



OECD
Better Life
Initiative

COMPENDIUM

of OECD well-being indicators



COMPENDIUM OF OECD WELL-BEING INDICATORS

READER'S GUIDE

Conventions

- Data shown for OECD and OECD EU are simple averages of countries displayed in each chart for the two areas.
- Each chart specifies the period covered. The mention XXXX or latest available year (where XXXX is a year or a period) means that data for later years are not taken into account.

For all charts, ISO codes for countries are used

AUS	Australia	FRA	France	NLD	Netherlands
AUT	Austria	GBR	United Kingdom	NOR	Norway
BEL	Belgium	GRC	Greece	NZL	New Zealand
BRA	Brazil	HUN	Hungary	OECD	OECD average
CAN	Canada	IDN	Indonesia	OECD EU	OECD Europe average
CHE	Switzerland	IND	India	POL	Poland
CHL	Chile	IRL	Ireland	PRT	Portugal
CHN	China	ISL	Iceland	RUS	Russian Federation
CZE	Czech Republic	ISR	Israel	SVK	Slovak Republic
DEU	Germany	ITA	Italy	SVN	Slovenia
DNK	Denmark	JPN	Japan	SWE	Sweden
ESP	Spain	KOR	Korea	TUR	Turkey
EST	Estonia	LUX	Luxembourg	USA	United States
FIN	Finland	MEX	Mexico	ZAF	South Africa

Statistics for Israel

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

I. INTRODUCTION

WHAT IS WELL-BEING?

How should one measure well-being? Money is not everything. There are many more features that shape people's lives. How comfortable is their housing? How clean and safe is their local environment? Are they able to participate in political and social activities? Do public institutions respond to their demands? To what extent do people benefit from quality health care and education services? What is the value of services produced by households for their own use, such as the care that they provide to their children and the elderly? All things considered, are people satisfied with their life in general?

In recent years, concerns have emerged regarding the fact that macro-economic statistics did not portray the right image of what ordinary people perceived about the state of their own lives. Addressing these concerns is crucial, not just for the credibility and accountability of public policies, but for the very functioning of our democracies.

The OECD has been leading the international reflection on this challenge through various projects¹ and initiatives. In 2004, it held its first World Forum on 'Statistics, Knowledge and Policies' in Palermo. Two more Forums took place in Istanbul in 2007, which led to the launch of the OECD-hosted Global Project on Measuring the Progress of Societies, and in Busan in 2009. Thanks to these and other efforts undertaken in the international community, measuring well-being and progress is now at the forefront of national and international statistical and political agendas (Box 1). This agenda is not relevant for developed countries only as improving people's well-being is a goal for every government in the world.

The OECD is preparing an important new contribution to this debate, with the publication of a set of well-being indicators for developed and selected emerging economies. A new report, entitled "How's Life?", to be released in October 2011 will look at such issues as people's health, their education and competencies, the quality of their daily work activities, the state of their local environment, their personal security, the richness of their community ties, and whether people are satisfied with their lives. This Compendium is a preview of this report.

The ultimate objective of this work is not just measurement per se, but to strengthen the evidence-base for policy making. Better measures of well-being can improve our understanding of the factors driving societal progress. Better assessments of countries' comparative performance in various fields can lead to better strategies to tackle deficiencies.

*Over the past 50 years, the OECD has developed a rich set of recommendations on policies that can best support economic growth. The task that we face today is to develop an equally rich menu of recommendations on policies to support societal progress: **better policies for better lives.***

Measuring Well-Being and Progress: Key National and International Initiatives

Today, 'measuring well-being and progress' is high on the agenda of the international statistical community.

- *Measuring well-being and progress has been and will continue to be a key priority for the OECD, in line with its founding tradition to promote policies designed to achieve the highest living standards for all.*
- *At the European level, the European Commission issued a communication on 'GDP and beyond' in 2009 identifying key actions to improve current metrics of progress, and established five key targets (with supporting indicators) to guide its policies in the EU 2020 Strategy. To support these processes, the statistical office of the European Community (Eurostat) and the French national statistical office (INSEE) initiated a process (the INSEE/Eurostat Sponsorship Group) to develop recommendations for the European Statistical System, to which the OECD is contributing.*
- *The United Nations Economic Commission for Europe, in co-operation with the OECD and Eurostat, are pursuing work on measuring sustainable development, aiming to develop better metrics for human well-being and sustainability.*
- *Several countries have launched progress and well-being-related initiatives in the form of public consultations (the United Kingdom), Parliamentary Commissions (Germany, Norway), National Roundtables (Italy, Spain, Slovenia), initiatives for integrating and disseminating statistics on a jurisdiction's economic, social and environmental conditions (the United States), dedicated statistical reports (Australia, Ireland) and a range of other initiatives (France, Japan, Korea and China).*

The OECD participates in and supports these processes, with the objective of identifying best practices and common approaches, while recognising the specific priorities and constraints of each country and international institutions. In this respect, this Compendium of OECD well-being indicators should be seen as a complementary effort to that undertaken by countries on measuring well-being and progress, aimed at offering a comparative perspective on these issues.

¹ OECD, 2001; Boarini et al., 2006.

FRAMEWORK

The conceptual framework used in this Compendium (and in the forthcoming “How’s Life?” report) with respect to both **focus** and **scope** is based on principles that are well-established in the ongoing national and international initiatives in this field.²

In terms of focus, the Compendium provides evidence on:

- the well-being of **people** in each country, rather than on the macro-economic conditions of economies; hence, many standard indicators of macro-economic performance (e.g. GDP, productivity, innovation) are not included in this Compendium.
- the well-being of different groups of the population, in addition to average conditions. Measures of **inequalities** in people’s conditions will figure prominently in the “How’s Life?” report but are only discussed briefly in this Compendium.
- well-being achievements, measured by **outcome** indicators, as opposed to well-being drivers measured by input or output indicators.
- **objective** and **subjective** aspects of people’s well-being as both living conditions and their appreciation by individuals are important to understand people’s well-being.

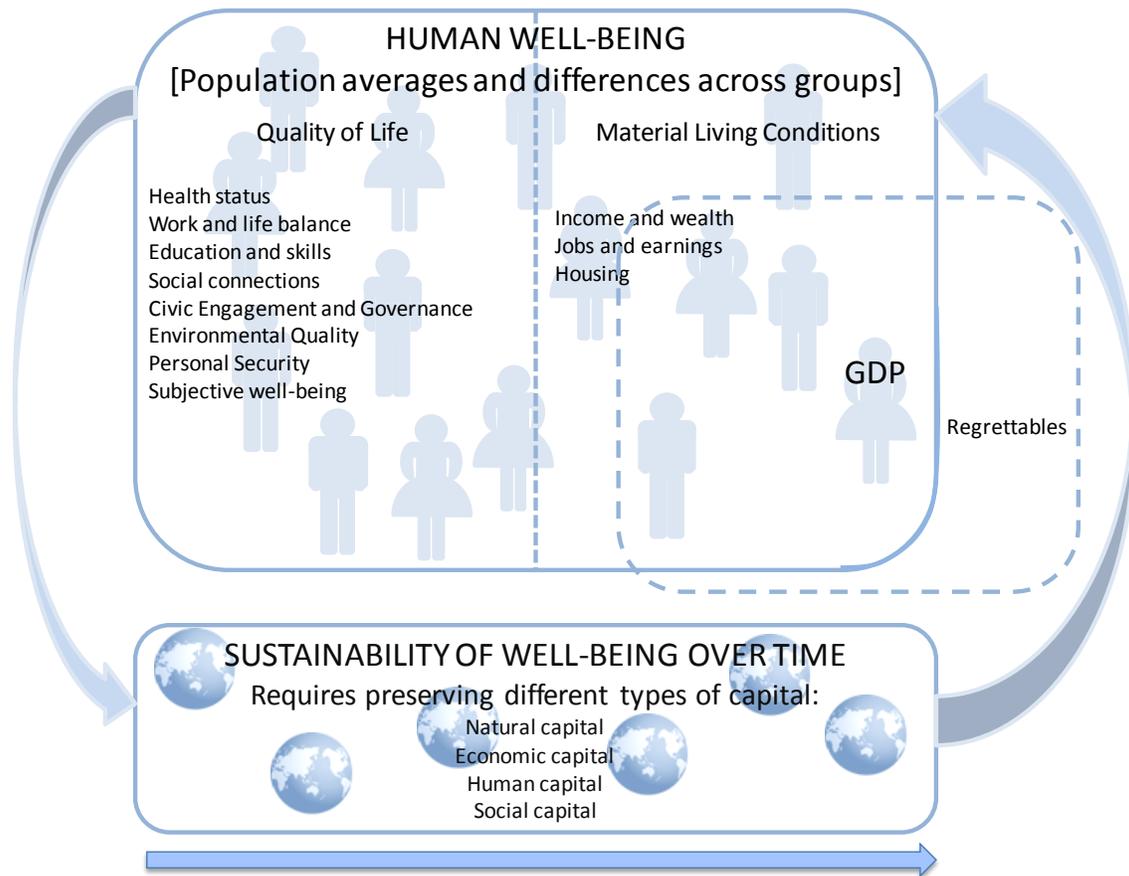
In terms of scope, the framework distinguishes between current material living conditions and quality of life, on the one hand, and the conditions required to ensure their sustainability over time, on the other (Figure 1):

- **Material living conditions** (or ‘economic well-being’) determine people’s consumption possibilities and their command over resources. While this is shaped by GDP, the latter also includes activities that do not contribute to people’s well-being (e.g. activities aimed at offsetting some of the regrettable consequences of economic development) while it excludes non-market activities that expand people’s consumption possibilities.
- **Quality of life**, defined as the set of non-monetary attributes of individuals, shapes their opportunities and life chances, and has intrinsic value under different cultures and contexts.
- The **sustainability of the socio-economic and natural systems** where people live and work is critical for well-being to last over time. Sustainability depends on how current human activities impact on the stocks of different types of capital (natural, economic, human and social). However, suitable indicators for describing the evolution of these stocks are still lacking in many fields. For this reason, indicators of sustainability are not included in this Compendium, although some of them will feature in “How’s Life?”.³

² Most notably the report of the Stiglitz-Sen-Fitoussi Commission on the Measurement of Economic Performance and Social Progress (Stiglitz et al., 2009) and the taxonomy developed in Hall, Giovannini et al. (2010).

³ Indicators of environmental sustainability are included in the Indicators Report that accompanies the OECD Green Growth Strategy (OECD, 2011).

Figure 1. Framework for OECD well-being indicators



For the first two domains, the framework above includes eleven dimensions, as follows:

- Under **material living conditions**: i) Income and Wealth; ii) Jobs and Earnings; and iii) Housing.
- Under **quality of life**: i) Health Status; ii) Work and Life Balance; iii) Education and Skills; iv) Civic Engagement and Governance; v) Social Connections; vi) Environmental Quality; vii) Personal Security; and viii) Subjective Well-Being.

CRITERIA FOR SELECTING INDICATORS AND FUTURE DIRECTIONS

The framework above underlies the selection of indicators in each dimension of well-being. In addition, the selection of indicators relies on two **quality** criteria, namely conceptual soundness (i.e. relevance in terms of measuring and monitoring well-being across the population in the perspective of informing policies) and reliance on data of **high quality** (i.e. based on well-established standards and codes of practice).⁴ The selection of indicators has been made following extensive consultation with National Statistical Offices and experts from various OECD directorates.

