

## Chapter 2

# How's Life? at a Glance

*How's life today in OECD countries and beyond? The OECD framework for measuring well-being is used in this chapter to present a diagnosis of the strengths and weaknesses of countries' well-being. This diagnosis shows that OECD countries have made considerable progress in many well-being areas over the past 20 years or so, although progress has been uneven across the 11 dimensions included in the OECD well-being framework. Similarly, there is great diversity in patterns amongst different countries as well as disparity in well-being achievements of different groups of the population within a country.*

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.

This chapter presents detailed evidence on cross-country differences and, where possible, differences over time in well-being outcomes, based on the *How's Life?* headline indicators. The evidence focuses on average well-being patterns as well as selected information on the distribution of well-being in the population. It is organised in thematic sections covering the 11 dimensions of the OECD well-being framework under the two domains of material conditions and quality of life (see Chapter 1).

## Income and wealth

Household income and wealth are essential components of individual well-being. The ability to command resources allows people to satisfy basic needs and pursue many other goals that they deem important to their lives. Economic resources enhance people's freedom to choose the lives that they want to live and protect them against economic and personal risks.

The differences among countries in household net adjusted disposable income (HNADI) per capita, the *How's Life?* headline income indicator (see Box 2.1 for the definition), are large (Figure 2.1). In 2011 HNADI per capita was highest in the United States, almost four times as high as in Chile, the OECD country with the lowest level. HNADI has increased during the past decade or so in almost all OECD countries, with the largest rises recorded in the United States, Australia, Sweden, Norway, Slovenia, the Slovak Republic and Estonia. Since 1995, HNADI has decreased in Greece and remained broadly stable in Chile, Mexico and Italy.

The differences among countries in household net financial wealth per capita (see Box 2.1 for the definition) are even larger than those for HNADI (Figure 2.2). In 2009, household net financial wealth per capita was highest in the United States (where it was around three times higher than income) and lowest in Norway and in Eastern European countries. Since the mid-1990s, net financial wealth of households has increased in most OECD countries, notably

### Box 2.1. Measuring Income and wealth

The two headline indicators presented above are defined as follows:

- **Household net adjusted disposable income** per capita measures the maximum amount that any household member can afford to consume without having to reduce the household's assets or to increase its liabilities. It is obtained by adding to people's gross income (earnings, self-employment and capital income, as well as current monetary transfers received from other sectors) the social transfers in-kind that households receive from governments (such as education and health care services), and then subtracting taxes on income and wealth, the social security contributions paid by households as well as the depreciation of capital goods consumed by households.
- **Net financial wealth** per capita consists of monetary gold, currency and deposits, securities other than share, loans, shares and other equity (including shares issued by investment funds), insurance technical reserves, and other accounts receivable or payable, net of household financial liabilities, as defined by the System of National Accounts (SNA).

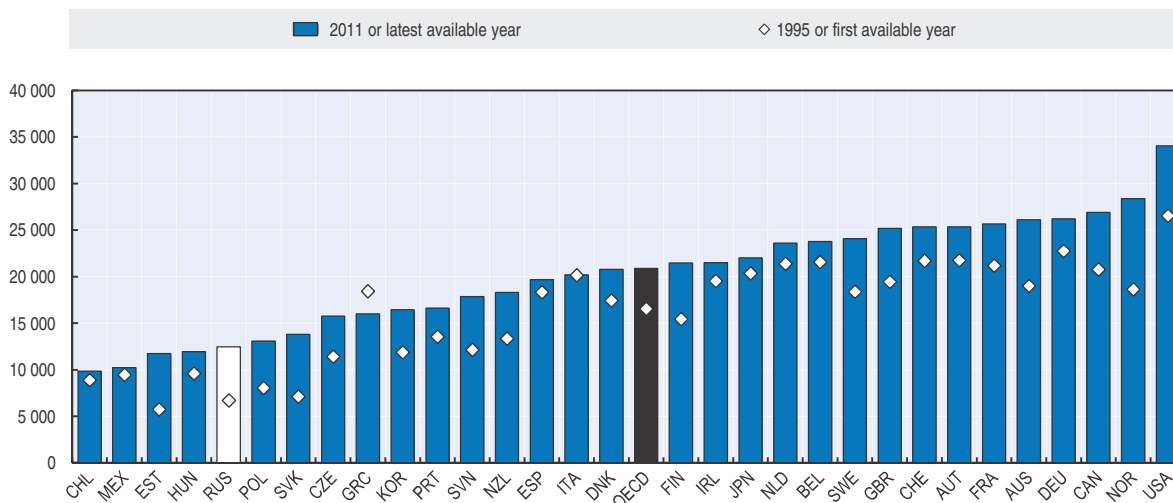
### Box 2.1. Measuring Income and wealth (cont.)

For both indicators, data refer to the aggregate of households, and non-profit institutions serving households. They are based on national accounts statistics collected by the OECD and expressed through the relevant conversion rate (purchasing power parities). The indicators shown here are consistent with economy-wide indicators, such as GDP and productivity. The income concept used is the broadest measure of households' consumption possibilities available within the national accounts system. The wealth measure, however, excludes a range of assets that are critical for household material well-being, such as dwellings, land, and assets that contribute to the economic production of quasi-corporations. Data on these non-financial assets are currently available only for a minority of countries.

The data shown here have limits. First, only few national accounts systems provide data excluding non-profit institutions serving households. The coverage of the indicator of income shown here is then broader than the one typically used in household surveys. Second, to better reflect differences in household structure and needs, data should ideally be expressed per consumption unit rather than per capita. Thirdly, national accounts data are not informative about how economic resources are distributed. To reconcile micro- and macro-types of household data, the OECD has conducted work jointly with Eurostat to measure disparities among households within a national account framework. The OECD has also recently published the *Framework for statistics on the distribution of household income, consumption and wealth* and the *Guidelines for Micro Statistics on Household Wealth*.


