Chapter 2
The Concept of ‘Quality of Life’ in the Context of Economic Performance and Social Progress

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Abstract  More and more it is accepted that economic growth measured as GDP will not automatically lead to greater satisfaction in people’s lives. Even the Human Development Report which provides a comparative view of life expectancy, schooling and income in different countries, is not comprehensive enough to describe welfare, well-being and quality of life. To design better strategies for fighting social exclusion and dissatisfaction among people we need better empirical data on objective structures and development as well as on their subjective perceptions. However, the broad concepts of welfare, well-being and quality of life do not enjoy common acceptance within the academic community. Nevertheless, there is progress concerning more appropriate measures for receiving enough information for the public and the politicians to improve the overall situation concerning the quality of life.

2.1 GDP as a Measure of Welfare

It is a widely shared view that a country’s success or failure depends on the rate of economic development. High growth rates mean improvement in the state of economy, growth in industrial production and exports, also affecting the inflow of foreign investment. It is no wonder that raising GDP seems to be appropriate for every government. However, GDP growth is not always experienced by society as improvement of living standards and human security. Not all sections of society and not all regions of a country may enjoy the benefits of GDP growth to the same extent. Social inequalities might grow, and poverty remains at the same level or even increases in a period of prosperity. Some social groups enjoy improvement in their standard of living, while others fall into greater poverty in absolute or relative

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terms, which may lead to social conflicts and other manifestations of societal dysfunction. Despite economic growth, the quality of life might be endangered by the negative side-effects of increased traffic, noise, congestions in urban areas, crime, environmental damage, and increased stress.

The strength of GDP is its simplicity: the value of all goods and services produced in the country, including the balance of exports and imports, is simply calculated. But simplicity is also a source of weakness. GDP promotes production and consumption without considering the negative phenomena associated with them. Growth increases e.g. as a result of a natural disaster (expenses for reconstruction), war (more weapons are produced), terrorism (increased spending on security), and even traffic jams (increased fuel consumption).

GDP calculation methodology was developed after World War II within the United Nations’ agenda by Richard Stone and Simon Kuznets. Both were awarded the Nobel Prize. The methodology is described in the document United Nations System of National Accounts, published for the first time in 1953 and amended several times (in 1968, 1993 and 2008). The author of the new economic index, Simon Kuznets, himself talked about the advantages and shortcomings of the indicators proposed in the national accounts as early as 1934, presenting before the U.S. Senate the first draft of the national accounts scheme, including the methods of GDP calculation (Kuznets 1934).

A few decades later, under the influence of neoliberalism, GDP was promoted to the rank of oracle of success or failure of a country’s economic policies, best described by the statement W. Arthur Lewis: “the object of our interest should be economic growth, not redistribution” (quoted by Nafziger 2006, p. 15). This goal was generally achieved, but the situation in many other respects deteriorated, in particular, unemployment and poverty increased. The weaknesses of GDP as the most important index of growth and development began to be discussed at the beginning of 1970s. This was a reaction to the disappointment brought by the previous decade in the developing countries.

It is important here to summarize the main objections to GDP.

1. It is distorted by exchange rate fluctuations and differences in levels of development, which result in the different composition of the basket of goods and services and their diverse quality, despite the fact that they fulfil comparable needs,

2. It reflects only those economic activities which are the object of recorded market transactions, omitting a fairly significant range of household production. Thus, the population of poorer countries seems even poorer and the quality of their life seems lower than in reality,

3. It does not reflect the production of the so-called grey economy, notably cash transactions not recorded to avoid taxes. Statistics show that the unregistered economy can range from a few per cent to almost half of GDP, depending on the willingness of the citizens of the country to avoid taxes,
4. It is magnified by types of economic activity which do not raise the level and quality of life of people in the country, such as excessively powerful police force, judiciary, military and other services,

5. GDP growth includes the costs of environmental pollution, urbanization costs, costs of travelling and the associated burdens of life that is the scale of so-called negative external effects of production, which reduce quality of life (Woźniak 2004).

Economists try to distinguish between economic growth and development. They stress that development is a broader concept than economic growth. The basis for distinguishing the two aggregate economic categories is assigning economic growth certain characteristics of qualitative change. These are changes in the political and legal system, changes of an immeasurable nature which affect the economic growth but generally refer to the improvement of widely understood quality of life in a given society.

The discussion of whether GDP is an appropriate measure of economic growth has a long tradition (Constanza et al. 2009). For reasons of lack of space, I will focus attention on recent efforts to construct indicators that would go beyond traditional indicators of national income and per capita GDP in the assessment of development, and would reflect the phenomenon of living standards and quality of life. The fact that knowledge of GDP is not sufficient to assess the welfare of societies is proven clearly by the fact that it does not automatically translate into people’s greater access to food and clear water, housing, health care, education, and social security, better realization of human rights and individual well-being of members of society. Furthermore, it does not take into account how income is distributed among different population groups.

2.2 Other Measurements of Welfare and Well-Being

In the research literature, we can distinguish three categories of measurement:

1. Economic welfare,
2. Social well-being and

The first category concerning economic welfare refers to monetary measurements based on GDP calculations. There were attempts to calculate GDP by removing activities that do not contribute to welfare. At the same time it was postulated to include the value of leisure time and of goods and services, unregistered by the market, such as the work of housewives. Examples of such research include Measure of Economic Welfare (MEW) by W. Nordhaus and J. Tobin, Net Economic Welfare (NEW) by P. A. Samuelson (Hartwick 1990). Daly and Cobb (1989) produce an alternative measure, formulated on the basis of the theory of sustainable development, namely the Index of Sustainable Economic Welfare.
(ISEW) in which consumer spending is balanced by such factors as: distribution of income, the cost of environmental pollution and other economically undetectable costs.

