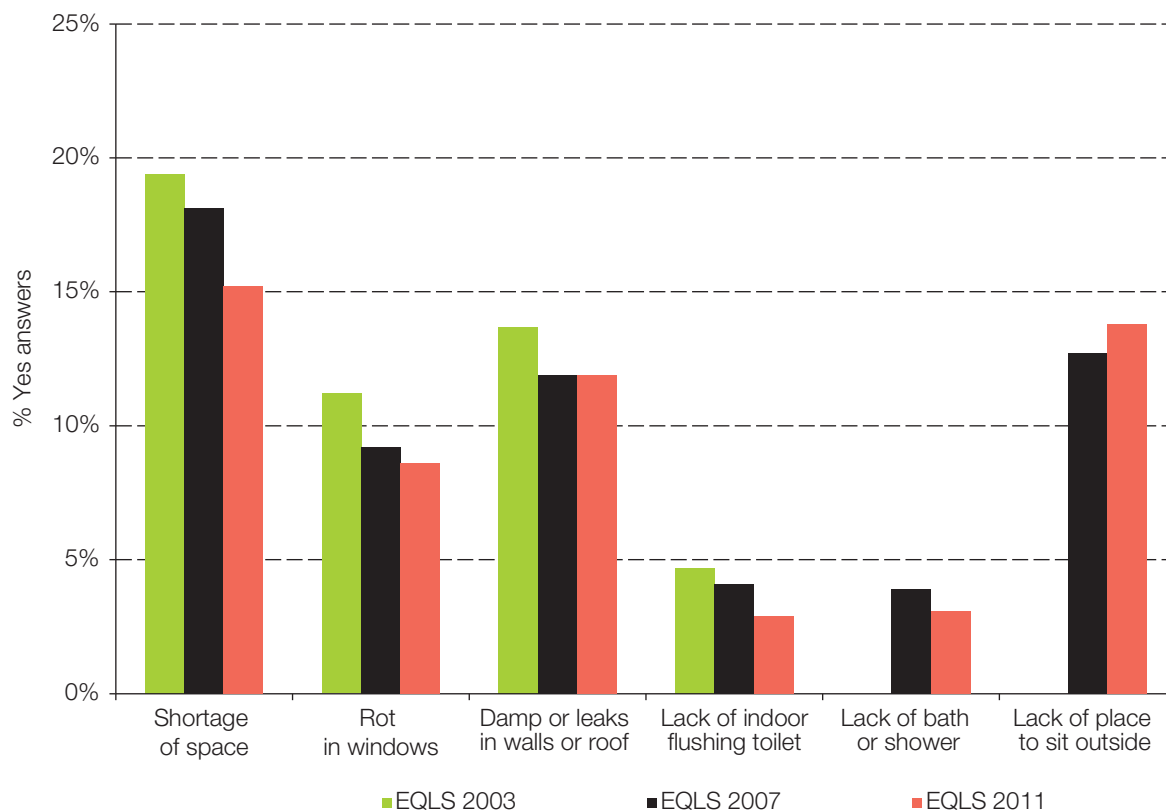
In 2003, 52% of people reported having some problem with their accommodation. This proportion dropped by 29 percentage points to 23% in 2007. Between 2007 and 2011, the figure remained stable, with 23% of the population reporting problems with their accommodation. Figure 25 sketches a more detailed picture of the type of problems people experienced with the accommodation they live in.

Figure 24: Changes in mean number of rooms, by country



Note: Based on responses to: *How many rooms does the accommodation in which you live have, excluding the kitchen, bathrooms, hallways, storerooms and rooms used solely for business?*

⁵ According to figures from the EU-SILC database, however, over recent years home ownership appears to have declined from 73% in 2007 to 71% in 2010.

Figure 25: Changes in type of problems people reported with their accommodation

Notes: Based on responses to: Do you have any of the following problems with your accommodation?

No data available in 2003 on lack of bath or shower and lack of place to sit outside.

The most frequently reported problem with accommodation across all survey waves was shortage of space. Lack of a bath or shower and lack of an indoor flushing toilet were the least reported problems; in all survey waves, less than 5% of people reported these problems.

There was a downward trend for the problem of shortage of space across 2003, 2007 and 2011. A downward trend was visible to a lesser degree for the problems of rot in windows and lack of an indoor flushing toilet. In relation to a lack of somewhere to sit outside, only data for 2007 and 2011 are available, and there was an increase in the proportion of respondents saying this was a problem. One explanation might be the decreasing average size of households, and that smaller households often live in less spacious accommodation such as apartments.

Satisfaction with accommodation

While the EQLS assesses more objective measures of housing quality, it also includes subjective measures. The personal assessments of people take into account a broad range of

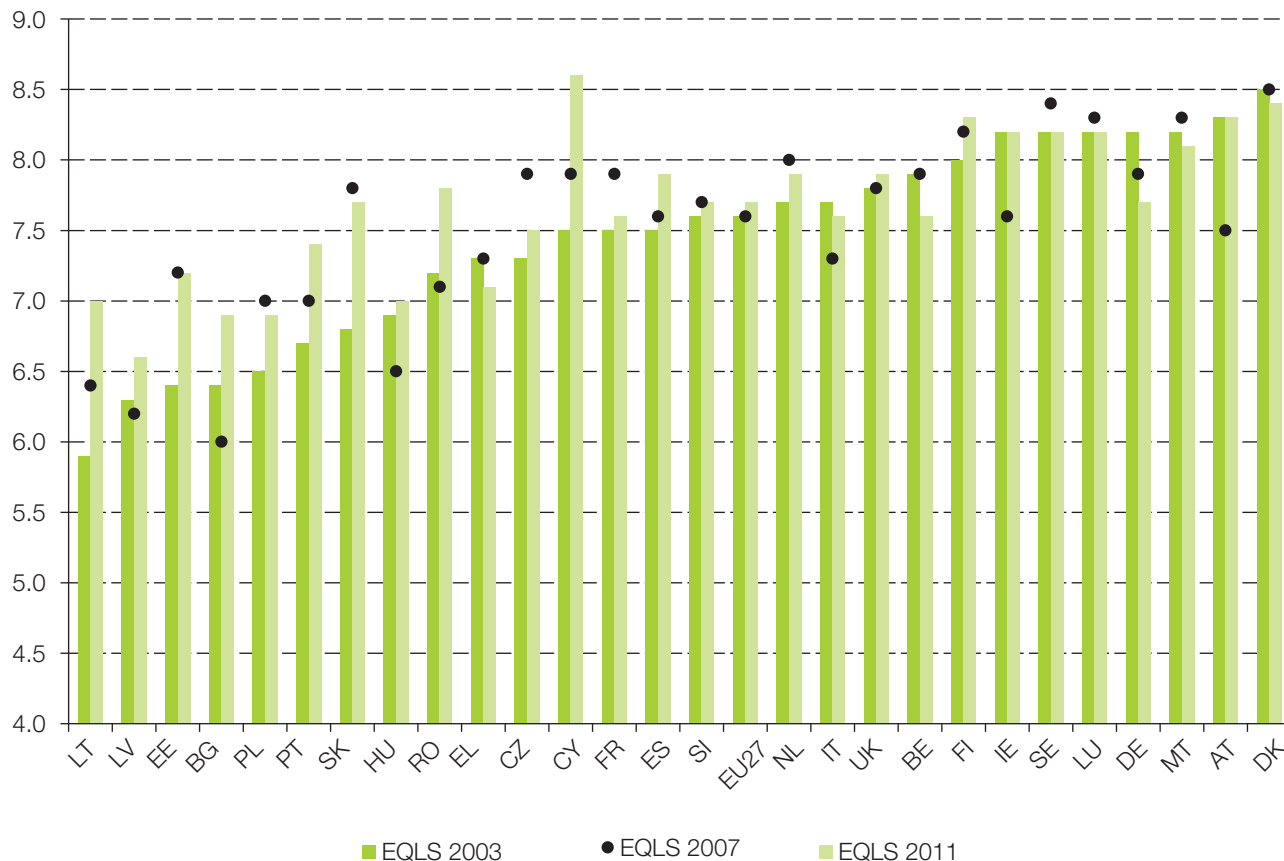
variables. Their satisfaction depends, of course, on their historical and geographical reference points as well as on their personal preferences (Eurofound, 2012a). In Figures 26–28, changes in satisfaction with accommodation by country and country cluster are shown.

On average, satisfaction with accommodation across Europe has hardly changed (Figure 26). Europeans rated their satisfaction with their accommodation in 2011 at an average of 7.7 on a scale of 1 to 10, and 7.6 for both 2007 and 2003.

In most countries, satisfaction with accommodation was stable between 2003 and 2011, with only minor fluctuations. Notable, however, were the relatively large improvements in Cyprus (+1.2), Lithuania (+1.1) and Slovakia (+0.9). In Germany, satisfaction with accommodation declined by half a percentage point from 8.2 in 2003 to 7.7 in 2011.

In 2011, Cyprus had the highest average score (8.6) followed by Denmark (8.4), Austria (8.3) and Finland (8.3). In 2011, the lowest levels of satisfaction with accommodation were found in Latvia (6.6), Bulgaria (6.9) and Poland (6.9).

Figure 26: Changes in satisfaction with accommodation, by country

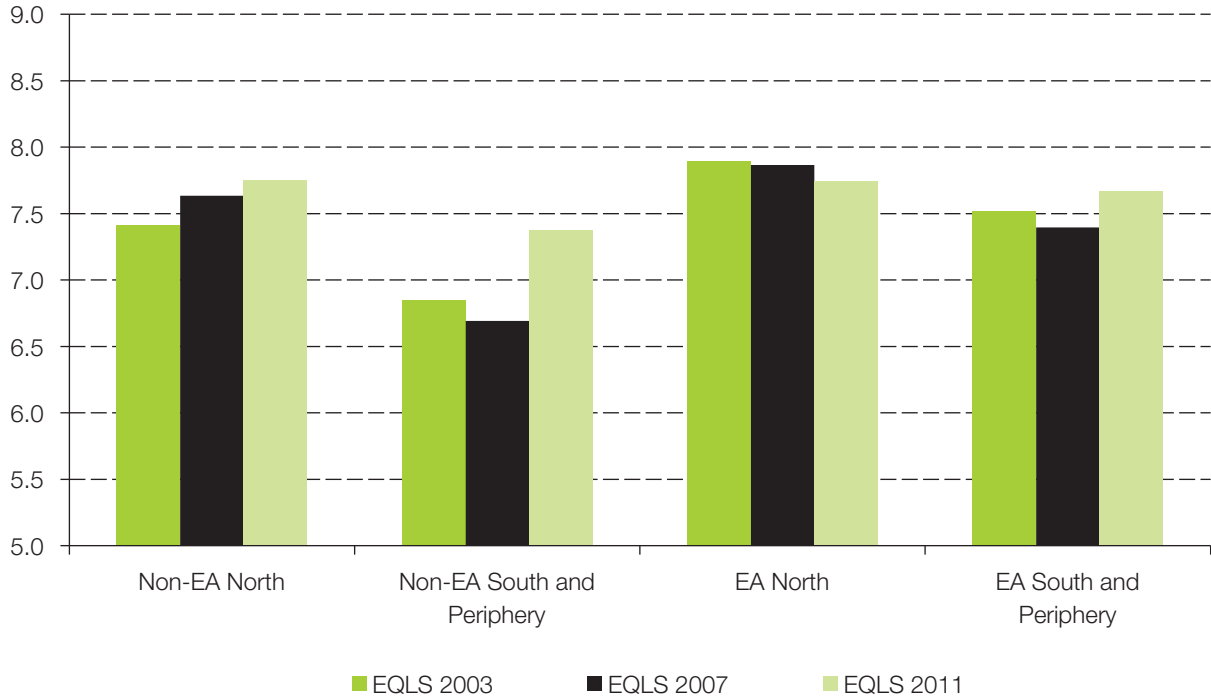


Note: Based on responses to: *Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items ...? Your accommodation.*

When considering the country clusters organised by the economic effect of the crisis, satisfaction with accommodation grew in the clusters of mildly affected or unaffected countries. There was a decrease only in the EA North, which can be attributed to Germany, the most populous European country, and Belgium.

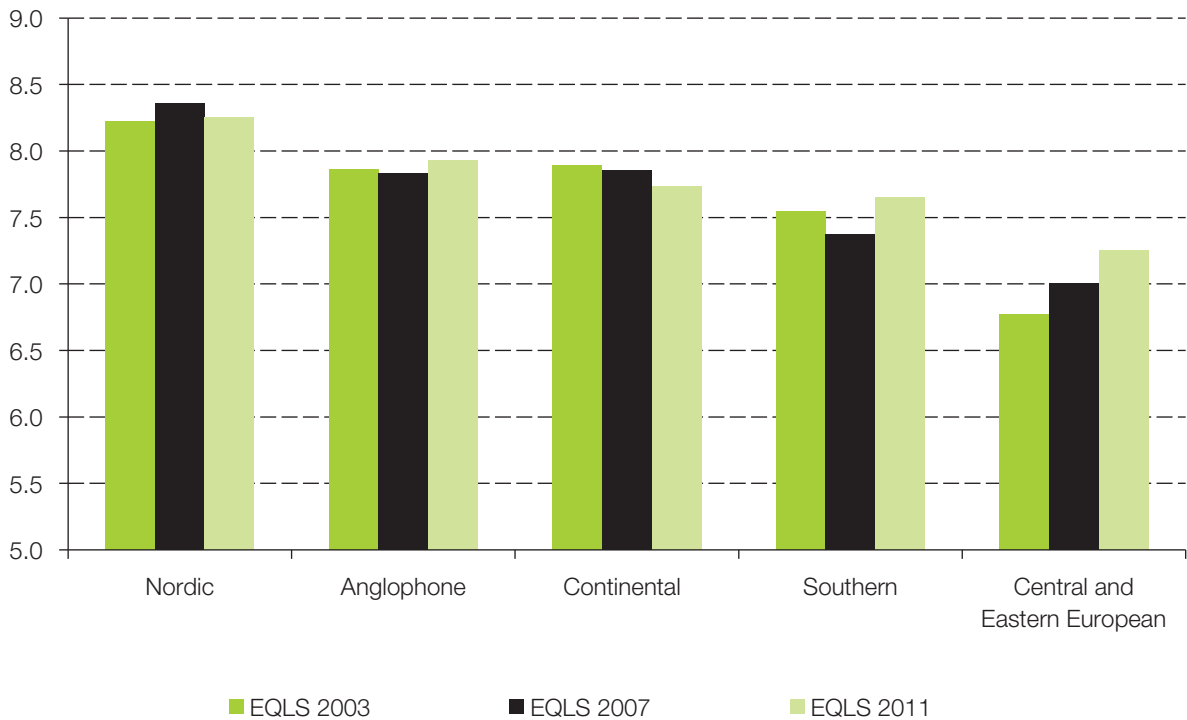
In the clusters defined by type of welfare state, only the Central and Eastern European cluster showed a clear upward trend in the period. In the other clusters, no clear pattern can be observed.

Figure 27: Changes in satisfaction with accommodation, by country cluster (EA and Non-EA)



Note: See note to Figure 26 for question wording.

Figure 28: Changes in satisfaction with accommodation, by country cluster (welfare state)



Note: See note to Figure 26 for question wording.

Housing security and affordability: hypotheses

The overview report of the 2011 EQLS concluded that the proportion of Europeans who reported having been unable to make a scheduled rent or mortgage payment in the 12 months preceding the survey had increased from 8% in 2007 to 11% in 2011 (Eurofound, 2012a). To investigate the long-term housing security of mortgage holders, two hypotheses were formulated.

Hypothesis 14: Due to the economic crisis, a larger proportion of mortgage holders have difficulty making ends meet in 2011 than in 2007.

Between 2007 and 2011, the proportion of mortgage holders that had difficulty making ends meet rose from 8% in 2007 to 11% in 2011. Therefore, Hypothesis 14 is supported. Of course, there is also a group of former mortgage holders who have already lost their houses. Difficulty making ends meet also applies to people in other types of accommodation.

It might be expected that difficulties in sustaining good living conditions would increase due to financial problems, and this would, for instance, be reflected in less maintenance of the

home. The second hypothesis is based on this proposition.

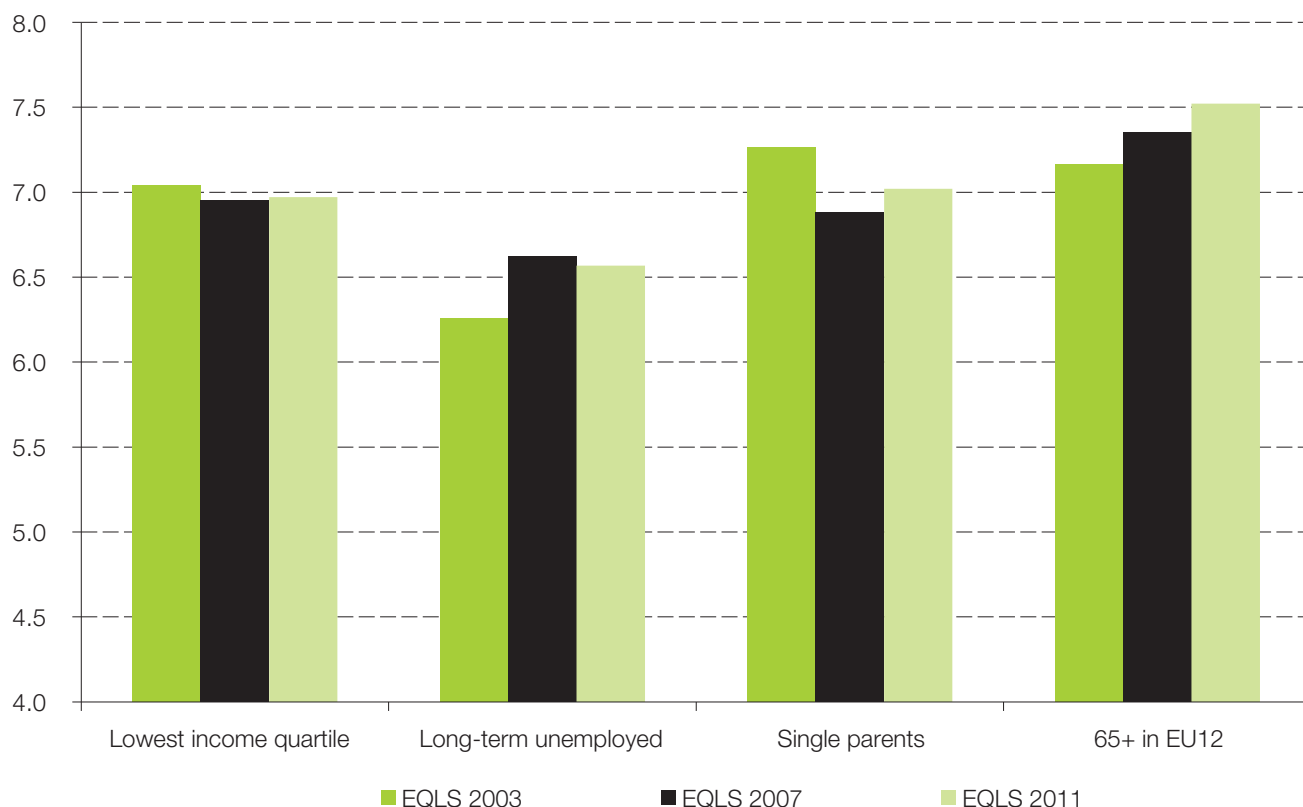
Hypothesis 15: Increased financial strain between 2007 and 2011 is reflected in deterioration of experienced living conditions for mortgage holders.