⁴ Most of the indicators included in this Compendium meet most, but not all, of these quality criteria. In particular, official statistics (i.e. statistics which are produced by National Statistical Systems) are either lacking or are not comparable across countries for some dimensions of well-being (e.g. subjective well-being, civic engagement and social connections). For this reason, this Compendium includes a few indicators relying on data coming from non-official sources. While these sources have known limits in terms of sample size, sampling frames, mode of data collection etc. they have a wide country-coverage and rely on a harmonised

Against this background, it is nevertheless important to bear in mind that the set of indicators presented in the Compendium is still:

- **experimental**, in that the proposed selection of indicators has not yet reached the stage of meeting all agreed standards;
- **evolutionary**, as the indicators proposed in this Compendium are, in many cases, only proxies of a broader underlying outcomes, for which ideal measures are currently lacking.⁵ Indeed the selection of indicators will change in the future as better measures are developed, and as member countries reach agreement on indicators that are better apt to summarise conditions in the various dimensions of people's lives.

OVERVIEW

A bird-eye overview of the main patterns that emerge from this Compendium is provided by Table 1. In this table, OECD countries are shown according to whether they are top performers, bottom performers or just in the average for every indicator. Not surprisingly, the Table shows that no country ranks consistently at the top or bottom of the distribution, although countries like Australia, Canada, Denmark, New Zealand, Norway and Sweden perform well in many dimensions, while Chile, Estonia, Hungary, Mexico, Poland, the Slovak Republic and Turkey tend to perform less well for a range of indicators.

YOUR BETTER LIFE INDEX

Because the notion of well-being encompasses factors that are not mediated or exchanged through markets, the information provided in Table 1 cannot be reduced into a single monetary measure that could be used alongside aggregate measure of economic production such as GDP. An alternative to a single monetary measure is a composite index, which aggregates normalised scores of average achievements in various dimensions (OECD, 2008). Such method requires specifying weights to assign to the various achievements and could thus be criticised as being arbitrary or depending on a priori value judgements.⁶ However, when weights are directly assigned by citizens, the composite index does not longer represent an ad-hoc view of the world but corresponds to people's judgments, which are legitimate in their own.

It is in this context that this Compendium is released alongside a new innovative web-based interactive tool, "**Your Better Life Index**", which is based on the indicators included in this Compendium (www.oecd.org/betterlifeindex). This index should be seen as a **user's own weighted average of countries' mean achievements** in various dimensions of well-being. This index fulfils an important communication function, which has the potential to spur the debate on the most relevant dimensions of well-being among citizens. Additionally, the choices by users in terms of weights may provide the OECD with interesting information on what really matters to people in their conception of a 'good life'.⁷

questionnaire around the world. These indicators based on non-official sources are included in this report as 'space holders', until better and more comparable official statistics in these fields are developed.

⁵ Elements bearing on the interpretation and limits of the various well-being indicators are provided in this Compendium and will be developed more fully in the forthcoming "How's Life?" report.

⁶ As noted in Stiglitz et al. (2009), different philosophic perspectives will inevitably lead to different views on the relative importance of different dimensions, and on the attention to be paid to the conditions of different people within society.

⁷ A description of the properties of this index, including a description of the sensitivity of results to various choices of weights, will be provided in a forthcoming OECD working paper "Designing Your Better Life Index: methodology and results", by Boarini et al., 2011.

Table 1. An overview of well-being indicators in OECD countries

"Green circles" denotes OECD countries in the top two deciles, "red diamonds" those in the bottom two deciles, "yellow triangles" those in the six intermediate deciles

	Material Conditions						Quality of Life														
	Income and Wealth		Jobs and Earnings		Housing		Health Status		Work and Life			Education and Skills		Social Connections		Civic Engagement and Governance		Environmental Quality	Personal Security		Subjective Well-being
	IW1	IW2	JE1	JE2	HG1	HG2	HS1	HS2	WL1	WL2	WL3	ES1	ES2	SC1	SC2	CG1	CG2	EQ1	PS1	PS2	SW1
	Household net disposable income per person	Household financial net wealth per person	Employment rate	Long-term unemployment rate	Number of rooms per person	Dwelling with basic facilities	Life-expectancy at birth	Self-reported health status	Employees working very long hours	Time devoted to leisure and personal care	Employment rate of women with children of	Educational attainment	Students' cognitive skills	Contacts with others	Social network support	Voter Turn-out	Consultation on rule-making	Air pollution	Intentional homicides	Self-reported victimisation	Life-satisfaction
2009	2009	2010	2010	2009	2009	2008	2008	2009	2000	2008	2008	2009	2006	2010	2007	2008	2008	2008	2010	2010	
Australia	●	▲	▲	●	▲	●	●	▲	▲	▲	▲	●	▲	▲	▲	▲	▲	▲	▲	▲	▲
Austria	●	▲	▲	●	▲	▲	▲	▲	▲	▲	▲	●	▲	▲	▲	▲	▲	▲	●	▲	▲
Belgium	▲	●	▲	▲	●	●	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
Canada	●	●	▲	●	●	●	▲	▲	▲	▲	▲	●	●	▲	▲	▲	▲	▲	▲	▲	▲
Chile	◆	..	▲	..	●	●	▲	▲	▲	◆	..	◆	●	▲	▲	◆	◆	◆	▲
Czech Republic	▲	▲	▲	▲	▲	▲	◆	▲	▲	..	▲	●	▲	◆	▲	▲	▲	▲	▲	▲	▲
Denmark	▲	▲	●	▲	●	◆	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	●
Estonia	◆	◆	▲	◆	●	●	◆	◆	●	◆	●	▲	▲	▲	◆	◆	◆	●	◆	◆	◆
Finland	▲	▲	▲	▲	●	▲	▲	▲	▲	▲	●	▲	●	▲	▲	▲	▲	▲	◆	▲	▲
France	●	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	◆	▲	●	▲	▲	▲	▲	▲
Germany	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	◆	▲	▲	▲	▲
Greece	▲	▲	▲	◆	▲	▲	▲	▲	▲	..	◆	▲	▲	●	◆	▲	▲	◆	▲	▲	◆
Hungary	◆	◆	◆	◆	◆	●	◆	●	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	◆
Iceland	●	▲	▲	▲	●	●	◆	▲	▲	▲	●	▲	▲	▲	●	▲	▲
Ireland	▲	▲	▲	◆	●	▲	▲	●	▲	▲	▲	▲	▲	▲	▲	▲	▲	●	▲	▲	▲
Israel	..	●	◆	▲	◆	..	▲	▲	◆	..	▲	◆	..	▲	▲	▲	▲	▲	▲	▲	▲
Italy	▲	▲	◆	▲	▲	▲	●	▲	▲	▲	◆	▲	▲	▲	◆	▲	▲	▲	◆	▲	▲
Japan	▲	●	▲	▲	▲	▲	▲	◆	▲	▲	▲	●	▲	▲	▲	▲	▲	▲	●	▲	▲
Korea	▲	▲	▲	●	▲	●	▲	◆	●	●	..	◆	▲	◆	◆	●	▲	▲
Luxembourg	▲	▲	●	▲	▲	▲	◆	▲	▲	▲	▲	..	▲	●	▲	▲	▲
Mexico	◆	◆	▲	●	..	◆	◆	◆	◆	◆	..	◆	◆	..	▲	◆	▲	◆	◆	◆	▲
Netherlands	▲	▲	●	●	●	◆	▲	●	●	●	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	●
New Zealand	▲	..	●	●	●	..	▲	●	◆	▲	●	●	..	●	▲	▲	▲	●	▲	▲	▲
Norway	●	◆	●	●	●	▲	▲	▲	▲	..	▲	▲	▲	●	▲	▲	▲	▲	▲	▲	●
Poland	◆	◆	◆	▲	◆	▲	▲	▲	▲	▲	▲	▲	▲	◆	▲	▲	▲	▲	▲	▲	◆
Portugal	▲	▲	▲	◆	▲	▲	▲	▲	..	▲	▲	●	▲	▲	◆	▲	▲	▲	▲	◆	◆
Slovak Republic	◆	◆	◆	◆	◆	▲	◆	◆	..	▲	▲	◆	▲	▲	▲	◆	▲	▲	▲	▲	▲
Slovenia	▲	▲	▲	▲	◆	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	●	▲	▲
Spain	▲	▲	◆	▲	●	◆	●	▲	▲	◆	◆	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
Sweden	▲	▲	●	▲	▲	◆	●	▲	▲	●	▲	▲	▲	▲	●	▲	▲	●	▲	◆	●
Switzerland	▲	●	●	▲	▲	▲	●	●	..	●	▲	▲	..	▲	▲	◆	▲	▲	●	▲	●
Turkey	●	▲	◆	●	◆	▲	▲	▲	▲	◆	..	▲	▲	▲	▲	▲	▲	◆	◆
United Kingdom	▲	▲	▲	▲	▲	▲	▲	▲	◆	▲	▲	▲	●	▲	▲	▲	▲	●	◆	●	▲
United States	●	●	▲	▲	..	◆	▲	◆	▲	▲	●	▲	..	▲	●	▲	▲	▲	◆	●	▲

Source: OECD's calculations based on the indicators shown in this Compendium.

Note: In this table the indicator "Dwelling with basic facilities" considers only data referring to dwellings without indoor flushing toilet

CONCLUSION

This Compendium represents one of the first attempts to respond to the demand for comparative information on the conditions of people's lives in developed market economies. Previous contributions in this field have focused on the conditions of poorer countries and on a more narrow range of dimensions (e.g. Human Development Index). This Compendium extends these efforts on both fronts. It is a preview of the type of measures that will be included in the "How's life?" report to be released in October 2011. The OECD plans to issue similar reports in the future on a recurrent basis, and to enrich the set of dimensions and indicators in the light of experience gained and of progress made in implementing better measures.

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II. MATERIAL LIVING CONDITIONS



WHY DO THEY MATTER FOR WELL-BEING?

Income and wealth are essential components of the well-being of individuals and societies. Both income and wealth expand people's consumption possibilities, providing them with the resources to satisfy their needs. Wealth also allows individuals to smooth consumption over time and to protect them from unexpected shocks that could lead to poverty and destitution. Income and wealth also bring non-economic benefits, such as higher health status and education, higher life satisfaction and the possibility of living in safer and cleaner areas.

INDICATORS

Two indicators are presented here:

- Household net adjusted disposable income includes income from work, property, imputed rents attributed to home owners and social benefits in cash, net of direct taxes and social security contributions paid by households; it also includes social transfers in kind, such as education and health care, that households receive from governments. Income is measured net of the depreciation of capital goods that enter the production of households' market services for their own use.
- Net financial wealth consists of various financial assets owned by households (e.g. cash, bonds and shares) net of all types of financial liabilities.

The first indicator provides a very good measure of income's contribution to well-being as the indicator is the broadest measure of households' consumption possibilities available within the national accounts system (OECD, 2007). The wealth measure used, however, excludes a range of assets that are critical for household material well-being (Campbell 2006), such as dwellings and land. In the future, it will be important that countries improve their capacity to generate high-quality data on these non-financial assets.

MEASURING AVERAGE OUTCOMES AND TRENDS

Household net adjusted disposable income per capita is highest in the United States but only one fifth as high as in Chile. Household income has increased in all OECD countries during the last fifteen years or so, with largest rises in the United States, Norway, Slovenia, the Slovak Republic and Estonia; household income has remained broadly stable in Japan and Italy. Among emerging countries, the Russian Federation is the only one that has available information on household adjusted disposable income. By OECD standards, this country displays a relatively low level of income; however, income has increased significantly in the last fifteen years or so.

Net financial wealth of households per capita is highest in the United States (where it is around 2.7 times higher than income) and lowest in the Slovak Republic, Norway and Poland. Since the mid-1990s, net financial wealth of households has increased in most OECD countries, notably in Israel, Germany and Sweden, but declined in Ireland, Switzerland and Greece. Significant falls were recorded in several countries following the recent financial crisis. There are no comparable statistics on households net wealth for emerging countries. Efforts should be made by these countries to upgrade their statistical capacity in this field.

WHAT DO WE KNOW ABOUT INEQUALITIES IN INCOME AND WEALTH?