A modification of ISEW is the Genuine Progress Indicator (GPI) which has both economic and social dimensions (Talberth et al. 2007). It is based on data on private consumption which are used in determining the level of GDP. In addition, it takes into account the distribution of income, the value of domestic work, the value of the work by volunteers, as well as the costs of crime and pollution. The GPI can be divided into two components: the current economic prosperity measure and the sustainable economic development measure.

The second measurement category of well-being is focused on socio-economic development. Social well-being is calculated on quantitative indicators, where the main objective of its authors is to show the degree of needs-satisfaction. For this purpose, on the basis of measurements of particular needs, aggregates of groups of needs are formed, which in turn can be further aggregated into the form of a single synthetic indicator. An important contribution to the development of this field of research has been made by J. Drewnowski (1970), the co-author of the so-called Geneva method of calculating social welfare, on which the work of the United Nations Research Institute for Social Development was based. They take into account the degree of satisfaction of the needs aggregated into seven groups: food, housing, health, education, recreation, social protection and material standard. By adding up the specific indicators, the living standard indicator is obtained. Similar methods were also used in other countries. In the U.S., in 1966 the Social Indicator Committee was formed, chaired by D. Bell. In Japan, the indicator of social welfare was a subject of research by a government commission. In the described approach, the researcher’s attention is focused on addressing the basic needs (Basic Needs Approach). One of the most prominent proposals of this kind is the Human Development Index, HDI, used in the global Human Development Reports of the UNDP (United Nations Development Programme). For the calculation of the synthetic index HDI, the following data are used: average life expectancy, literacy, level of education, and standard of living measured by GDP. The rankings also included information on the quality of life, especially of children. This information allows the determination of the degree of development of the country (high, medium or low), and the impact of economic policies on the quality of life. The index was created in 1990 by the Pakistani economist Mahbub ul Haq. According to the assumption of HDI, the HDR 2012 report listed countries in four categories: those that were very highly, highly, medium and weakly developed. The highest HDI is held by Norway, Australia, the United States, the Netherlands and Germany. The last group includes almost exclusively African countries. At the bottom of the list is Niger, followed by Congo, Democratic Republic of the Congo, Mozambique, Chad, Burkina Faso and Mali.

The reports about the development of the social world supplement the HDI with the Multidimensional Poverty Index (MPI), Gender Inequality Index (GII) and Inequality-adjusted Human Development Index (IHDI). The latter is a measure of the level of human development of people in a society that accounts for inequality.
Under perfect equality the IHDI is equal to the HDI, but falls below the HDI when inequality rises. In this sense, the IHDI is the actual level of human development (taking into account inequality), while the HDI can be viewed as an index of the potential human development that could be achieved if there were no inequality. The IHDI accounts for inequality in HDI dimensions by discounting each dimension’s average value according to its level of inequality measured by the ‘Atkinson index.’

Figure 2.1 shows that the Inequality Index (IHDI) leads to a lower country ranking than with the simple HDI.

Countries that significantly moved down in the rankings as a result of inequality of income, education and health are the Republic of Korea, the United States and Israel. However, low levels of inequality significantly improve the position of Czech Republic, Slovakia, Hungary and Finland. The lowest levels of inequality are held by Norway, Australia, Germany and the Netherlands.

To help countries build and share solutions to reduce poverty and achieve the Millennium Development Goals (democratic governance, crisis prevention and recovery, environment and energy for sustainable development) the United Nations Development Programme has accumulated a large database for the purpose of

international comparisons. Knowledge about values of complex indices and their constituent components should help to make use of the specific development potential, which indicates the key issues that need to be supported by the state, that is, living conditions, education levels and health of citizens. It is a tool that increases awareness of social problems and can be used to mobilise support for specific projects and interventions to combat poverty in the least developed countries. The potential of HDI information is immeasurably greater than what we may learn about countries, when we take only the GDP into account. The results of studies using the HDI can encourage governments not only to incorporate non-economic objectives into their policies, but also provide arguments in favour of the development objectives adopted in 2000 by the United Nations Millennium Programme.

HDI as an alternative indicator reflecting the level of welfare in a society was the result of a breakthrough in thinking about development in another way than just in economic terms. It is clear however, that HDI is not a perfect index and needs further research. Criticism of the index can be reduced to the question What lessons can be drawn from the comparison of the index and the analysis of the ranking of countries formed on its basis? (UNDP Report LHDI 2013, summary p. 7). Szarfenberg (2011, p. 7) writing about the weaknesses of the index asks: “Are the achievements in the field of health and educational needs-satisfaction sufficient to determine the situation and development of the country? The high GDP per capita, long life and many years in school do not necessarily mean that we are dealing with a society of happy people. People derive satisfaction from other areas as well. This observation leads to the concept of quality of life with an emphasis on the subjective well-being that does not necessarily correlate well with GDP or even the criteria of the HDR”.

A third research approach for measuring quality of life, beyond the monetary and quantitative measurement of welfare and social well-being, is based on measurement of subjective well-being, which refers to the subjective feelings of the members of a society. An example of the index, which is based on subjective feeling is the Quality of Life Index, sponsored by The Economist weekly. The Economist Intelligence Unit’s Quality-of-Life Index is based on a method that links the results of subjective life-satisfaction surveys to the objective determinants of quality of life across countries, such as financial situation, health, political stability and security, family life and community, the climate, the threat of unemployment, political freedom, and gender equality. In the ranking, Switzerland was top, followed by Norway, Luxembourg and Sweden. At the bottom were Zimbabwe, Haiti, Tanzania and Nigeria. The index was calculated in 2005 and included data from 111 countries.