This is not the case, however. Thus Hypothesis 15 is not supported by the EQLS results for 2011. The proportion of mortgage holders reporting problems with accommodation was 29% in 2007 and 27% in 2011.

Accommodation of vulnerable groups

Throughout all the Eurofound reports on the EQLS data, attention has been paid to the position of the most vulnerable groups. The overview report for the second EQLS concluded that there is a need to improve the living conditions of disadvantaged groups and develop policies to support better housing and environmental conditions (Eurofound, 2009a). Figure 29 presents satisfaction with accommodation among vulnerable groups.

Figure 29: Satisfaction with accommodation, by vulnerable groups



Note: See note to Figure 26 for question wording.

In 2003, 2007 and 2011, the long-term unemployed were least satisfied with their accommodation. It is also the case, however, that the long-term unemployed group was more satisfied with their accommodation in 2007 than in 2003 and a little less satisfied in 2011 than in 2007, but still more than in 2003.

Among people in the lowest income quartile, no significant changes in satisfaction with their housing can be seen over the course of 2003, 2007 and 2011.

The satisfaction of single parents with their accommodation was lower in 2007 than in 2003, but increased slightly between 2007 and 2011. For people aged 65 and over in the EU12, there was a trend of increasing satisfaction with accommodation over 2003, 2007 and 2011. This might be as a result of fewer people in eastern Europe being obliged to live in the apartment buildings of the communist era, whether or not with their children's families.

Living conditions of vulnerable groups: hypothesis

The following hypothesis was formulated about the living conditions of vulnerable groups.

Hypothesis 16: Since 2007, increased policy attention to living conditions has resulted in the housing or environment of the most disadvantaged groups being improved or at least stabilised, despite the economic crisis.

There are moderate, positive indications that this hypothesis is supported, especially for the 65+ age group in the EU12. There is certainly a stable progression between 2007 and 2011, which may indicate the mitigating effect of more policy attention being paid to the living conditions of the most vulnerable groups.

CHAPTER 6

Changes in health, healthcare, education and other public services

Changes in health, healthcare, education and other public services

Access to high-quality services, such as healthcare, long-term care, education, public transport, childcare and the state pension system is important in guaranteeing quality of life in Europe. In the EU policy context, such services are referred to as ‘services of general interest’. They are provided and funded both publicly and privately in Europe, and users may have difficulty defining what sector the provider comes from. This chapter looks at services that respondents themselves recognise as public services.

In the context of the recent crisis, public services have been cut to decrease public expenditure. This is an especially challenging development because, at the same time, the impact of the crisis on people’s health, social and financial needs is likely to have increased. Effective and efficient public services help mitigate the consequences of the crisis.

Policy context

Public services remain the responsibility of Member States, but the EU also plays a role. They are an essential element in achieving ‘inclusive growth’, which is a main objective of the Europe 2020 strategy.

Healthcare services are fundamental to well-being and form the largest sector of employment and expenditure among the services of general interest. The EU seeks to ensure universal access to quality care for all by increasing the effectiveness, sustainability and responsiveness of healthcare and long-term care. However, there are widespread inequalities both in health

status and in access to healthcare. People with low incomes, the socially excluded and those living in depressed regions especially can experience difficulties in accessing healthcare (European Commission, 2011a).

Improving long-term care services for elderly people has moved higher on the policy agenda in the context of the 2012 European Year of Active Ageing. In February 2013, as part of the Social Investment Package, the European Commission published the Staff Working Document on Long-term Care in Ageing Societies. Social innovation and social investment are needed to develop new ways of closing the gap between long-term care needs and provision. The EU can play a major role in promoting innovation and social investment in this area, for instance through the European Innovation Partnership on Active and Healthy Ageing and the Ambient Assisted Living Programme. It can mobilise the structural funds to boost investment in age-friendly environments and more qualified professional carers (European Commission, 2013b).

Health and healthcare

Satisfaction with health

Strine et al (2008) examined the associations between life satisfaction and health-related quality of life (HRQOL), chronic illness, and adverse health behaviours among adults in the US. The findings showed that HRQOL and health risk behaviours vary with level of life satisfaction. Adults with chronic illnesses

were significantly more likely than those without to report life dissatisfaction. Notably, all of these associations remained significant after adjusting for sociodemographic characteristics. On the basis of the EQLS data for 2003, 2007 and 2011, Figures 30-32 show the developments in satisfaction with health by country and country cluster.

In 2011, the overall score for satisfaction with health in the EU27 was 7.3, the same score as in 2007, and lower than the score in 2003 (7.5) (Figure 30). Compared to 2003, satisfaction with health was higher in 15 countries, stable in 4 countries, and lower in 8 countries.

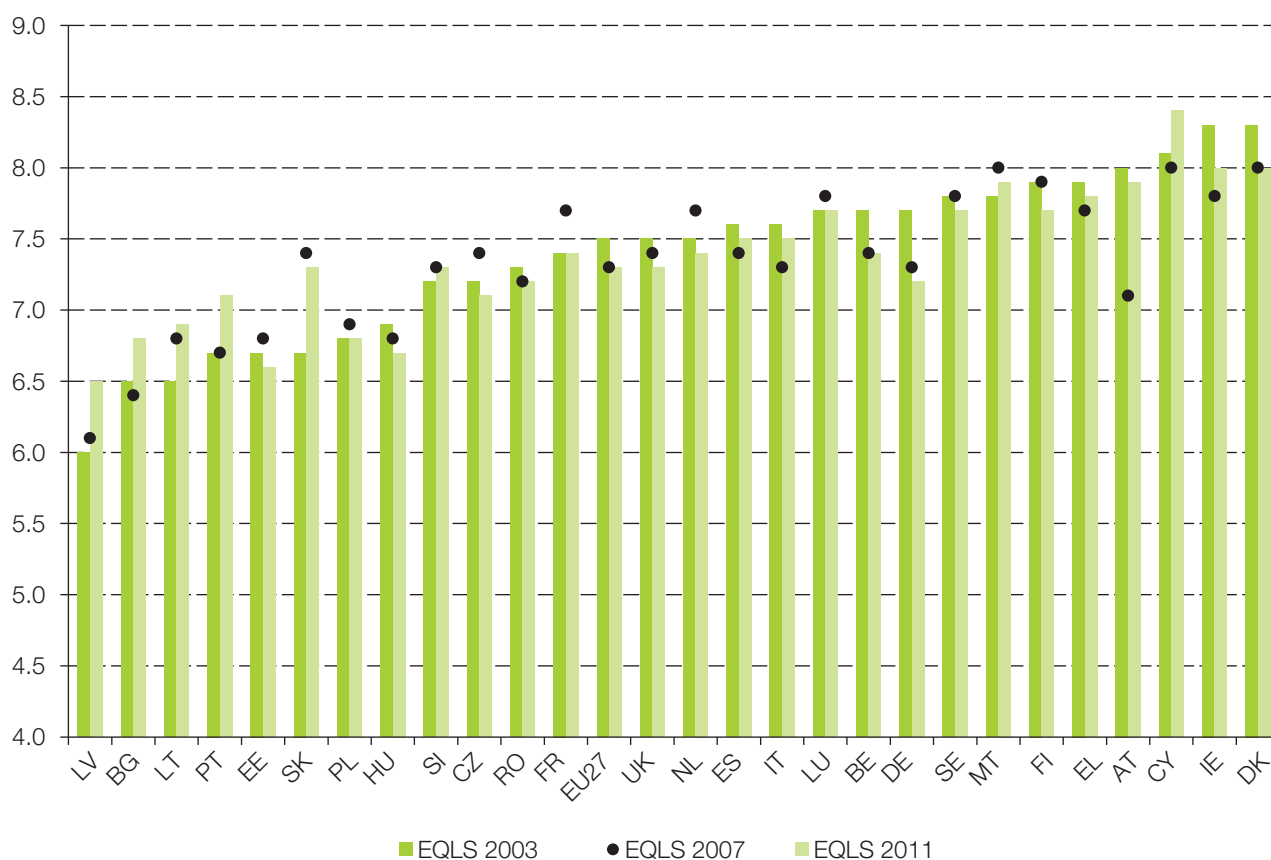
The largest increases in satisfaction with health between 2003 and 2011 can be seen in Slovakia, Latvia, Portugal and Bulgaria (+0.6, +0.5, +0.4 and +0.4), and the largest decreases in Germany, Belgium, Ireland and Denmark (-0.5, -0.3, -0.3, and -0.3). Countries with the highest rates of satisfaction with health in 2011 were Cyprus, Denmark and Ireland (8.4, 8.0 and 8.0).

8.0). Least satisfied were people in Latvia, Estonia and Hungary (6.5, 6.6 and 6.7).

Again, it is hard to explain the differences across countries clustered by effect of the economic crisis (Figure 31). The Non-EA North cluster shows an upward trend, whereas in the EA North cluster a downward trend can be seen. In both cases these trends are visible for the whole period from 2003 to 2011 and not only for the period of economic downturn. In the two southern clusters, satisfaction with health was lowest in 2007, just before the economic downturn.

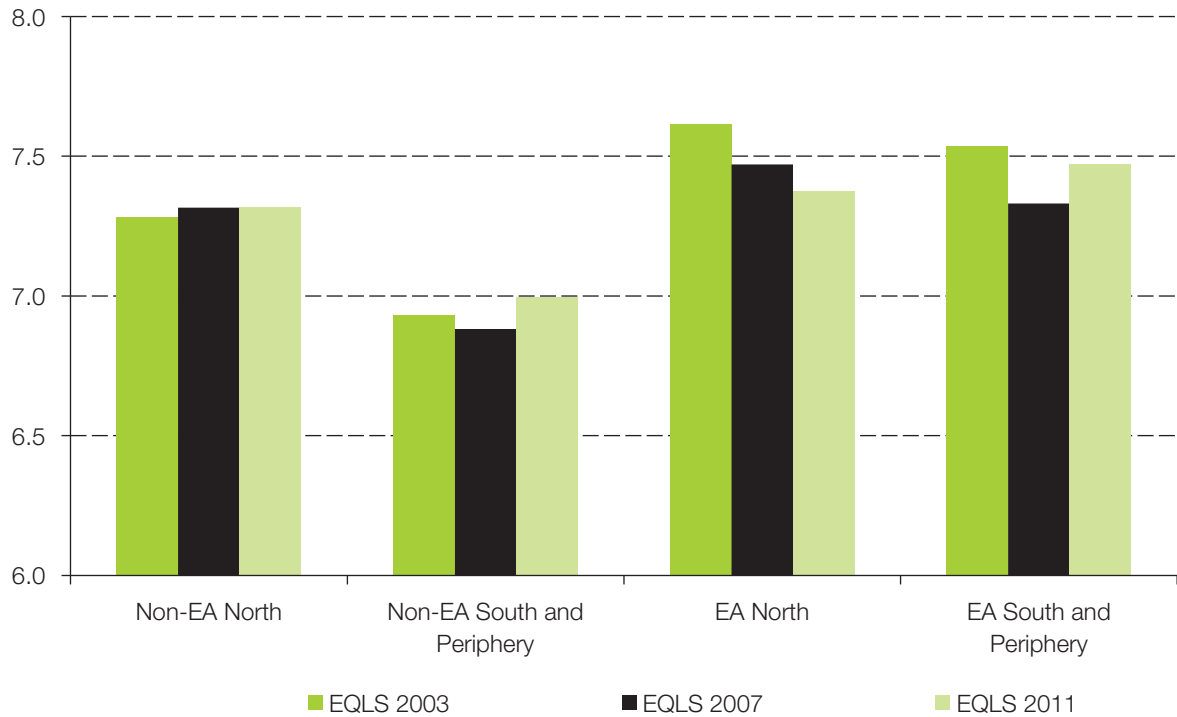
For countries clustered by type of welfare state, the Nordic, Anglophone and Continental clusters show a downward trend over the three surveys. In both other clusters, no clear trend is visible. On balance, between 2003 and 2011, except for the Central and Eastern European cluster, all clusters show a decrease in satisfaction with health.

Figure 30: Changes in satisfaction with health, by country



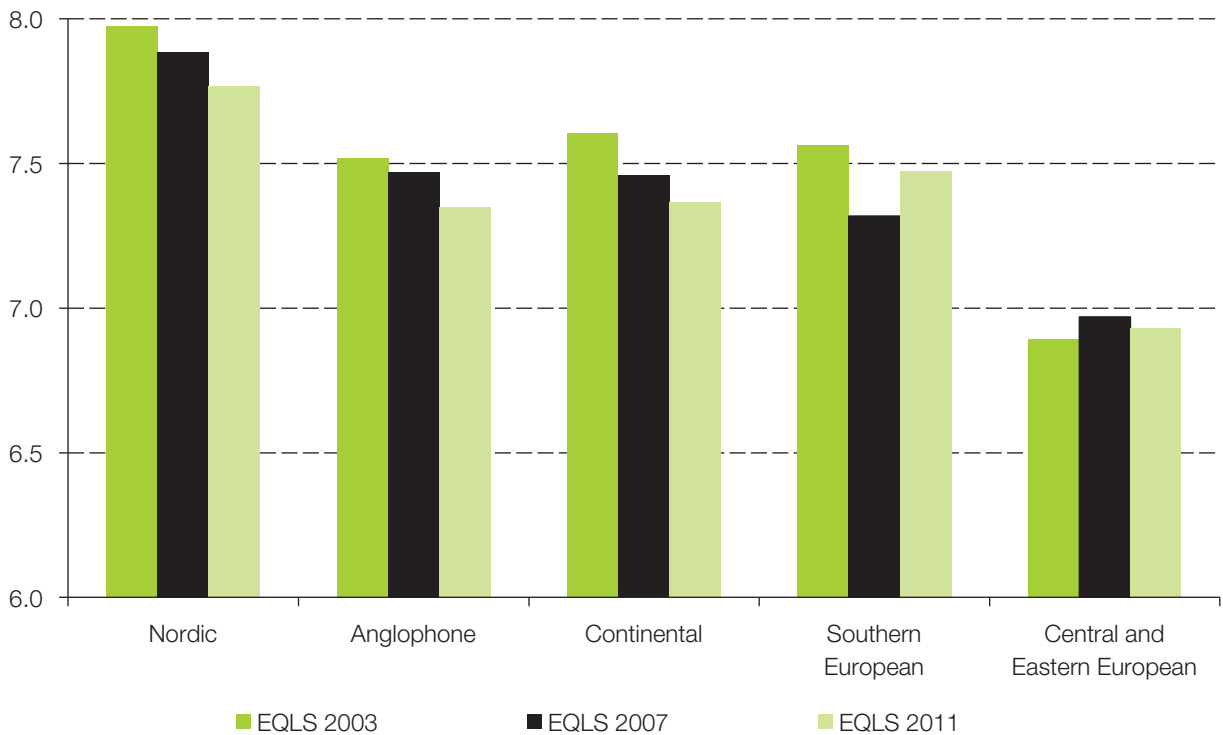
Note: Based on answers to: Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items ...? Your health.

Figure 31: Changes in satisfaction with health, by country cluster (EA and Non-EA)



Note: See note to Figure 30 for question wording.

Figure 32: Changes in satisfaction with health, by country cluster (welfare regime)



Note: See note to Figure 30 for question wording.

Figure 33 compares the changes in health satisfaction between people living in rural and urban regions. All in all, the fluctuations between rural and urban areas when it comes to satisfaction with health are insignificant, based on the results for the EU27. Over the course of 2003, 2007 and 2011, there was a small, not significant, decrease in satisfaction with health among people living in a town or a city. In the same period, the mean score for satisfaction with health for people living in rural areas was 7.4, 7.3 and 7.3 respectively, showing stability.

Perceived quality of healthcare

Figure 34 describes developments in the perception of quality of healthcare. There is a statistically significant positive relationship between satisfaction with health and perceived quality of healthcare.⁶

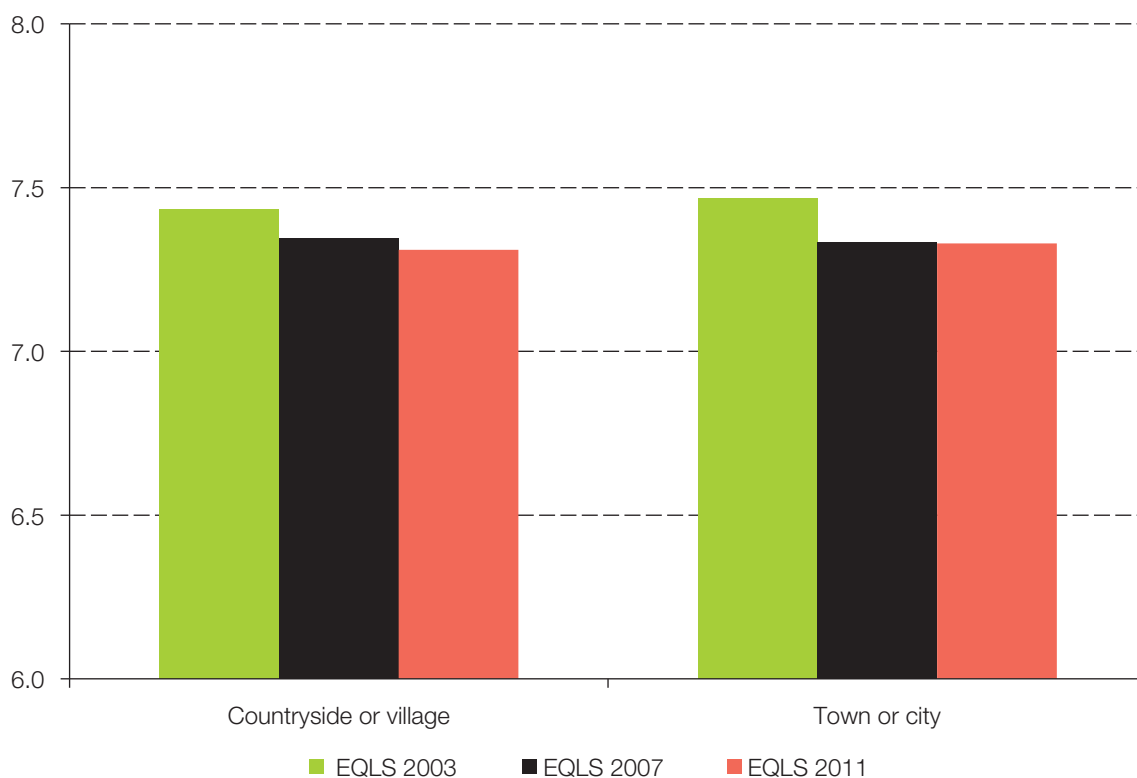
Overall, in the EU27, the perceived quality of healthcare is fairly constant. In 2011, it was 6.3, compared with 6.1 in 2007 and 6.2 in 2003. In 2011, the highest scores were found in Austria, Belgium and Luxembourg (8.0, 7.7 and 7.5), while the lowest scores were found in Bulgaria, Poland and Romania

(4.5, 4.7 and 4.7). Compared to 2003, in 2011 the perceived quality of health was higher in 15 countries, the same in 3 countries and lower in 9 countries. The largest increases in perceived quality occurred in Bulgaria and Slovakia (+1.0 and +1.1), the largest decreases in Romania and Cyprus (-1.0 and -0.7).

