



European Statistical
Advisory Committee

Background document for the workshop

**Measuring and Comparing the Quality of Life
within Europe**

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Committee of Regions
JDE Building

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Setting the scene

On 20 August 2009, the European Commission published a *communication*¹ on 'GDP and beyond – Measuring progress in a changing world' and so recognised the need to complement Gross Domestic Product (GDP) with social and environmental indicators. The aim for the Commission is to develop a more inclusive knowledge base for better public debate and policy-making.

The communication listed *five major actions* to better measure progress:

1. Complementing GDP with environmental and social indicators, including quality of life and well-being
2. Near real-time information for decision-making, including more timely social indicators
3. More accurate reporting on distribution and inequalities
4. Developing a European Sustainable Development Scoreboard
5. Extending National Accounts to environmental and social issues, including use of existing social indicators from national accounting.

The Commission thereby clearly stated that it '*...intends to cooperate with stakeholders and partners to develop indicators that are internationally recognised and implemented.*'

One month later², the Report by the Commission on the Measurement of Economic Performance and Social Progress (better known as the *Stiglitz-Sen-Fitoussi Report*³) was published. The objectives of this study were to identifying the limits of GDP as an indicator of economic performance and social progress, assessing the possibility of using alternative instruments for measuring social progress and promoting a discussion on how best to present statistical information properly. The report suggests for better measurement in three main areas, including on 'societal well-being'.

Both initiatives responded to a growing need for a wider view on what makes a society successful and for a new benchmark that looks at development beyond pure economic progress. They came (again) at the forefront in a time of tackling the impact of the economic and financial crisis. Where macro-economic conditions are again taking central stage in the public debate, opinion polls show that EU citizens feel that social, environmental and economic indicators should be used equally to evaluate progress.

One important motive for setting up the Stiglitz-Sen-Fitoussi Commission (SSFC) was the increasing gap between standard measures of GDP growth and inflation on the one hand and the individuals' subjective perception of progress and well-being on the other hand. This gap undermines public confidence in official statistics.

¹ COM(2009)final – see Eurostat's special webpages:
http://epp.eurostat.ec.europa.eu/portal/page/portal/gdp_and_beyond/introduction

² 14 September 2009

³ further referred to as the SSF report, see also <http://www.stiglitz-sen-fitoussi.fr/en/index.htm>,

Citizens rightly consider that the main purpose of political action is to improve present and future well-being. Economic growth may well be necessary, but it is not sufficient for society's progress. Statisticians have to provide policy-makers and civil society with reliable, timely and trusted indicators not only on the economy but even so on well-being and on sustainability. Quantitative and qualitative information is needed to assess the present situation, allow for comparisons across countries and over time, and indicate perspectives for further progress.

At political level the wider-reaching and more complex concept of growth is also recognised by the heads of States and Governments, who – in March 2010 - adopted the “*Europe 2020*” strategy⁴. This strategy sets out the main goals for a smart, sustainable and inclusive growth and aims to boost growth and employment but it has also a social and environmental dimension. It defines measurable targets for several indicators that go beyond GDP and the Commission has proposed a monitoring mechanism for these targets.

Measuring progress: statistics as core business

Democratic decision-making requires transparency on the *underlying knowledge-base* and on the different steps in the process up to a commonly accepted policy. We live at a time where 'information' is readily available, abundant, at a finger-clip but not necessarily relevant and valid. To arrive at real social awareness we need to move from information to a robust and solid knowledge base. This is where independent, *high-quality official statistics* have a crucial role to play.

The European Statistical System (ESS) recognised at an early stage that new initiatives and also new statistics would be needed for measuring progress in the GDP and beyond context . It therefore established a so-called *Sponsorship Group on 'Measuring Progress, Well-being and Sustainable Development.'*

From spring 2010 until summer 2011, the Sponsorship Group worked through 3 topical Task forces and 1 cross-cutting Task force. The final Sponsorship Group report is based on the outcome of the different Task forces and sets out concrete actions and development work to be undertaken to update the statistical system to the changing needs on measuring progress.