Radically different results were produced by the Happy Planet Index, developed in 2006 by the New Economics Foundation (NEF) to measure the level of well-being across countries. The discrepancies in the results explain the different methodology. Constructing the index, the authors took into account the experience of subjective well-being (i.e., whether people feel happy), life expectancy and how great a cost is derived from the achievement of good results in the first two criteria.
by impacts on the environment. This approach illustrates a shift of the paradigm from the multiplication of wealth – of which GDP is a symbol – to sustainable maintenance of quality of life and to a responsible consumption of resources with respect to subsequent generations (sustainability). This approach leads to lower positions for industrialized countries in the ranking. According to the latest data in 2012, the highest level of HPI countries were reached by countries such as Costa Rica, Vietnam and Colombia, while at the bottom of the scale were Botswana, Chad and Qatar.\textsuperscript{2}

Another recent research report concerning the measurement of subjective well-being was announced by the UN in 2012 by the ‘World Happiness Report’, which was created at the Earth Institute at Columbia University. In the introduction to the report Jeffrey Sachs argues that: “A generation of studies by psychologists, economists, pollsters, sociologists, and others has shown that happiness, though indeed a subjective experience, can be objectively measured, assessed, correlated with observable brain functions, and related to the characteristics of an individual and the society. Asking people ‘whether they are happy, or satisfied with their lives’, offers important information about the society. It can signal underlying crises or hidden strengths. It can suggest the need for change” (World Happiness Report 2012, p. 6). Direct inspiration for the creation of the World Happiness Report was derived from Bhutan. According to its GDP, Bhutan is one of the poorest countries in the world (670 $ annually per capita). However, the purely economic index of GDP was replaced by the ‘Gross National Happiness Index’ and its dynamics is a basis to assess the quality of development policy.

The World Happiness Report does not propose its own ranking but refers to the results of existing comparison studies of happiness and quality of life. More extensive studies are led by Gallup. Following its report, the happiest people in the world are the Nordic countries citizens. Even the crisis and the recession have not deprived the Danes and Finns, the leaders in the international ranking, of subjective well-being. Just behind them ranks Norway, the Netherlands and Canada. The United States ranks only 11th. The least happy people live in countries such as Togo, Benin, and the Central African Republic.

Summing up the results of the analyses of the report Sachs writes: “In order to both measure and improve happiness levels, we must understand what influences these levels. (....) Both external and personal features determine well-being. Some of the important external factors include income, work, community and governance, and values and religion. More ‘personal’ factors include mental and physical health, family experience, education, gender, and age. Many of these factors have a two-way interaction with happiness (....). An analysis of all these factors shows strikingly that while absolute income is important in poor countries, in richer countries comparative income is probably the most important. Many other variables have a more powerful effect on happiness, including social trust, quality of work,

\textsuperscript{2} www.happyplanetindex.org/data/
Bruno Frey and Alois Stutzer (2012), Swiss economists, the pioneers of the economics of happiness, suggest that research on happiness can be a valuable source of guidance for policy. But they warn politicians against the temptation of the politics of happiness and arbitrarily imposed happy projects. They should instead focus on creating solutions that enable people to pursue their own projects of a good life, the basis for which are increasing opportunities to participate in all aspects of social life, from politics, culture, to the economy.

The stimulus to research into the measurement of human development, with man and not income in the centre of attention (human-centred development) in the 90s, was the concept of Amartya Sen. He considered the concept of needs to be related to thinking in terms of what satisfies humans (measured by GDP), rather than what life we can live and actually live (the concept of capabilities and functionings). The key aspect here was linking the idea of development of freedom, understood not only as the freedom of action but as an opportunity to make a genuine and autonomous choice of one’s way of life. Sen’s concept refers to the concept of resources. He states that the quality of life is in being, not in possessing goods. He extends the concept of welfare, arguing that human welfare is not the only, and sometimes even not the main function of his income. “Welfare of a person can be understood as the quality of life (…), life is a collection of ‘functionings’, which can be very diverse, ranging from as elementary as proper nutrition, enjoyment of good health (…), to more complex achievements – happiness, sense of dignity, participation in society” (Sen 2000, p. 55). Each of the ‘functionings’ constitutes in some way the quality of human life, which is reflected in the well-being of the individual. Both these sets of ‘functionings’ and the importance given to each of them are specific and unique to each person, though they also have common elements. According to Sen, quality of life both in individual and social terms is determined by the following factors: political freedoms, economic opportunity and the free market, as a form of its implementation, social opportunities, overt warranties, and social security. He proposes, therefore, that the basis of the quality of life should consider the opportunity for the individual to use the possessed goods to pursue a dignified ‘functioning’ and existence. Goods should be assessed only in terms of enabling the individual to function. The ability to possess the good or the ability to use it is in fact more important than the good itself (Sen 2000).

The answer to Sen’s theory was the emergence of a number of studies assessing the existing methods for measuring growth and containing proposals for change. The goal was to search for good solutions to measure real progress in the area of long-term socio-economic development, prosperity and the well-being of the population. Following the wave of discussion on the causes of the crisis and the prevention of potential risks the most significant and comprehensive ‘Report by the Commission on the Measurement of Economic Performance and Social Progress’ was published in 2009. The initiative to establish the Commission came from President Nicolas Sarkozy. At the head of 25-member commission stood Nobel laureate of 2001, Joseph Stiglitz, a former White House adviser and chief economist.
of the World Bank. His advisor was appointed the Indian economist Amartya Sen, a Nobel Prize winner in 1998, professor at Harvard University. The coordinator of the Commission was Jean-Paul Fitoussi, professor at the Institute of Political Studies in Paris. The main message of the report was to insist less on information systems concerning the development of indicators to measure economic performance but to put emphasis on improved measurement of quality of life (people’s well-being), including the rational management of natural and cultural resources, especially those that are non-renewable. The Commission stated that welfare and general well-being of the population encompass multi-dimensional concepts. Therefore, the commission recommended that apart from measuring living standard as expressed in the size of income, consumption and material resources, assessments of non-material needs like health, education, personal activities, political and civic activities, social relations and social, environmental conditions, state of economic and physical security should be carried out. The document indicates the necessity of deepening and specifying a comprehensive measurement by inclusion data relating to the sense of satisfaction and happiness. This requirement means that we need to put more focus on improving the quantitative measures of well-being at the individual level and subjective well-being, intrinsically relating to individuals. A concept that integrates both approaches is the concept of ‘quality of life’.