The perceived quality of healthcare is influenced by the institutional set-up of the healthcare system. There is high public support for state responsibility in healthcare in almost all of Europe. Satisfaction with the healthcare system, by contrast, is more strongly related to specific institutional arrangements.

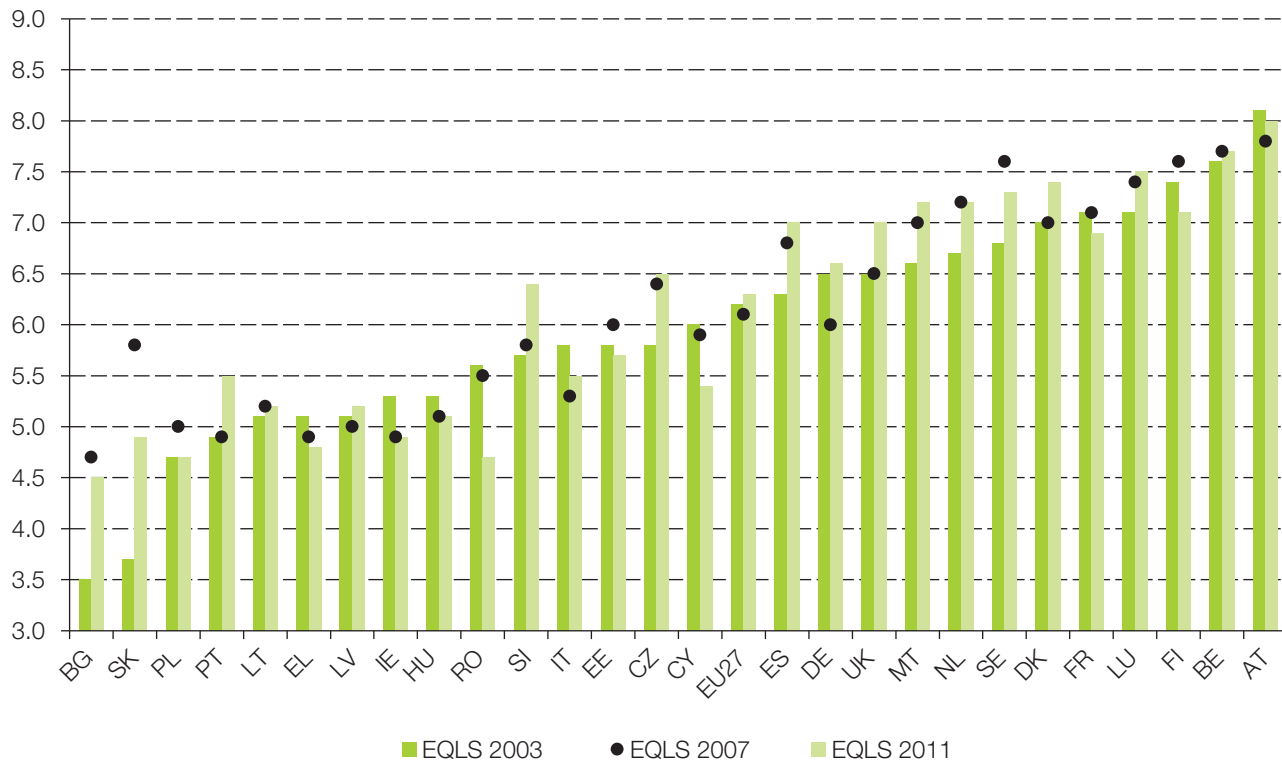
In healthcare systems with lower levels of expenditure, fewer general practitioners and higher co-payments, the overall level of satisfaction is lower. This is especially the case in southern Europe, where more pronounced differences between social groups are apparent. In contrast, healthcare systems with a long tradition of comprehensive coverage regardless of occupation or income seem to generate more homogenous attitudinal patterns. These characteristics hold for the Scandinavian systems and for the British National Health Service, and these healthcare systems still seem to live up to the promise of

Figure 33: Changes in satisfaction with health, by rural and urban area



Note: See note to Figure 30 for question wording.

⁶ Pearson's correlation in 2003, 2007 and 2011 measures respectively 0.164**, 0.157** and 0.152** (significant at 0.01 level, 2-tailed).

Figure 34: Changes in perceived quality of healthcare, by country

Note: Based on responses to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10. Health services.

treating all members of the society equally. Finally, countries with high levels of expenditure, high density of general practitioners and free choice of doctors, which is mainly the case with social health insurance systems, show the highest levels of satisfaction but also more pronounced differences between social classes (Wendt et al, 2010).

According to one study (Karanikolos et al, 2013), the financial crisis in Europe has posed major threats to health. Whereas immediate rises in suicides and falls in road traffic deaths were anticipated, other consequences, such as HIV outbreaks, were not and are better understood as products of state retrenchment.

Greece, Spain and Portugal adopted strict fiscal austerity; their economies continue to recede and strain on their healthcare systems is growing. Suicides and outbreaks of infectious diseases are becoming more common in these countries, and budget cuts have restricted access to healthcare. Although there are many potentially confounding differences between countries, the analysis suggests that although recessions pose risks to health, the interaction of fiscal austerity with economic shocks and weak social protection is what ultimately seems to escalate health and social crises in Europe.

Health-related quality of life: hypothesis

In a study by Kirkcaldy et al (2005), it was concluded that individuals in countries with highly effective health systems appear to report better psychological well-being, being more satisfied both with life and with work and experiencing higher subjective well-being and happiness. To test this with the EQLS data, a hypothesis was based on the assumption that there is a correlation between healthcare expenditure and the effectiveness of the healthcare system.

Hypothesis 17: Controlling for gender, age, income and education, cuts in social and health programmes are reflected in reduced scores on health-related components of quality of life. These cuts also affect perceived quality of health services and public services.

Hypothesis 17 was tested through three different OLS regression analyses of satisfaction with health, life satisfaction and perceived quality of healthcare (see Annex 4 for detailed results).

Satisfaction with health: The first regression showed that for all waves of the EQLS, when controlling for gender, age, income and education, the higher the expenditure on health-care as a percentage of GDP, the more satisfied people are with their health. Only in 2007, does growth (or shrinkage) of health expenditure for a couple of years before the survey have a significant effect on satisfaction with health; the higher the growth, the more satisfied people were with their health. In 2003 and 2011, this was not the case. Only for 2007 does the hypothesis support a positive relationship between satisfaction with health and changes in health expenditure.

Life satisfaction: The second regression showed that when controlling for gender, age, income and education, the level of health expenditure expressed as a percentage of GDP has a positive and significant effect on life satisfaction (although the explanatory power was low). In this case, only in 2003 did growth (or shrinkage) of health expenditure have a significant effect on life satisfaction. The higher the growth, the more satisfied people were with their life. In 2007 and 2011, there was no significant effect of change on health expenditure.

Perceived quality of healthcare: The third regression showed that when controlling for gender, age, income and education, the level of health expenditure and relative growth (or shrinkage) of health expenditure have very little explanatory power for perceived quality of healthcare.

Our conclusion is that that Hypothesis 17 can be supported in relation to satisfaction with health for 2007. As for life satisfaction, results are not consistent, and there might be other factors (unaccounted here) at play that shape life satisfaction more. More thorough research is needed to make any definitive statements about this hypothesis. It is possible that the effects of lower or higher health expenditure only can be seen over a much longer period.

Education

Specific context

Education not only improves the qualifications and competences of a person but also their subjective well-being. Education increases access to paid work and economic resources that increase the sense of control over life. It also assists with access to stable social relationships, especially marriage, which increase social support. Ross and van Willigen (1997) examined the relationship between education and a variety of indicators of subjective quality of life (depression, anxiety, anger, aches and pains, malaise, and dissatisfaction) in the US. Using two representative national samples collected in 1990 and 1995, they found

that the well-educated have lower levels of emotional distress (including depression, anxiety, and anger) and physical distress (including aches and pains and malaise), but they do not have lower levels of dissatisfaction. Education reduces distress largely by way of paid work and economic resources, which are associated with high personal control. However, the extent to which it reduces distress by way of marriage and social support is much more modest. The study contrasts distress and dissatisfaction as indicators of subjective quality of life.

Top-quality education and training are vital if Europe is to develop as a knowledge society and compete effectively in the globalised economy. In the EU, education is the responsibility of Member States, and the EU institutions play a supporting role. Although each EU country decides its education policy, together they set joint goals and share best practices. The EU funds programmes that help citizens make the most of their personal development and the EU's economic potential by studying, training or doing volunteer work in other countries.

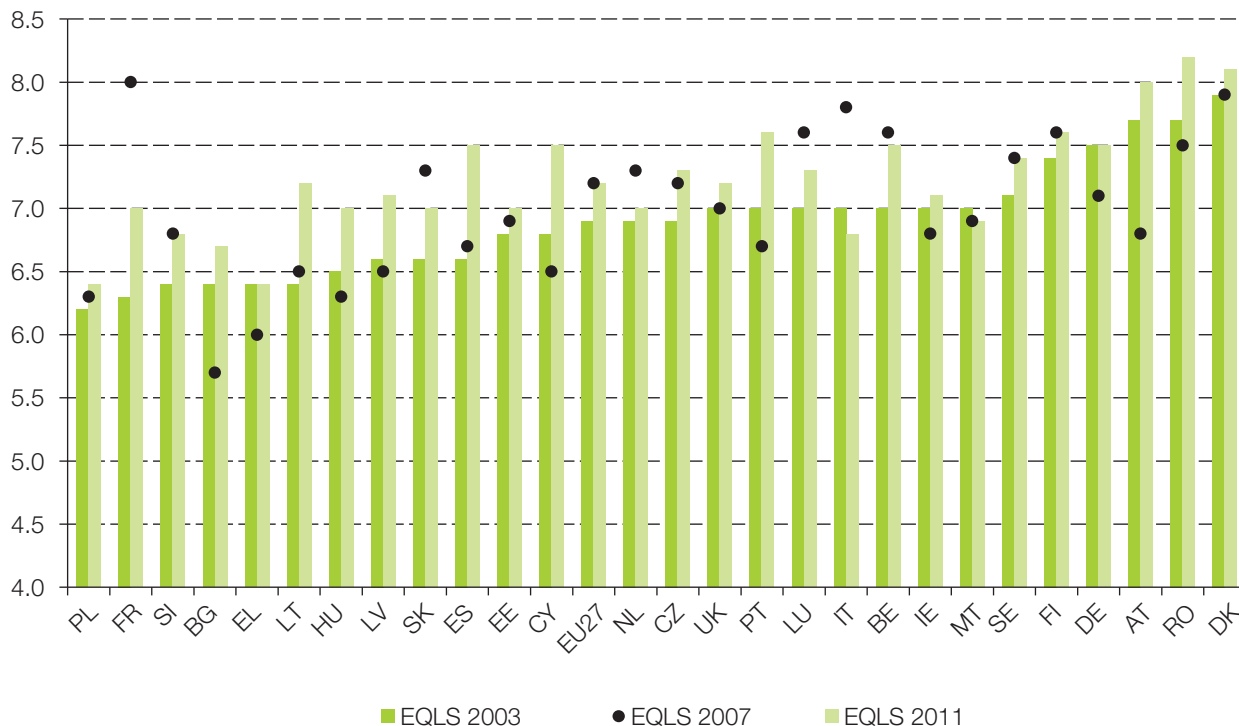
Satisfaction with education

Satisfaction with education rose between 2003 and 2007 from 6.9 to 7.2, and remained stable between 2007 and 2011, although there some substantial differences between countries. Figures 35–37 illustrate these differences by country and country cluster. In comparison to 2003, respondents in 2011 showed lower or equal satisfaction scores in only three countries, namely Italy (-0.2), Malta (-0.1) and Germany (0). The largest increases in satisfaction were seen in Lithuania, Spain, France and Portugal (+0.8, +0.8, +0.7 and +0.7). The countries with the most satisfied populations in 2011 were Romania, Denmark and Austria (8.2, 8.1 and 8.0), and least satisfied were Poland, Greece and Bulgaria (6.4, 6.4 and 6.7).

In both country clusters heavily affected by the economic downturn, satisfaction with education grew from 2003 to 2007 and then slightly declined by 2011 (Figure 36). The Non-EA North cluster showed an upward trend over the period. In the Non-EA South cluster there was some decrease in satisfaction between 2003 and 2007, but strong growth over the decade from 2003 to 2011. However, in 2003, the score of this cluster was already high compared with the other clusters. In 2011, the difference was still larger. It seems that, overall, the trend is towards growing satisfaction with education, but in countries affected by the economic downturn, there is an interruption in this positive trend (hopefully temporary).

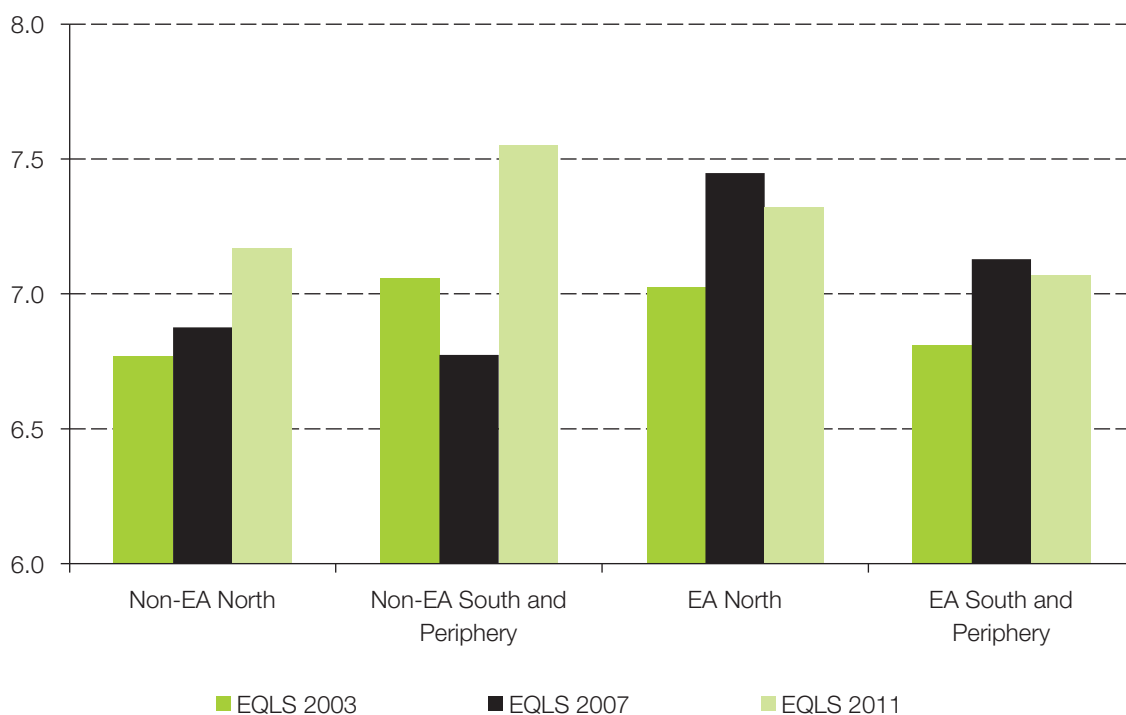
For countries clustered by type of welfare state, all five clusters show an increase in satisfaction with education between

Figure 35: Changes in satisfaction with education, by country



Note: Based on responses to: Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items ...? Your education.

Figure 36: Changes in satisfaction with education system, by country cluster (EA and Non-EA)



Note: See note to Figure 35 for question wording.

2003 and 2011, on balance (Central and Eastern European, +0.33; Continental, +0.30; Nordic, +0.25; Southern, +0.25; Anglophone, +0.20). The Nordic and Anglophone clusters show clear upward trends. In the other clusters, there is no clear trend.

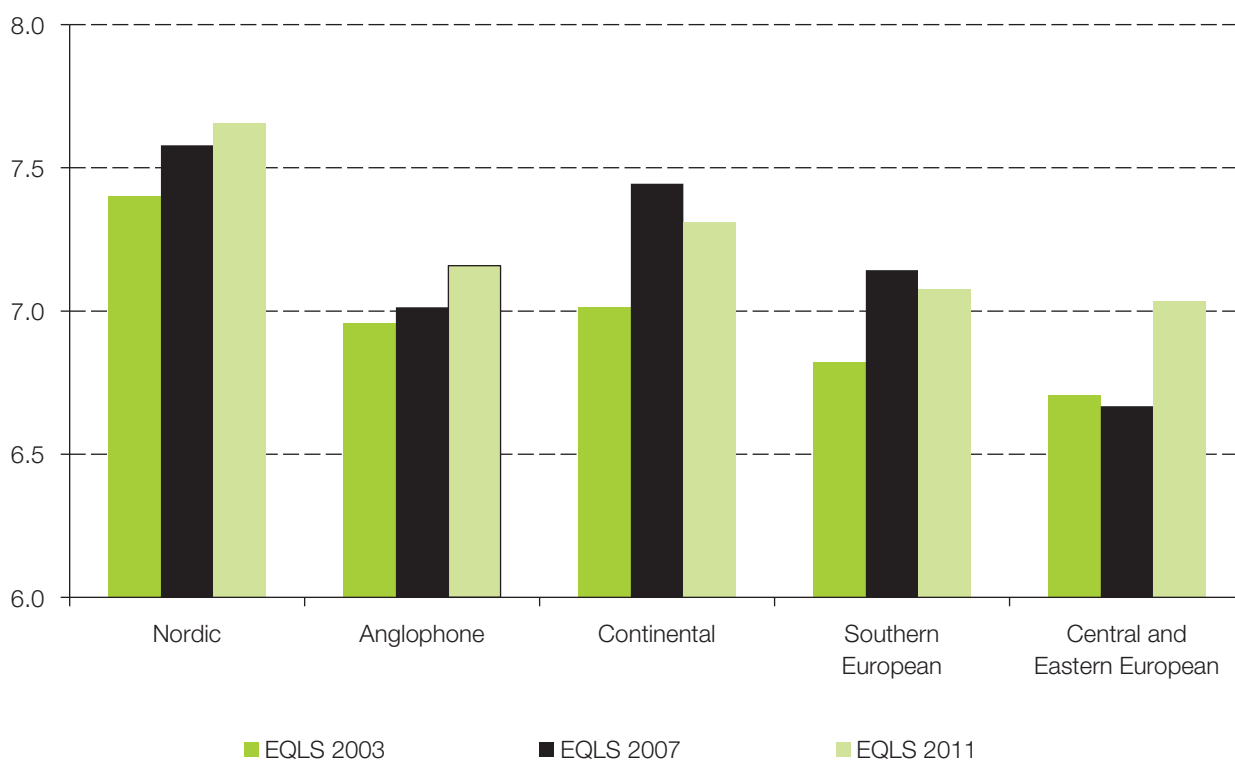
Perceived quality of educational system

Figure 38 shows developments in the perceived quality of the educational system. In the EU27 this was constant across 2003, 2007 and 2011, with a score of 6.3. There were, however,

substantial differences between countries. In 2011, perceived quality was highest in Finland, Malta and Denmark (8.2, 7.6 and 7.5) and lowest in Greece, Bulgaria and Romania (4.6, 4.9, and 5.3). Compared with 2003, the perceived quality of the educational system in 2011 was higher in 13 countries, the same in 4 countries and lower in 10 countries. The largest increases in perceived quality can be seen in Slovakia, the Czech Republic and Bulgaria (+1.4, +0.6 and +0.5), the largest decreases in Romania, Austria and Greece (-1.3, -0.7 and -0.7).