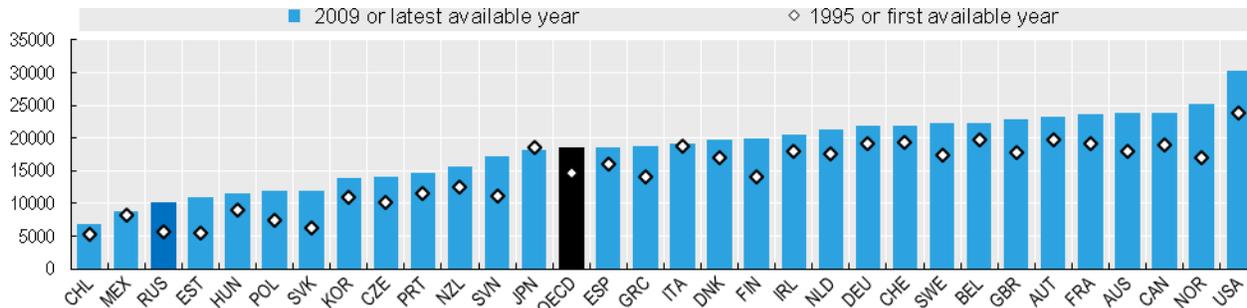
The income and wealth data shown here are based on national accounts concepts and do not allow to assess how income and wealth are distributed. However, income and wealth data based on national sources show that inequalities in the distribution of household disposable income are highest in Mexico and Chile and lowest in Nordic countries. Inequalities in the distribution of household wealth are typically twice as high as income (OECD, 2008). Since the mid-1990s, income inequalities have increased most in Austria, Canada and Finland and decreased in Mexico and Turkey (OECD 2011)

Household income is generally lower for youths and the elderly, although wealth is higher for the latter group. Having a job is one of the major determinant of household income, as jobless households are more likely to experience poverty and material deprivation (OECD, 2008).



Household net adjusted disposable income per capita

US dollars at 2000 PPPs

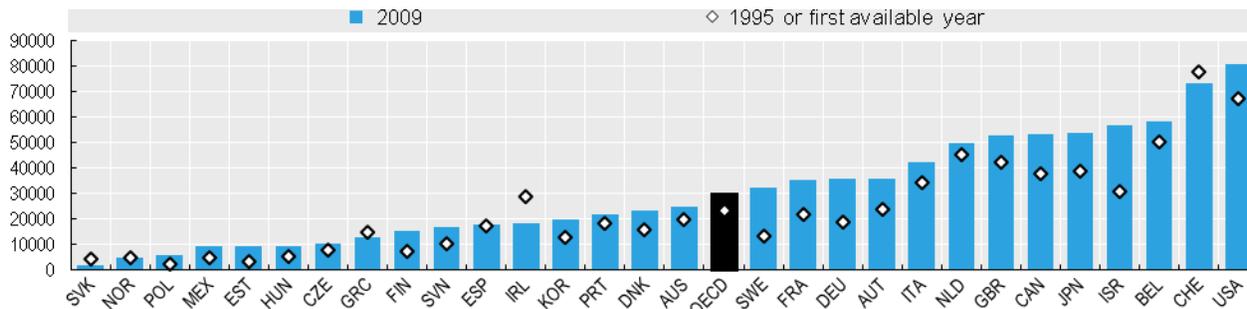


Note: Households include non-profit institutions serving households. Purchasing Power Parities are those for actual individual consumption of households. The first available year is 2000 for Greece and Spain; 2002 for Ireland and the Russian Federation and 2003 for Chile and Mexico. The latest available year is 2008 for Australia, Japan, Switzerland and the Russian Federation; 2010 for Finland.

Source: OECD, National Accounts data; Statistics New Zealand; OECD (2010), *National Accounts at a Glance*, OECD, Paris

Household net financial wealth per capita

US dollars at 2000 PPPs



Note: Households include non-profit institutions serving households. Purchasing Power Parities are those for private consumption of households. The first available year is 1997 for Mexico; 1999 for Switzerland; 2001 for Ireland, Israel and Slovenia, and 2002 for Korea.

Source: OECD, National Accounts data; Statistics New Zealand; OECD (2010), *National Accounts at a Glance*, OECD, Paris

For further reading

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WHY DO THEY MATTER FOR WELL-BEING?

Both the availability of jobs and the earnings they pay are relevant for well-being. Not only they increase people's command over resources, but they also provide people with a chance to fulfil their own ambitions, to develop skills and abilities, to feel useful in society and to build self-esteem. Societies with high levels of employment are also richer, more politically stable and healthier. The experience of unemployment is one of the factors that have the strongest negative impact on people's subjective well-being, with effects that are much larger than the income loss associated with unemployment. There is also evidence that this impact persists over time and that psychological resilience to unemployment is low (Dolan et al., 2008).

INDICATORS

The indicators presented here refer to: the employment rate and the long-term unemployment rate.

- The first indicator is the share of the working age population (people aged from 15 to 64 in most OECD countries) who are currently employed in a paid job. Employed persons are those aged 15 and over who declare having worked in gainful employment for at least one hour in the previous week, following the standard ILO definition.
- The second indicator is the number of persons who have been unemployed for one year or more as a share of the labour force (the sum of the employed and the unemployed). Unemployed persons are those who are currently not working but are willing to do so and actively searching for jobs.

Both indicators shown here refer to 'jobs', as available earnings data have limited country coverage and are based on different definitions. Indicators for earnings will be included in the forthcoming "How's Life?" report.

The first indicator provides an indication of labour market inclusion. However the employment rate is not necessarily reflective of the well-being of individuals who have chosen to be out of the labour market and, as such, do not suffer from labour deprivation. The second indicator is conversely a better measure of involuntary job deprivation, as it focuses on those who are actively looking for a job. The people who have been unemployed for one year or more are exposed to greater risk of being socially excluded and deprived. The country coverage and comparability of indicators measuring the quality of employment (e.g. security of tenure, prospects for career development, working conditions, safety and health, fair wages, opportunities to develop skills, job satisfaction, recognition; UNECE 2010; ILO 2011) is limited and hence these indicators are not presented here.

MEASURING AVERAGE OUTCOMES AND TRENDS

There are large differences in employment rates across OECD countries, but there is also evidence of a general increase in most countries. Countries where the employment rate has increased the most in the last fifteen years or so are Spain, the Netherlands, Luxembourg and Italy. Conversely, the employment rate has declined considerably in Turkey and, to a lower extent, in the United States, Israel and the Czech Republic. In the Russian Federation, the only emerging country with comparable information on employment, the employment rate has increased in the last fifteen years, resulting in employment levels significantly above the OECD average.

Long-term unemployment rate is low on average in most OECD countries. It is virtually nil in Korea, Mexico and Norway but exceeds 7% in Spain and the Slovak Republic. Since the mid-1990s, the long-term unemployment rate has declined in many OECD countries, particularly so in Finland, Poland, Italy and Spain. Exceptions to this trend are the United States and Japan. Some of these patterns partly reflect the different timing and impacts of the recent financial crisis, and may change as a consequence of the sluggish recovery and persistent labour market slack in some of the countries where the developments over the last decades were the most favourable (OECD, 2010). The unemployment rate is slightly above the OECD average in the Russian Federation, but has been declining in the last fifteen years.

WHAT DO WE KNOW ABOUT INEQUALITIES IN JOBS?

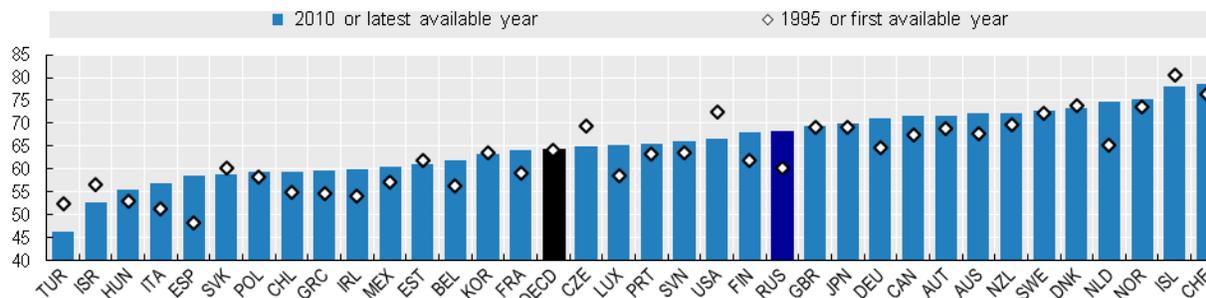
Employment rates are higher for prime age men and much lower for youth, women and persons nearing conventional retirement ages. Participation in the labour market also increases with education. Healthier individuals are more often employed than people with chronic illnesses and handicaps.

Long-term unemployment rates are particularly high for youth and for individuals with lower educational attainment. Long-term unemployment is also much higher among immigrants than the native born population (OECD, 2008; OECD, 2010).



Employment rate

Employed over population aged 15-64, percentages

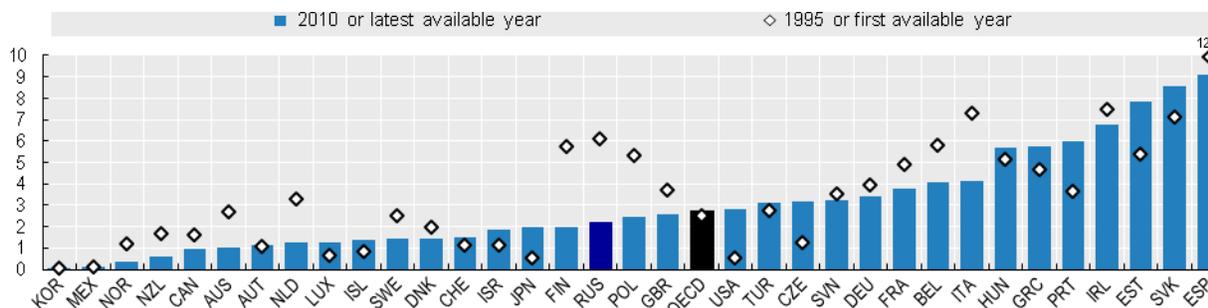


Note: The first available year is 1996 for Chile; 1999 for the Russian Federation; and 2002 for Estonia and Slovenia. The latest available year is 2008 for the Russian Federation. All latest available data are provisional.

Source: OECD Labour Force Statistics database; OECD (2010), *Employment Outlook: Moving beyond the Job Crisis*, OECD, Paris

Long-term unemployment rate

Long-term unemployed over labour force, percentages



Note: The first available year is 1999 for the Russian Federation; and 2002 for Estonia and Slovenia. The latest available year is 2008 for the Russian Federation. All the latest available data are provisional. The values for Iceland and Luxembourg are uncertain.

Source: OECD Labour Force Statistics database; OECD (2010), *Employment Outlook: Moving beyond the Job Crisis*, OECD, Paris

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WHY DOES IT MATTER FOR WELL-BEING?