2.3 Quality of Life: Contexts, Concepts, Interpretations

Quality of life has become popular in the 1960s. Previously, it did not frequently appear in public debate, but the problems associated with it, mainly that referring to exploration of determinants of happy and worthwhile life, have accompanied mankind since ancient times. Today the term quality of life entered permanently the terminology of such sciences as sociology, medicine, economics, psychology, and education.

The third European survey on quality of life has developed a broad understanding of the term: Quality of life is shaped by individual preferences and experiences as well as by the quality of the surrounding environment. Many findings are consistent with the previous EQLS and levels of satisfaction with respondents’ personal situation remain relatively high across Member States. Subjective well-being depends on factors such as health, income, employment status and family circumstances, but also on where people live and there are clearly large differences in conditions and resources between countries. Satisfaction with standard of living is influenced strongly by income and material deprivation but also depends on other factors – the quality of accommodation and the local environment, for instance, have been highlighted in the report. In general, all three of Eurofound’s European Quality of Life surveys show that people tend to be more satisfied with their personal situation than with either their quality of society or their local environment (Eurofound 2012, p. 146).
The Special Eurobarometer 370 on Social Climate (2011a) provides rich information about assessments of European citizens on their social situation, its changes in the last years and their expectations in future. In general, the questionnaire shows that the average in the EU is total satisfied with life by 81%.

The highest scores were attained in Finland, Sweden and Slovakia with 97%, followed by Luxembourg and Denmark (96%). The lowest scores were attained in Bulgaria (48%), Romania (49%), Hungary (52%) and Greece (54%). The questionnaire encompassed 15 criteria concerning the way people meet their ends (affordable prices for housing, energy) but also asked for the relations of citizens with different cultural and religious backgrounds and the areas people live in. Furthermore, there were questions about how inequality and poverty is addressed and the way the public administration runs. Last but not least, the questionnaire addressed factors such as unemployment benefits and job situation (Eurobarometer 2011a, tables p. 1).

So far in the study of quality of life both objective indicators to measure quality of life and subjective ones, focusing on the measurement of happiness and satisfaction with life, are taken into account. But there is no clarity, where the boundary runs between them, what elements constitute the subjective context, with what indexes to measure them, and what relationships exist between subjective and objective indicators. The objective aspect of quality of life is usually identified with welfare and subjective with well-being. Welfare studies differ from well-being research in the use of survey techniques that allow obtaining the respondents’ opinion about their lives. The problem is much more complex. It is worth taking a closer look at it and show that the multi-aspect has to do with the differences that exist within both perspectives, between disparate trends of study on welfare and well-being.

Recently, many authors reflect on the concept of welfare in relation to well-being. Researchers promoting the concept of well-being emphasize that it is connected with social relations, trust and participation, rather than consumption, and they focus on the creation and exchange of social value through relationships in the context of culture, rather than economic value through transaction (Jordan 2008). Wood and Newton (2005), indicate that well-being is of major concern when considering social development and policy, reducing welfare, especially where capacity building is more important than social protection (quoted by Taylor 2011). Dean (2010) believes in the benefit of the concept of well-being and draws attention to the positive aspects of social policy – in contrast to the term social problems. David Taylor (2011) understands the importance of well-being as an objective of social policy, which goes far beyond the realm of redistribution, and he warns that this concept should be treated with caution. It can be used for many purposes. Recently it has been criticized for political associations with individualisation and marketization of social assistance. Edwards and Imrie (2008) show, that it is based on concepts such as self-help and therapy, individual action, and self-responsibility. In addition, it takes the hidden assumptions about human nature and diminishes the sense of collective welfare that provides the material conditions in which we experience well-being. Attempts to integrate subjective and objective
perspectives face many barriers. One of them is differentiation of theoretical and empirical positions on issues relating to well-being.

Deeply rooted in tradition there are two major, clearly distinct approaches to well-being, which, despite attempts at reconciliation, still remain in contradiction. The first is the welfare theories referring to the list of conditions that must be met in order for people to live a good life. Adopted in the model requirements relating to basic human needs and rights are considered universal, applicable to all populations. In one of the most popular versions of this approach, the author, Amartya Sen (1999) argues that meeting these needs helps people create opportunities to flourish as human beings, without hunger, oppression, exploitation, threats, etc. Many researchers, despite criticism indicating limitations of this approach as paternalism – not taking into account cultural differences and differences between people – provided lists of social determinants, values or conditions such as health, employment, environment, regarding them as best indicators of well-being of societies. (inter alia Nussbaum 2000; Doyal and Gough 1991).

The second approach, described as subjective well-being is defined as a multi-dimensional assessment of one’s life, including both cognitive and affective reactions to life as a whole or it’s certain fields (Eid and Diener 2003). To measure well-being assessments, made by autonomous individuals, measurement known as subjective well-being indicators are commonly used.

Ryan and Sapp (2007) argue that subjective well-being refers to the ability to function optimally which depends not only on physical health, but also on interest in one’s own environment, self-confidence, motivation to achieve goals and perseverance in their pursuit in face of obstacles. In other words, an essential attribute of the concept of well-being is the sense of empowerment.

Often quoted Stiglitz et al. states that “subjective well-being covers various aspects (cognitive evaluation of one’s life, happiness, satisfaction, positive emotions such as joy and pride, and negative emotions such as pain and distress), and each of them should be measured separately for a comprehensive assessment of people’s lives” (2009, p. 16).

Paul Dolan and Robert Metcalfe (2012) have taken an attempt to organize the aspects of subjective quality of life by reference to the indicators used in empirical research. They distinguished three broad categories of well-being research: evaluation research, personal experience study and exploration of eudaimonia.