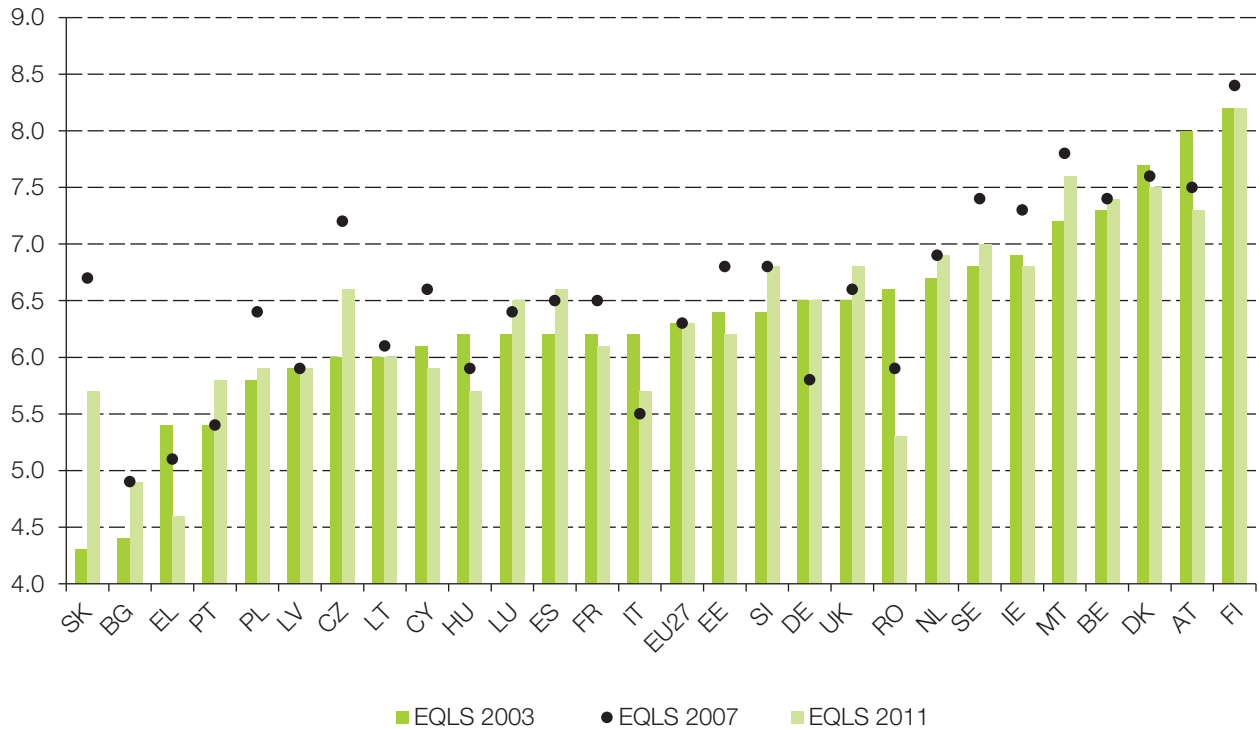
There is a statistically significant positive relationship between satisfaction with education and perceived quality of education.⁷

Figure 37: Changes in satisfaction with education, by country cluster (welfare regime)



Note: See note Figure 35 for question wording.

⁷ Pearson's correlation in 2003, 2007 and 2011 measures respectively 0.161**, 0.143** and 0.167** (significant at 0.01 level, 2-tailed).

Figure 38: Changes in perceived quality of educational system, by country

Note: Based on responses to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10. Education system.

Other public services

Healthcare services and education are among the largest of all public services in terms of budget, employees and users. Nevertheless, other public services also play an essential role in European societies, and the views of citizens about the quality of these services are important. This section describes the perceived quality of public transport, childcare services and the state pension system.

Public transport

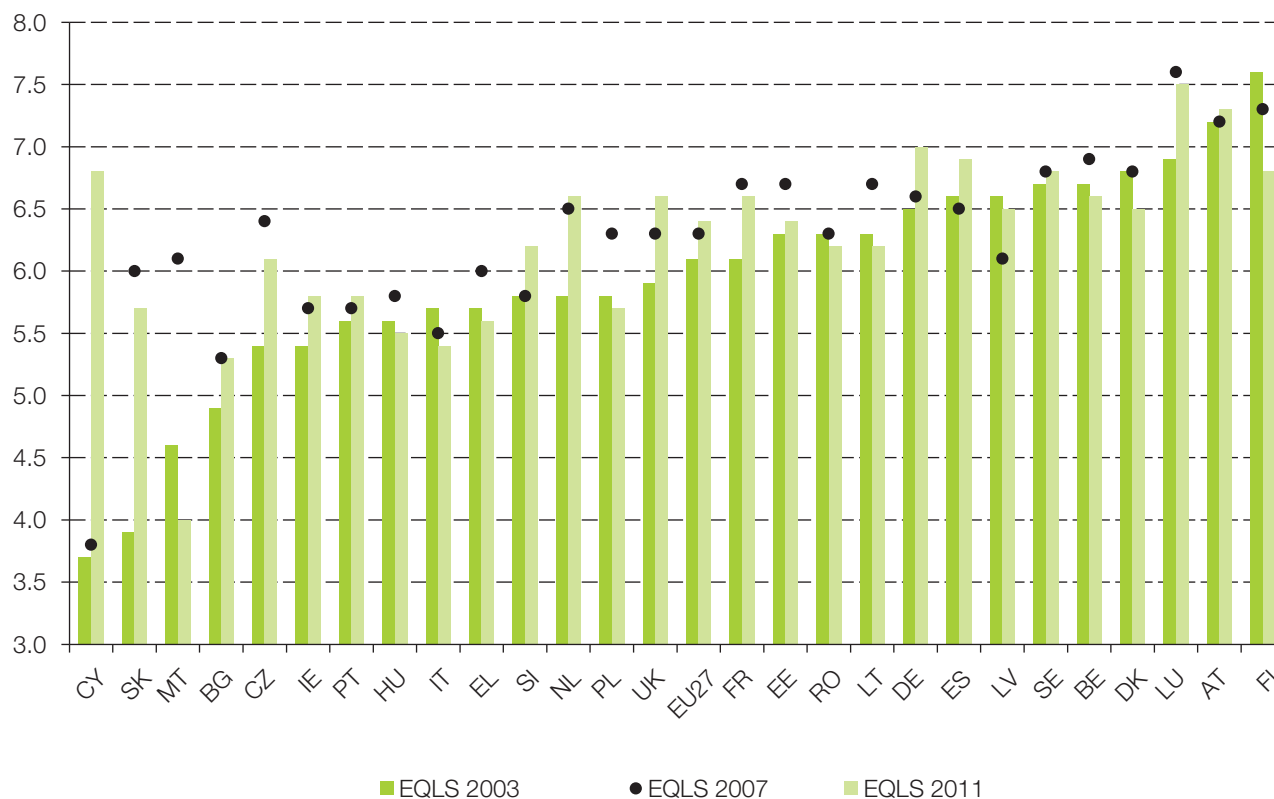
Public transport improves quality of life – especially of vulnerable groups – by providing safe, efficient and economical transport services. It is also a vital component of a healthy economy. Not only does public transport benefit the people who use it, it also benefits society as a whole. The American Public Transportation Association (2008) outlines the benefits of public transport – it:

- enhances personal opportunities by providing personal mobility and freedom for people from every walk of life, and by providing access to job opportunities, schools, social networks, shopping and health facilities;
- saves money by providing an affordable, and for many, a necessary alternative to driving;

- fosters more liveable communities;
- provides economic opportunities;
- offers mobility for seniors and the disabled.

In December 2009, a new EU-level regulation about public passenger transport by rail and by road was introduced. It took a new approach to the signing of public servicing contracts, stating that competitive pricing should not be the primary criterion for deciding contract awards. It should, instead, be one of a number of factors for deciding how the best possible quality service could be provided at the best possible price. Furthermore, in 2011, the European Commission adopted a Roadmap for a Single European Transport Area that sets out 40 concrete initiatives for the next decade, with the aim of building a competitive transport system to increase mobility, remove major transport barriers in key areas, and fuel growth and employment. At the same time, the proposals will dramatically reduce Europe's dependence on imported oil and cut carbon emissions in transport by 60% by 2050. Competitive and clean public transport is an essential part of this roadmap (European Commission, 2011c).

Figure 39 reflects the perceived quality of public transport. In the EU27 as whole, there was an upward trend in the perceived quality of the public transport system over 2003, 2007 and 2011, with scores of 6.1, 6.3 and 6.4 respectively.

Figure 39: Changes in perceived quality of public transport, by country

Note: Based on answers to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10. Public transport.

In comparison to 2003, in 2011 there were more countries with a higher perceived quality of public transport (16) than countries with lower scores (11). The largest increases in perceived quality were discernible among the populations in Cyprus, Slovakia and the Netherlands (+3.1, +1.8 and +0.8), the largest decreases in Finland, Malta and Denmark (-0.8, -0.6 and -0.4). In 2011, Luxembourg, Austria and Germany had the highest scores (7.5, 7.3 and 7.0), and Malta, Bulgaria and Italy (4.0, 5.3 and 5.4) the lowest.

Felleson and Friman (2008) carried out a transnational comparative study of perceived satisfaction with public transport in nine European cities. Using factor analysis, four satisfaction dimensions were identified: system, comfort, staff and safety. These dimensions were present in most, but not all, of the cities analysed. The findings suggested that industry characteristics should be taken into consideration when quality dimensions are discussed. The findings also indicated that differences in how public transport is perceived must be addressed to make a comparison meaningful. When measuring and interpreting satisfaction data, practitioners can use standardised instruments, but should acknowledge local conditions as well.

Childcare services

As discussed in Chapter 4, the European Commission Recommendation *Investing in children: Breaking the cycle of disadvantage* (part of the Social Investment Package) aims to improve, among other things, the quality of childcare. An important predictor of parental satisfaction with childcare is the perceived social support derived from the care arrangement, and not just the quality of information and the nature of the actual childcare services provided. By giving emotional support, childcare providers can have a role in the psychological well-being of parents, particularly those who work (Britner and Phillips, 1995).

For the perceived quality of current childcare services by country, EQLS data are available only for 2007 and 2011. The perceived quality of childcare services in the EU27 is constant: in 2007 as well as in 2011, the score on a scale of 1 to 10 was 6.2. In 2011, the three countries with the highest scores were Finland, Malta and Luxembourg (7.7, 7.7 and 7.4). The three countries with the lowest scores were Greece, Romania and Bulgaria (4.0, 5.0 and 5.0). Compared to 2007, in 2011 there were about as many countries (14) showing an increase in

perceived quality as there were showing a decrease (13). The largest increases can be seen in Cyprus and Bulgaria (+0.9 and +0.5), and the largest decreases in Poland, Slovakia and Czech Republic (-0.9, -0.7 and -0.5).

State pension system

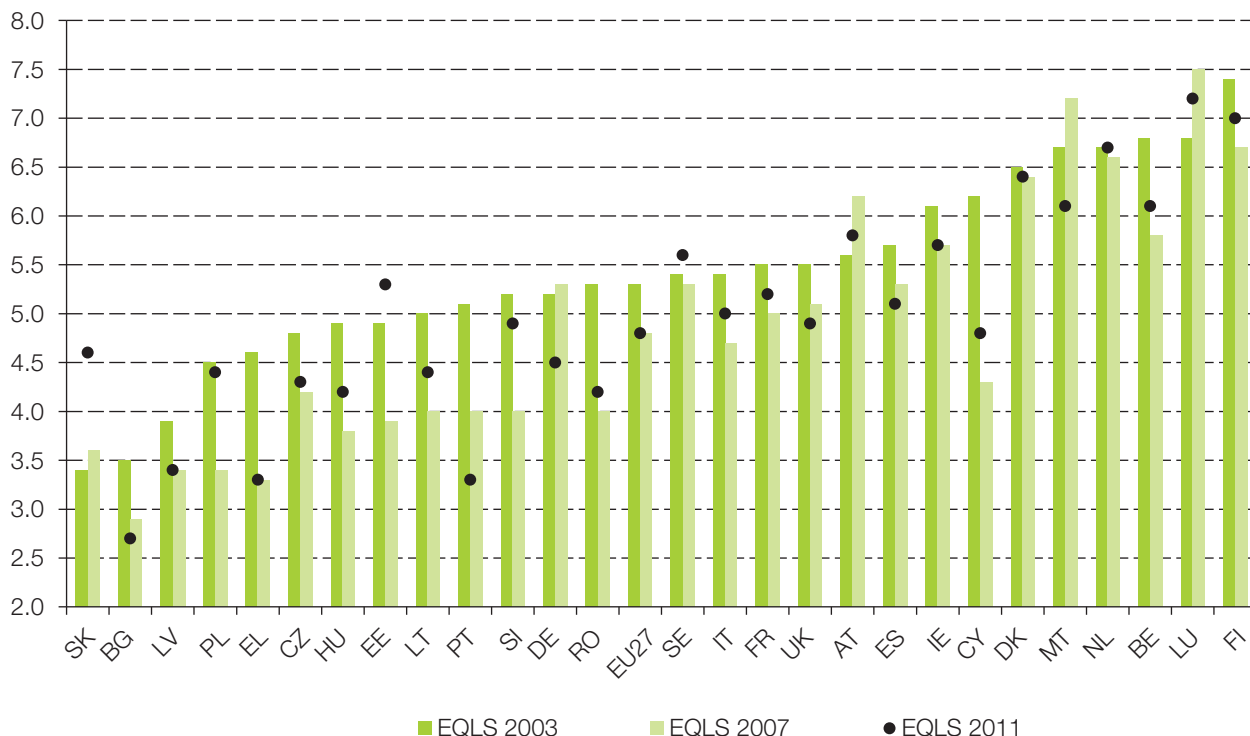
The adequacy of people’s pensions is an important contextual factor influencing the quality of life in (early) old age. In a study by Wiggins et al (2004), the best predictors of quality of life turned out to be people’s feelings about the adequacy of their pensions, their status as owner-occupiers, and their perception of whether the area they live in is deprived.

The European Commission’s White Paper *An agenda for adequate, safe and sustainable pensions* puts forward a range of initiatives designed to help create the right conditions so that those who are able can continue working; create a better balance between time in work and time in retirement; ensure people who move to another country can keep their pension

rights; help people save more; and ensure that pension promises are kept so that people get what they expect in retirement (European Commission, 2012d).

Figure 40 describes the quality of the current state pension systems, as perceived by European citizens. In many countries, and in all three EQLS waves, respondents’ perceived quality of their state pension system was very low. In 2011 across the EU27 as a whole, the score for perceived quality of the state pension system was equal to the score in 2007 (4.8), but lower than the score in 2003 (5.3). In comparison with 2003, only 6 countries in 2011 showed increases in the score. In the other 21 countries, there were noticeable decreases. The largest increases in perceived quality were seen in Luxembourg, Austria and Malta (+0.7, +0.6 and +0.6), while the largest decreases were in Cyprus, Romania and Greece (-1.9, -1.3 and -1.3). In 2011, Luxembourg, Malta and Finland (7.5, 7.2 and 6.7) were the countries in which people rated perceived quality highest, and Bulgaria, Greece, Latvia, Poland and Slovakia the lowest (2.9, 3.3, 3.4, 3.4 and 3.6).

Figure 40: Changes in perceived quality of state pension system, by country



Note: Based on responses to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10. State pension system.

Bissonnette and van Soest (2012) analysed expectations of the Dutch population aged 25 and older about the future generosity of state and occupational pensions, the main pillars of the Dutch pension system. They took stock of individuals' subjective expectations about changes in 10 or 20 years' time in relation to a number of factors: the purchasing power of occupational pensions and of old-age social security benefits; the eligibility age for old-age social security benefits; and the average retirement age 10 or 20 years from now. The recent trends and policy discussions, which seem to justify the expectation that future pensions will be less generous in terms of levels, eligibility ages or both, are reflected in the trend on expectations, though only to a limited extent. Significant variations in expectations were found across socioeconomic groups, with more pessimistic expectations among women, younger individuals and richer (and more highly educated) groups. Expectations have gradually become more pessimistic since the onset of the economic downturn in line with plans for reforms that will reduce pension generosity.

Vulnerable groups and services of general interest

The figures in this section compare the scores for satisfaction with health and perceived quality of health, healthcare, education and public services of four vulnerable groups: the low-paid, the long-term unemployed, single parents and those aged 65+ in the EU12.