At its meeting of 17 November 2011, the ESSC adopted this report and the actions are now integral part of the 2012 Statistical Work Programme and of the proposed 2013-2017 European Statistical Programme. All reports and information on the Sponsorship Group can be found at the ESS website at:

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/about_ess/measuring_progress

⁴ Communication "Europe 2020 - A strategy for smart, sustainable and inclusive growth", COM (2010) 2020 final of 3.3.2010 (hereinafter referred to as *Commission strategy Europe 2020*)

Statistics on 'Quality of life': a relatively new area

Arriving at a good quality of life is as well an individual aspiration as an objective for society as a whole. Over the years and following different versions of the treaties, one of the objectives of the EU is its increasing focus to balance economic development with social and environmental sustainability. In 1992 '*..improving quality of life of its citizens...*' was added as an objective to the Treaty of Maastricht, and the Treaty of Lisbon⁵ clearly states '*well-being*' as an explicit objective.

The measurement of quality of life is a relatively new field. The ESSC agreed that Quality of life (QoL) indicators need to be understood through a *multidimensional framework* such as proposed in the SSFC report and endorsed by the Sponsorship.

This framework encompasses *8+1 dimensions*, namely

- Material living conditions (income, wealth and consumption)
- Health
- Education
- Productive and valued activities (including work)
- Governance and basic rights
- Leisure and social interactions (inclusion/exclusion)
- Natural and living environment
- Economic and physical safety
- + Overall experience of life.

There is also an increasing acceptance of the necessity of complementing objective outcomes with *people's subjective perceptions of life*.

The measurement of *subjective well being* is not an easy matter. At first the nature and the scope of the topic need to be clear. Both the consortium (mentioned further in the text) and the OECD⁶ are developing a wider conceptual framework which could guide this measurement. There is in fact agreement among experts on the specific aspects that comprise 'subjective well being' and these are:

- 'life evaluations' which involve a cognitive evaluation on life as a whole;
- measures of 'affect' (positive and negative), which capture the feelings experienced by the respondent at a particular point in time;
- the 'eudaimonic' aspect (psychological 'flourishing'), which reflects people's sense of purpose and engagement.

⁵ 'The Union's aim is to promote peace, its values and the well-being of its people' (Treaty of the European Union, art.3)

⁶ In its work on Developing Guidelines on the Measurement of Subjective Well-being.

Some of these aspects are measured by the *European Quality of Life Survey (EQLS)*⁷ and by the *European Social Survey*⁸ and will be measured by the 2013 EU-SILC ad-hoc module on 'Subjective well-being' (see Annex 2). These surveys will provide the micro data set needed to make an in-depth analysis of subjective well-being and its (possible) determinants.

Quality of Life: the sponsorship recommendations

The Sponsorship Task force 3 (SpG/Tf3) on '*Multidimensional measurement of quality of life*' has identified three main priority areas for further work:

1. Use EU Statistics on Income and Living Conditions (EU-SILC) as the core instrument
2. Complement the coverage of the dimensions with additional data sources
3. Deepen and improve analysis.

For each of these areas, the Task force specified the actions to be carried out, the actor(s) involved and an indication of the timing. In addition the Task force prepared – according to each quality-of-life dimension - a *preliminary list of indicators*, specifying different categories of indicators:

- **Primary indicators** are derived from one (raw) variable directly observed at the individual level, like for instance the share of persons with low/medium/high education attainment, derived from the individual education attainment variable,

- However, for several dimensions, several primary indicators could be presented, resulting in a long list of indicators. Therefore, the task force proposed to develop **synthetic indicators** that would be computed through the aggregation of several basic variables highly correlated. These variables can support the assumption that they are measuring the same latent concept, like for instance, overall health situation that could be computed with three variables dealing with self-reported health, chronic disease and limitations in activities.

- Furthermore, some variables cannot be directly allocated at the level of the individual. It is proposed however to consider some **complementary indicators** at population level, like the life expectancy.