Figure 2.1. **Household net adjusted disposable income per capita**

US dollars at 2005 PPPs



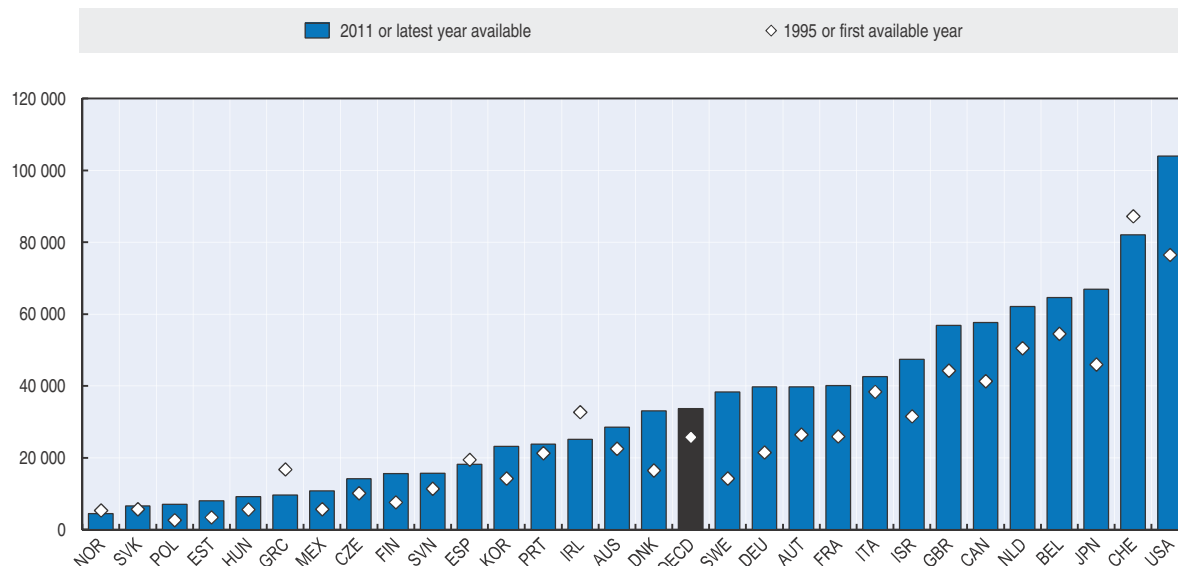
Note: Households include non-profit institutions serving households. Purchasing Power Parities are those for actual individual consumption of households. The first available year is 2000 for Spain; 2002 for Ireland and the Russian Federation; 2003 for Mexico and 2008 for Chile. The latest available year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

Source: OECD (2013a), OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/na-data-en>.

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in Sweden, Denmark, Germany and Israel, although falls were recorded in Ireland, Switzerland and Greece. These findings should be interpreted with caution as net financial wealth excludes households' non-financial assets (i.e. land and dwellings) which in most OECD countries represent the largest share of households' overall net wealth.

Figure 2.2. **Household net financial wealth per capita**  
US dollars at 2005 PPPs



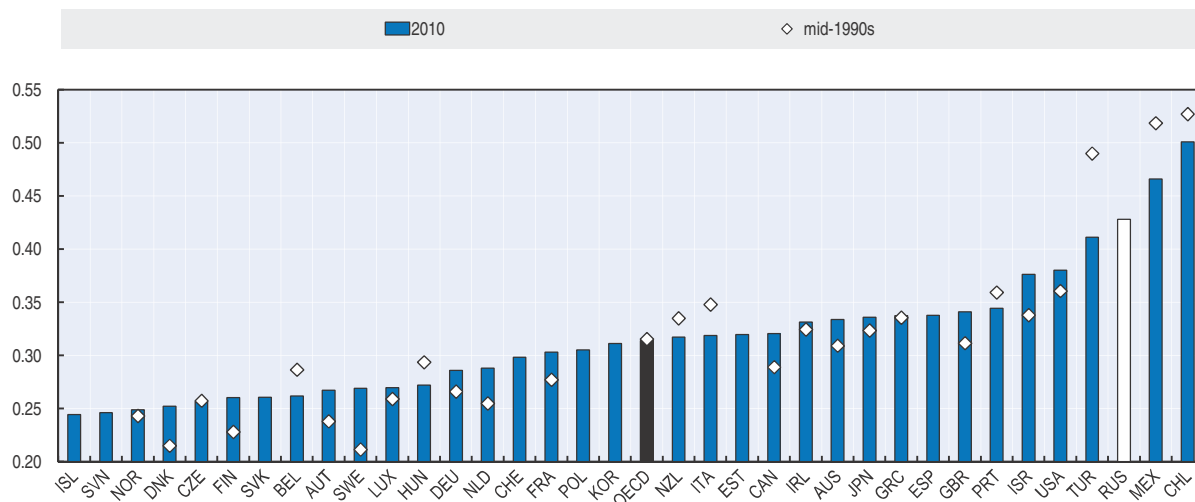
Note: Households include non-profit institutions serving households. Purchasing Power Parities are those for private consumption of households. The first available year is 1997 for Mexico; 1999 for Switzerland; 2001 for Ireland, Israel and Slovenia, and 2002 for Korea. The latest year available is 2010 for Israel and Japan and 2009 for Mexico.

Source: OECD (2013a), OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/na-data-en>.

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The income and wealth data shown here provide a good picture of *average* material living standards in a country. However, there are large differences in how household disposable income is distributed within countries (Figure 2.3), with Chile, Mexico, and the Russian Federation recording the highest levels of income inequality while Eastern European and Nordic countries display the lowest income inequalities. However, it was in the latter that income inequalities rose the most in the past 15 years, a trend which has also been

Figure 2.3. **Income inequalities**  
Gini Index



Note: The latest available year for the Russian federation is 2008.

Source: OECD (2013d), "Income Distribution", OECD Social and Welfare Statistics (database), <http://dx.doi.org/10.1787/data-00654-en>.

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observed though to a smaller extent in many other European countries (e.g. the United Kingdom, France since the mid-1990s), as well as in Israel, Canada, Australia and the United States. Income inequalities have decreased significantly in Mexico and Turkey, and to a lesser degree in Belgium, Hungary, New Zealand and Italy.

## Jobs and earnings

Having a job that matches one's aspirations and competencies and that pays adequate earnings is a universal aspiration of people around the world. Jobs help develop new skills and abilities and create opportunities for social and professional relationships. Moreover, being unemployed has a large negative effect on physical and mental health and on subjective well-being.

The key indicator for measuring the availability of jobs is the employment rate (see Box 2.2 for the definition). Employment is relatively low in Southern European countries and high in Switzerland and Nordic countries (Figure 2.4). Since the mid-1990s, there is evidence of a general increase in employment rates, although there are large variations among OECD countries. The countries where the employment rate has increased the most since 1995 are Spain and the Netherlands. Employment has also considerably increased in Brazil and the Russian Federation. Conversely, employment rates have declined markedly since 1995 in Turkey, in the United States and in the Czech Republic.

In 2011, the long-term unemployment rate (see Box 2.2 for the definition) was low on average in most OECD countries (Figure 2.5). It was virtually nil in Korea and Mexico but exceeded 8% in Ireland, the Slovak Republic, Greece and Spain. Since the mid-1990s, the

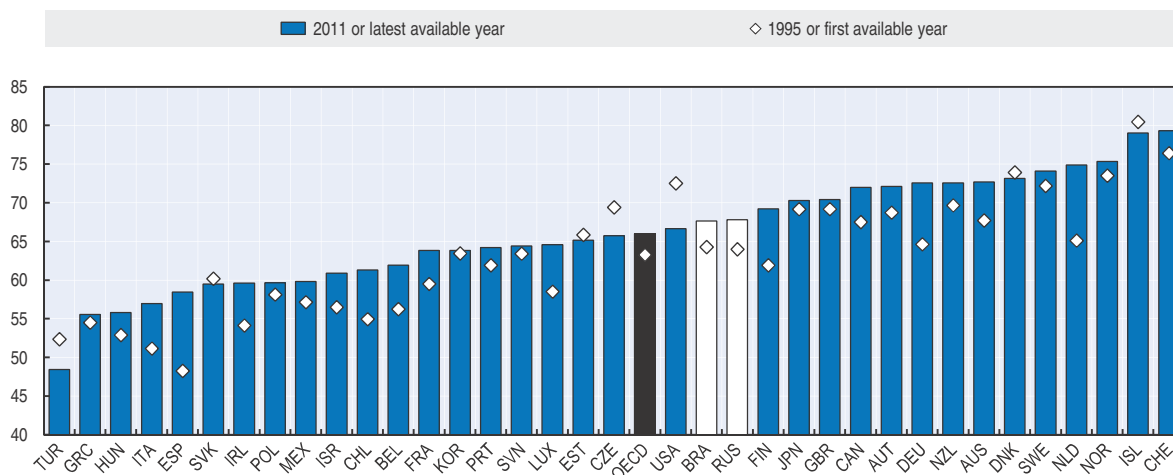
### Box 2.2. Measuring Jobs and earnings