Health and healthcare

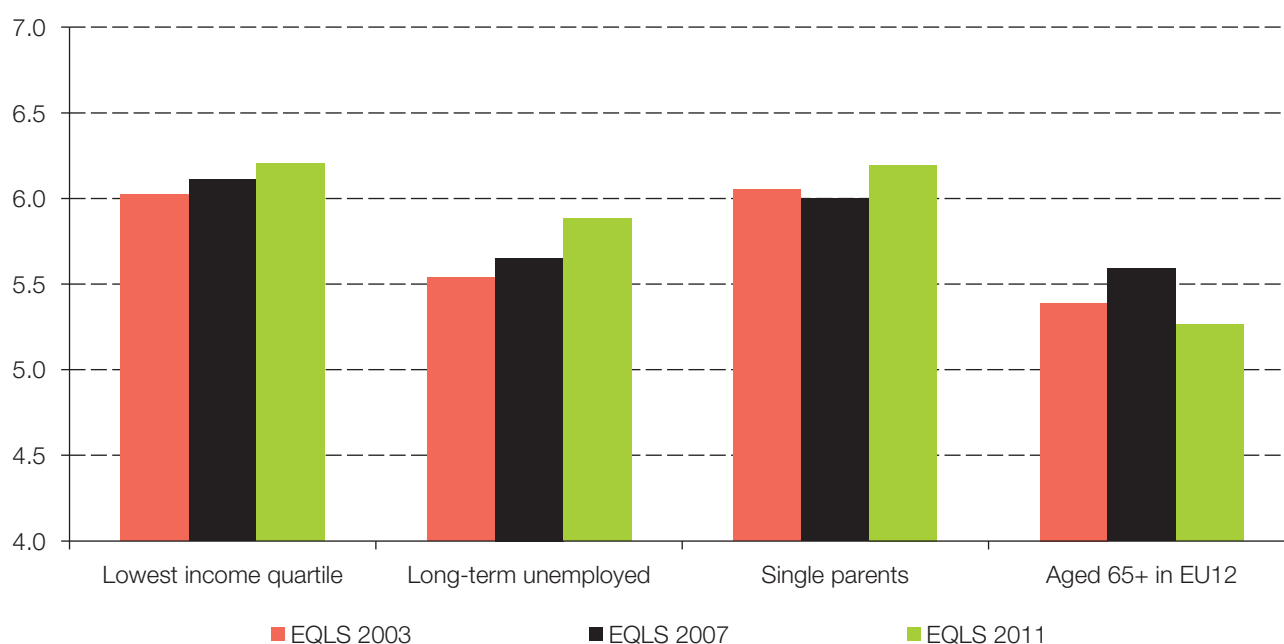
In 2011, the overall score for satisfaction with health was 7.3 on a scale of 1 to 10. People in all vulnerable groups scored below this average, particularly the 65+ group in the EU12. Compared to 2003, in 2011 the long-term unemployed and the 65+ in the EU12 were more satisfied. The low-paid and single parents were less satisfied.

Figure 41 shows the changes in the perceived quality of the healthcare system among the vulnerable groups. In 2011, the overall score on the perceived quality of the healthcare system was 6.3. All vulnerable groups scored lower than this, especially people aged 65+ in the EU12 and the long-term unemployed. There is an upward trend in satisfaction with the quality of the healthcare system for the long-term unemployed and the lowest income quartile. For the other groups, no clear trends can be observed. On balance, between 2003 and 2011 only the 65+ in the EU12 group shows a decrease in satisfaction on the quality of the healthcare system.

Education

In general, people in vulnerable groups were slightly more satisfied in 2011 than they were in 2003 with education, especially the long-term unemployed and the 65+ in the EU12 group. In 2011, the overall score for satisfaction with education was 7.2. All vulnerable groups scored below this average, particularly the long-term unemployed.

Figure 41: Changes in the perceived quality of the healthcare system, by vulnerable group



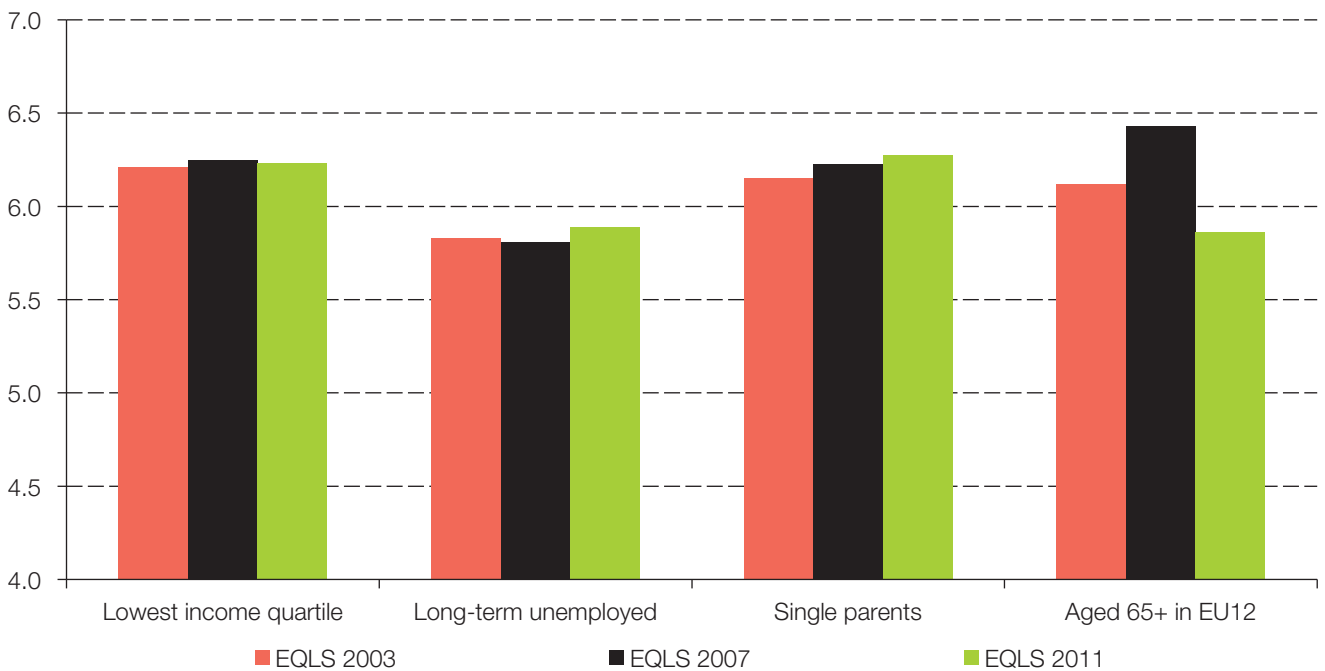
Notes: See note to Figure 34 for question wording; scale of 1–10.

The changes in perceived quality of the educational system by vulnerable group are illustrated by Figure 42. In 2011, the overall score for perceived quality of the educational system was 6.3. All vulnerable groups scored lower, particularly the 65+ in the EU12 group and the long-term unemployed. In comparison with 2003, the perceived quality in 2011 changed little among three of the vulnerable groups; only the 65+ in the EU12 group was less satisfied, but obviously this group has the least recent experience of education.

Other public services

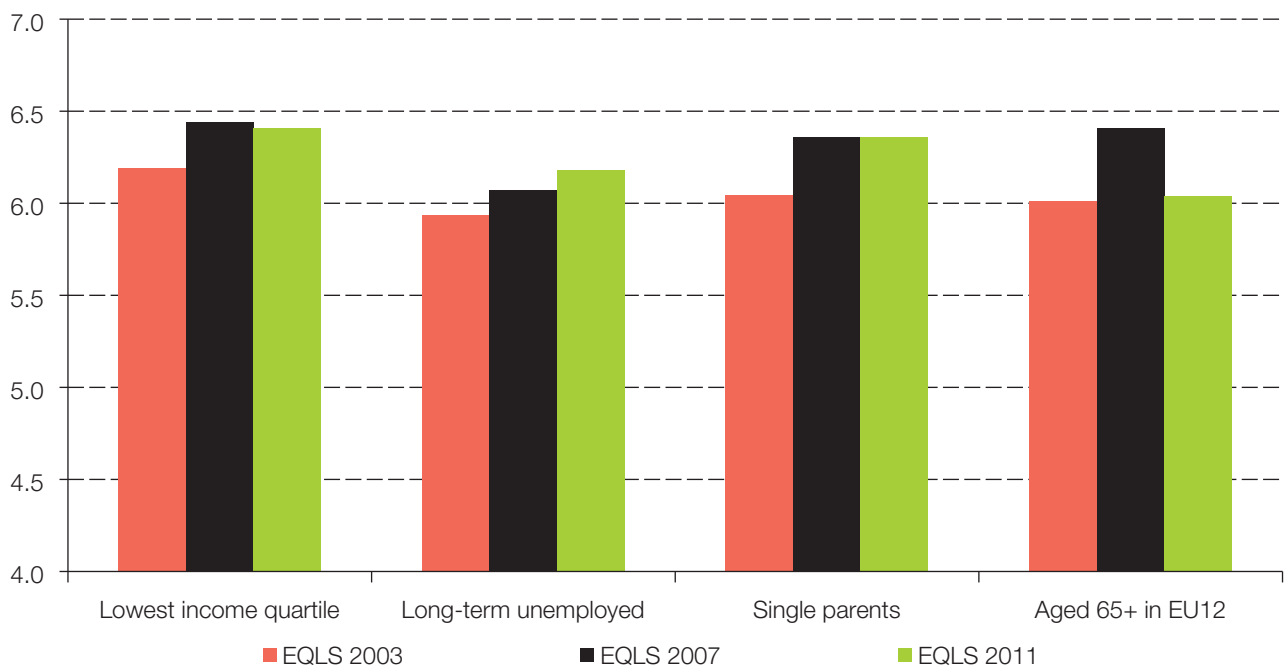
Public transport: Vulnerable groups make much use of public transport services. In 2011, the overall score for quality of public transport was 6.1. Apart from the 65+ in the EU12 group, all vulnerable groups scored above this average (Figure 43). Compared with 2003, all groups in 2011 were more satisfied.

Figure 42: Changes in the perceived quality of the educational system, by vulnerable group



Notes: See note to Figure 38 for question wording; scale of 1–10.

Figure 43: Changes in perceived quality of public transport, by vulnerable group



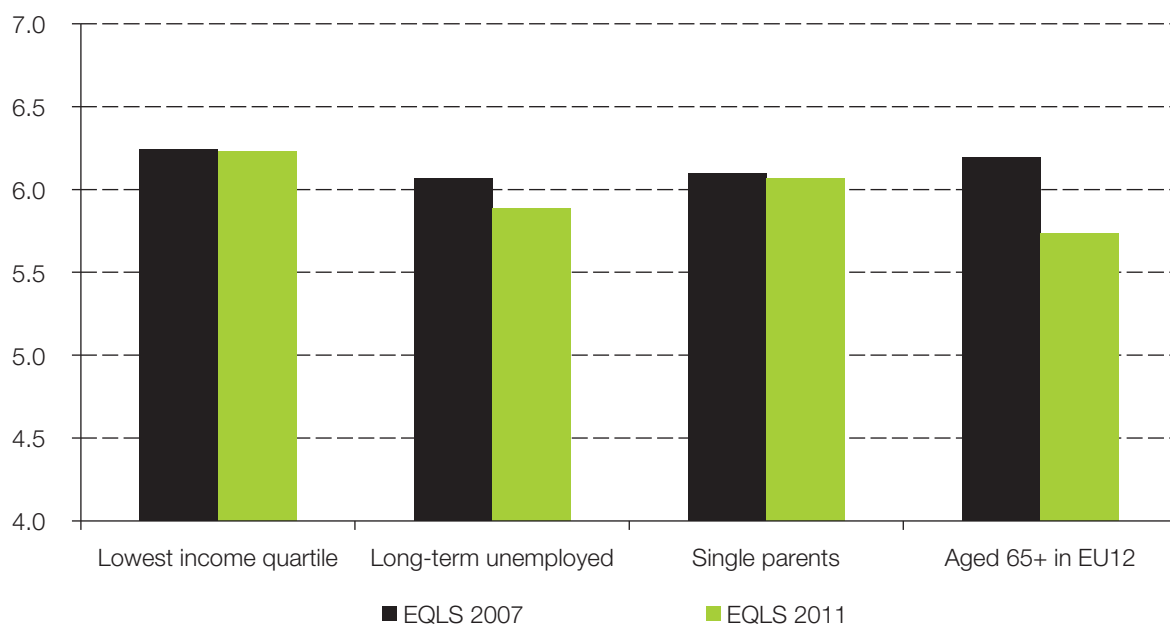
Note: Based on responses to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10. Public transport.

Childcare services: In 2011, the overall rating for quality of childcare services was 6.2. Apart from people in the lowest income quartile, all vulnerable groups gave average ratings lower than this (Figure 44). In comparison with 2007, the long-term unemployed and the 65+ group in the EU12 were less satisfied in 2011 with childcare services. While the average ratings for the other two groups (the lowest income quartile and single parents) were unchanged, it should be noted that these

two groups are more likely to be in need of childcare services than the other two vulnerable groups.

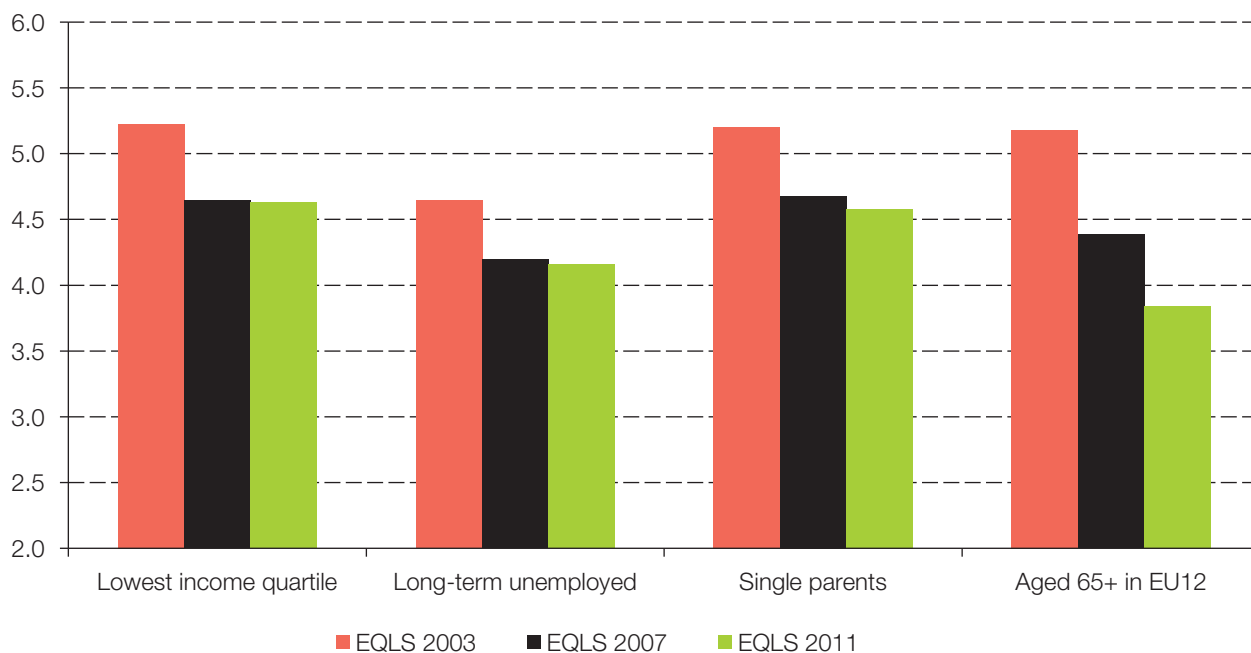
State pension system: In 2011, the overall score for quality of the state pension system was 4.8. All vulnerable groups scored lower, particularly the 65+ in the EU12 group and the long-term unemployed (Figure 45). Compared to 2003, all groups were less satisfied in 2011, especially the 65+ in the EU12 group.

Figure 44: Changes in perceived quality of public childcare services, by vulnerable group



Note: Based on responses to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10 ... Child care services.

Figure 45: Changes in perceived quality of state pension system, by vulnerable group



Note: Based on responses to: In general, how would you rate the quality of each of the following public services in [COUNTRY]? Please tell me on a scale of one to 10 ... State pension system.

CHAPTER 7

Changes in quality of society

Changes in quality of society

This chapter reviews developments and trends in a selection of indicators on the quality of society in EU27 countries over the years 2003, 2007 and 2011. These indicators reflect views on phenomena that go beyond individual circumstances of Europeans, but are part of the social climate in Europe: trust in people, trust in public institutions, and perceived tensions between various groups in society.

Quality of life has an individual and a societal component. Society provides the context in which individuals can flourish and grow (Abbott and Wallace, 2011), underlining the importance of participation, trust and solidarity for social and territorial cohesion.

Quality of society is the distinctive element in the multidimensional concept of quality of life fundamental to Eurofound's concept of the EQLS (Eurofound, 2003). Important determinants of societal quality are social capital and social cohesion. Social capital can be considered to be a result of investments by individuals or groups of individuals in social relations (integrating social networks), in reciprocity norms, in trust in others, and in institutions. Social capital is generally not considered as just a private good but also as a public good (Klein, 2013; Coleman, 1990; Putnam, 2000).

Although there are various definitions of social cohesion, some general ideas are shared, including the importance of shared values, trust and relationships among members of a society. These characteristics are not fundamentally different from those of social capital. The major differences between both concepts seems to be that social capital is developed on the individual level for a future return, whereas social cohesion exists on the community's or society's level. Due to the existence of externalities in the production of social capital, social cohesion will be more than the simple sum of individuals' social capital (Klein, 2013).

The Council of Europe defines social cohesion as a society's capacity to ensure the well-being of all its members by minimising disparities and avoiding marginalisation, to manage differences and divisions, and to ensure the means of achieving welfare for all. Social cohesion is a dynamic process and is

essential for achieving social justice, democratic security and sustainable development. Divided and unequal societies are not merely unjust; they are also unable to guarantee stability in the long term. In a cohesive society, the well-being of all is a shared goal that includes ensuring adequate resources to combat inequalities and exclusion.

Policy context

The Council of Europe has brought the concept of social cohesion to the European level, a concept that is essential for the fulfilment of the organisation's three core values: human rights, democracy and the rule of law. The Council has established a new strategy based on four pillars: reinvesting in social rights and a cohesive society; building a Europe based on responsibilities that are both shared and social; strengthening representation and democratic decision-making and expanding social dialogue and civic engagement; and building a secure future for all (Council of Europe, 2010). The continuing importance of social cohesion in EU policies is reflected in the goals of Europe 2020 to achieve socially inclusive growth and in the most recent package of policy initiatives for social investment (European Commission, 2013a).

Trust in people

Although the gravity of the recession in Europe has led to a focus on economic indicators and measures, there is also concern that the economic crisis is depleting social capital and cohesion. As discussed above, an important aspect of social capital and cohesion is the indicator of trust.

Trust is a soft resource of societies that enables civic cooperation, facilitates social integration and lubricates the business environment.

(Eurofound, 2012a)

Khodyakov (2007) approaches trust as a process and considers it as a complex and multi-dimensional phenomenon,

consisting of a mix of thick personal trust, thin personal trust and institutional trust.