In order to allow different levels of details in the dissemination and the analysis, the task force also proposed to have one (or a very limited number of) **headline indicator**, chosen as being the most important in each of the 8+1 dimensions.

The list also indicates the best available data source for these indicators linked to the time planning.

The full Task force report can be downloaded at:

http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/0_DOCS/estat/TF3_Final_report_Quality_of_Life.pdf

⁷ <http://www.eurofound.europa.eu/areas/qualityoflife/eqls/2007/index.htm>, outside official European statistics

⁸ Outside official European statistics

In summary, on QoL measurement, the key recommendations of the Sponsorship Group are:

- to use a multidimensional framework for measuring QoL that includes perceptions of QoL
- to focus mainly on measurement at the individual level, which would allow
 - to analyse the links between dimensions and their joint distribution,
 - to identify QoL of specific sub-populations in a consistent way and
 - to identify those with multiple deprivation
- to develop a list of indicators on the basis of existing data, covering as much as possible all the dimensions and whenever possible, to use ESS data sources and to build a scoreboard
- as part of this set to try to synthesise some data (or to make synthetic indicators)
- to further develop the statistical coverage of QoL, developing EU-SILC as a core instrument complemented by other data sources and to investigate the possibility of regional estimates
- to disseminate the information (list + data), as it becomes available
- to set up an Expert group for the refinement of the list of indicators and their computation; the group should represent users, producers and other stakeholders.

The SpG/Tf3 reports refer to many past and ongoing activities – at national and at international level - on measuring well-being. Examples are the *OECD Better Life initiative*⁹ and the *UK Measuring National Well being Programme*¹⁰.

Eurostat Expert Group on Quality of life indicators

At its meeting on 22 March 2012, the Directors of Social Statistics (DSS) agreed on the mandate of the above mentioned Expert Group, which Eurostat has set up. One ESAC member should be part of this Expert Group.

An important input for the Expert Group's work is to examine and, where relevant, integrate work on well-being indicators, which is being carried out by the IDEA consortium, working under contract¹¹ for Eurostat. The main task of this consortium is to provide an in-depth scientific analysis of available well-being indicators and to propose a set of indicators for dissemination via Eurostat's specific webpages.

The first meeting of this Expert Group took place in June 2012, with the objectives of drawing common conclusions on the list of 8+1 dimensions on a topic-by-topic basis, opening the subsequent discussion on the set of relevant variables and indicators, and taking note of the proposals for disseminating a scoreboard through a dedicated web site on the Eurostat portal complemented with regular reports.

⁹ <http://oecdbetterlifeindex.org/>

¹⁰ <http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html>

¹¹ 24 months' contract running since January 2011.

Participants discussed the list of Quality of Life topics according to the structure adopted by the SpG/Tf3 together with a review of the list established in the framework of an earlier Eurostat study,¹² with the aim to improve its consistency and to advice on possible overlaps or gaps. The Group also discussed and clarified several issues regarding the dissemination strategy in order to further develop the prototype of the dedicated web site.

During the second meeting, held in October 2012, a final structure of dimensions, topics and subtopics was agreed on the basis of the outcome achieved in June. The draft resulting list (see Annex 1) served as a starting point for its full implementation through a detailed set of variables and indicators; the discussion has allowed to select a subset of non-controversial indicators that can be disseminated depending only on their current availability, whereas other issues will still need further development.

The strategy on the selection of sources has also been updated, stressing the need of a more complex set of quality criteria where timeliness, feasibility of relations between topics, relevance, robustness, disaggregation at the regional level and availability of long time series have been considered. Whenever data is not yet available from EU-SILC or other surveys (or administrative data) within the ESS, additional sources will be assessed from the "fit for purpose" perspective and following a *placeholder* criterion in order to provide proxy information on the topic in a transitory phase; in the long run, ESS sources should be further developed in order to cover better the dimensions of quality of life.

In addition, alternative ways for data production, such as through statistical matching across surveys or other procedures related to data integration are being examined.