➤ *Having an adequate accommodation is at the top of the hierarchy of human material needs. Housing is the largest component of many households' expenditures and is central to people's ability to meet basic needs. In addition, poor housing conditions can affect people's health status (both mental and physical), family functionings (e.g. relations between household members and the development of children) and the conduct of basic social activities such as inviting people at home.*

INDICATORS

➤ *The key indicators of housing conditions presented here refer to the average number of rooms per person in a dwelling; and the percentage of dwellings without access to basic facilities.*

- *The first indicator signals whether the persons occupying a dwelling are living in crowded conditions. It is measured as the number of rooms in a dwelling divided by the number of persons living in the dwelling.*
- *The second indicator provides an assessment of the potential deficits and shortcomings of accommodation focusing on facilities for personal hygiene. Two basic facilities are considered here: a lack of indoor flushing toilet (measured as the percentage of dwellings not having indoor flushing toilet for the sole use of their household); and the absence of a bathroom (measured as the percentage of people having neither a bath nor a shower in their dwelling).*

➤ *The first indicator may not reflect well-being of individuals who have traded-off between the size of the dwelling and its location, for instance deciding to live in urban areas as opposed to rural ones. The second indicator sheds light on the quality of accommodation and provides a proxy measure of the notion of 'decent housing' (Galster, 1987). Additional basic aspects of housing conditions, such as the healthiness of environment and adequate heating should also be considered, but this is not possible due to the lack of relevant indicators (Boarini and Mira d'Ercole, 2006; Andrews et al., 2011).*

MEASURING AVERAGE OUTCOMES

➤ *Living space requirements, in terms of having at least one room per person, appear to be generally fulfilled in all OECD countries. One exception is Turkey, where the average number of rooms per person is only 0.7 room. There are significant differences in the number of rooms per person across the OECD, ranging between 1.2 rooms per person (or less) in some Eastern European countries and Israel and 2 rooms per person (or more) in Australia, Belgium, Canada and New Zealand.*

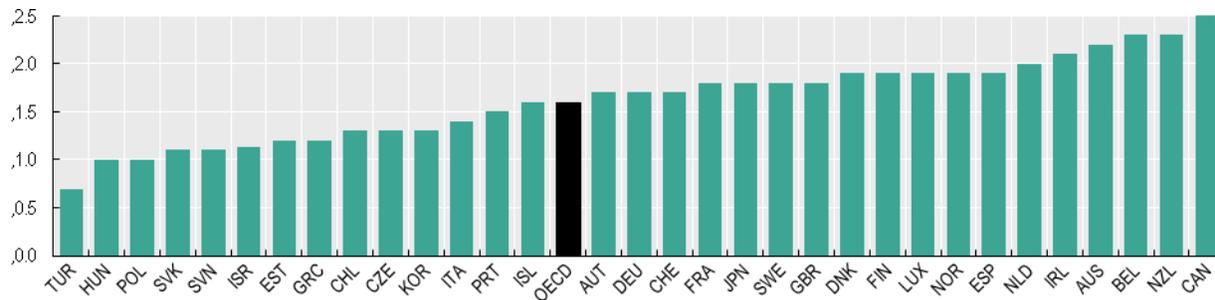
➤ *The lack of basic housing facilities is almost non-existent in the majority of OECD countries (with only 1 or 2 % of respondents claiming to have such a problem). However, in some OECD countries, a non negligible share of the respondents is facing problems in their access to standard accommodation. Relatively poor housing conditions prevail in Estonia, Chile, Hungary and Poland, as well as in Japan, Korea, Mexico and, especially, Turkey, where almost 18% of surveyed people express that they have no indoor flushing toilets.*

WHAT DO WE KNOW ABOUT INEQUALITIES IN HOUSING CONDITIONS?

➤ *People with lower household incomes are more likely to face poorer housing conditions: the likelihood of living without indoor flushing toilets falls with income and the number of rooms available increases with it. Age also strongly influences housing conditions: in Europe, the average number of rooms per person increases according to the age of the person, although lack of indoor flushing toilets is mostly cited by respondents in the oldest age categories (Domanski et al., 2006).*

Rooms per person

Average number, 2009 or latest available year

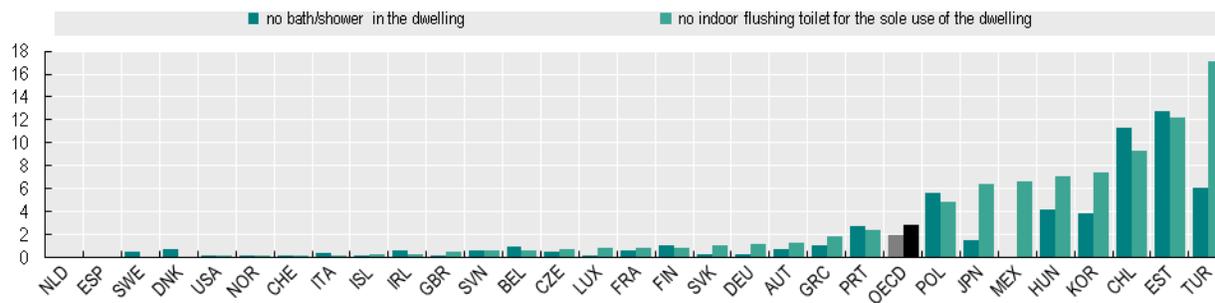


Note: Data refer to 2000 for Turkey; 2001 for Chile; 2005 for Korea; 2006 for Australia, Canada, New Zealand; and 2008 for Israel and Japan. The value for Australia is based on OECD calculation.

Source: European Union Statistics on Income and Living Conditions (EU-SILC); National Statistical Offices (NSOs) and OECD calculations.

Dwellings without basic facilities

Percentage of people, 2009 or latest available year



Note: Data refer to 2000 for Turkey; 2001 for Chile; 2005 for Korea and Mexico; and 2008 for Japan. For Chile, the first indicator refers to dwellings without a shower, while for Japan it refers to people without a bathroom, even if there is a bathtub on the premises. For Turkey, the indicator refers to households without a place surrounded by walls with a separate door and used for bathing, while in the case of the United States it refers to total occupied dwellings with neither bathtub nor shower. The second indicator refers to the absence of a toilet in the dwelling for Chile, in inhabited private dwellings for Mexico, inside the housing unit for Turkey and to occupied dwellings without flushing toilet for the United States.

Source: European Union Statistics on Income and Living Conditions (EU-SILC) and National Statistical Offices (NSOs) of Chile, Japan, Mexico, Turkey, the United States.

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III. QUALITY OF LIFE

WHY DOES IT MATTER FOR WELL-BEING?

People's health is one of the most valued aspects of people's life. Surveys in many countries consistently found that people put health status, together with jobs, at the top of what affects their living conditions. People's health status matter in itself, but also for achieving other dimensions of well-being, such as having good jobs and adequate income, being able to participate as full citizens to community life, to socialise with others, to attend school and adult education.

INDICATORS

The indicators of people's health status presented here are life expectancy at birth and people's self-reported satisfaction with their health status.

- Life-expectancy is the standard measure of the length of people's life. Life-expectancy measures how long on average people could expect to live based on the age specific mortality rates currently prevailing. Life-expectancy can be computed at birth and at various ages.
- The indicator of self-reported satisfaction with health status is based on questions of the type: "How is your health in general?". Data are based on general household surveys or on more detailed Health Interviews undertaken by statistical offices in various countries.

Life-expectancy at birth is based on mortality records that, at least in OECD countries, are among the most reliable statistics. The length of life is however not necessarily informative of the quality of health conditions, and thus well-being of individuals. Indicators of perceived health status provide an imperfect proxy of the underlying concept of morbidity, as it may be affected by cultural influences and country-specific contexts. Measuring morbidity is challenging as morbidity encompasses a variety of conditions (physical and mental) of varying severity (e.g. disability, chronic conditions) for which internationally comparable instruments are not currently available.

MEASURING AVERAGE OUTCOMES AND TRENDS

Among OECD countries, life-expectancy at birth in 2008 ranged between more than 82 years in Japan and Switzerland, and around 74 years in a number of central and eastern European countries. Life-expectancy in China, Brazil, Indonesia and in the Russian Federation is lower than the OECD average and it is much lower in India and South Africa. Poorer countries have converged rapidly towards the levels of life-expectancy prevailing in richer ones, but there have also been important set-backs – as in the case of the Russian Federation during the transition to a market economy, and of South Africa, due to the devastating HIV/AIDS epidemic.

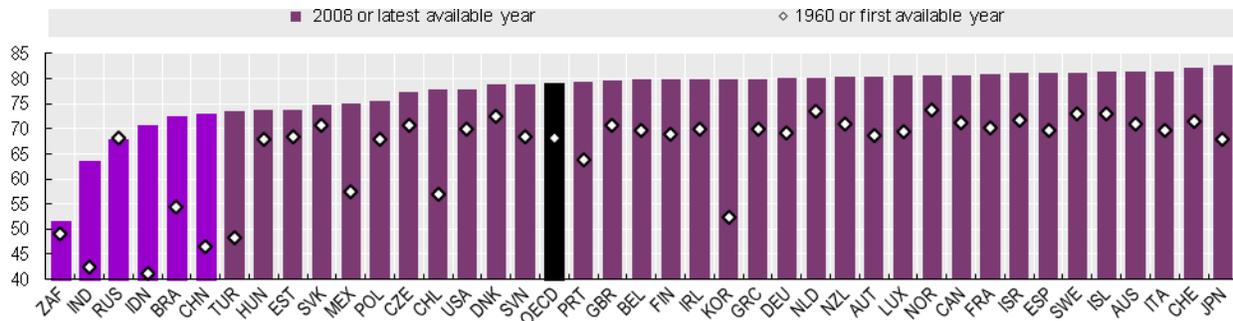
The percentage of adults reporting good or very good health was 85% or more in Switzerland and countries in North America and Oceania but only half as high in Korea, Japan, Portugal and the Slovak Republic. Self-reported health has recorded declines since 1995 in Japan, Austria and Slovak Republic. It has increased significantly in Portugal, Poland, Hungary, Czech Republic and Turkey. No information is available for emerging countries.

WHAT DO WE KNOW ABOUT INEQUALITIES IN HEALTH STATUS?

Women have longer life-expectancy than men but also report lower satisfaction with their health status. Satisfaction with health also declines with people's age. Regardless of countries' political structures or health systems, people with lower income or education experience higher mortality and morbidity (OECD, 2010a), due to a combination of more difficult life- and work-circumstances, less healthy life-styles (e.g. higher incidence of smoking and obesity) and lower access to appropriate health care.

There is a positive relationship across countries between average measures of life expectancy and measures of the dispersion in the ages of death, suggesting that countries where the influence of socio-economic background on life expectancy is lower tend to be those where citizens live the longest.

Life expectancy at birth Number of years

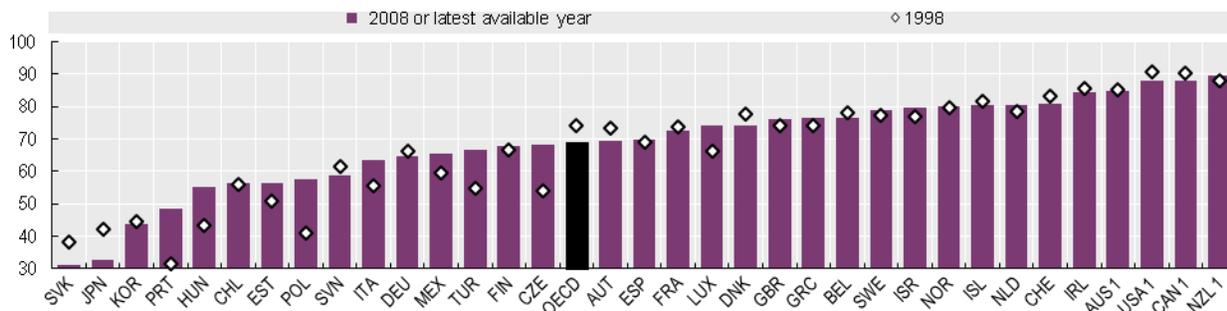


Note: The first available year is 1961 for Canada, Italy and New Zealand; 1970 for the Russian Federation. The latest available year is 2007 for Belgium, Canada, Italy and the United Kingdom.

Source: OECD Health Data, OECD (2009), *Health at a Glance 2009: OECD Indicators*, OECD, Paris

Self-reported health

Percentage of people reporting good/very good health



Note: The first available year is 1996 for Luxembourg and Poland; 1997 for Australia, Belgium, New Zealand, Spain and Switzerland; 1998 for Sweden; 1999 for Austria, the Czech Republic, Italy and Portugal; 2000 for Chile, Denmark, Hungary and Mexico; 2002 for France and Israel; 2003 for Turkey; 2004 for Estonia; 2006 Greece, and 2007 Slovenia. The latest available year is 2006 for Chile and Mexico; 2007 for Australia, Japan, New Zealand and Turkey; and 2009 for Spain and Switzerland. Results for countries marked with a "1" are not directly comparable with those for other countries, due to differences in reporting scales, which may lead to an upward bias in the reported estimates.