- Thick interpersonal trust is the first type of trust people develop in their lives. It is the trust that people have in their family members, relatives and close friends. Thick interpersonal trust originates in relationships with strong ties and depends on the personalities of both the person who trusts and the person who is trusted because it involves personal familiarity with the other person and strong emotional commitment to the relationship.
- Thin interpersonal trust is created through interacting with people we do not know well and depends on the reputation of either a potential trustee or a trust intermediary. It represents reliance on weak ties and is based on the assumption that another person would reciprocate and comply with our expectations of their behaviour, as well as with existing formal and ethical rules. Although thin interpersonal trust is always directly associated with high risks – the ever-present possibility of lack of reciprocity, unmet expectations and uncertainty – it is also able to provide us with more benefits if our trust is reciprocated.
- Trust in institutions is very different from trust in people, because the former may involve no ‘encounters at all with

the individuals or groups who are in some way “responsible” for them’ (Giddens, 1990, quoted in Khodyakov, 2007, p. 123). It is the impersonal nature of institutions that makes creation of institutional trust so difficult, because it is more problematic to trust abstract principles or anonymous others who do not express any feelings and emotions. Yet institutional trust has the potential to encourage voluntary deference to the decisions made by institutions and increase public compliance with existing rules and regulations.

Table 3 sketches the trends in trust in people by age, gender, income quartile and country group across 2003, 2007 and 2011.

Altogether, there is a trend of decreasing trust in people over the course of the period. Looking at the different age categories, the largest decrease is within the group of people aged 65 and over, followed by people aged 50-64 years. Among men and women, the decrease of trust in people is greater among women, but also men show a clear downward trend. The higher the income quartile, the more trust in people is reported. The decrease in trust is largest for the two lowest income quartiles and smallest for the highest income quartile. Comparing different country groups, people in EU12 countries had the least trust in other people. However, on balance,

Table 3: Changes in trust in people by age, gender, income quartile and country group

		2003	2007	2011
Age	18–24 years	5.58	5.23	5.22
	25–34 years	5.56	5.11	5.17
	35–49 years	5.55	5.18	5.16
	50–64 years	5.60	5.25	5.13
	65+ years	5.77	5.25	5.09
Gender	Male	5.62	5.25	5.22
	Female	5.60	5.16	5.07
Income quartile	Lowest quartile	5.33	4.93	4.78
	Second quartile	5.51	5.15	5.02
	Third quartile	5.68	5.33	5.29
	Highest quartile	5.90	5.62	5.63
Country group	EU15	5.80	5.30	5.28
	EU12	4.90	4.83	4.62
Total	EU27	5.61	5.20	5.15

Notes: Based on answers to: Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?

Weighted data; mean score; scale 1–10.

between 2003 and 2011, there was a larger drop in trust in people among the EU15 countries than among the EU12.

Trust in public institutions

As mentioned in the Introduction, since the 1980s the social welfare state – and thus the role of public institutions – in Europe has undergone significant changes (Esping-Andersen et al, 2002; Hemerijck, 2012). Although the drivers behind long-term social and economic change are common across Europe, the pressures they create, as well as the policy responses they trigger, vary from country to country.

Trust in public institutions is of great importance for creating public endorsement of policy initiatives, tax contributions, participation in and fair use of public services, and overall democratic legitimacy of a system (Eurofound, 2010d), and it is therefore an important issue for governments.

Based on data from a general mass survey of Norwegian citizens conducted in 2001, Christensen and Lægveid (2005) concluded, first, that people's trust in government (parliament, cabinet, civil service, local councils, political parties and politicians) is of a general character, and a high level of trust in one institution tends to extend to other institutions. Secondly, they concluded that political-cultural variables have the strongest

overall effect on variations in people's trust in government. Here, the single most important factor is general satisfaction with democracy. The third conclusion was that citizens who are satisfied with specific public services generally have a higher level of trust in public institutions than citizens who are dissatisfied. Finally, trust in government is also influenced by demographic factors such as age, education and occupation.

Trust in political institutions has been particularly shaken during the economic crisis in Europe (Stokes, 2012). Many Europeans became sceptical about the ability of governments and public institutions to handle economic and political difficulties adequately during the crisis years, as is indicated by results from the EQLS 2007 and 2011.

The trends in trust in public institutions by country group are shown in Table 4.

The table shows a significant decrease in trust in public institutions between 2007 and 2011. Compared with 2007, people in 2011 reported lower trust in parliament, the legal system, the press, the police and government. When comparing country groups, the change of trust in parliament is somewhat similar in the EU12 and the EU15, but for the legal system, the police and the press, the decrease in the EU12 countries is larger. The decrease in trust in government, however, is largest for the EU15 country group.

Table 4: Changes in trust in public institutions by country group

		Trust in parliament		Trust in the legal system		Trust in the press		Trust in police		Trust in government	
		2007	2011	2007	2011	2007	2011	2007	2011	2007	2011
Country groups	EU15	4.90	4.38	5.44	5.08	4.54	4.41	6.31	6.22	4.84	4.16
	EU12	3.57	3.06	4.27	3.80	4.92	4.28	5.23	4.95	3.79	3.23
	EU27	4.61	4.10	5.20	4.82	4.62	4.39	6.09	5.96	4.62	3.97

Notes: Based on answers to: Please tell me how much you personally trust each of the following institutions on a scale from one to 10?

Weighted data; 1 = no trust at all, 10 = complete trust.

Trust in people and institutions: hypothesis

Trust in people and in public institutions may have an impact on perceived quality of life. Greater trust in people and public institutions is likely to correspond to a higher level of quality of life, which is expressed by a higher average level of satisfaction with life and a higher level of happiness. Previous research has shown that lack of trust in public institutions is related to lower levels of subjective well-being (Hudson, 2006; Eurofound, 2010b).

In the Eurofound report analysing subjective well-being in 2003 and 2007, it was concluded that having reliable family and friends is not the same as having trust in most people (Eurofound, 2009a). Communist regimes left a legacy of distrust in political institutions that tended to shorten the radius of trust. While the mean score for trust in people was 5.8 in the EU15 in 2003, it was a full point lower in countries about to enter the EU. When the question was repeated in the 2007 EQLS, the gap had almost halved. This was not because people in the new Member States had shed the legacy of the past, but because citizens in the EU15 had become much less trusting of others. Whereas in the first

EQLS, the mean level of trust in others in the EU15 was 5.8 on a 10-point scale, it dropped to 5.3 in the second round of the survey, while in the new Member States, it fell by only one-tenth of a point from an initial score of 4.8. However, people consistently show more satisfaction with their own circumstances than with public services. There is a difference of more than a full point on the 10-point scale in the ratings of education and health. One interpretation of this discrepancy is that people tend to project a general distrust of political institutions onto public services while accurately assessing their personal circumstances.

To test the effect of trust in people and trust in institutions on subjective well-being, the following hypothesis was formulated and tested:

Hypothesis 18: When the trust in institutions and trust in people grows, this will correspond with higher levels of quality of life.

To test Hypothesis 18, we investigated the correlation between trust in people and their life satisfaction and happiness. There was a significant positive correlation between trust in people and life satisfaction and happiness for all three EQLS waves. During the period covering 2003, 2007 and 2011, there was an overall decreasing trend of trust in people, lower levels of trust in people were accompanied by lower levels of quality of life and vice versa. Hypothesis 18 was thus supported.

Tension between social groups

Another aspect of the quality of society is the degree of tension between various social groups. EU policies celebrate social diversity, and this is reflected in the Member States having 23 different languages. The philosophy of social cohesion recognises differences while also emphasising the importance of positive ties between groups that have differing social, economic and cultural characteristics. However, these differences can also produce competing demands. When, for example, labour relations are good, they can be resolved by collective bargaining between the social partners. However, if the differences are not resolved by agreement, this can produce tensions in society (Eurofound, 2010d). Social tensions can lead to fractionalisation, polarisation and segregation. They can also be a driving force for more serious conflicts such as civil wars (Rohner, 2008).

The EQLS examines a variety of possible social tensions as perceived by the respondents. Some of the categories, such as tensions between rich and poor people and between managers and workers, can be seen as tensions along the vertical axis in the social structure; tensions between racial or ethnic groups can be seen as horizontal tensions (Delhey and Keck, 2008). In addition, the survey also asks about tensions between men and women, and between old and young people (which may have both vertical and horizontal aspects). Table 5 sums up the results by country group (EU27, EU15 and EU12). In this table, a higher score index means more perceived tension.

Table 5: Changes in tension between various social groups, by country group

	2003	2007	2011
Tension between poor and rich			
EU15	2.16	2.12	2.19
EU12	2.44	2.27	2.32
EU27	2.22	2.15	2.22
Tension between management and workers			
EU15	2.23	2.22	2.17
EU12	2.39	2.23	2.26
EU27	2.27	2.22	2.19
Tension between men and women			
EU15	1.76	1.84	1.74
EU12	1.73	1.73	1.72
EU27	1.76	1.82	1.74

	2003	2007	2011
Tension between old and young people			
EU15	1.85	1.93	1.76
EU12	1.97	1.98	1.91
EU27	1.88	1.94	1.79
Tension between different racial and ethnic groups			
EU15	2.38	2.33	2.25
EU12	2.10	2.07	2.16
EU27	2.32	2.28	2.23

Note: Based on responses to: In your opinion, how much tension is there between each of the following groups in this country?

Weighted data; scale 1–3, where 1 = no tension, 2 = some tension, 3 = a lot of tension.

Table 5 demonstrates the following changes in social tensions.

- The perceived tension between poor and rich Europeans decreased between 2003 and 2007, but increased again between 2007 and 2011.
- The perceived tension between management and employees decreased over the course of 2003, 2007 and 2011, showing a downward trend.
- The perceived tension between men and women is low; it increased between 2003 and 2007, and decreased over 2007 and 2011.
- Perceived tension between old and young people is low, too; in 2007 was higher compared with 2003, but tension in 2011 was lower compared with 2007.
- The perceived tension between different racial and ethnic groups overall decreased over the course of 2003, 2007 and 2011, showing a downward trend.

The decrease in perceived tension between racial and ethnic groups may seem strange given that there is increasing migration within the EU as well as considerable immigration from countries outside it, particularly from the largely Muslim areas south and east of Europe. The EQLS contains no specific data for further investigation, but it may be that Europeans have become accustomed to certain aspects of migration and immigration. At the same time, the perceived tension between different racial and ethnic groups within the EU12 group increased between 2007 and 2011. Given patterns of migration in the EU12, this is likely to reflect tension between internal racial and ethnic groups (for example, the Roma people) (Eurofound, 2012a). The increase in perceived tension between different racial and ethnic groups in the EU12 is seen particularly among couples with children, people with an average income and of average age, people with a job, and

students. The data provide for no further explanation of why this ‘average’ group of people should perceive more tension between ethnic or racial groups.

Figures 46, 47 and 48 show the tension index by country and country cluster. This index was computed on the basis of the answers about perceived tension between the five different groups mentioned above. In this index, a score of 5 means no tension and a maximum score of 15 means a lot of tension in all five respects.⁸ Thus, a higher score relates to a higher mean tension in that particular country and vice versa. The index comprises both vertical and horizontal tensions.

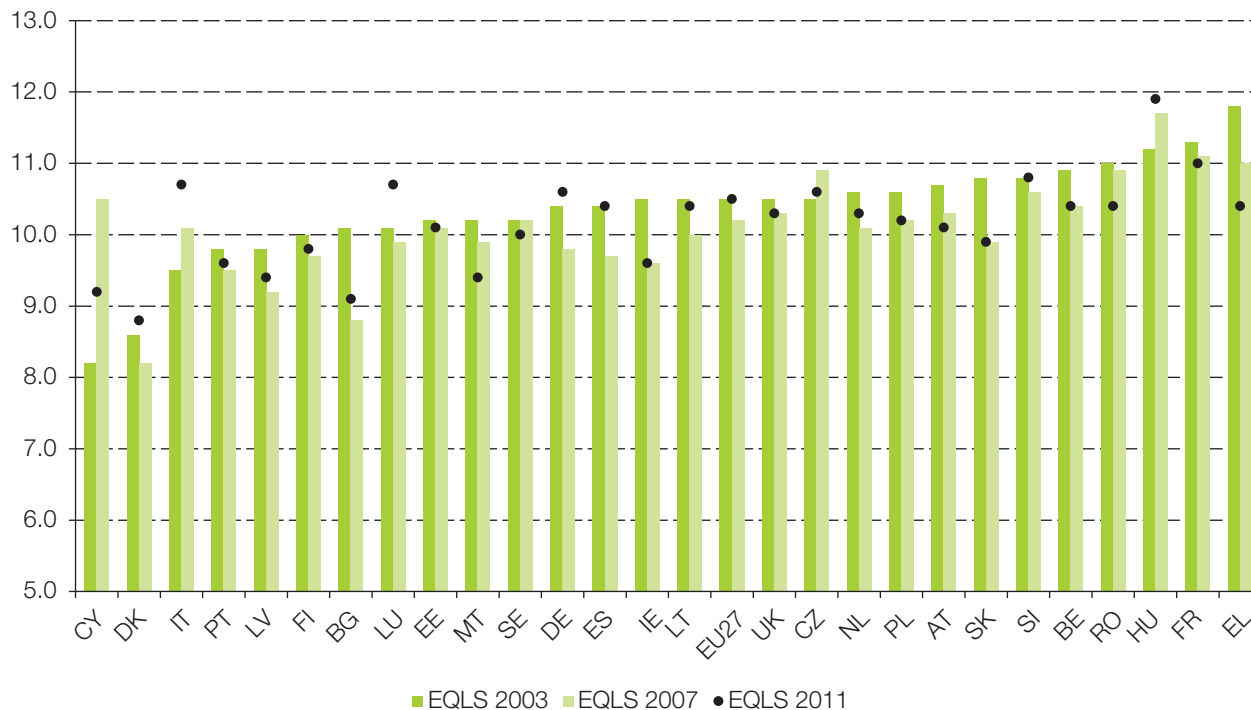
In 2003, 2007 and 2011, the mean score on the tension index was respectively 10.5, 10.5 and 10.2, indicating a decline in overall levels of perceived tension since 2007.

When comparing Member States, a wide range of scores is evident. In 2003, the range is from a low tension rating of 8.2 in Cyprus to 12.0 in Greece; in 2007, from 8.8 in Denmark to 12.0 in Hungary; and in 2011, from 8.2 in Denmark to 11.7 in Hungary. The country with the largest change in tension is Cyprus with a score of 8.2 in 2003 to a score of 10.5 in 2011; perceived social tension therefore increased significantly here. Countries with a very small change in tension index scores across the three surveys are the Czech Republic, Finland, France, Portugal, Slovenia, Sweden and the UK.

There is no evident relationship between social tensions and the economic crisis. On balance, between 2003 and 2011, all country clusters show a decrease in score on the index, reflecting diminishing tension. This is especially the case between 2007 and 2011. Particularly remarkable is the development in the EA South and Periphery cluster: a substantial increase in 2003–2007 followed by a substantial decrease in 2007–2011.

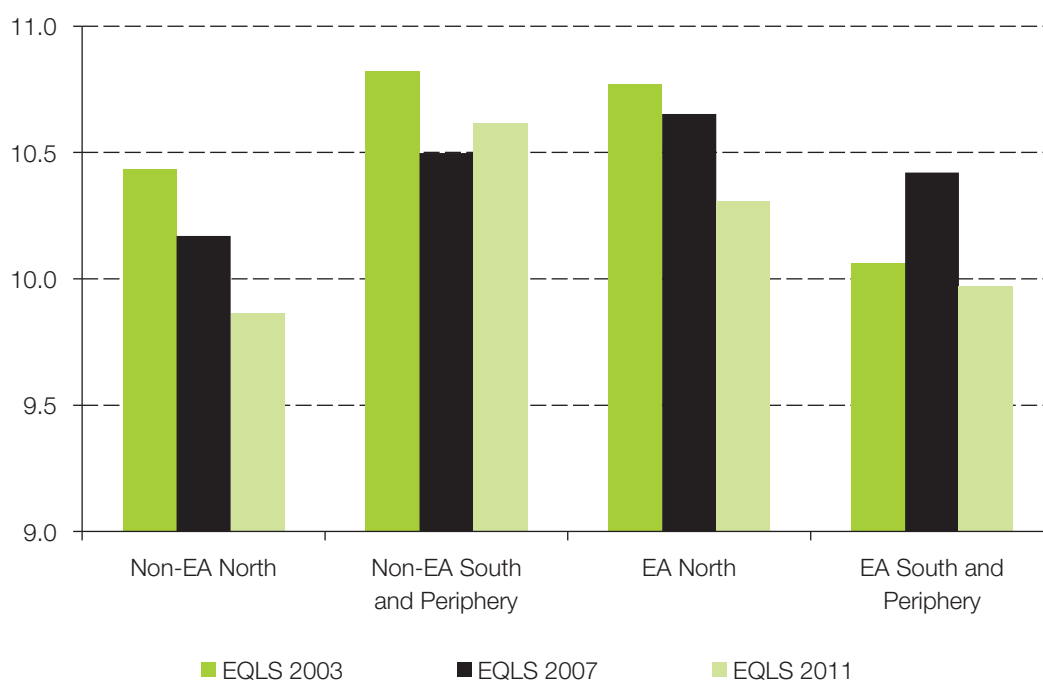
⁸ Respondents could indicate on a scale from 1 to 3 (1 = no tension, 2 = some tension, 3 = a lot of tension) how much tension they perceive between the following groups: 1) poor–rich; 2) management–workers; 3) men–women; 4) old–young; 5) different racial and ethnic groups. The tension index is the sum of these variables, which gives a tension index score for each respondent that ranges from 5 (no tension) to 15 (maximum tension).