The evaluation approach to subjective well-being needs questionnaires to ask people to evaluate their lives (general satisfaction with life) or areas of life such as health, work, etc. Sometimes, instead of life satisfaction the sense/feeling of happiness is examined. A classic example of a tool used in evaluation research is the Cantril ladder. It is the assessment of one’s life on a scale of 0 (worst life) to 10 (best life).

The study of personal experience is an examination of well-being that depends entirely on the feelings of an individual. These may be feelings (e.g. happy, worried, sad, anxious, excited, etc.) measured in a given unit of time (e.g. yesterday, last week, etc.). Well-being is here understood as a balance of pleasure and distress
measured by questions such as: How happy did you feel yesterday? How sad did you feel yesterday? (Diener and Emmons 1984).

Eudaimonia research, in turn, relates to psychological needs, such as recognition, autonomy, control, affiliation, which affect well-being. Operational measurement in this approach is to address the question: ‘Overall, how valuable are the things that you do in life?’ and marking this on 11-point scale, where 0 is not at all valuable, and 10 absolutely valuable.

Like all subjective measurements, well-being indicators depend on the perception and evaluation of individuals, which thus involves the drawbacks typical of qualitative indicators. They are affected by such imperfections as difficulty with verification and interpretation, or lack of compliance with the facts. Sometimes they can represent projections, rather than the actual situation (Diener and Suh 1997).

Controversy is not only caused by the distinction between objective and subjective quality of life. The subject of the dispute is also another distinction referring to the scope of this concept – the global and partial quality of life.

Felce and Perry (1995) argue that the measurement of quality of life cannot focus solely on global quality of life. It should include a set of key areas that make up the global quality. This is due to the fragmentation of modern life, which causes different share of each key area in the global quality of life. This is exemplified in the question raised by Andrews and Whitney in their classic study of quality of life from the 1970s: How do you feel about your life as a whole? – measured by the five-point Likert scale (quoted by Rapley 2003). In the case of the domains of global quality, the literature lists various subsets, more or less complex, to assist in determining the quality of life. The most general approach indicates two sub-global domains of the quality of life of to have and to be. The next approach in terms of the size of domains indicates three dimensions of the quality of life – the social, economic and environmental ones. Proposals of an even greater level of detail, divide the overall quality of life into seven domains of quality of life – in the Geneva method, and 13 in Campbell’s proposal (Campbell et al. 1976).

It should be emphasized that we should not identify domains of quality, such as living conditions, lifestyle with the global quality of life. Simple aggregation in this case is an acceptable simplification that we can analytically separate from overlapping concept ranges. Domains of quality of life can be considered as related spheres, but conceptually they are different and the ideal would be to measure them separately. The obvious difficulty in this approach lies in the fact that the different domains of quality do not have a common unit of measurement, and therefore they are not easy to aggregate. For their measurement, tests can be used to allow ranking of individuals within each category, but it still does not give us the total, aggregate measure. This is a serious problem of comparative studies of the quality of life among individuals and groups in space or time.

It is well known that quality of life is a multi-dimensional concept, without a well-developed theoretical background. Theoretical approaches are distinguished by the concept adopted as the basis for consideration of quality of life. These include: the needs (A. Maslow), happiness (philosophical doctrines) and resources (A. Sen). Consequently, finding a holistic definition of the quality of life is not easy.
Liu in 1976 indicated that there are as many definitions of the quality of life as there are people (quoted in Felce and Perry 1995, p. 52). This diversity of definitions reflects, on the one hand, the differences in people’s views on what is important in life, on the other hand, differences resulting from the application of different theoretical models or academic orientations (Felce and Perry 1995). Imperfection of the definition terms may also be a consequence of the fact that they concern almost all dimensions of human life, and the multitude of indicators and variables that might be included in the operationalization of the concept, depending on the scientific discipline and the theoretical and methodological assumptions that are adopted in the study. The controversy regarding the semantic scope of quality of life intensifies when different definitions are used in different research contexts, closely related to quality of life, such as examination of welfare, happiness and contentment. For the above reasons, there is no shared agreement on the definition, but in many models used in research, there are convergent points and related assumptions. First, there is agreement that the concept includes or may include, several levels of analysis and has different applications, from evaluation of global society or local communities to evaluations of small groups or individuals (Felce and Perry 1995). Second, explaining the concept is the result of a gradual process; it emerges step by step from the discussion on its operationalization.

One of the first definitions was formulated in the 1950s by A. Campbell. Quality of life meant a good life in terms of consumption, depending on the possession of particular material goods (quoted by Garbat and Paszkowicz 2006, p. 261). With the passage of time, the approach to quality of life evolved. In 1973 Terhune defined quality of life as personal satisfaction (quoted by Veenhoven 2000), in 1975 McCall (1975) as a prerequisite for happiness. In 1986, Landesman (quoted by Felce and Perry 1995) believed that the quality of life is the sum of a number of objectively measurable conditions of life experienced by people “as opposed to satisfaction, which is defined as a subjective response to such conditions” (Felce and Perry 1995, p. 54). After several meetings in Geneva in 1991, 1992 and in 1993, the World Health Organization provided its own definition of quality of life, which implies the perception of individuals, of their position in life in the context of culture and value systems accepted by the society in which they live and in relation to their life goals, expectations, or interests (WHOQOL Group 1995, p. 1). This definition emphasizes the subjective dimension of quality of life, considering that the individual is a being who is able to determine the quality of his/her own life referring to his/her own assessments. In addition, the second part of the definition draws attention to contextualism and socio-cultural conditioning of the assessments made. The perception and assessment of one’s own life is made in the context of socially shared and transmitted values and norms that are rooted in external – for an individual – structures (axiological, normative and cognitive) and the external (social, institutional and cultural) contexts (Jabkowski 2008, p. 82). It is worth noting that the spheres of quality of life specified by the WHOQOL need to be taken into account if we want to capture the essence of the phenomena such as mental and physical health, level of independence from others, social relationships, personal beliefs, and the impact of personal beliefs on the environment in which the
individual lives (WHOQOL Group 1995; Rapley 2003, p. 50). They can be examined using both objective and subjective indicators. Also for Cummins (2000), Diener and Suh (1997) and Felce and Perry (1995) quality of life is an association of objective and subjective components. Another issue is the extent to which researchers share a common view of the dimensions of quality of life to be assessed.