Source: EU-SILC; OECD Health Data, OECD (2010), *Health at a glance: Europe 2010*, OECD, Paris.

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WHY DOES IT MATTER FOR WELL-BEING?

Striking the right balance between the commitments of work and those of private life is central to people's well-being. Too little work can prevent people from earning enough to attain desired standards of living. But too much work can also have a negative impact on well-being if people's health or personal lives suffer as a consequence, or if they cannot perform other important activities, such as looking after their children and other relatives, having time for themselves, etc. (OECD, 2011a). The way people allocate their time is determined by both necessity and personal circumstances, which in turn are shaped by individuals' preferences and by the cultural, social and policy contexts in which people live.

INDICATORS

Three indicators of work and life balance are presented here:

- The first indicator shows the proportion of employees who usually work for pay for more than 50 hours per week. The data exclude self-employed workers who are likely to choose deliberately to work long hours.
- The second indicator presents data from national time use surveys on the hours devoted to leisure and personal care in a typical day for the population aged 25-64 who is more likely to face work-life conflicts. Leisure includes activities such as sports, participating/attending events, visiting or entertaining friends, hobbies, etc. Personal care includes sleeping, eating and drinking, and personal or household medical services and travel related to personal care.
- The third indicator shows the employment rate of mothers with children aged 6-14 years. The employment rate for all women of roughly the same age group is also shown to provide contextual information on labour market access for women overall (OECD, 2010).

The first two indicators provide an indirect and direct measure of available time to spend on non-work activities contributing to individual and family well-being. While informative of a balanced time allocation, they do not shed any light on the quality of the time spent outside work and thus of their possible enjoyment. The third indicator provides information on the ability of mothers to meet the challenge of combining paid work and family responsibilities (OECD, 2007); it is however not illustrative of the possible time crunch, stress or frustration that those mothers may feel.

MEASURING AVERAGE OUTCOMES AND TRENDS

On average, 8% of OECD employees work more than 50 hours per week.⁸ This proportion is highest in Turkey, where it is close to 50%, followed by Mexico and Israel. In the Netherlands, Sweden and Denmark, long working hours are rare with only around 1 to 2% of employees working over 50 hours per week on a regular basis. A similar pattern is also visible for the Russian Federation, the only emerging country with available information.

On average, people in OECD countries spend over 15 hours per day on personal care and leisure, with less than one-third of this amount devoted to leisure. In Mexico and Japan, personal care and leisure takes up around 14 hours, compared to around 16.5 in Denmark and Belgium. Time allocation in South Africa is roughly similar to the latter countries.

On average, across the OECD, 66% of mothers with children of compulsory school age are working in some capacity, compared to an average employment rate for all women aged 25 to 49 of 72%. The maternal employment rate varies from a high of around 87% in Iceland, to a low of 24% in Turkey. The gap between maternal employment rate and women employment rate is higher in countries where women's participation in the labour market is lower. Cultural factors and inflexible working arrangements and family policies in support of working women may explain this pattern.

WHAT DO WE KNOW ABOUT INEQUALITIES IN WORK-LIFE BALANCE?

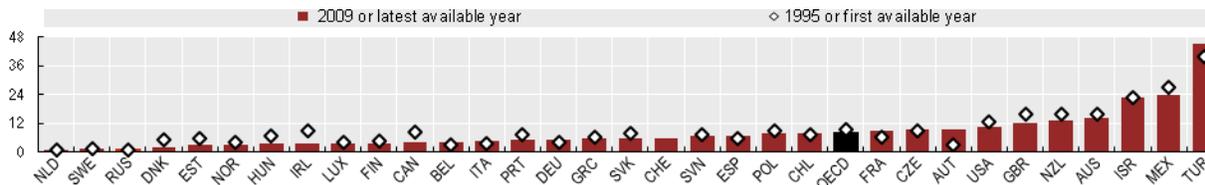
Gender is a key determinant of inequalities in work and life (OECD, 2011b). Although men spend longer hours in paid work than women, women have less leisure time than men due to the longer hours that women devote to unpaid work such as housework and caring for children and elderly relatives. Age is also a factor shaping work life-balance, with the young and elderly having more leisure time than the working-age population.

⁸ Unfortunately, employee-only data on usual working hours are not available for Japan and Korea – two countries with very high annual and weekly working hours.



Employees working very long hours

Percentage of employees working more than 50 hours a week

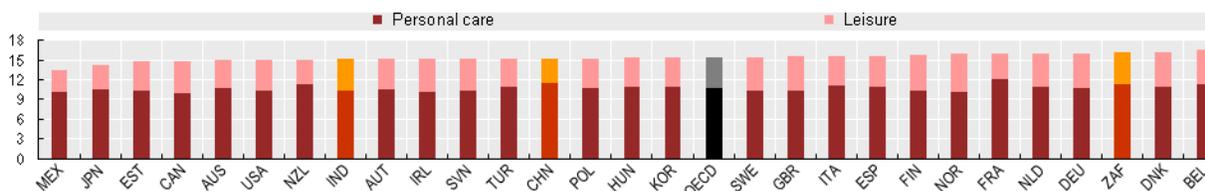


Note: Usual hours worked in the main job for Austria, Canada, the Czech Republic, Finland, Hungary, Mexico, Poland, the Slovak Republic, Sweden, Turkey and the United States, and in all jobs for other countries. The first available year is 1996 for Chile; 1998 for Hungary; 2001 for Austria; 2002 for Estonia, Norway, Poland, Slovenia and Sweden; and 2004 for the Czech Republic and Finland. The latest available year is 2007 for Israel and the Netherlands; and 2008 for Chile and the Russian Federation.

Source: OECD (2007), *Babies and Bosses - Reconciling Work and Family life: A Synthesis of findings for OECD countries*, OECD, Paris; Swiss Federal Statistical Office (FSO)

Time devoted to leisure and personal care

Hours per day for the population aged 25-64, latest available year

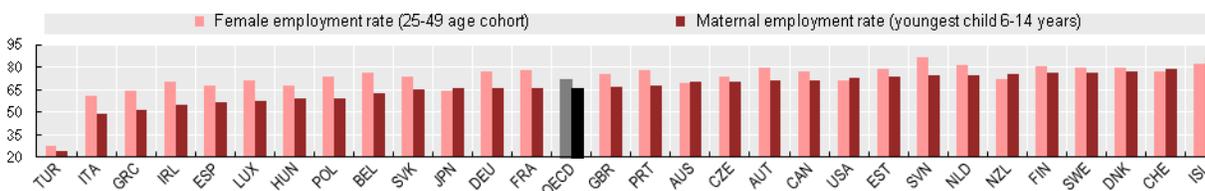


Note: Data refer to 1998-99 for France and New Zealand; 1999 for Portugal and India; 1999-2000 for Estonia, Finland and Hungary; 2000 for South Africa; 2000-01 for Norway, Slovenia, Sweden and the United Kingdom; 2001 for Denmark; 2001-02 for Germany; 2002-03 for Italy and Spain; 2003-04 for Poland; 2005 for Belgium, Canada and Ireland; 2005-06 for the Netherlands; 2006 for Australia, Japan and Turkey; 2008 for United States and China; 2008-09 for Austria and 2009 for Korea and Mexico. The indicator refers to people aged 20-59 for Hungary and 30-59 for Korea. Data have been normalized to 1440 minutes per day.

Source: OECD Time-use survey database; OECD (2007), *Babies and Bosses - Reconciling Work and Family life: A Synthesis of findings for OECD countries*, OECD, Paris; OECD (2009), *Society at a Glance 2009: OECD Social Indicators*, OECD, Paris;

Employment rate of women with children of compulsory school age

2008 or latest available year



Note: Maternal employment rates refer to mothers with a child aged between 6 and 14 for Australia, Canada, Denmark, Iceland, Japan, New Zealand, Sweden, Switzerland and the United States. Data refer to 1999 for Denmark; 2001 for Canada; 2002 for Iceland; 2005 for Australia, Japan, New Zealand and the United States; 2007 for Sweden; and 2009 for Switzerland.

Source: OECD Family database; OECD (2007), *Babies and Bosses - Reconciling Work and Family life: A Synthesis of findings for OECD countries*, OECD, Paris; OECD (2006), *Society at a Glance 2006: OECD Social Indicators*, OECD, Paris; www.oecd.org/els/social/family/database; and Swiss Labour Force Statistics (LFS).

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WHY DO THEY MATTER FOR WELL-BEING?

Education is a basic need and an important aspiration of people. It has a strong influence on their well-being. Better educated individuals earn higher wages and have a higher probability to have a job. They live longer lives, report a better health status and a lower occurrence of chronic diseases and disabilities. Better educated individuals also participate more actively in politics and in the community where they live, they commit fewer crimes and rely less on social assistance. At the level of the society as a whole, better education leads to higher GDP growth, higher tax revenues and lower social expenditures.

INDICATORS

The indicators of education outcomes presented here refer to the educational attainment of the adult population and the literacy of 15-years old students.

- The first indicator profiles the education of the adult population as captured through formal educational qualifications. Educational attainment is measured as the percentage of the adult population (15 to 64 years of age) holding at least an upper secondary degree, as defined by the OECD-ISCED classification.
- The second indicator measures the capacity of 15 years-old students (those near the end of compulsory education) to understand, use, reflect on and engage with written texts in order to achieve their own goals, to develop their knowledge and potential. This indicator comes from the 2009 edition of OECD's Programme for International Student Assessment (PISA), which focused on reading.

The two indicators presented here are good measures of competencies which help individuals undertake a broad range of tasks necessary to live in modern societies. While competencies of youths aged 15 are a key driver of achievements in later stages of people's life, it is also important to consider the skills of the adult population. Such information will be available through the OECD Programme for the International Assessment of Adult Competencies (PIAAC), whose first results are expected in 2013. In the future it will be also important to extend the measurement of competencies to include social and emotional skills as well as civic competencies which are key to the well-being of individuals and the society (OECD, 2010e).

MEASURING AVERAGE OUTCOMES AND TRENDS

The large majority of the adult population in OECD countries holds at least an upper secondary education degree. This proportion is above 90% in Czech Republic, but is below 35% in Portugal, Turkey and Mexico. The share of the adult population who has reached at least upper-secondary education has increased by around 9 percentage points in the OECD as a whole over the past ten years, with larger increases in Ireland, Spain, Hungary and Korea and small declines in Denmark. In Brazil, the only emerging country with comparable information, educational attainment level is similar to that of the OECD countries with the least educated population, and has not recorded significant changes in the recent period.

Average reading scores of 15 years-old pupils vary strongly across countries. They are much lower than the OECD average in Mexico and Chile, as well as in major emerging countries, and much higher in Finland and Korea. When looking at changes over the period 2000 to 2009, Chile, Israel, Portugal and Poland recorded substantial improvements, while substantial declines occurred in Ireland and Sweden. These trends have led to a small decline in cross-country differences (OECD, 2010a). In emerging countries, reading scores are generally lower than in OECD countries, but have risen significantly in some of them, as for instance in Brazil and Indonesia.

WHAT DO WE KNOW ABOUT INEQUALITIES IN EDUCATION AND SKILLS?