Figure 46: Changes in tension index, by country

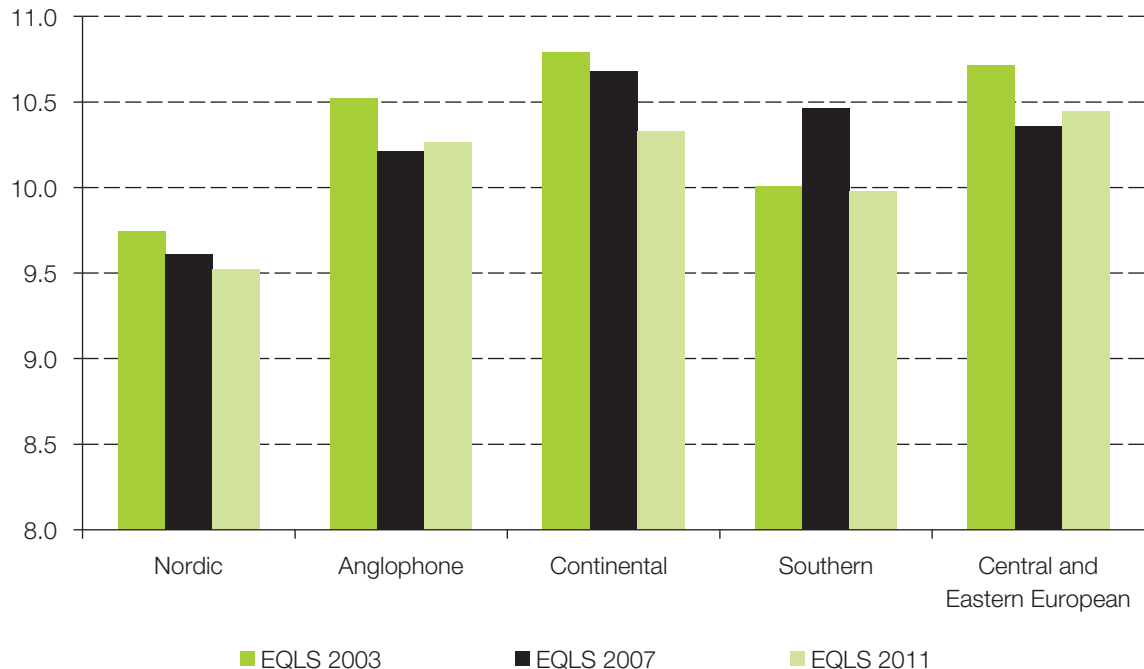


Note: Scale of 5–15, where 5 = no tension and 15 = a lot of tension.

Figure 47: Changes in tension index, by country cluster (EA and Non-EA)



Note: Scale of 5–15, where 5 = no tension and 15 = a lot of tension.

Figure 48: Changes in tension index, by country cluster (welfare state)

Note: On a scale of 5–15, where 5 = no tension and 15 = a lot of tension.

For countries clustered by type of welfare state, the Nordic and the Continental clusters show a clear downward trend across 2003, 2007 and 2011. In the Central and Eastern European cluster perceived social tension is growing. It has already been mentioned that this is specifically the case for perceived tension between racial and ethnic groups.

Figure 49 presents the tension index scores of vulnerable groups. With the exception of the 65+ age in the EU12 group, in general the tension perceived by vulnerable groups is higher than that perceived by other people.

For three of the vulnerable groups, the tension index score decreased over the course of 2003, 2007 and 2011, with less tension perceived. Only for single parents is the pattern different, with a high score in 2007. However, the tension perceived by this group also shows an overall decrease between 2003 and 2011.

Social tension: hypothesis

An interesting question is whether tensions between social groups rise as inequalities between groups increase. It has not been self-evident how the economic crisis will affect social relations, and whether antagonism or solidarity will prevail.

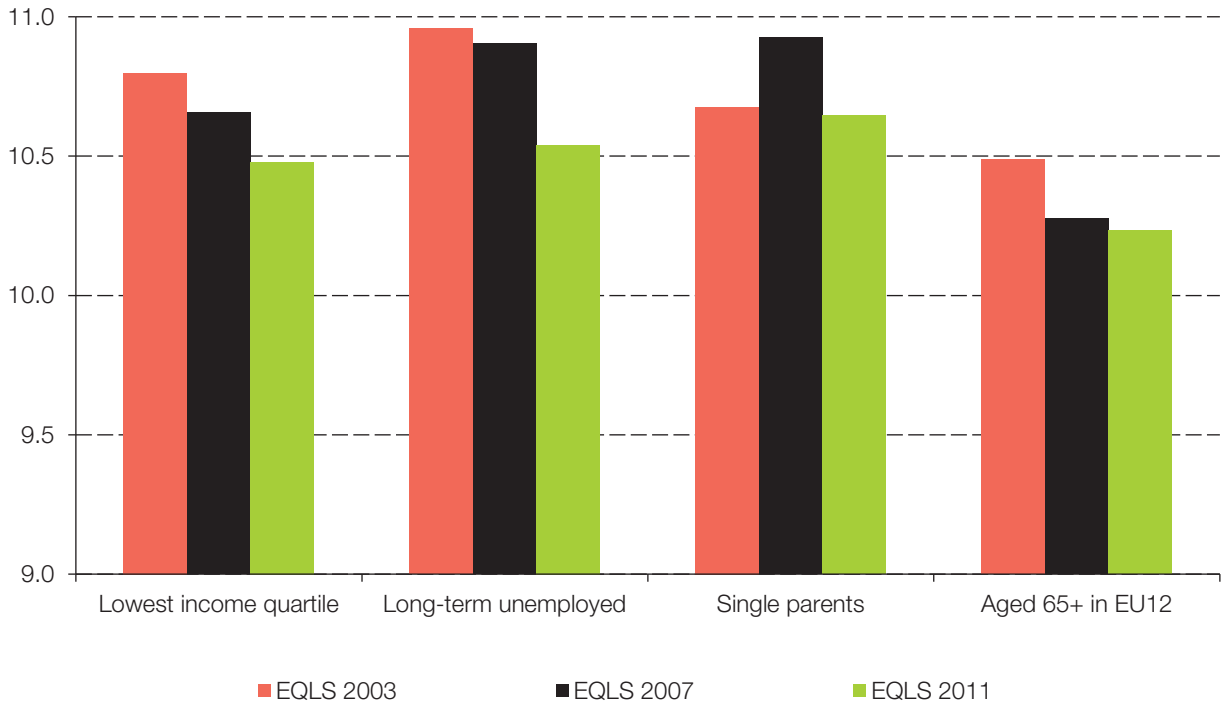
There is a difference, of course, between perceived tensions (as measured by the EQLS) and actual expressions of social conflict. Perceived tensions are components of the social climate and are interesting in the context of the economic crisis, which is, to a certain extent, a source of tension in itself. There are recent examples of societal perceptions analysis, with a view to estimating potential for social unrest (Eurofound, 2012a).

A recent background study for the *World development report 2013* (Wietzke and McLeod, 2012) also studies the relationship between social tension, economic development and income inequality. It concludes that the quality of social cohesion and public institutions, and consequently the level of subjective well-being, can offset social tensions due to negative economic developments. To study the relationship a hypothesis was formulated as follows.

Hypothesis 19: An increase in perceived social tension will be accompanied by a decrease in quality of life.

The correlation between the tension index and life satisfaction and happiness was analysed for all countries. For all three EQLS waves, there was a negative correlation between the tension index and quality of life variables. This supports the hypothesis.

Figure 49: Changes in tension index, by vulnerable group



Note: Scale of 5–15, where 5 = no tension and 15 = a lot of tension.

CHAPTER 8

Conclusions and policy implications

Conclusions and policy implications

Overall conclusions

Objectives of the analysis

This report presents an analysis of changes in quality of life in Europe over the last decade. The analysis focuses on the EU27 and examines EQLS variables for which the same or comparable data were available for all three waves. Trends in quality of life are examined with specific attention to differences:

- between EU15 and EU12 Member States;
- among countries grouped according to whether they have or have not been affected by the economic crisis;
- among countries grouped according to their welfare system type.

Within these country groupings, specific attention has been paid to the position of four vulnerable groups: people aged 65 years and older in the EU12, single parents, long-term unemployed and people from the lowest income quartile.

Within the framework of this report, a series of hypotheses have been formulated about trends in quality of life over 2003, 2007 and 2011. Statistical analyses, including multivariate analyses, have been used to test these hypotheses. Interpretation of trends and changes over time must, of course, consider a wide range of factors, including changing expectations.

Policy context

This report looks not only at developments over the last decade, but also pays particular attention to themes that are relevant for national and EU policies in the coming years.

- Europe is still coping with an economic crisis. It is relevant to look at the consequences of the crisis for matters such as social support and subjective quality of life. This can be

done by analysing how trends in quality of life between 2003 and 2007 changed in the following four years.

- Convergence remains an important issue. This applies to convergence across countries and regions and to convergence across the more advantaged and disadvantaged groups in society. The analysis of the three EQLS waves makes it possible to draw some conclusions as to how this is progressing.
- The European Commission recently introduced the Social Investment Package. Analysis of trends in quality of life can inform understanding of how this package can be successful in the fields of social inclusion and social protection.
- The analysis of the trends in the EQLS highlights some specific points about reconciliation between employment and unpaid work, especially from the perspective of family life.

Trends in subjective well-being

The report looks first at developments in subjective well-being across the EQLS surveys of 2003, 2007 and 2011, focusing on the two main indicators, life satisfaction and happiness.

The general trend in both life satisfaction and happiness is stable, with a gradual convergence between countries. The average EU27 rating for life satisfaction increased a little to 7.1 (on a scale of 1 to 10) in 2011, while that of happiness showed a small decline to 7.4. Many Member States with a low ranking in 2003 are catching up, while some of the Member States with the highest satisfaction in 2007 show somewhat declining levels of life satisfaction.

There are few differences in the changes in life satisfaction between countries more or less severely affected by the crisis. Life satisfaction remained largely the same in the wealthy or relatively wealthy countries and generally increased in the poorer countries. Reported happiness tended to be somewhat lower in most Member States. The major exception is Greece, where both life satisfaction and happiness decreased significantly.

The U-shaped curve in life satisfaction by age group became less flat between 2003 and 2011, with the 50–64 years age group scoring lowest; differences between the 50–64 age group and the other age groups are growing. Differences in life satisfaction between the unemployed or people unable to work and groups of other economic status were low in 2007 compared with periods of economic downturn (in both 2003 and 2011). Differences in life satisfaction between couples (with and without children) and other types of household structures were greater in 2007 and 2011 than in 2003; the difference was greatest in the case of single parents. The reported happiness of single people and single parents was higher in 2011 than in 2007, after a decrease from 2003 to 2007.

Considering specific vulnerable groups, there is evidence of somewhat higher levels of life satisfaction and happiness among people who are long-term unemployed and the 65+ group in the EU12. These same groups in the EU15 and other vulnerable groups, such as people unable to work because of illness and single parents, did not catch up with the level of subjective well-being among people who do not belong to vulnerable groups. Differences in subjective well-being between income quartiles increased from 2003 to 2011.

Finally, the hypothesis that there are no significant changes in the determinants of life satisfaction between 2003, 2007 and 2011 was supported.

Trends in living standards and deprivation

Quality of life is partly explained by a household's financial situation and its ability to afford certain goods. From 2003 to 2011, the proportion of households facing financial strain increased in Europe. A growing proportion of people in the lowest income quartile have difficulty making ends meet (39% of the people in this income quartile). However, trends in within-country inequality as measured by Gini coefficients do not seem to have a substantial relationship with changes in life satisfaction and happiness.

Vulnerable groups (the long-term unemployed, people on a low income, single parents and people aged 65+ in the EU12) face particular financial strain. After 2007, people in these groups reported an increase in the number of items they could not afford.

Average levels of satisfaction with the standard of living are stable across Europe, and there appears to be a trend of convergence across countries.

Trends in work–life balance

The balance between the rewards and demands of work and of family life has an important influence on subjective well-being. The EQLS investigates work–life balance by looking at three indicators. The first is difficulty concentrating at work because of family responsibilities. This problem is growing: it affected 14% of workers in 2011, compared with 10% in 2003. The second indicator – excessive tiredness after work – fell from 54% to 48% between 2003 and 2007, but rose again to 53% of workers in 2011. The third indicator – difficulty fulfilling family responsibilities because of time spent on the job – was stable in the period, affecting 30% of workers.

It is interesting to look at differences between countries on these indicators. Among countries clustered by type of welfare state, work–life balance was most problematic in the Central and Eastern European cluster in 2011, while in 2003 this was the case with the Anglophone countries. In particular, there was a strong increase in relation to difficulty concentrating at work in the Central and Eastern European cluster, with the exception of Estonia, where work–life balance improved.

Throughout the period of the three EQLS surveys, the Southern cluster generally scores around the European average on these items. In Italy, however, work–life balance seems much better than in the other countries in the same cluster, where there appear to be increasing difficulties, with the exception of Portugal. In 2011, work–life balance was best in the Nordic cluster and the Netherlands, followed by the Continental cluster.

Trends in family and social life

Family and social life are important determinants of quality of life. Satisfaction with family life and satisfaction with social life are fairly constant across 2003, 2007 and 2011. There has been a very small decrease in satisfaction with family life, from 8.0 in 2003 to 7.9 in 2007 to 7.8 in 2011 (on a scale of 1 to 10), and a very small increase in satisfaction with social life, up from 7.2 in 2003 and 2007 to 7.3 in 2011.

Developments in Member States differ, with the most significant decreases in Greece. For satisfaction with family life, there is no clear distinction in trends visible between countries heavily affected by the economic downturn and countries not affected or mildly affected. For satisfaction with social life, there is a clear upward trend from 2003 through 2007 to 2011 for both Southern and the Northern countries less affected by the crisis.

There is no support for the hypothesis that having children in the household leads to a more resilient quality of life in times of

economic recession. It seems that the life satisfaction of people living as a couple, with or without children, declines least in times of economic downturn. There is also no support for the hypothesis that the quality of life and satisfaction with family life of single parents is more adversely affected by the economic downturn than for other household types. The results show that both single people and single parents have lower levels of life satisfaction, happiness and satisfaction with family life.

People who can rely upon their family for support in certain situations are more satisfied with their life than people who depend on support from elsewhere in their social network. The latter group, in turn, is more satisfied with their life than people who have to rely on more formal sources of support or who feel that they have no support to fall back on.

The hypothesis that the quality of life in households with access to a more robust social support network is more resilient in times of economic recession can neither be supported nor refuted, suggesting that social networks alone may not be adequate to buffer large-scale social and economic changes. Although people who can rely upon the support of their family or their social network on average show a higher level of life satisfaction, the level of life satisfaction of people who have neither family nor social network to fall back on was also markedly higher in 2011 than in 2007. This coincides with an increase in the size of this group of people.

Trends in home, housing and local environment

Between 2003 and 2011, home ownership has increased, although there was a decrease between 2007 and 2011. The mean number of rooms per household decreased slightly between 2003 and 2011, although it was stable between 2003 and 2007. The downward trend after 2007 may be associated with an ageing population and smaller household sizes.

Between 2003 and 2007, the proportion of people reporting problems with their accommodation fell and changed little between 2007 and 2011. In the EU as a whole, satisfaction with accommodation is quite consistent across 2003, 2007 and 2011 period.

There is an upward trend in satisfaction with accommodation in central and eastern European Member States, and particularly among people aged 65+ in these countries. There is a decrease in satisfaction with accommodation in some of the EU15 Member States affected by the crisis, especially in Germany and Belgium.

The proportion of mortgage holders having difficulty making ends meet increased to 11% in 2011. These difficulties

are not limited to mortgage holders, however, but also affect people with other types of tenure. Nevertheless, there is no indication that the proportion of mortgage holders reporting problems with their accommodation has increased. Among the most vulnerable groups, satisfaction with accommodation appears to have increased over the last decade – or at least not declined, despite the economic crisis. Satisfaction is lowest among the long-term unemployed, but has not increased over the last decade. There is a trend towards higher satisfaction with housing among people aged 65+ in the EU12.

Trends in health, healthcare, education and other public services

Average satisfaction with health decreased over the three surveys, but this decrease took place between 2003 and 2007. The score for satisfaction with health was 7.3 in 2011 and 2007, compared with 7.5 in 2003. The Central and Eastern European country cluster is an exception to this trend, where satisfaction with health has been increasing. However, with a score of 6.8, it is still far below that of other countries. As reported in the EQLS overview report (Eurofound, 2012a), there is evidence of a decline in the health status of the people in the lowest income quartile between 2007 and 2011.

Over the period studied, the perceived quality of healthcare on average is fairly constant. The hypothesis that there is a relationship between growing or decreasing health expenditure and related quality of life components is only partially supported by the data. It was possible to look at the development of health expenditure only for a limited number of years before the first EQLS wave. Perhaps it takes time for increases or decreases in health expenditure to translate into higher or lower life satisfaction, satisfaction with health or perceived quality of the health system.

Satisfaction with one's own education increased from 6.9 in 2003 to 7.2 in 2007 and was unchanged in 2011. Between 2007 and 2011, there was a decrease in satisfaction with education in countries sharply affected by the economic downturn, while in others the increasing trend persisted. The perceived quality of the educational system in the period 2003–2011 overall is stable, but there are important differences between countries.

While the perceived quality of the public transport system has been increasing, again, there are big country differences, and in 11 Member States, the average rating was lower in 2011 than in 2003. The perceived quality of state pension systems was already low in most countries in 2003, but was lower again in 2007 and stabilised thereafter.

In 2011, all four vulnerable groups (people on low incomes, the long-term unemployed, single parents and people aged

65+ in the EU12) gave ratings below average on practically all the indicators of satisfaction with and perceived quality of health and public services. The only exception was the score of the 65+ in EU12 group for perceived quality of public transport, which was above average. Satisfaction with education among the vulnerable groups did not change markedly over time.

As regards satisfaction with health, people who were long-term-unemployed and people aged 65+ in the EU12 were more satisfied and the other two groups – single parents and the low-paid – were less satisfied.

Compared to 2003, the vulnerable groups were generally more positive about the quality of the healthcare system (except those aged 65+), the educational system and the public transport system in 2011.

The perceived quality of childcare services remained stable among the two vulnerable groups who have most interest in these services – people on low incomes and single parents. All four groups were less positive in 2011 about the quality of their state pension systems.

Trends in quality of society

The last group of indicators investigated in this report track changes in the quality of society. They are based on assessments about trust in people and in institutions, and the perception of social tensions in each country.

Trust in people is associated with higher levels of quality of life. In general, trust in people decreased over the period of the surveys, from 5.6 in 2003 to 5.2 in 2007 and 2011. People aged 65+ and people from the lowest income quartile, in particular, reported less trust in people; in general, people with higher incomes reported more trust in people. Trust in public institutions decreased between 2007 and 2011 (there is no information for 2003). When looking at differences between the EU15 and EU12 Member States, the ratings for trust in the legal system, police and press have decreased more in the EU12 than in the EU15, while the decrease in trust in government is greater in the EU15.

In general, tensions between social groups as perceived by EQLS respondents seem to have declined somewhat. Perceived tension between management and employees and perceived tension between ethnic groups tended to decrease over the whole period, although the latter increased in the EU12 between 2007 and 2011. This rise in perceived ethnic tensions was largely attributable to sharp increases in particular countries, with the Czech Republic and Hungary having the highest rates.

Perceived tension between men and women and between young and old people are not particularly common; they increased between 2003 and 2007 but decreased after 2007. Across the whole of the EU, perceived tension between rich and poor citizens has increased, and this might be explained by the economic crisis and growing inequalities.

When the five forms of perceived tension between social groups are combined into one social tension index, the score on this index declined across 2003, 2007 and 2011 (mainly in 2007–2011). This is particularly true of the Nordic and Continental clusters of countries, as grouped by type of welfare state. This decline was evident across the population as a whole, including all four vulnerable groups (the low-paid, the long-term unemployed, single parents and people aged 65+ in the EU12).