The three headline indicators presented above are defined as follows:

- The **employment rate** shows the share of the working-age population (people aged 15 to 64 in most OECD countries) that declare having worked in gainful employment for at least one hour in the previous week. This also includes persons who, having already worked in their present job, were temporarily absent from work during the reference period while having retained a formal attachment to their job (e.g. due to parental leave, sickness, annual leave). Data on employment rates come from national Labour Force Surveys (LFSs), and are consistent with ILO recommendations.
- The **long-term unemployment rate** refers to the number of persons who have been unemployed for one year or more as a percentage of the labour force (the sum of employed and unemployed persons). Unemployed persons are defined as those who are currently not working but are willing to do so and are actively searching for work. Data are drawn from national Labour Force Surveys (LFSs).
- The **average gross annual earnings of full-time employees** refer to the average annual wages of full-time employees working in all sectors of the economy and in all types of dependent employment. They include employees' gross remuneration, i.e. before any deductions are made by the employer in respect of taxes, workers' contributions to social security and pension schemes, life insurance premiums, union dues and other obligations of employees. Data come from the OECD National Accounts. The indicator is given by the total wage bill divided by the number of full-time equivalent employees in the total economy. The number of full-time equivalent employees is obtained by multiplying data on the number of employees by the ratio of hours worked by all employees and by those working full-time, in order to correct for the prevalence of part-time work, which varies considerably across countries.

The first two indicators provide a measure of job availability and joblessness, respectively. Data are of good quality, although country comparisons of changes in employment and long-term unemployment rates may be affected by differences in their cyclical positions.

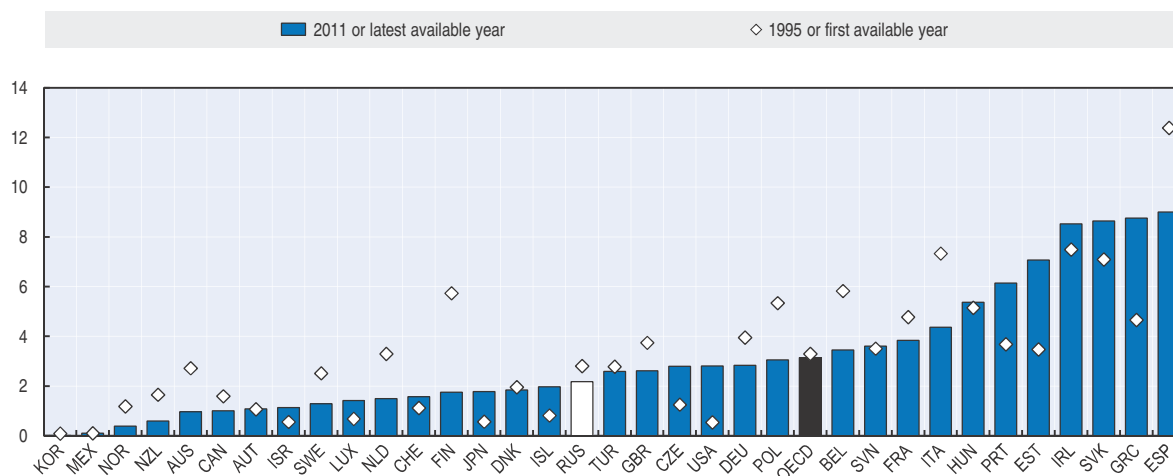
**Figure 2.4. Employment rate**  
Employed aged 15-64 as percentage of population of same age



Note: The first available year is 1996 for Chile; 2001 for Brazil; and 2002 for Slovenia. The latest available year is 2009 for Brazil.  
Source: OECD (2013e), OECD Labour Force Statistics (database), <http://dx.doi.org/10.1787/lfs-lfs-data-en>.

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**Figure 2.5. Long-term unemployment rate**  
Percentage of the labour force



Note: The first available year is 2002 for Slovenia.

Source: OECD (2013e), OECD Labour Force Statistics (database), <http://dx.doi.org/10.1787/lfs-lfs-data-en>.

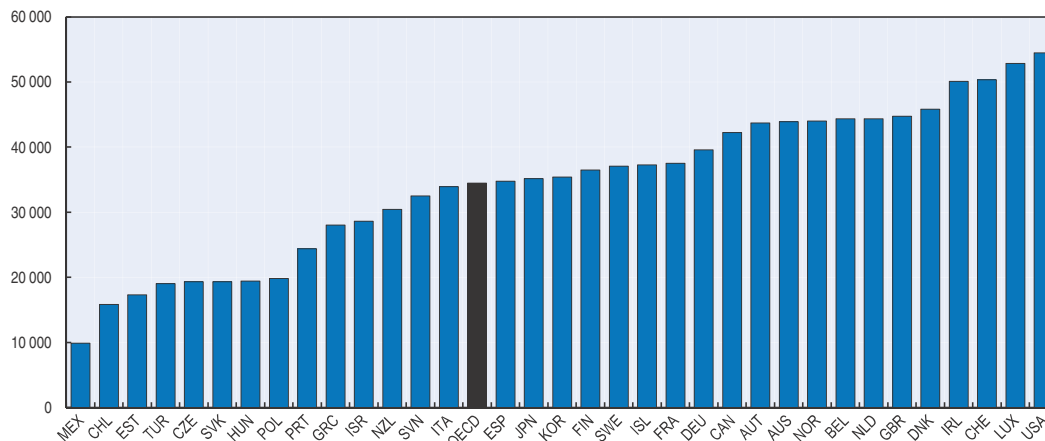
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long-term unemployment rate has declined in many OECD countries, particularly in Finland, Belgium and Italy. Exceptions to this trend are the United States, Portugal, the Czech Republic and Greece.

Average gross annual earnings of full-time employees (see Box 2.2 for the definition) differ significantly between OECD countries (Figure 2.6). In 2011, average gross annual earnings were more than five times higher in the United States and Luxembourg than in Mexico, and more than two times higher than in Eastern European countries. Since 1995 average personal earnings have increased in the OECD area as a whole and especially so in Eastern European and Nordic countries (OECD, 2012).