Widening the discussion involving civil society and social partners

In essence quality of life concerns all of us. While the debate on how we could measure quality of life and on how these measures could be used to steer determinants of well-being into particular policies is highly topical in specialised groups of experts, statisticians and policy makers, it is very timely to move out from these restricted settings and to enter a wider public and academic debate, engaging with the society at large.

The ESAC is therefore invited to give its view on the work carried out in the European Statistical System on Measurement of Quality of life and in particular to comment from a users' and respondents' perspective.

Possible questions which could guide ESAC in its discussions are:

A. Concepts – Coverage – Relevance

1. What is Qol? Do well-being at societal level and at individual level contribute to it and if so how? What do people need to 'feel well'?
2. What is your opinion with respect to subjective measures on well-being? And how will you expect respondents would react to these 'subjective' questions? What is your view with respect to the different aspects proposed when measuring subjective well-being (life evaluation, affect, eudaimonic)?

¹² Feasibility study for well-being indicators

3. Are the 8+1 dimensions mentioned when measuring QoL relevant/sufficient? Do these dimensions grasp the major domains that count for people's well-being? Is there something missing?

B. Data and indicators

1. What is your opinion on the proposed list of topics and on the differentiation between primary, synthetic and complementary indicators? Would a headline indicator, chosen as representative of each dimension, be an acceptable way to communicate?
2. Have we identified the correct data and sources? What about using statistical data developed outside the ESS? And what about using administrative data not initially conceived for statistical purposes?
3. Are there dimensions, topics, indicators that need further research?
4. Is the development of a micro dataset on QoL at EU level worth the effort and why (not)?

C. Special focus

1. Which population groups need specific attention and why?
2. Which indicators are especially relevant in the context of social cohesion and intergenerational solidarity?
3. What should be measured at which level (EU, national, regional)?

D. Use, policy use and next steps

1. What should/can be done to make the messages that come out of the measurement of QoL useful and 'understandable'? For the public at large? For students? For journalists? How to avoid that the only message that would capture the public attention is the ranking of the Member-States?
2. From your experience, do you have examples of the policy use made of subjective and/or objective measures on QoL? Could you think of possible future uses and if so, in which policy domains?
3. What could be done to better involve stakeholders in the process of measuring QoL?

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ANNEX 1 – Draft list of topics identified by the expert group on quality of life indicators

Dimension	Topic / Subtopic
1	MATERIAL LIVING CONDITIONS
	1.1 Income
	1.2 Consumption
	1.2.1 Constrained Consumption
	1.2.2 Non-market consumption and government provided services (including STIK)
	1.3 Material conditions
	1.3.1 Material Deprivation
	1.3.2 Housing conditions
	1.4 Subjective appreciation (including about Housing)
2	PRODUCTIVE OR MAIN ACTIVITY
	2.1 Employment (unemployment, underemployment)
	2.1.1 Unemployment
	2.1.2 Underemployment, quantity
	2.1.3 Underemployment, quality
	2.2 Quality of employment
	2.2.1 In Work Poverty
	2.2.2 Health and safety at work
	2.2.3 Work/life balance
	2.2.4 Temporary work
	2.3 Quality of main activity
	2.4 Subjective appreciation
3	HEALTH
	3.1 Outcomes
	3.1.1 Life expectancy
	3.1.2 Morbidity & health status
	3.2 Drivers: healthy and unhealthy behaviors
	3.3 Access to healthcare
4	EDUCATION
	4.1 Competences and skills
	4.1.1 Educational attainment
	4.1.2 Self reported skills
	4.1.3 Assessed skills
	4.2 Lifelong learning
	4.3 Access to Education