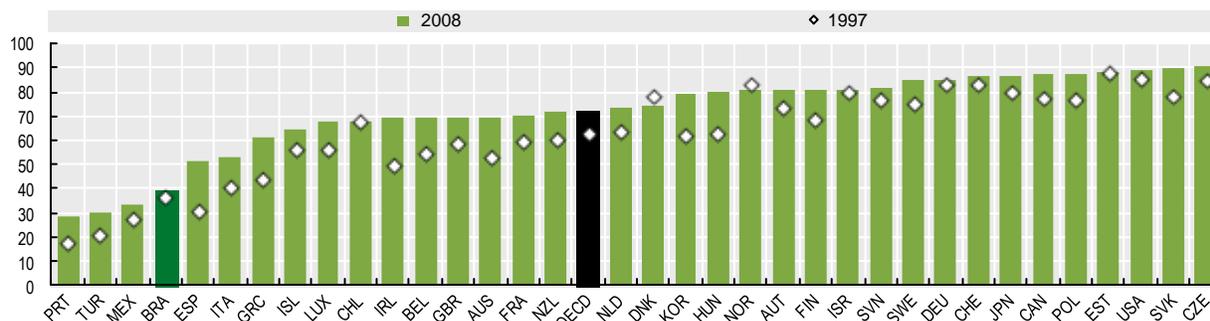
Educational outcomes vary significantly within each country. Educational attainment is higher for younger generations (OECD, 2010b). In OECD countries women are generally more educated than men, while a different gender pattern in educational attainment is visible in some emerging countries. Girls have higher reading competencies but, often, lower mathematics skills. Children of immigrant origins display lower competencies than children of native born (OECD, 2010c). In addition, cognitive skills are strongly influenced by the socio-economic background of the family where students live (OECD, 2010d), particularly in Hungary, Belgium, Turkey, Chile, Luxembourg and Germany.

There is a positive relationship between average achievements and equity of achievements (OECD, 2010d). Countries where 15-years old display higher cognitive skills tend to be characterised by a more equitable distribution of outcomes, suggesting that the trade-off between equity and efficiency is either limited or non-existent. This is in line with research showing that policies which are beneficial for efficiency have no adverse effect on equity (Schütz et al., 2007).



Educational attainment

Percentage of adults with at least upper secondary education

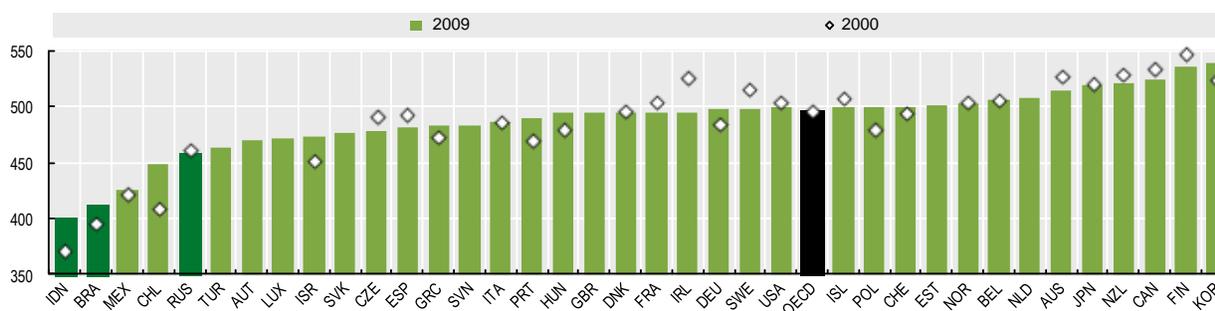


Note: The 2008 figure for Japan refers to an OECD estimate. The first available year is 1998 for Denmark, Italy, the Netherlands and Portugal; 1999 for Luxembourg; 2002 for Estonia, Israel and Slovenia; 2007 for Chile and Brazil. For Norway and Switzerland data for 1997 and 2008 are not strictly comparable due to changes in the educational classification.

Source: OECD (2010), *Education at a glance 2010: OECD Indicators*, OECD, Paris

Literacy

PISA scores in reading



Note: PISA scores are measured on a scale which is normalised to be 500 for the OECD average of the countries in which PISA survey has been conducted.

Source: OECD (2010), *PISA 2009 at a glance*, OECD, Paris.

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WHY DO THEY MATTER FOR WELL-BEING?

➤ Humans are social creatures. The frequency of their contacts with others and the quality of their personal relationships are crucial determinants of well-being. People get pleasure from spending time with others, be it their family, friends or colleagues. Activities are more satisfying when shared with others. Furthermore, social networks can provide material and emotional support in times of need, as well as providing access to jobs and other opportunities. The nature of social interactions also has wider implications beyond the immediate social circle, impacting levels of trust within their community, which is an important driver of other outcomes including democratic participation, crime and health (OECD, 2001).

INDICATORS

➤ The indicators of social connections presented here refer to the frequency of contact with others and the support offered by social networks.

- The first indicator, available only for selected European countries, shows the proportion of people who report socialising with friends and relatives at different frequencies (i.e. once a month, once a week, and every day). The data shown here present the proportion of respondents declaring that they socialise with either relatives or friends at least once a week. They are taken from the special module of the European Survey on Income and Living Conditions (EU-SILC) on social participation. Data for non-EU countries are not comparable and therefore not included in this Compendium.
- The second indicator shows the share of people in OECD and selected non-OECD countries who say that, in times of need, they can count on someone to help. Data are taken from the Gallup World Poll.

➤ The first indicator provides a good proxy of the frequency of human contacts but not necessarily of the strengths of these bonds, nor of the quality of time spent with others and of the pleasure derived from it. The second indicator remedies some of these limitations, by measuring the perceived strength of social networks. The OECD is undertaking work to improve the collection of comparable data on important aspects of social capital, including indicators on social contact and social network support (OECD and UK Office of National Statistics 2002).

MEASURING AVERAGE OUTCOMES AND TRENDS

➤ Over half of the European population socialises with friends at least once a week, and for a significant proportion of people (around 1 in 5) socialising with friends is a daily occurrence. However, there are large differences between countries. For example, in Poland only around 40% of people see friends and relatives once a week, whereas this share is around 80% in Greece. Only in France, Hungary, the Slovak Republic, the Czech Republic, Belgium and Iceland is it more common to socialise with relatives than with friends. In France and Hungary there is also a relatively low share of the population socialising with friends on a weekly basis.

➤ Across OECD countries, around 90% of people say that they have at least one person they can count on in times of need. The countries with weakest support networks are Greece, Korea, Chile and Mexico, and those with the strongest support networks are Iceland, the United Kingdom and Ireland. The share of respondents declaring that they have no one to turn to in case of need is more than four times higher in Greece and Korea than in the United Kingdom and Iceland. Perceived social network support is generally lower in emerging countries than in OECD countries, in particular in India and China.

WHAT DO WE KNOW ABOUT INEQUALITIES IN SOCIAL CONNECTIONS?

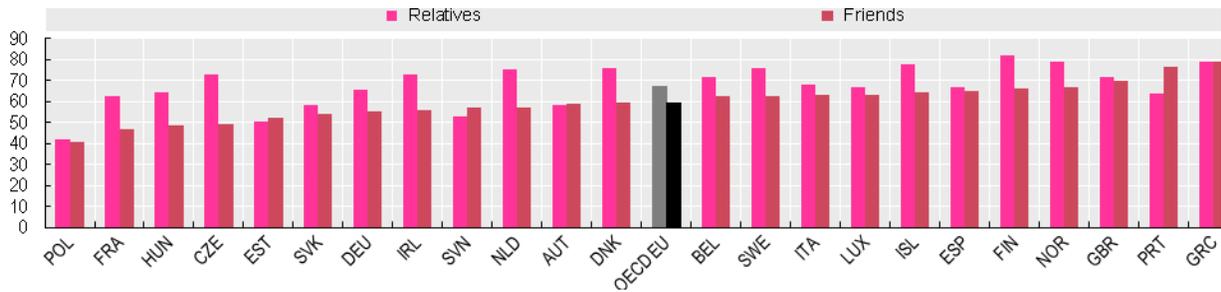
➤ Men are more likely to have contacts with friends at least once a week, while women are more likely to have contact with relatives. Age and income also affect the frequency of social contacts. Poor people are roughly twice as likely to have no contact with friends or relatives. The elderly are three times more likely to report no contacts with friends than the general population.

➤ Education and economic status also influence social network support. Over 90% of people with secondary or tertiary education can count on someone for help in an emergency, compared with only 72% of people with only primary education. Similar differences apply between upper and lower income quintiles, with 92% of top earners saying they can count on someone, compared with 73% of people at the bottom of the income ladder.



Contact with others

Percentage of people socialising with friends or relatives at least once a week during a usual year, 2006

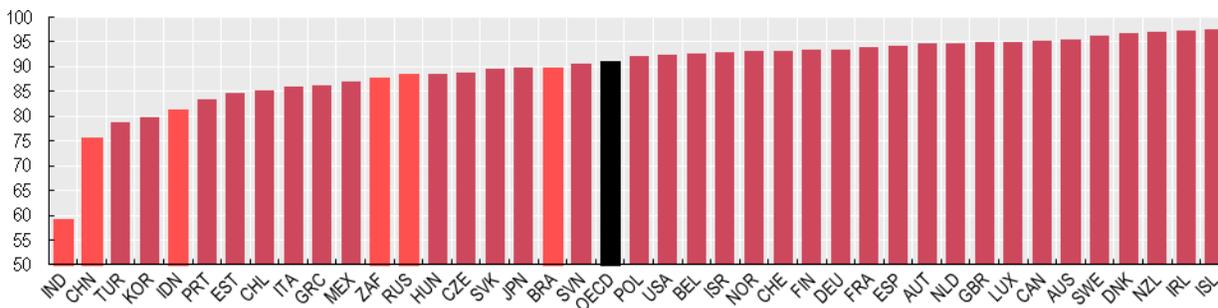


Note: The indicator refers to the percentage of friends/relatives the respondent gets together with in his/her spare time (i.e. after working hours, at weekends, or for holidays) and with whom the respondent shares private matters more than once a week during a usual year. Only friends/relatives who do not live in the same household as the respondent are considered. Relatives include father/mother/children, siblings, grandparents, aunts, uncles, cousins, nephews, nieces and families-in-law. Data for Ireland, the Netherlands and Norway are uncertain, while the value for the United Kingdom is provisional.

Source: European Union Statistics on Income and Living Conditions (EU-SILC), 2006

Social network support

Percentage of people who have relatives or friends they can count on, 2010



Note: Data refer to 2008 for Iceland and Norway; and to 2009 for Estonia, Israel, Switzerland and South Africa.

Source: Gallup World Poll; OECD (2010), *OECD Factbook 2009: Economic, Environmental and Social Statistics*, OECD, Paris.

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WHY DO THEY MATTER FOR WELL-BEING?

Participating in society, through for instance the expression of political voice, is essential to individual well-being. Political voice is not only part of basic freedoms and rights that are worthwhile to all humans, but it also enhances the accountability and the effectiveness of public policy. This has in turn a strong impact on well-being as public policy has a strong bearing on individual lives, for instance through the public services provided, the regulation and framing of various institutions and markets, the justice system, etc. In addition to these benefits, participating into community life allows individuals to develop a sense of belonging and trust in others.

KEY INDICATORS

The key indicators of civic engagement and governance presented here refer to voter turnout and the existence of formal and open consultation processes on rule making.

- The first indicator measures the extent of electoral participation in major national elections. Two definitions of voter turnout are considered here⁹: the first refer to the number of votes casted over the voting-age population; the second to the number of votes casted over the population registered to vote. The voting-age population is generally defined as the population aged 18 or more, while the registered population refers to the population listed on the voters' register. The number of votes casted are gathered from national statistics offices and national electoral management bodies.
- The second indicator describes the extent to which formal consultation processes are built-in at key stages of the design of regulatory proposals, and whether mechanisms exist for the outcome of that consultation to influence the preparation of draft primary laws and subordinate regulations. This indicator is a composite index aggregating various sources of information on the openness and transparency of the consultation process used when designing rules.

Voter participation is a proxy for civic and political engagement and of how this can effectively shape the society where people live. Information on electoral participation should be complemented by measures of other types of participation in society and institutional trust. The indicator of open consultation processes refers to the existence of institutional practices, but does neither gauge whether these procedures are effective nor whether they are used by citizens. Comparability of this index can also be limited by cultural, institutional and historical contexts. Ideally indicators of the quality of governance should measure whether public policy is effective and transparent in achieving its goals. Broader measures of civic engagement and governance, sometimes based on specific survey modules, are available for only a few OECD countries.