Figure 2.6. **Average gross annual earnings of full-time employees in the total economy**

US dollars at 2011 PPPs, 2011 or latest available year



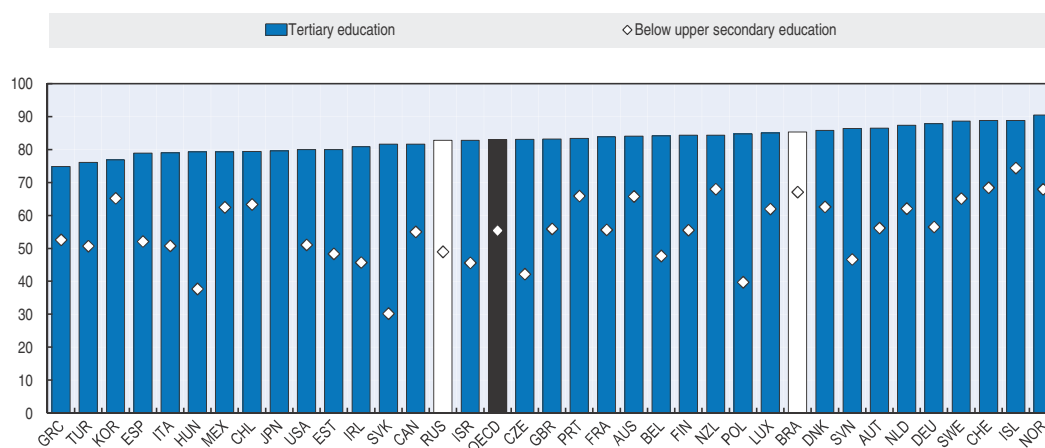
Note: Data refer to 2010 for Australia, Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Israel, Italy, the Slovak Republic and Switzerland; 2009 for the Czech Republic, Germany and Sweden; 2008 for Poland, Portugal and Spain; and 2005 for the Netherlands.

Source: OECD calculations based on Table G of the OECD (2012), *OECD Employment Outlook 2012*, OECD Publishing, [http://dx.doi.org/10.1787/empl\\_outlook-2012-en](http://dx.doi.org/10.1787/empl_outlook-2012-en).

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Employment rates are lower for youth, women and the elderly. Healthier individuals are more often employed than people with chronic illnesses and disabilities. Employment rates also increase with education (Figure 2.7), and the gender gap in employment tends to diminish as the level of education rises (see Chapter 4). Since 2000 the employment gap between individuals with tertiary education and individuals with below upper secondary education has remained stable on average in the OECD area. It has decreased significantly in Estonia and Switzerland and increased substantially in Slovenia, the United Kingdom, Sweden, Iceland and Korea (OECD, 2013c).

Figure 2.7. **Employment rate by educational attainment**  
Percentage of employed persons aged 25-64 over population of same age, 2011



Note: Data for the Czech Republic, Denmark, Estonia, Finland, Italy, Luxembourg, Poland, the Slovak Republic, Slovenia and the United States should be taken with caution given the small sample size of the population covered.

Source: OECD (2013), *Education at a glance 2013: OECD Indicators*, Paris.

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In OECD countries long-term unemployment rates are generally high for youth, women and individuals with lower educational attainment, although some countries exhibit different patterns. Long-term unemployment is also much higher for immigrants than for the native born population. Gender gaps in earnings are large, but disparities are also very wide within the groups of men and women. Earnings vary substantially by occupation, education, experience and other individual traits.

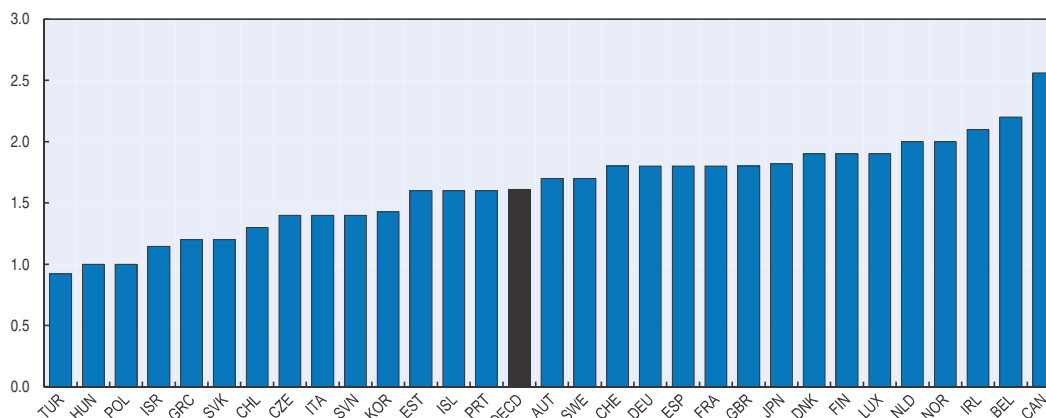
## Housing conditions

Housing is a major element of people's material living standards. It is essential to meet basic needs, such as shelter from extreme weather but also to offer a sense of personal security, privacy and personal space. Housing is also important to meet other important aspirations, such as having a family and for undertaking activities which are intrinsically valuable, such as seeing friends.

Cross-country differences in housing indicators (see Box 2.3 for the definition) are large. There are significant variations across OECD countries in the number of rooms available per person. In Canada, Belgium, Ireland, Norway and the Netherlands, households report on average 2 or more rooms per person. In Turkey, Hungary and Poland, however, people live in smaller houses with 1 room per person or less (Figure 2.8).

Figure 2.8. **Number of rooms per person**

Average number, 2011 or latest available year



Note: Data refer to 2010 for Ireland, Israel, Korea, Mexico and Turkey; and 2006 for Canada.

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

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Access to basic hygiene facilities within dwellings (see Box 2.3 for the definition) is high in all OECD countries (with only 1% or 2% of respondents reporting that they lack indoor flushing toilets), although large disparities exist across countries (Figure 2.9). The poorest dwelling conditions are found in Brazil, Chile and Mexico and some Eastern European countries (i.e. Estonia, Hungary and Poland), in Asian countries (i.e. Japan and Korea) and especially in Turkey, where almost 13% of the population live in dwellings without indoor flushing toilets.