5	LEISURE AND SOCIAL INTERACTIONS
	<p>5.1 Leisure</p> <p>5.1.1 Quantity of leisure: availability and time use, including personal care: satisfaction with time to do the things that people like</p> <p>5.1.2 Quality of leisure</p> <p>5.1.3 Access</p> <p>5.2 Social interactions</p> <p>5.2.1 Activities with people (including feelings of loneliness)</p> <p>5.2.2 Activities for people (volunteering and care)</p> <p>5.2.3 Supportive relationships</p> <p>5.2.4 Social cohesion (interpersonal trust, perceived tensions, inequalities)</p>
6	ECONOMIC AND PHYSICAL SAFETY
	<p>6.1 Economic security and vulnerability</p> <p>6.1.1 Wealth (assets)</p> <p>6.1.2 Debt</p> <p>6.1.3 Income insecurity (including job)</p> <p>6.2 Physical and personal security</p> <p>6.2.1 Crime</p> <p>6.2.2 Perceived insecurity</p>
7	GOVERNANCE AND BASIC RIGHTS
	<p>7.1 Institutions and public services</p> <p>7.1.1 Trust and/or satisfaction in institutions</p> <p>7.1.2 Trust and/or satisfaction in public services</p> <p>7.2 Discrimination and equal opportunities</p> <p>7.3 Active citizenship</p>
8	NATURAL AND LIVING ENVIRONMENT
	<p>8.1 Pollution (including noise)</p> <p>8.2 Access to green and recreational spaces</p> <p>8.3 Landscape and built environment</p> <p>8.4 Subjective appreciation</p>
8+1	OVERALL EXPERIENCE OF LIFE
	<p>9.1 Life Satisfaction</p> <p>9.2 Affects</p> <p>9.3 Eudaimonics</p>

ANNEX 2: Variables included in the 2013 ad-hoc module on well-being

Variable identifier	Values	Target variable
Overall experience of life		
PW010	0-10 99	Overall life satisfaction From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
PW020	0-10 99	Meaning of life From 0 (Not worthwhile at all) to 10 (Completely worthwhile) Do not know
Material living conditions		
PW030	0-10 99	Satisfaction with financial situation From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
PW040	0-10 99	Satisfaction with accommodation From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
Health		
PW050	1 2 3 4 5 9	Being very nervous All of the time Most of the time Some of the time A little of the time None of the time Do not know
PW060	1 2 3 4 5 9	Feeling down in the dumps All of the time Most of the time Some of the time A little of the time None of the time Do not know
PW070	1 2 3 4 5 9	Feeling calm and peaceful All of the time Most of the time Some of the time A little of the time None of the time Do not know

PW080	1	Feeling downhearted or depressed
	2	All of the time
	3	Most of the time
	4	Some of the time
	5	A little of the time
	9	None of the time Do not know
PW090	1	Being happy
	2	All of the time
	3	Most of the time
	4	Some of the time
	5	A little of the time
	9	None of the time Do not know
Productive and valued activities		
PW100	0-10	Job satisfaction
	99	From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
PW110	0-10	Satisfaction with commuting time
	99	From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
PW120	0-10	Satisfaction with time use
	99	From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
Governance and basic rights		
PW130	0-10	Trust in the political system
	99	From 0 (No trust at all) to 10 (Complete trust) Do not know
PW140	0-10	Trust in the legal system
	99	From 0 (No trust at all) to 10 (Complete trust) Do not know
PW150	0-10	Trust in the police
	99	From 0 (No trust at all) to 10 (Complete trust) Do not know

Leisure and social interactions		
PW160	0-10 99	Satisfaction with personal relationships From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
PW170	1 2 9	Personal matters (anyone to discuss with) Yes No Do not know
PW180	1 2 9	Help from others Yes No Do not know
PW190	0-10 99	Trust in others From 0 (You do not trust any other person) to 10 (Most people can be trusted) Do not know
Natural and living environment		
PW200	0-10 99	Satisfaction with recreational and green areas From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
PW210	0-10 99	Satisfaction with living environment From 0 (Not at all satisfied) to 10 (Completely satisfied) Do not know
Economic and physical safety		
PW220	1 2 3 4 9	Physical security Very safe Fairly safe A bit unsafe Very unsafe Do not know