Policy implications

The conclusions from the analysis of the trends in quality of life as reflected by the 2003, 2007 and 2011 waves of the EQLS lead to the following points requiring attention in EU and national policies.

- Life satisfaction and happiness are increasing mainly in the countries that became EU Member States in 2004 or 2007. It seems that membership in itself or the fact that these countries have become subject to cohesion policies has a positive effect on the subjective well-being of the people living in these countries. At the same time, of course, foreign investment in the economies of these countries has grown. Even though there has been an increase in quality of life, however, these countries are still some way behind EU15 average levels of well-being. Where there are changes in happiness and life satisfaction in the EU15 Member States, these may be related to the economic crisis. This has been shown most clearly by the declining trends in Greece, where both life satisfaction and happiness fell markedly between 2007 and 2011. The EQLS illustrates the causes of this decline: debt problems, financial strain and decreasing living standards.

Other countries, such as Spain, Italy and Cyprus, have also experienced heavy budget cuts, but in these countries life satisfaction in 2011 was at least as high as it had been in 2007, underlining the point that subjective well-being is not driven exclusively by economics. Of course, governments in countries coping with severe effects of the economic crisis are under stress. It is important to pay attention to the social problems caused by the crisis itself and also by resulting budget cuts. While financial resources are lacking, there are still policy areas where the design of measures can maintain or improve quality of life, such as legal regulations, the organisation of neighbourhood social support and debt management.

- The decrease in both subjective and objective well-being seems to be highest among some of the most vulnerable groups, particularly people in the lowest income quartile, the long-term unemployed, single parents and older people in the EU12, who all report growing problems in making ends meet. This conclusion suggests that a stronger investment in both national and EU social policies is needed, especially in countries that are struggling due to the length and severity of the economic crisis. The analysis of the trends in the EQLS also shows that not all vulnerable groups have the same problems; this supports a targeted and tailored approach.
- It seems the crisis does not affect only people who do not have a job. There is also pressure on workers, illustrated by an increase in the proportion who report that after work they are too tired to do household jobs. When companies and public institutions have to downsize, the stress on those who stay will grow and the risk of burn-out will increase. This is a point to which employers in both the business sector and the public sector need to pay attention. It is important to help people recognise work-related stress and work–life balance difficulties so that measures are taken to reduce pressures.
- The trends indicate growing concerns among the 50–64 year age group. This is a group that is likely to have the most difficulty finding work if they become unemployed. It is also in the interest of society in general that ageing workers remain in paid employment. For the 50–64 age group, the loss of a job might be accompanied by growing health problems. This suggests more attention needs to be paid to creating age-management measures for workers.
- Trust in public institutions is declining, particularly in the EU15 Member States, while trust in these institutions is still at a rather low level in the EU12 Member States. The analysis of trends shows a correlation between trust in institutions and quality of life. It is not exactly clear which comes first, whether subjective and objective well-being or trust in institutions, but when governments and institutions show that they can be trusted, this may have a positive influence on subjective well-being. For that reason, it may be important to keep investing in institutional capacity, both at the national and EU level. At the same time, public institutions cannot deal with everything, and there is a need to manage expectations about what governments can do.
- Tension between racial and ethnic groups has increased in some EU12 Member States. Differences in the nature of this tension should be noted. In EU15 countries, particularly, the focus is on tension between the native population and external racial and ethnic groups. In the EU12, tension between internal racial and ethnic groups (for example, Roma) seems to be a concern. These differences have to be taken into account when developing and implementing social cohesion policies.
- Analysis of the trends makes a case for a more active approach to social protection. Long-term unemployment has caused damage to many aspects of life. People who lose their jobs and have problems making ends meet might find life satisfaction and happiness decreases so much that the motivation to find a new job is eroded. National and EU policies should focus on preventive measures that help citizens prepare for periods of unemployment, such as encouraging saving, promoting participation in lifelong learning to increase employability, and supporting job-seeking.

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Annex 1: Research methodology and background

Research activities

After carrying out desk research and working out the analysis framework, the research team of Panteia began with descriptive (statistical) analyses of trends in quality of life and its dimensions within the EU27 countries. These trends concerned, among other factors, demographic and socioeconomic factors, health, disability, social support and perceived quality of society.

The descriptive (statistical) analyses were intended to examine the different trends in elements of quality of life separately. This approach is useful in highlighting the groups of people, defined separately by objective measures of quality of life, whose quality of life is positively or negatively affected by these various objective factors. Differences were then tested for significance. Practically all results were significant due to the sheer size of the dataset. However, assessing the underlying trends in quality of life is complex, particularly because the separate factors are associated or causally related in complex ways. For instance, old age and ill health are correlated, as are education and income. Therefore, the team also tried to measure the effect of one factor on quality of life, controlling for the

other factors. To achieve this, for each of the datasets from the 2003, 2007 and 2011 surveys, a standardised set of multivariate models was estimated and used to investigate the developments in the resulting sets of regression coefficients (presented in Annexes 2, 3 and 4).

Data on healthcare expenditure

For Hypothesis 19, it was necessary to gather data on cuts in social and healthcare programmes. Eurostat data were used, giving healthcare expenditure as a percentage of GDP. The data are mainly provided by national statistical institutes and the ministries of health or other national competent institutes. In the regression model, the national healthcare expenditure as a percentage of GDP was included for each wave year. The relative growth or reduction in healthcare expenditure was also added to the model. This relative growth or reduction was calculated for each wave year compared to the previous wave year. In order to compute a relative growth or reduction for each country in 2003, the healthcare expenditure data of 1999 were used. Because data for 2011 are not yet available, data for 2010 were used as an alternative.

Annex 2: Results tables for Chapter 1

Table A1: Life satisfaction by country

	EQLS 2003	EQLS 2007	EQLS 2011
	All things considered how satisfied would you say you are with your life these days? (1 = very dissatisfied, 10 = very satisfied)		
	Mean	Mean	Mean
Bulgaria	4.5	5.0	5.5
Lithuania	5.4	6.3	6.7
Latvia	5.6	6.0	6.2
Slovakia	5.7	6.7	6.4
Estonia	5.9	6.7	6.3
Hungary	5.9	5.6	5.8
Portugal	6.0	6.2	6.8
Romania	6.1	6.5	6.7
Poland	6.2	6.9	7.1
Czech Republic	6.6	6.6	6.4
Greece	6.7	6.6	6.2
France	7.0	7.3	7.2
Slovenia	7.0	7.2	7.0
Italy	7.2	6.6	6.9
Cyprus	7.2	7.0	7.2
Malta	7.3	7.6	7.2
Germany	7.4	7.2	7.2
UK	7.4	7.3	7.3
Spain	7.5	7.3	7.5
Belgium	7.5	7.5	7.4
Netherlands	7.5	7.9	7.7

	EQLS 2003	EQLS 2007	EQLS 2011
	All things considered how satisfied would you say you are with your life these days? (1 = very dissatisfied, 10 = very satisfied)		
	Mean	Mean	Mean
Luxembourg	7.7	7.9	7.8
Ireland	7.7	7.6	7.4
Austria	7.8	6.9	7.7
Sweden	7.9	8.3	8.0
Finland	8.1	8.2	8.1
Denmark	8.5	8.5	8.4
Total	7.0	7.0	7.1

Note: weighted means (weight w5_eu27)

Table A2: Happiness by country

	EQLS 2003	EQLS 2007	EQLS2011
	Taking all things together on a scale of 1 to 10, how happy would you say you are? (1 = very unhappy , 10 = very happy)		
	Mean	Mean	Mean
Bulgaria	5.9	5.8	6.3
Slovakia	6.5	7.5	6.9
Latvia	6.5	6.8	6.7
Lithuania	6.5	7.3	7.0
Poland	6.9	7.4	7.3
Estonia	6.9	7.4	6.8
Portugal	6.9	6.9	7.2
Hungary	7.1	7.0	6.9
Romania	7.2	7.0	7.0
Czech Republic	7.3	7.5	7.1
France	7.4	7.8	7.4
Slovenia	7.4	7.7	7.1
Italy	7.5	7.0	7.1
Greece	7.6	7.3	6.5
Netherlands	7.7	8.0	7.7
Germany	7.8	7.5	7.4
Cyprus	7.8	7.7	7.6

	EQLS 2003	EQLS 2007	EQLS2011
	Taking all things together on a scale of 1 to 10, how happy would you say you are? (1 = very unhappy , 10 = very happy)		
	Mean	Mean	Mean
Belgium	7.8	7.8	7.6
Spain	7.8	7.6	7.8
UK	7.9	7.8	7.6
Malta	7.9	7.9	7.2
Luxembourg	8.0	8.0	7.8
Austria	8.0	7.3	7.7
Sweden	8.0	8.2	7.8
Ireland	8.1	8.0	7.7
Finland	8.2	8.3	8.1
Denmark	8.4	8.3	8.2
Total	7.5	7.5	7.4

Note: weighted means (weight w5_eu27)

Table A3: Ordinary least squares regression analysis of life satisfaction and demographic variables

Dependent variable: life satisfaction	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.21	0.22	0.17
Female (ref=male)	0.10	0.05*	0.07
Aged 18–24 (ref=aged 35–49)	0.39	0.33	0.51
Aged 25–34	0.20	0.04*	0.19
Aged 50–64	-0.01*	0.09*	0.06*
Aged 65+	0.18*	0.49	0.47
Single (ref=couple)	-0.47	-0.50	-0.39
Single parent	-0.48	-0.66	-0.65
Couple with children	0.15	0.28	0.23
Other	-0.11*	-0.09*	-0.11
Primary education (ref= secondary education)	-0.19	-0.34	-0.12*
Tertiary education	0.11*	0.21	0.15
Unemployed 12 months and more (ref= employed)	-1.03	-0.63	-0.76
Unemployed less than 12 months	-1.22	-0.91	-1.17

Dependent variable: life satisfaction	Unstandardised coefficients		
	2003	2007	2011
Unable to work	-0.86	-0.32	-0.50
Retired	0.17*	0.19	0.22
Homemaker	0.03*	0.13	-0.01*
Student	0.19*	0.56	0.08*
Health rated bad or very bad	No data	-1.20	-1.14
Chronic health condition or disability	No data	-0.02*	-0.04*
Limiting chronic health condition	No data	-0.26	-0.22
Second income quartile (ref=lowest)	0.16	0.36	0.34
Third income quartile	0.54	0.62	0.51
Highest income quartile	0.85	0.89	0.77

* Not significant at 0.05 level

Annex 3: Results tables for Chapter 4

Table A4: Ordinary least squares regression analysis of life satisfaction and economic status

Dependent variable: life satisfaction	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.09	0.09	0.09
Household size	-0.01*	0.07	0.14
Unemployed 12 months and more (ref= employed)	-1.11	-0.63	-0.71
Unemployed less than 12 months	-1.49	-1.16	-1.28
Unable to work	-1.17	-1.08	-1.13
Retired	-0.02*	0.02*	0.09*
Homemaker	0.11*	-0.01*	-0.04*
Student	0.48	0.80	0.56
Second income quartile (ref=lowest)	0.17	0.42	0.40
Third income quartile	0.58	0.68	0.64
Highest income quartile	0.84	1.00	0.89
Single (ref=couple)	-0.41	-0.46	-0.25
Single parent	-0.67	-0.97	-0.73
Couple with children	-0.02*	-0.05*	-0.11*
Other	-0.47	-0.46	-0.53

* Not significant at 0.05 level

Table A5: Ordinary least squares regression analysis of happiness and economic status

Dependent variable: happiness	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.10	0.09	0.09
Household size	0.05*	0.09	0.15
Unemployed 12 months and more (ref= employed)	-0.77	-0.47	-0.28
Unemployed less than 12 months	-1.32	-0.83	-0.83
Unable to work	-1.14	-1.06	-1.07
Retired	-0.15	-0.19	-0.18
Homemaker	0.01*	0.00*	-0.08
Student	0.30	0.54	0.53
Second income quartile (ref=lowest)	0.21	0.32	0.29
Third income quartile	0.43	0.45	0.50
Highest income quartile	0.60	0.62	0.67
Single (ref=couple)	-0.76	-0.75	-0.56
Single parent	-0.85	-0.90	-0.69
Couple with children	-0.06	-0.14*	-0.21*
Other	-0.48	-0.41	-0.59

* Not significant at 0.05 level

Table A6: Ordinary least squares regression analysis of life satisfaction and health

Dependent variable: life satisfaction	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.09	0.13	0.12
Unemployed 12 months and more (ref= employed)	-1.11	-0.62	-0.68
Unemployed less than 12 months	-1.49	-1.02	-1.23
Unable to work	-1.17	-0.31	-0.45
Retired	-0.02*	0.25	0.34
Homemaker	0.11*	0.07*	-0.01*
Student	0.48	0.76	0.50
Second income quartile (ref=lowest)	0.17	0.35	0.34
Third income quartile	0.59	0.59	0.51
Highest income quartile	0.85	0.87	0.76

Dependent variable: life satisfaction	Unstandardised coefficients		
	2003	2007	2011
Health rated bad or very bad		-1.45	-1.27
Chronic health issue or disability		0.14*	0.06*
Limiting chronic health issue		-0.30	-0.25
Single (ref=couple)	-0.40	-0.46	-0.36
Single parent	-0.68	-0.85	-0.65
Couple with children	-0.05*	0.07*	0.13
Other	-0.50	-0.37	-0.28

* Not significant at 0.05 level

Table A7: Ordinary least squares regression analysis of happiness and health

Dependent variable: happiness	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.10	0.14	0.13
Unemployed 12 months and more (ref= employed)	-0.77	-0.44	-0.28
Unemployed less than 12 months	-1.32	-0.70	-0.74
Unable to work	-1.14	-0.31	-0.33
Retired	-0.16	0.03*	0.08
Homemaker	0.01*	0.08*	0.02*
Student	0.30	0.50	0.49
Second income quartile (ref=lowest)	0.20	0.25	0.21
Third income quartile	0.42	0.35	0.35
Highest income quartile	0.59	0.48	0.51
Health rated bad or very bad		-1.40	-1.23
Chronic health issue or disability		0.17	-0.09*
Limiting chronic health issue		-0.35	-0.19
Single (ref=couple)	-0.81	-0.77	-0.67
Single parent	-0.82	-0.76	-0.60
Couple with children	0.03*	0.03*	0.04*
Other	-0.36	-0.29	-0.36

* Not significant at 0.05 level

Table A8: Ordinary least squares regression analysis of satisfaction with family life

Dependent variable: satisfaction with family life	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.12	0.13	0.13
Unemployed 12 months and more (ref= employed)	-0.46	0.02*	-0.24
Unemployed less than 12 months	-0.64	-0.21*	-0.49
Unable to work	-0.61	0.13*	-0.06*
Retired	0.33	0.39	0.36
Homemaker	0.17	0.21	0.14
Student	0.01*	0.54	0.21
Second income quartile (ref=lowest)	0.15	0.23	0.09*
Third income quartile	0.36	0.32	0.21
Highest income quartile	0.40	0.44	0.39
Health rated bad or very bad		-0.93	-0.84
Chronic health issue or disability		0.18	0.00*
Limiting chronic health issue		-0.15*	-0.09*
Single (ref=couple)	-1.64	-1.56	-1.40
Single parent	-1.05	-1.02	-1.07
Couple with children	0.09*	0.15	0.19
Other	-0.32	-0.48	-0.34

* Not significant at 0.05 level

Annex 4: Results tables for Chapter 6

Table A9: Ordinary least squares regression analysis of satisfaction with health

Dependent variable: satisfaction with health	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.140	0.134	0.148
Female (ref=male)	-0.01*	-0.12	-0.07
Aged 18–24 (ref=aged 35–49)	0.66	0.98	0.99
Aged 25–34	0.41	0.45	0.62
Aged 50–64	-0.74	-0.64	-0.73
Aged 65+	-1.29	-1.19	-1.11
Second income quartile (ref=lowest)	0.29	0.28	0.51
Third income quartile	0.48	0.44	0.79
Highest income quartile	0.70	0.73	1.05
Primary education (ref= secondary education)	-0.18	-0.83	-0.22
Tertiary education	0.14*	0.18	0.32
Expenditure on healthcare % GDP	0.07	0.14	0.10
Relative growth of expenditure on healthcare % GDP	-0.51*	1.03	-0.15*

*Not significant at 0.05 level

Table A10: Ordinary least squares regression analysis of life satisfaction

Dependent variable: life satisfaction	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.658	0.075	0.067
Female (ref=male)	0.07*	-0.02*	0.04*
Aged 18–24 (ref=aged 35–49)	0.27	0.46	0.55
Aged 25–34	0.15*	0.05*	0.22
Aged 50–64	0.05*	-0.06*	-0.06*
Aged 65+	0.30	0.26	0.43
Second income quartile (ref=lowest)	0.28	0.52	0.57
Third income quartile	0.68	0.79	0.84
Highest income quartile	0.97	1.05	1.12
Primary education (ref= secondary education)	-0.21	-0.46	-0.21
Tertiary education	0.11*	0.46	0.27
Expenditure on healthcare % GDP	0.11	0.15	0.12
Relative growth of expenditure on healthcare % GDP	1.88	-0.10*	-0.24*

* Not significant at 0.05 level

Table A11: Ordinary least squares regression analysis of perceived quality of healthcare

Dependent variable: perceived quality of healthcare	Unstandardised coefficients		
	2003	2007	2011
Adjusted R ²	0.005	0.004	0.003
Female (ref=male)	0.06*	-0.56	-0.31
Aged 18–24 (ref=aged 35–49)	1.11*	0.98	1.08
Aged 25–34	-0.06*	0.36*	0.85
Aged 50–64	0.02*	0.61	0.02*
Aged 65+	1.36	1.06	0.67
Second income quartile (ref=lowest)	-0.43*	-0.74	-0.17*
Third income quartile	-0.05*	-0.47*	-0.13*
Highest income quartile	0.29*	-0.37*	-0.10*
Primary education (ref= secondary education)	0.18*	0.61*	0.57*
Tertiary education	0.43*	0.22*	0.11*
Expenditure on healthcare % GDP	0.04*	-0.08*	0.13
Relative growth of expenditure on healthcare % GDP	-1.00*	-4.13	-1.38*

* Not significant at 0.05 level

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Eurofound has conducted the European Quality of Life Survey (EQLS) in 2003, 2007 and 2011. This report compares the results from the three waves to provide evidence of trends and change in the quality of life of Europeans over a decade. It also examines whether differences across EU Member States have narrowed or remained stable. One of its findings is that subjective well-being has remained stable across the EU as whole, but it also finds that financial strain in households has grown in the wake of the economic crisis. The report proposes a more active approach to social protection, as lower household income is a strong negative influence on quality of life, and especially so in an economic downturn.

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