### Box 2.3. Measuring Housing conditions

The three headline indicators of housing conditions presented above are defined as follows:

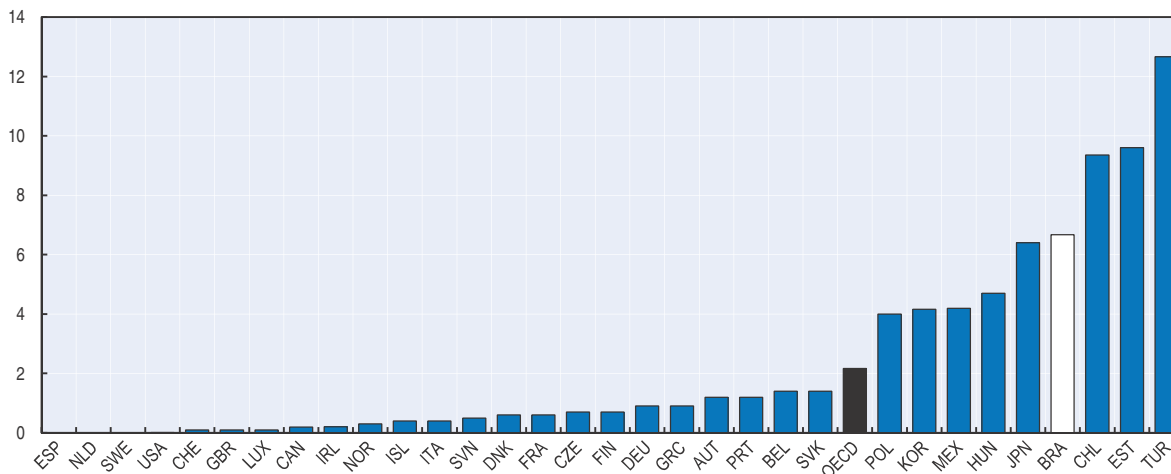
- The **number of rooms per person in a dwelling** signals whether the persons occupying a dwelling are living in crowded conditions. It is measured as the number of rooms in a dwelling (excluding kitchenette, scullery/utility room, bathroom, toilet, garage, consulting rooms, office and shop) divided by the number of persons living in the dwelling.
- The **percentage of people living in dwellings without access to basic facilities** provides an assessment of selected deficits and shortcomings in housing conditions. The focus is on the lack of indoor flushing toilets, as it is detrimental to people's hygiene. This indicator refers to the percentage of the population living in a dwelling without indoor flushing toilets for the sole use of their households. Flushing toilets outside the dwelling are not considered. Flushing toilets in a room where there is also a shower unit or a bath are included.
- The **share of adjusted disposable income spent on housing and maintenance of the house**, as defined in the System of National Accounts (SNA), includes actual and imputed rentals for housing, expenditure on maintenance and repair of the dwelling (including miscellaneous services), on water supply, electricity, gas and other fuels, as well as the expenditure on furniture, furnishings and households equipment, and goods and services for routine maintenance of the house. These various expenditures are aggregated and expressed as a percentage of the household net adjusted disposable income. Data refer to households and non-profit institution serving households.

For the first two indicators, data are drawn from the European Union Statistics on Income and Living Conditions (EU-SILC) for European countries, and from comparable national surveys for non-EU countries. For the last indicator, data come from the OECD National Accounts Statistics (database). The indicator on household crowding has a number of limitations. First, it does not take into account the possible trade-off between the size of the dwelling and its location: some households may choose to live in smaller dwellings located in better serviced area than in larger homes located in poorer neighbourhoods. Second, an ideal indicator of the available space per person in a dwelling should refer not only to the number of rooms available, but also to the overall size (e.g. number of square metres per person). For instance, the size of accommodation is generally smaller in urban areas relative to rural ones, which may hamper international comparisons. Indicators of housing overcrowding should also be complemented with data of perceived lack of space, as reported in household surveys.

The second indicator provides a proxy measure of the notion of "decent housing". However, an ideal indicator of this notion would also include other basic aspects of housing conditions, such as adequate electrical and plumbing installations, the quality of floors and doors, structural damage and adequate heating.

An ideal set of housing indicators would also inform about the tenure status of households, of people's subjective perceptions of the pressure of housing costs on household budgets, and of other types of housing expenditure (e.g. those related to mortgages) that are not covered by the third indicator used here. It would also include measures of environmental characteristics of the areas where the dwellings are located (e.g. exposure to noise, outdoor pollution and the proximity to public services). In practice, it is difficult to measure housing conditions, as there are very few internationally comparable indicators and no harmonised housing surveys exist across countries.

**Figure 2.9. People living in dwellings without basic facilities**  
Percentage of the population, 2011 or latest available year



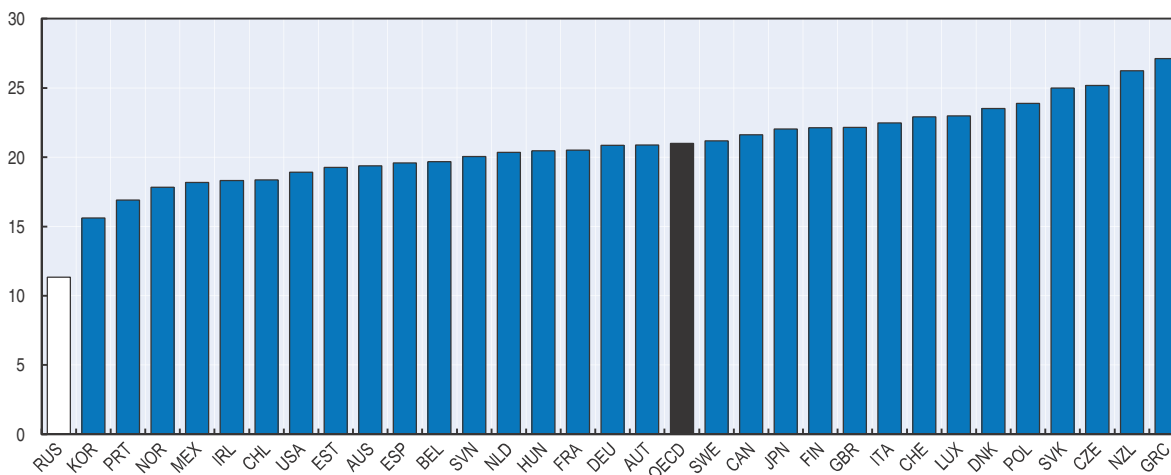
Note: Data refer to 2010 for Brazil, Ireland, Korea, Mexico and Switzerland; 2009 for the United States; 2008 for Japan; and 1997 for Canada. The indicator refers to the absence of a toilet in the dwelling for Chile, in inhabited private dwellings for Mexico, inside the housing unit for Turkey; for the United States, the indicator refers to occupied dwellings without flushing toilet.

Source: European Union Statistics on Income and Living Conditions (EU-SILC), [http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu\\_silc](http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc); and National Statistical Offices (NSO) of Chile, Japan, Mexico, Turkey and the United States.

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Housing represents the largest expenditure in households' budgets in most countries. In 2011, on average, households spend up to 21% of their income on housing and maintenance of the dwelling (Figure 2.10). In Korea and Portugal, households spent less than one sixth of their income on housing (16% and 17%, respectively), while in Greece and New Zealand they spent on average more than one quarter of their disposable income (27% and 26%, respectively).

**Figure 2.10. Housing expenditure**  
As percentage of household gross adjusted disposable income, 2011 or latest available year



Note: Data refer to 2010 for Australia, Austria, Canada, Chile, Japan, Mexico, Norway, Switzerland, the United States and the Russian Federation; and 2009 for Luxembourg.

Source: OECD calculations based on OECD (2013a), OECD National Accounts Statistics (database), <http://dx.doi.org/10.1787/na-data-en>.

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In European countries, the average number of rooms per person increases according to the age of the person, although the elderly are the most likely to report a lack of indoor flushing toilets, probably because they live in older dwellings (OECD, 2011). Households with lower incomes are more likely to face poorer housing conditions (OECD, 2011; and Eurostat, 2013).