In the studies on quality of life, aside the material sphere, also the emotional, and social spheres, as well as the ones related with human efficiency and activity are taken into account. These results show that an increasing number of authors interpret the term quality of life taking into account such factors as: the use of development potential, matching of people’s expectations to the social environment, the possibility of self-development, characteristics of social life organisation. It is assumed that quality of life is associated with both the bio-social and psychosocial characteristics of individuals and the way in which political and social institutions impact on society. However, the individual components must be carefully distinguished, as the quality of life is associated both with people and with social relations, whereas political, institutional and legal conditionings determine the principles and institutions on which the quality of life depends. Hence the conclusion is that ‘quality of life’ is a very general and internally diverse construct.

From the review of the definition and the difficulties that arise when we use the concept of quality of life research, the authors derive the following conclusion. Even if there is no universally accepted definition of quality of life, covering all aspects of the phenomenon, this should not be an obstacle preventing its measurement. We should always attempt to improve the quality of measurement and we can observe great progress in this area. However, the interpretation of the results will also depend on the applications to which a given measurement is used. There is no single measure of the quality of life that would be adapted to all research questions.

Research on quality of life has become popular in the twentieth century (Sirgy et al. 2006). One of the most important researches includes the study conducted in 1965 by H. Cantril. It covered 13 countries, including the United States. To measure quality of life, a scale was used which is still in use today. Started in the 1960s, research trends gradually gained the status of a separate research approach, filling the gap between the increasing need to diagnose the status quo and the lack of theoretical and conceptual foundations and methodological assumptions to conduct such a measurement (Ferriss 2006; Noll 2004). According to Ferriss (2006), the consolidation of research on quality of life under the rubric of the social indicators movement as a field of research took place in the 1970s. The research led to the development of various quantitative and qualitative measurement scales. Particularly important achievements were attained by the study of the Campbell team on the assessment of quality of life (scales of satisfaction on various aspects of life) and the work of Liu on the objective quality of life-scales (quoted by Ferriss 2006). Subjective indicators focus on individualistic aspects, i.e. individuals’ feeling regarding their living conditions, and need to be obtained in survey studies. It is partially the measure of the level of satisfaction with living conditions and partially
of the level of aspiration but primarily of the level of adaptation to current living conditions (Noll 2004).

The relationship between welfare and well-being is described in the literature as the Easterlin paradox. Already in 1974, he had pointed out that the level of prosperity goes hand in hand with a sense of happiness, but only up to a certain degree (Easterlin 1974). The relationship between the two dimensions can be presented in the form of the following typology:

- Dissatisfaction dilemma, occurs when the favourable objective living standards are accompanied by a feeling of its low quality. In this case we talk about *dissonance*.
- Satisfaction paradox occurs when the adverse objective conditions are accompanied by a high sense of satisfaction with one’s life. This condition is referred to as *adaptation*.
- Justified satisfaction with favourable objective conditions of life are reflected in positive perceptions and feelings in relation to the quality of life.
- Reasonable dissatisfaction occurs when adverse objective conditions are accompanied by low satisfaction with life. We talk about *deprivation* in this case.

The combination of these sets were tested empirically by asking whether the differences in the objective conditions of life are adequately reflected in perception and feeling, whether a positive assessment of living conditions and the level of satisfaction increase with the improvement of the material conditions of existence.

Demographic data and the results of surveys involving comparisons between countries with different levels of industrialization (from the least to the most developed countries) and the comparison of different social groups within a country, presented by Inkeles as well as by Inglehart already in the 1990s showed that the relationships between welfare and subjective well-being are more complex than it might seem at first glance (Inkeles 1994, p. 59).

Generally it can be stated that these studies confirmed the existence of the relationship between objective and subjective indicators. For example, Inglehart correlated the level of satisfaction with life with GDP per capita in 24 countries, mainly in Europe, for the period of the 1980s. He obtained a level of correlation measured by coefficient of 0.67 (Inglehart 1990). It should be evident that residents of economically less developed countries will declare a higher sense of satisfaction with life than people in more developed countries in the case of rising income. However, some research results did not confirm these findings completely. Scheuch (1994) pointed out, that very poor and very rich countries get lower correlations between objective indicators such as national income per capita and subjective indicators measuring satisfaction with conditions of life than the developing countries.

The research of ‘The European Quality of Life Survey (EQLS)’, conducted in 2012 in the European Union, confirms this trend. People living in countries with higher GDP per capita declare a higher level of both life satisfaction and happiness (Fig. 2.2).
The correlation between GDP and subjective well-being is positive, but weak. For example, Poles declare a much higher level of life-satisfaction than Hungarians, despite similar levels of GDP per capita; Romanians declare similar satisfaction levels as Italians, although GDP per capita in Romania is less than half that in Italy. Average satisfaction with life in particular countries shows no correlation with the most commonly used measure of income inequality, the Gini coefficient. Countries with similar levels of inequality, such as Bulgaria and Ireland (each 0.33 on a scale of 0–1) have very different average life satisfaction indicators (Eurofound 2012).

Another confirmation of these dependencies is the data from the World Happiness Report (2012). According to these data, the Easterlin paradox is revealed to be stronger in richer than in poorer countries. In the United States, 11th in the global ranking, the level of happiness in the decade 1960–1970 fell – despite the increase in wealth.