MEASURING AVERAGE OUTCOMES AND TRENDS

Partly because of differences in electoral systems, participation varies substantially across OECD countries. In general, voter turnout is high in Nordic countries and low in Eastern European countries. Despite these differences in levels, many OECD countries experienced declining levels of participation over the past three decades, after a long increase in previous decades (OECD, 2006; López Pintor, R. and M. Gratschev, 2002). The pattern of political participation is mixed in emerging countries: Brazil and Indonesia display very high voter turn-out; conversely, India and the Russian Federation record relatively low levels of electoral participation.

Most OECD countries experienced important progress in enhancing the transparency of their primary and subordinate regulations, but large disparities across countries remain. The openness of consultation has significantly increased in Australia, the Czech Republic and Mexico between 2005 and 2008, while it has slightly decreased in Finland, the Netherlands, the Slovak Republic and Switzerland. In South Africa, the only emerging country with available information, consultation procedures on rule-making are not widespread.

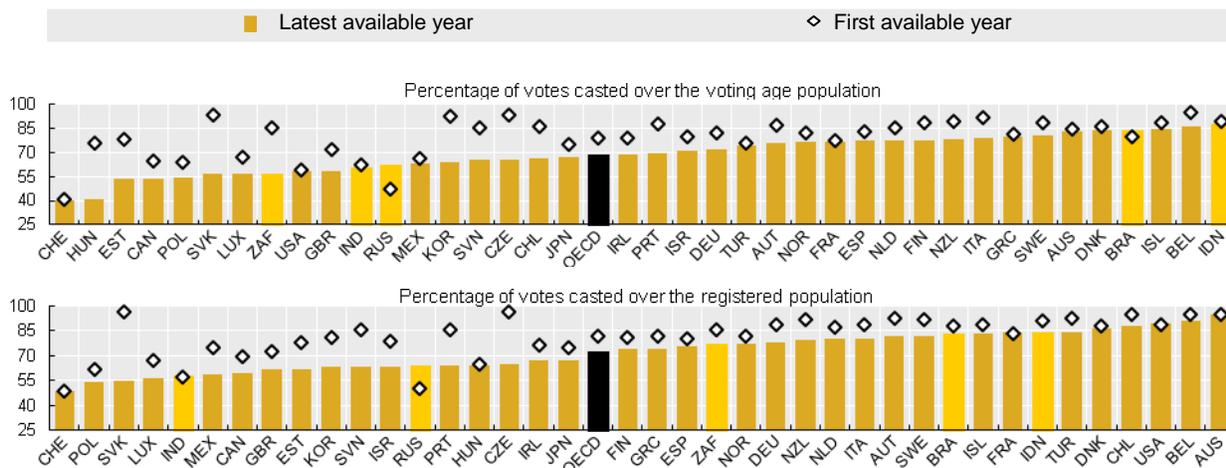
WHAT DO WE KNOW ABOUT INEQUALITIES IN CIVIC ENGAGEMENT?

People in the bottom quintile of the income distribution report lower rates of voting than those in the top. Voting increases with income but this effect tappers off at the very top of the distribution. Education is also a major driver of political participation. Electoral participation increases with age, with youth voter turnout being, on average, 20 percentage points lower than that of individuals aged 65 and more (OECD, 2006). In principle, the existence of open consultation processes in the design of policies benefits all citizens of a given jurisdiction, although not all individuals may get to avail themselves of the opportunities that exist.

⁹ The two definitions of voter turnout highlight different facets of the same phenomenon. Looking at the voting-age population tends to overstate the size of the electorate in countries where a large share of the population is not eligible for voting (e.g. foreigners) or, as a deliberate act, does not register. Comparing these two indicators of voter turnout provides information on the proportion of residents without political voice in a country.



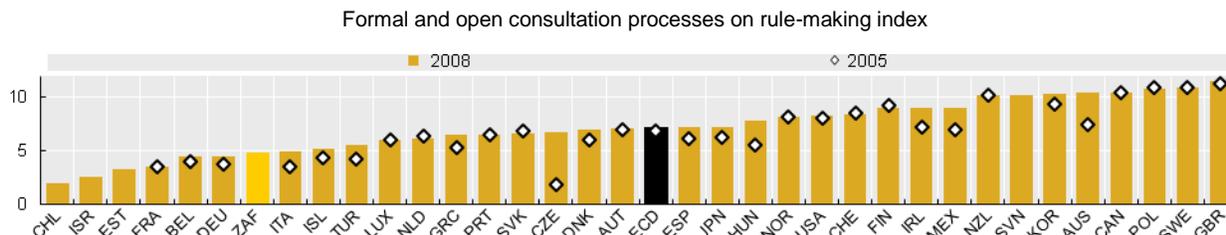
Voter turnout in most OECD countries



Note: The first available year is 1980 for Australia, Canada, Germany, Japan, Portugal, the United States and India; 1981 for Belgium, Denmark, France, Greece, Ireland, Israel, the Netherlands, New Zealand, Norway; 1982 for Finland, Mexico, Spain, Sweden and Indonesia; 1983 for Austria, Iceland, Italy, Switzerland, Turkey and the United Kingdom; 1984 for Luxembourg; 1989 for Chile, Poland and Brazil; 1990 for the Czech Republic, Estonia, Hungary and the Slovak Republic; 1992 for Slovenia; 1993 for the Russian Federation; 1994 for South Africa; and 1997 for Korea. The latest available year is 2004 for Luxembourg, India and Indonesia; 2005 for Chile, Germany, Japan, Norway, Portugal and the United Kingdom; 2006 for the Czech Republic, Finland, Hungary, Israel, Mexico, the Netherlands, the Slovak Republic, Sweden and Brazil; 2007 for Australia, Belgium, Denmark, Estonia, France, Greece, Iceland, Ireland, Korea, Poland, Switzerland, Turkey and the Russian Federation; 2008 for Austria, Canada, Italy, New Zealand, Slovenia, Spain and the United States; and 2009 for South Africa. Presidential elections, instead of parliamentary and legislative elections, are considered for Brazil, Finland, France, Korea, Mexico and the United States. For Greece, data refer to the voter turnout as a share of the registered population in 1981.

Source: International Institute for Democracy and Electoral Assistance (IDEA); OECD (2007), *Society at a glance 2006: OECD Social Indicators*, OECD, Paris

Consultation on rule-making



Note: The composite indicator rises with the number of key elements of formal consultation processes. It does not gauge whether these processes have been effective. Data for Chile, Estonia, Israel and Slovenia refer to 2009.

Source: OECD (2009 and 2011), *OECD Regulatory Management Systems' Indicators Surveys 2005, 2008 and 2009*, OECD, Paris. <http://www.oecd.org/regreform/indicators>

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WHY DOES IT MATTER FOR WELL-BEING?

- ▶ *The environment where people live is a key component of people's quality of life. The impact of environmental pollutants on health is sizeable, with around one fourth of the global burden of diseases deemed to be associated with poor environmental conditions. But the environment also matters intrinsically when people attach importance to the beauty and the cleanliness of the place where they live.*

INDICATOR

- ▶ *The indicator of environmental quality presented here refers to the population-weighted average concentrations of fine particles (PM10) in the air we breathe (measured in micro grams per cubic meter); the data is drawn from monitoring sites located into residential areas of cities larger than 100,000 inhabitants. Particulate matters consist of small liquid and solid particles floating in the air, and include sulphate, nitrate, elemental carbon, organic carbon matter, sodium and ammonium ions in varying concentrations. Of greatest concern to public health are the particles small enough to be inhaled into the deepest parts of the lung: these particles are less than 10 microns in diameter (PM10). The data shown here are collected by the World Bank.*
- ▶ *The concept of 'environmental quality' is a broad one, which includes both the quality of different environmental media (soil, water, air) and people's access to environmental amenities, as well as people's subjective appreciations of the environment where they live. The measure shown here captures only one element (air) within this broad range of factors.*
- ▶ *Measuring air pollution is not easy, as air quality is the result of a complex mixture of pollutants that may vary over time, space and chemicals. Ideally several measures of air quality should be grouped together to form a composite air quality index. However, constructing such an aggregate indicator is difficult, involving contentious issues in terms of gathering and weighting data (given that pollutants mixed together can have additive, synergistic and offsetting effects on human health). The indicator presented here is the best proxy for this ideal.*

MEASURING AVERAGE OUTCOMES AND TRENDS

- ▶ *In the last two decades, PM10 concentrations have significantly decreased in many OECD countries, yet they are still above the annual guideline limit of 20 µg/m³ set by the World Health Organisation. Across OECD countries, the highest concentration levels are found in Chile, Turkey and Poland. PM10 concentrations have drastically declined in Estonia, the Czech and Slovak republics, mostly as a result of structural shifts in the economy and the introduction of new vehicle engine technologies, but also in Chile, Mexico, Greece and Israel. Air pollution is at least three times as high in emerging countries than in the OECD area. These countries have however reduced significantly their level of air pollution in the past few years, often at a higher rate than OECD countries.*
- ▶ *Despite significant reductions, air pollution remains a major concern in developing countries. OECD projects a further increase of PM10 concentrations by 2030 in the most polluted regions of the world, where 50-90% of the urban population would be exposed to concentrations above 70 µg/m³.*

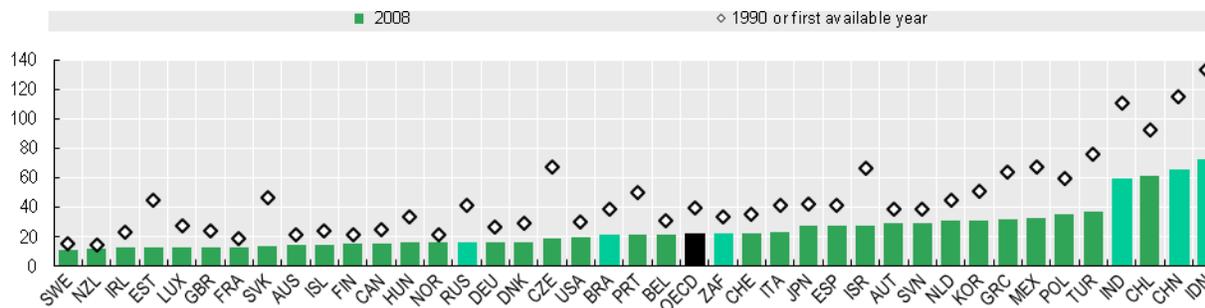
WHAT DO WE KNOW ABOUT INEQUALITIES IN EXPOSURE TO AIR POLLUTION?

- ▶ *The risk and severity of adverse health consequences due to exposure to air pollution differ across people, depending on their characteristics, biological susceptibility and capacity to cope with risks and outcomes (OECD, 2008). Children and the elderly are more at risk than other population groups. Subjects with pre-existing cardiovascular and respiratory disease have also been reported to be more susceptible to health impact from ambient PM.*
- ▶ *The effects of PM are more severe on subjects with low socio-economic status, due to a combination of greater susceptibility, higher exposure and worse access to health care. First, individuals facing lower socio-economic circumstances have poorer health in general, making them more susceptible to the harmful effects of air pollution. Second, they are likely to experience increased exposure to air pollutants, as they may reside closer to roadways and/or face large risks of occupational exposure. Distributional effects of environmental policies are discussed in depth in Serret and Jonhstone, 2006.*



Air pollution

PM10 concentrations, micrograms per cubic meter



Note: Data are urban-population weighted PM10 levels in residential areas of cities with more than 100,000 residents. The first available year is 1994 for Slovenia.

Source: World Bank; OECD (2008), *OECD Environmental Outlook to 2030*, OECD, Paris

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WHY DOES IT MATTER FOR WELL-BEING?