## Health status

Being healthy and living a long life free of illness and disability are among the aspects that people value the most. Being healthy also affects the probability of having a job, earning an adequate income and actively participating in a wide range of valued social activities.

Life expectancy at birth (see Box 2.4 for the definition) differs significantly among OECD and other major economies. Switzerland leads a large group of countries (including more than half of the OECD countries) in which life expectancy at birth currently exceeds 80 years. A

### Box 2.4. Measuring Health status

The two headline indicators of health status presented above are defined as follows:

- **Life expectancy at birth** measures how long, on average, a person born today could expect to live based on the age-specific death rates currently prevailing. Life expectancy at birth is computed as a weighted average of life expectancy for men and women. Data are based on official national statistics collected by the OECD.
- **Self-reported health status** refers to the percentage of the population aged 16 years old and over who report being in “good” or “very good” health. The indicator is based on the following question “How is your health in general?” with response categories of the type, in most countries, “very good/good/fair/bad/very bad”. Data are based on general household surveys or on more detailed Health Interviews undertaken as part of national official surveys in various countries.

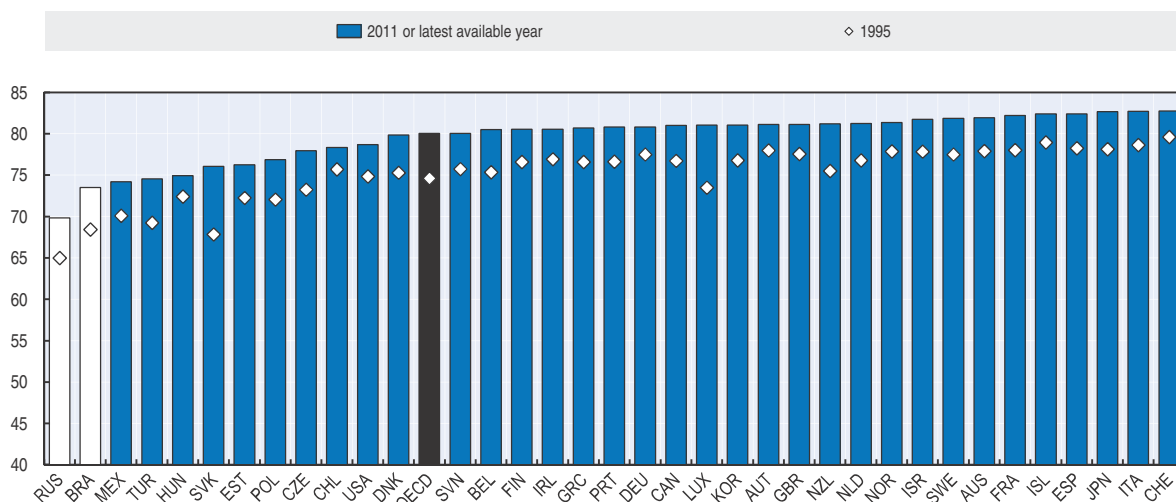
Life expectancy at birth only provides an estimate of the *expected* life span of a given cohort, as the actual age-specific death rates of any particular birth cohort cannot be known in advance. Measures of life expectancy at birth are based on data of good quality for all OECD countries. However, life expectancy measures available for international comparisons can be broken down only by gender, and few countries are able to provide information on life expectancy by educational attainment and income, as these measures require either linking mortality to records from census population or one-off surveys.

Morbidity (the absence of health) is difficult to measure as the concept is multidimensional and may require a longitudinal follow-up to assess whether conditions are temporary or chronic. The current statistical system for collecting information on morbidity is unevenly developed across OECD countries. Various measuring frameworks have been proposed and some of them are close to implementation (see Chapter 1).

Indicators of self-perceived general health status are among the few morbidity indicators that are available for all OECD countries on a broadly comparable basis. They have the advantage of summarising in a single measure a broad range of dimensions of morbidity, since they refer to the overall health status of the respondent. However, indicators of perceived health status provide an imperfect proxy of the underlying concept of morbidity, as they rely on the subjective views of the respondents and may reflect cultural biases or other contextual factors. Differences in response scales (in the case of Australia, New Zealand, Canada and the United States) may also affect cross-country comparisons. Summary indicators of morbidity such as self-reported longstanding illness and self-reported limitations in daily activities are only available for European countries.

second group of countries, including the United States, Turkey and a number of Central and Eastern European Countries, has a life expectancy at birth between 74 and 80 years. Life expectancy is lower in Brazil and especially in the Russian Federation, where it is 10 years lower than the OECD average value (Figure 2.11). Since 1995 life expectancy has increased substantially in all OECD countries, with the highest increases observed in Korea and Estonia.

Figure 2.11. **Life expectancy at birth**  
Number of years



Note: The latest available year is 2012 for Mexico and Turkey; and 2009 for Canada. For the Czech Republic, Ireland, Israel, Poland, Portugal, the Slovak Republic and Switzerland data for 1995 and the latest available year are not strictly comparable due to a break in the series. Data for Australia, Belgium, Chile, Italy, Mexico, Turkey and the United States are estimated values.

Source: OECD (2013f), "OECD Health Data: Health status", *OECD Health Statistics* (database), <http://dx.doi.org/10.1787/health-data-en>.

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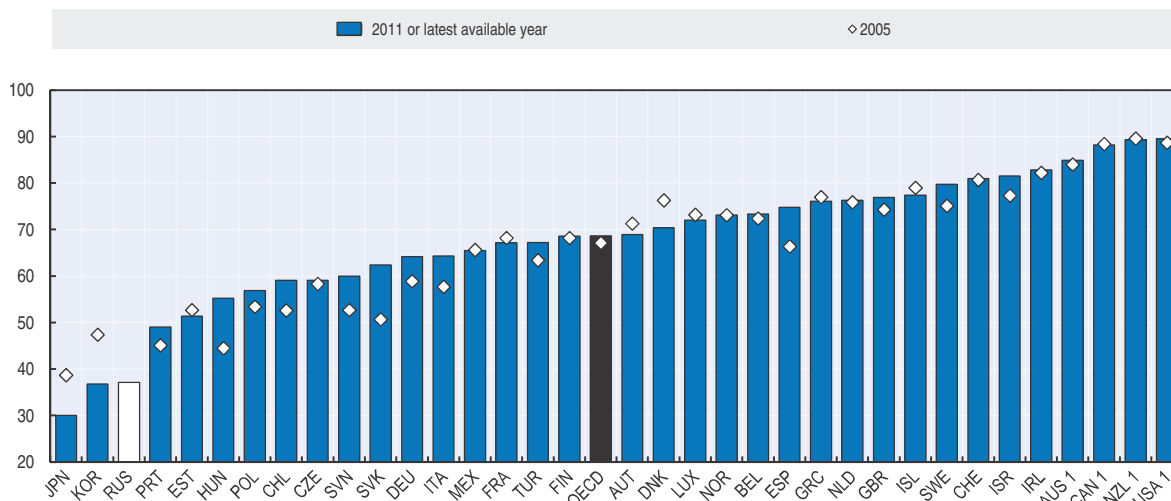
In 2011, the percentage of adults reporting good or very good health (see Box 2.4 for definition) was 85% or more in Switzerland, Australia, New Zealand, Canada and the United States, but only half as high in Korea and Portugal. In Japan, only one in three respondents reported being in "good" or "very good" health. Self-reported health recorded significant declines in Japan and Korea, while it increased significantly in Turkey and in Eastern European countries (Figure 2.12). These changes may partly reflect shifts in demographic structures, as elderly people report lower health conditions than other groups.