In terms of happiness, Poles rank fifty-three in the world ranking, after the inhabitants of Colombia, Mexico and even Turkmenistan. J. Czapiński, using regular surveys entitled Social Diagnosis state that despite the global financial crisis the mental condition of the Polish people has not been seriously affected. Even contrasting the current crisis, the level of happiness clearly rose. In 2005 and 2007, 75 % declared themselves very happy or happy enough, and today the figure has risen to 80 % (Czapiński 2012). The quoted data show that the relationship between welfare and subjective well-being is not linear and universal. There are

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**Fig. 2.2** Correlation between life satisfaction (on a scale 1–10) and GDP per capita (Note: for GDP per capita: Eurostat, 2012; all data is from 2011, except for Bulgaria, Poland and Romania (2010 data) The R2 value is the square of the Pearson correlation coefficient. It shows the extent of variation in a dependent variable explained by an independent variable. The value of 0 means that none of the variance is explained, and the value of 1 indicates that 100 % of the variance is explained. Source: Eurofound 2012, p. 18)
many studies documenting how the increase in welfare depends on income growth, but it is questionable whether there is evidence of an inverse relationship. Does a high level of well-being increase the chances for a higher income? Is it an important resource enabling an improved quality of life?

Longitudinal studies have shown the impact of subjective well-being for career and income (Diener and Biswas-Diener 2002; Graham and Fitzpatrick 2002; Marks and Fleming 1999; Roberts et al. 2003), physical health (Levy et al. 2002), social relationships and intimate relationships (Harker and Keltner 2001; Lucas et al. 2003). Czapiniski (2012) after analysing data from several rounds of Social Diagnosis on well-being and income concludes that in all the periods compared, the dependency of change in the level of personal income from well-being is significantly higher than the inverse relationship — changes in well-being from changes in income. Happiness is more often a source of wealth than wealth is the source of happiness (Czapinski 2012). He also argues that in the group of poor Poles income growth is more important for improving the well-being than well-being for the growth of income. Among middle-class and wealthy people it is just the opposite: a change of income has no effect on the change in well-being, and the initial level of well-being determines the subsequent increase in personal income.

As can be seen from the above considerations the objective and subjective quality of life-measurement methods may lead to some interesting conclusions. If once one has reached a certain level of wealth, the sense of happiness stops growing along with the improvement of the standards of living of the whole society.

The above literature review found a consensus view that quality of life is a concept of a complex, multi-dimensional and dynamic nature. Among researchers there is also agreement about understanding the inner meaning of the term. This is the spectrum of living conditions. The differences between the various perspectives result from the dimensions that are taken into account, which in turn is related to the saturation of the concept with higher or lower level of subjectivity. To operationalize the concept of quality of life we should have to combine different perspectives and levels of analysis. Quality of life combines quantitative, qualitative and social aspects covering objective, subjective relational elements. Although the individual perspective is subjective, it reflects the perspective of the community and social values. Individual perception of QL depends on the reference groups from the community to which we belong or wish to belong or with which we identify. This perception is the result of a qualitative, subjective judgment of a set of domains that have an objective, quantitative nature and in modern societies take on a global character.

2.4 Quality of Life and Inequalities

During the past decades the study of the quality of life, both in subjective and objective terms, has grown in importance in relation to monitoring and systematic analysis of the living conditions of the population. Developed over many years, the
system of indicators is used by the European Union to measure objective and subjective quality of life of individual countries, regions and local communities. The constitution of the European Union includes, in addition to economic goals, the goals of improving the social standards of living of citizens of the Member States, with the resulting improvement in quality of life. This objective was outlined in the Treaty on the European Union, signed in Maastricht in 1992, Art. 2. Today, there are three main research programmes concerning quality of life in the European Union: These are the Urban Audit, the European Quality of Life Survey and EU-SILC.

Like the Special Eurobarometer (European Commission 2011) the European Commission’s latest survey on the quality of life shows that despite the crisis, Europeans are generally satisfied with their lives. About two thirds of EU citizens evaluate their lives positively. Happiness and life satisfaction vary depending on the country. Furthermore, the citizens of the Scandinavian countries together with Luxembourg and Netherlands assess their lives most positively, although the economies of Denmark and the Netherlands recorded GDP down-turns. However, they are two of the richest countries in Europe with a stable labour market and low unemployment. On the other hand, the citizens who are to a large extent dissatisfied with their lives are the inhabitants of Bulgaria, Hungary, Greece, Latvia and Estonia, countries strongly affected by the crisis and relatively poor (Fig. 2.3).

“Although average life satisfaction has remained stable overall in the EU since before the economic recession, different trends are visible across Member States. In countries with higher initial life satisfaction there has been a decrease, while in countries at the lower end, life satisfaction continued to increase between 2007 and 2011. A notable outlier is Greece, a country that was arguably worst hit by the economic crisis, and this is reflected in a significant deterioration in even the most stable indicators. Unlike life satisfaction, happiness and optimism decreased nearly everywhere” (Eurofound 2012, p. 35).

The report focuses not only on documenting differences between countries, but also distinguishes between social and economic groups. It shows broad analyses indicating dependencies of the general quality of life and domains of the quality of life from socio-demographic characteristics such as age, sex and income groups, and makes several attempts to identify drivers or determinants of some indicators of objective and subjective quality of life. This unique general European study allows multidimensional analyses of the social situation, including a comprehensive assessment of the quality of life, social diversification, with acknowledgement of poverty and social exclusion. The study integrates individual data on all crucial aspects of a broadly understood quality of life, recommended in the report by Stiglitz, among others.

To sum up, the selected conceptual frameworks of the quality of life allow us to look at it through the prism of objective and subjective factors, needs, and individual resources, positive empowerment or negative events affecting the welfare and well-being of an individual. In addition to the structural analysis of the context of quality of life, the concept therefore allows the study of images about the desired quality of life as well as of its determinants. This is strongly correlated with the
changes in consumption patterns both on a micro-, mezzo- and macro- scale. Concepts of quality of life as well as beliefs in the active, reflective role of the individual in its creation are evolving in Europe. However, the perception of what the good life means is changing.