Personal security is a core element for the well-being of individuals and of society as a whole, and the experience of crime is one of the main factors shaping people's personal security. Crime may lead to loss of life and property, as well as engendering physical pain, post-traumatic stress and anxiety. It may also cause impairments in occupational activities (e.g. lower productivity and higher absenteeism) and disruption in social functioning (e.g. restriction in freedom of movement and erosion of social cohesion within communities). The biggest impact of crime on people's well-being appears to be through the feeling of vulnerability that it causes (Anand and Santos, 2006).

INDICATORS

The indicators of personal security presented here refer to reported homicides and self-reported victimization.

- The first indicator measures the number of police-recorded intentional homicides reported each year, per 100,000 people. The data come from the United Nations Office on Drugs and Crime (UNODC) and are based on national data collected from law enforcement, prosecutor offices, and ministries of interior and justice, as well as Interpol, Eurostat and regional crime prevention observatories.
- The second indicator is based on the percentage of people who declare that they have been victim of an assault crime in the last 12 months. The data presented here are drawn from the Gallup World Poll.

Homicide rates only represent the most extreme form of contact crime and thus they do not inform of more typical safety conditions. They have however the strong advantage of being among the best comparable safety statistics available and of suffering the least from underreporting and idiosyncratic classification. Crime victimization surveys are a useful tool for measuring people's experiences with respect to other types of crimes. While many countries have undertaken national victimisation surveys, these are typically infrequent and differ across countries in several aspects. Even when relying on comparable victimisation surveys, self-reported victimisation may suffer from under-reporting (United Nations 2010). Additional useful measures of personal security would measure crimes against property, non-conventional crimes (such as frauds), as well as people's perception of safety in their community and their confidence in law enforcement agencies. While these data exist, they are not fully comparable across OECD countries and therefore not presented here.

MEASURING AVERAGE OUTCOMES AND TRENDS

Homicide rates are low in most OECD countries, with an average value of 2.2 homicides per 100,000 people. They are, however, more than twice higher in the United States (5.2) and higher in Chile and Mexico. Over the past ten years, homicide rates have declined in all OECD countries, with such decline being especially large in countries with high homicides in the early 2000s. Homicide rates are generally higher in emerging countries, particularly in Brazil and South Africa.

In 2010, only a small minority of people in OECD countries reported that they had been victim of an assault over the preceding 12 months. Rates for Canada, United States, Japan and the United Kingdom are below 2%. Rates are significantly higher (i.e. assaults have been more common) in Chile and especially in Mexico. Reported victimisation is higher in emerging countries, especially in Brazil, South Africa and India.

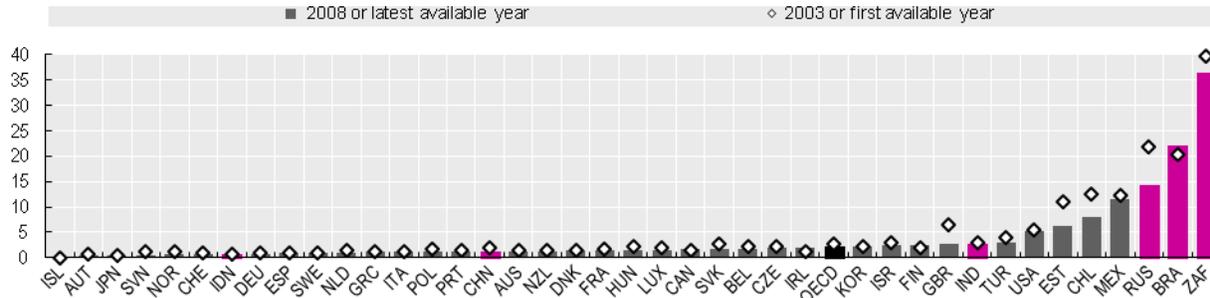
WHAT DO WE KNOW ABOUT INEQUALITIES IN PERSONAL SECURITY?

Men are far more likely than women to be victim of violent crime, with the exception of intimate killings and sex-related homicides. In the case of less extreme forms of crimes, socio-economic inequality (measured in terms of wages and education) seems to play a central role in the occurrence of criminal victimization. Disadvantaged people are likely to live in neighbourhoods with high criminality and to lack the resources enabling them to protect themselves against crimes and assaults (Kelly, 2000).



Intentional homicides

Rate per 100,000 population

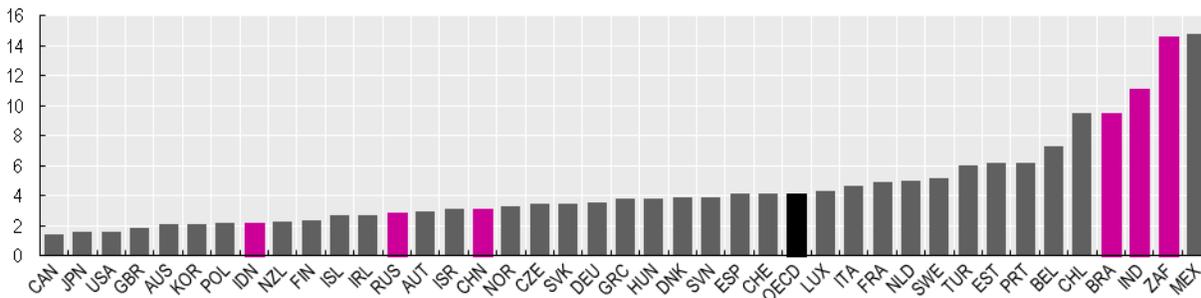


Note: The first available year is 2004 for South Africa; 2005 for New Zealand and Spain; 2006 for Luxembourg and 2007 for Brazil. The latest available year is 2004 for Indonesia; 2007 for Austria, Denmark, Ireland, Italy, the Netherlands, Norway, China and India. Data for the United Kingdom are collected by three different jurisdictions: England and Wales, Scotland and Northern Ireland and here they are presented unweighted.

Source: UNODC; Eurostat - Crime and Criminal Justice Statistics is the source for Austria, Denmark, Ireland and the Netherlands

Self-reported victimisation

Percentage of people declaring that they have been assaulted over the previous 12 months, 2010



Note: Data refer to 2008 for Iceland and Norway; 2009 for Estonia, Israel, Switzerland, the Russian Federation and South Africa.

Source: Gallup World Poll.

For further reading

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WHY DOES IT MATTER FOR WELL-BEING?

- Notions of “happiness”, “utility”, or “welfare” have a long tradition as part of conceptions of a good life. They capture the notion that what matters in a good life is not the presence of a specific set of life circumstances, but the impact these have on how people feel about their life. Life satisfaction captures a reflective assessment of how things are going in one’s own life, and allows assessing which life circumstances and conditions are important for subjective well-being (Kahneman and Krueger, 2006). Looking at life satisfaction measures also helps understanding the gap between objective living conditions of people and their own evaluation of these conditions (Heliwell, 2008).

INDICATOR

- The indicator of subjective well-being presented here measures overall life satisfaction as perceived by individuals. Life satisfaction measures how people evaluate their life as a whole rather than their current feelings. It is measured via the Cantril Ladder (also referred to as the Self-Anchoring Striving Scale), which asks people to rate how they value their life in terms of the best possible life (10) through to the worst possible life (0). The score for each country is calculated as the mean value of responses to the Cantril Ladder for that country.
- While the Cantril Ladder represents the best available measure of overall life satisfaction (Kahneman et al., 2006), it can be affected by personality, mood, cultural norms and relative judgements, especially when the samples over which the information is collected are small (which is the case for the Gallup World Poll data used here). There are only few official sources of data on subjective well-being collected over large samples and these surveys are not directly comparable. The OECD is currently working with Eurostat and a range of national statistical agencies and researchers to prepare a set of guidelines on the collection and use of measures of subjective well-being. The implementation of these guidelines should result in comparable official statistics becoming increasingly available over time.

MEASURING AVERAGE OUTCOMES AND TRENDS

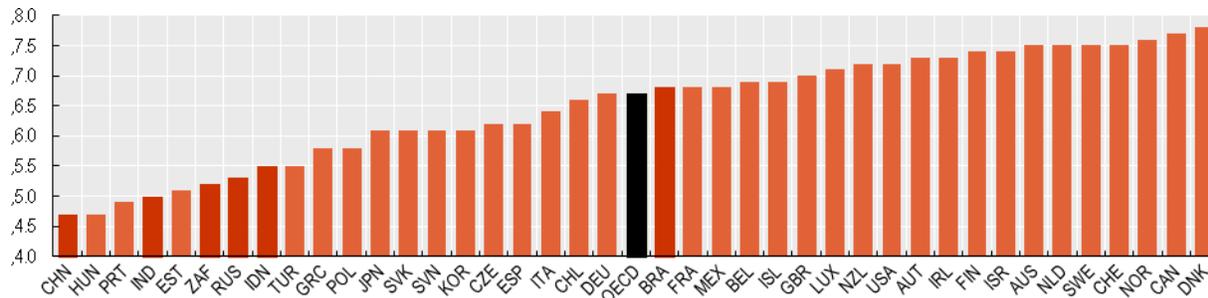
- Across OECD countries, the gap between countries with the highest life satisfaction and those with the lowest is approximately 3 points on an 11 point scale. Hungary, Portugal, Turkey and Estonia have a relatively low average life satisfaction compared to other developed countries, with average scores of less than 5.5. The group of countries reporting the highest life satisfaction comprises predominantly Nordic European and English-speaking countries, which have scores of over 7.
- Some Asian countries have lower levels of life satisfaction than might be expected given their level of economic development. Both Japan and Korea report a life satisfaction score half a point below the OECD average, and China has the lowest reported life satisfaction of all the countries covered, despite being wealthier than India or Indonesia. By contrast, a number of Latin American countries, including Chile, Brazil and Mexico, have relatively high average levels of life satisfaction compared to their level of economic development.

WHAT DO WE KNOW ABOUT INEQUALITIES IN SUBJECTIVE WELL-BEING?

- While some OECD countries have a relatively equal distribution of life satisfaction (e.g. the Netherlands and most of the Nordic countries), other countries (e.g. Slovenia, Portugal, Chile, and Brazil) display a much greater variance. In general, countries with a less equal distribution of life satisfaction tend to have a lower average level of life satisfaction. However, there are exceptions; for example Mexico, Chile and Brazil combine relatively high variance in life satisfaction scores and very different average levels of life satisfaction.
- Life satisfaction is higher among more educated individuals and higher-income people (Dolan et al., 2008). The relationship between age and life-satisfaction is U-shaped. Women also tend to be more satisfied than men. Life satisfaction is lower among unemployed individuals and individuals affected by health problems.

Life satisfaction

Cantril Ladder, mean value in 2010



Note: The Cantril Ladder is measured on a scale from 0 to 10. Data refer to 2008 for Iceland and Norway; to 2009 for Estonia, Israel, Switzerland and South Africa.

Source: Gallup World Poll; OECD (2009), *Society at a Glance 2009: OECD Social Indicators*, OECD, Paris; OECD (2010), *OECD Factbook 2010: Economic, Environmental and Social Statistics*, OECD, Paris.

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How do you define a better life? What matters most to you – good schools, safe streets or something else?

THE OECD Better Life initiative (www.oecd.org/betterlifeinitiative) offers you an interactive tool, Your Better Life Index, that you can use to rate your country on the things you feel make for a better life.



The Index allows citizens to compare well-being across 34 countries, based on 11 dimensions the OECD has identified as essential, in the areas of material living conditions and quality of life.

The Index is a pioneering, interactive tool combining OECD substance with modern technology in order to foster the debate on well-being and engage citizens into the quest for progress.

The index is based on the indicators included in this Compendium.

Your Better Life Index	Compendium of OECD Well-being Indicators
 Housing	Housing
 Income	Income and Wealth
 Jobs	Jobs and Earnings
 Community	Social Connections
 Education	Education and Skills
 Environment	Environmental Quality
 Governance	Civic engagement and Governance
 Health	Health Status
 Life satisfaction	Subjective Well-being
 Safety	Personal Security
 Work-Life balance	Work and Life