Differences in life quality among people are universal, so they could be considered as something natural, and requiring no change. However, there are areas where there is a diversity that evokes a sense of social injustice, and we call these differences social inequalities. Some types of inequality are structural, such as income, power, prestige, education, related to cultural capital, health and physical ability. They are described unchangeably in the same categories; only their empirical dimension, pointing to changes in the level of inequality among social groups, is subject to change. Inequalities also appear with the new type, as a result of changes in technology, legislation, economies, as well as changes of perception by an individual of his/her relationships with others. Jean-Paul Fitoussi and Pierre Rosanavallon write in their book Time of New Inequalities that, contrary to structural inequalities, these new ones are more individualised, dynamic, more difficult to grasp. With regard to the new inequalities they mention their relationship to changes in the model of employment, to access to social benefits (e.g. arbitrary non-egalitarian distribution). Furthermore, geographical aspects also have an impact on these inequalities, not only concerning the natural environment and the effects on health, but also regarding infrastructure or finally inequality in access to bank loans or new technologies (Fitoussi and Rosanavallon 2000, p. 59).

Structural and new inequalities are discussed in subsequent chapters of this book. Their diagnosis should inspire the activities of politicians, social activists...
or the citizens concerned with promoting positive changes worldwide. To facilitate this, the diagnosis must reflect the image and the condition of contemporary societies, perceive the new risks, threats, problems, areas threatened by injustice, because only then can one really counteract a negative social reality. The measurement of the quality of life renders such diagnosis feasible.

Thus, as Stiglitz put it: “Inequalities in human conditions are integral to any assessment of quality of life across countries and the way that it is developing over time. Most dimensions of quality-of-life require appropriate separate measures of inequality, but (…), taking into account linkages and correlations. Inequalities in quality of life should be assessed across people, socio-economic groups, gender and generations, with special attention to inequalities that have arisen more recently, such as those linked to immigration” (Stiglitz 2009, p. 15).

And further:
“Indicators of quality of life should inform about the inequalities in individual experiences. This is important, as social progress depends not only on the average conditions in each country but also on the inequalities in people’s conditions. Accounting for the diversity of experience (by gender, across groups and generations) is necessary to fill the gap between country-wide estimates and people’s feelings about their own conditions. Inequality in each of the dimensions of quality of life is significant in itself, and this underscores the importance of avoiding the presumption that any single dimension will always encompass all the others. At the same time, because of the links between the dimensions of quality of life, various inequalities may also strengthen each other” (Stiglitz 2009, p. 217).

Results of the 3rd survey on equality of life in Europe show that, apart from differences between Member States, there are also major differences between various population groups (Fig. 2.4).

Particularly high rates of difficulties making ends meet can be observed in (overlapping) groups of low income households, single parent households and households where at least one member is unemployed and nobody else is in employment. Nearly three-quarters (71%) of households in the lowest income quartile report having difficulties in making ends meet.

Inequality, in terms of difference in proportions between the highest and lowest quartiles, is largest in Portugal, Slovenia and Spain, while it is smallest in Denmark, Greece and Ireland. Among countries with overall high proportions of people reporting difficulties making ends meet, some experience relatively large inequalities (Bulgaria, Romania, Slovakia), while for others inequality is lower (Greece, Hungary, Cyprus). Some countries with relatively low mean proportions of people who report difficulties making ends meet, have relatively low inequality according to this measure (Luxembourg, Denmark, Finland), while others experience relatively large inequalities (Sweden, Austria, Germany).

Of the groups examined, households where at least one person is unemployed, and where none of the other members is in employment are by far the most likely to have difficulties making ends meet. In the EU, 80% of people living in such households report difficulties making ends meet. Moreover, within this group, for
households with someone who is long-term unemployed, the proportion is particularly high (84 %) (Eurofound 2012, p. 39).

### 2.5 Instead of Conclusions

Quality of life studies conducted at the international, national, regional or local level usually link cognitive and application functions, supplying not only knowledge about the conditions of citizens’ lives but also allowing for setting the goals and priorities of broadly understood social policy and monitoring the effects of its implementation. They allow a diagnosis of the situation of groups and are the source of information for the public, the media, NGOs and the government, providing a platform for communication, agreement about goals, courses of action, and the formulation of recommendations.

Adopted in the social policy of the EU, the concept of quality of life firstly is based on sustainable development, which satisfies present needs without threatening the opportunities of future generations, and secondly it seeks to achieve social justice. Meeting these challenges requires integrating environmental, economic and social policies, that is combining economic growth with environmental protection and social responsibility, and fighting poverty, unemployment and social inequalities. Free market institutions cannot solve these difficult problems. However, systematic reflection and research results may influence the achievement of goals, and bring us closer to recognize and change the harmful reality.

Hence, an exact measurement reflecting the quality of life is necessary for politicians, because it will provide the basis for effectively developing and
implementing corrective programmes. Better policies based on accurate measure-
ment encompass the chance for guaranteeing better life (Compendium of OECD
Well-Being Indicators 2011). Under such a motto, the OECD World Forum was
held in November 2012. The statement ‘better policies for better lives’ meant for
participants of the forum:

- Better understanding of the influence of politics on the quality of life;
- Better allocation of limited resources, allowing the reduction of inequalities;
- Making relevant comparisons of quality of life among countries, regions, cities;
- Comparing the quality of life of sub-groups living in different areas;
- Making more conscious decisions referring to the choice of the place of living,
choice of professional career, based on information relating to the spatial or
organisational diversification of the quality of life;
- Assessment of results of government activities.

GDP measures consumption and production as important indicators of welfare
and well-being in society. Nevertheless, it is important to identify what it does not
measure: the autotelic values are the aims of life, and not the means of obtaining
them. We should attempt to measure them in order to reconstruct the image and
condition of contemporary societies, highlighting latest risks, problems, areas
suffering from injustice, and then designing social policy that would benefit all
citizens, particularly those who remain worse-off than others.

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