While women live longer than men, they also tend to report poorer health status than men and suffer more frequently from health problems (Chapter 4). Self-reported measures of morbidity worsen steadily with people's age and the elderly most often experience health problems that limit their daily activities (OECD, 2011). Socio-economic backgrounds also have a large influence on health status, as disadvantaged people live and work in more difficult circumstances, often adopt unhealthy life-styles (e.g. higher incidence of smoking and obesity) and face greater problems in accessing appropriate health care.

Estimates of life expectancy by educational status in Europe show that, for both men and women, highly educated people live longer than less educated ones (OECD, 2013c). Differences in life expectancy by education are particularly large in Eastern European countries, and are more pronounced for men than for women. A social gradient is also strongly visible in self-reported health status, as in all OECD countries high-income people report very good/good health status in higher proportions than low-income people

(Figure 2.13). The differences in self-rated health status between different socio-economic groups are particularly large in Estonia and Portugal and are smallest in Israel and New Zealand.

Figure 2.12. **Self-reported health status**  
Percentage of people reporting good/very good health



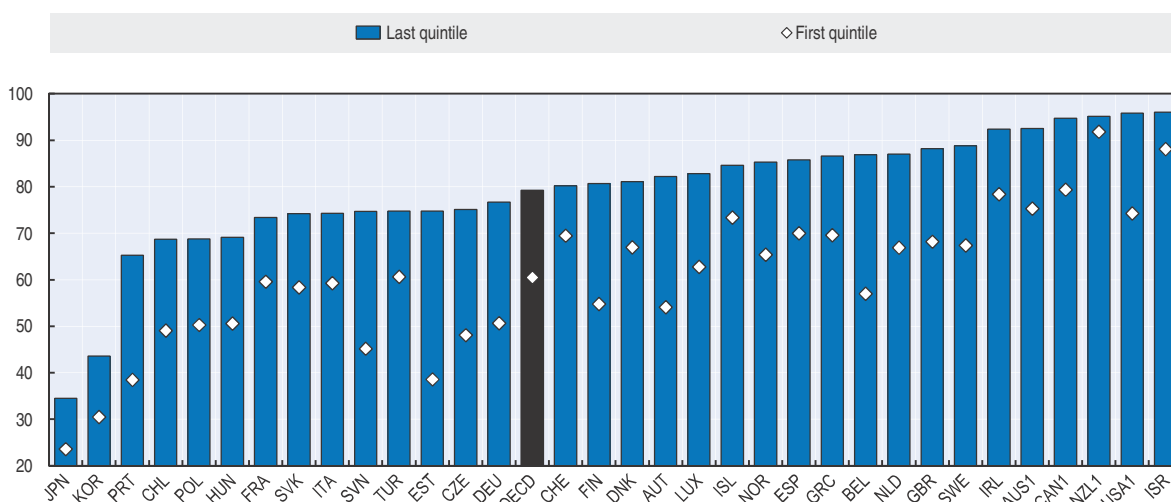
Note: The latest available year is 2012 for New Zealand; 2010 for Ireland and Japan; 2009 for Chile; and 2006 for Mexico.

1. 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 for these countries.

Source: OECD (2013f), "OECD Health Data: Health status", OECD Health Statistics (database), <http://dx.doi.org/10.1787/health-data-en>; and European Union Statistics on Income and Living Conditions (EU-SILC).

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Figure 2.13. **Self-reported health status by disposable income**  
Percentage of people reporting very good/good health, 2011



Note: The latest available year is 2012 for New Zealand; 2010 for Ireland and Japan; 2009 for Chile; and 2006 for Mexico. The OECD value is a simple average of the countries displayed in the figure.

1. 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 for these countries.

Source: OECD (2013f), "OECD Health Data: Health status", OECD Health Statistics (database), <http://dx.doi.org/10.1787/health-data-en>; and European Union Statistics on Income and Living Conditions (EU-SILC).

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## Work-life balance

Achieving the right balance between work and personal life is a key component of people's well-being: too little work may prevent people from earning enough to attain the desired standard of living but too much work may have a negative impact on their well-being if their health or personal lives suffer as a consequence. Work-life balance is not only important for the well-being of the person but also for that of the whole family, in particular children's well-being is strongly affected by the capacity of parents to both work and nurture them. A balanced allocation of time between work and personal life is also important at a society-wide level as it ensures that people have sufficient time to socialise and participate in the life of the community.

On average, only a small proportion of employees in OECD countries work more than 50 hours per week (see Box 2.5 for the definition), although there are wide variations across countries (Figure 2.14). Turkey is by far the country with the highest proportion of employees working very long hours, with almost half of them regularly working over 50 hours a week, followed by Mexico and Israel with nearly a fifth of employees working long hours. Conversely, in the Netherlands, Sweden and Denmark, very long working hours are rare, with only around 1%-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 economy with available information. Over the past decade, the number of employees working long hours has remained broadly stable in the OECD area as a whole, with decreases in Denmark, Slovenia, Poland, Brazil, Israel and Turkey and increases in Luxembourg, Portugal, Chile and Mexico.

### Box 2.5. Measuring Work-life balance

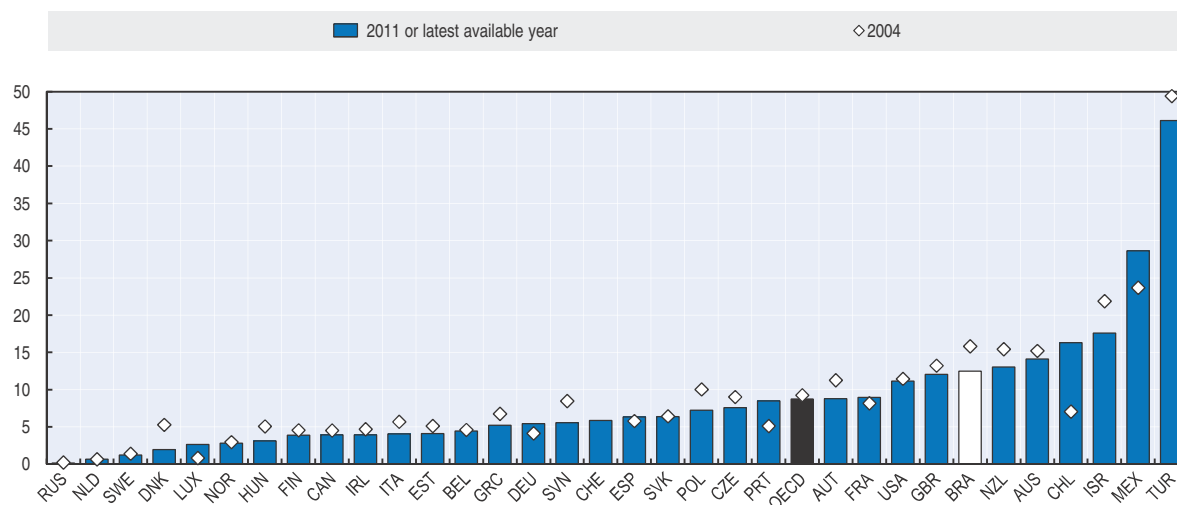
The two headline indicators of work-life balance presented above are defined as follows:

- The **proportion of employees who usually work for pay for 50 hours per week or more**. The data exclude self-employed workers who are likely to choose deliberately to work long hours. The hours threshold has been set at 50 hours because, when also considering the amount of time devoted to commuting, to unpaid work and to satisfy their basic needs (such as sleeping and eating), workers usually working more than 50 hours per week are likely to be left with very few hours (one or two hours per day) for other activities. Moreover, in countries where there is a regulation on maximum working time, this is generally limited to 48 hours per week. Data come from National Labour Force Surveys and are broadly comparable across countries.
- The **time devoted to leisure and personal care in a typical day by full-time employed workers**. The information is collected through national Time Use Surveys, which involve respondents keeping a diary of their activities over one or several representative days for a given period. For some countries and some specific types of activity, the comparability of these surveys might be an issue; the data shown here, have been harmonised *ex post* by the OECD and are deemed to be broadly comparable.

The headline indicators used here provide both an indirect and a direct measure of available time to spend on non-work activities contributing to individual and family well-being. Measuring work-life balance is a challenging task. First, the way people allocate their time is determined by necessity, individuals' preferences and cultural, social and policy contexts in which people live. Cross-country comparisons on work-life balance should thus be interpreted in light of these various differences. Second, while informative of a balanced time allocation, the majority of available indicators on work-life balance do not shed light on the quality of the time spent outside work and thus on people's personal enjoyment or perceived time stress. Third, Time Use Surveys are, in most OECD countries, undertaken only infrequently (i.e. every 5 or 10 years), leading to estimates that are typically not timely.

Time spent not working is time available for leisure, family and personal care. On average, full-time employees in OECD countries spend 14.9 hours per day on leisure and personal care – which includes sleep, eating, hygiene, seeing the doctor, etc. (Figure 2.15; see Box 2.5 for the definition). Japanese employees spend the least amount of time on

**Figure 2.14. Employees working long hours**  
Percentage of employees working 50 hours or more a week

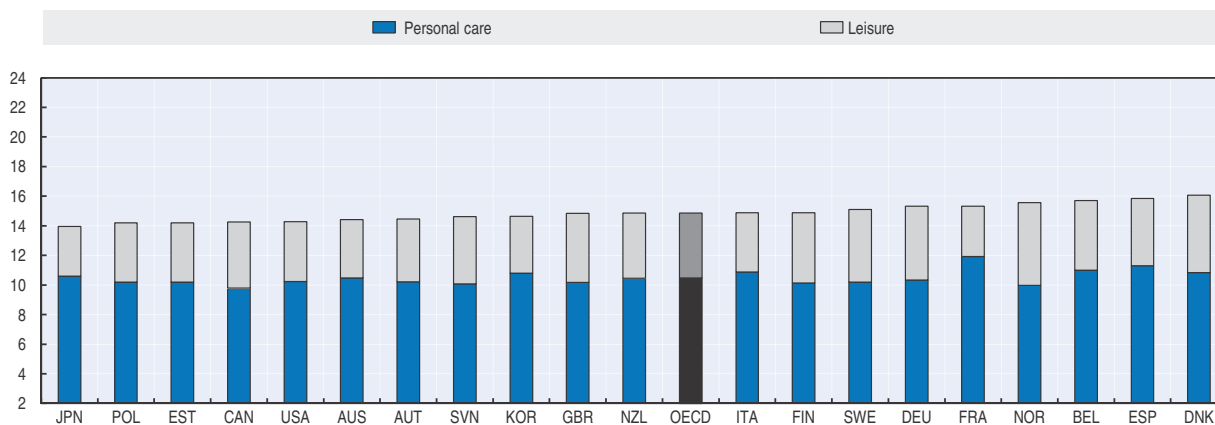


Note: Data refer to usual hours worked in the main job for Austria, Canada, the Czech Republic, Finland, Hungary, Mexico, Poland, the Slovak Republic, Sweden, Turkey and the United States, and in all jobs for other countries. The first available year is 1996 for Chile; 1998 for Hungary; 2001 for Austria; 2002 for Estonia, Norway, Poland, Slovenia and Sweden; and 2004 for the Czech Republic and Finland. The latest available year is 2009 for Brazil.

Source: OECD (2010), "Labour Force Statistics: Summary tables", *OECD Employment and Labour Market Statistics* (database), <http://dx.doi.org/10.1787/data-00286-en>; and Swiss Federal Statistics Office.

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**Figure 2.15. Time devoted to leisure and personal care**  
Hours per day of full-time employees, latest available year



Note: Data refer to 1998-99 for France; 1999 for Portugal; 1999-2000 for Estonia; 2000-01 for Norway, Slovenia, Sweden and the United Kingdom; 2001 for Denmark; 2001-02 for Germany; 2002-03 for Italy; 2003-04 for Poland; 2005 for Belgium; 2006 for Australia and Japan; 2008-09 for Austria; 2009 for Korea; 2009-10 for Finland, New Zealand and Spain; and 2010 for Canada and the United States. Data have been normalised to 1 440 minutes per day: in other words, for those countries for which total time use did not sum up to 1 440 minutes, the missing or extra minutes (usually around 30-40 minutes) were equally distributed across all activities. Data for Hungary, Ireland, Portugal, Turkey and South Africa were excluded as they also include part-time employees. Data generally refer to people aged 15 and more, except for Austria, where no age limit is defined.

Source: OECD Time Use Survey.

StatLink <http://dx.doi.org/10.1787/888932887939>



leisure and personal care including sleep, with a combined total of 14 hours per day. Belgium, Spain and Denmark are at the other end of the spectrum, with around 16 hours per day spent on leisure and personal care. The share of leisure also varies somewhat across OECD countries, for instance leisure time is highest in Norway and Denmark (with between five and six hours a day devoted to leisure) and lowest in France and Japan (with less than three hours and half spent on leisure).

Gender is a key determinant of inequalities in work-life balance (OECD, 2011; and Chapter 4, Figure 4.10). Although men spend longer hours in paid work and commuting than women do, women tend to have less time available for leisure and personal care than men, due to the longer hours that they spend on unpaid activities at home (e.g. housework, childcare and looking after elderly relatives). Moreover, according to time-use surveys in the US and France that collect information on time use and how this is enjoyed, the unpaid tasks that women perform are sometimes less enjoyable than those performed by men. Single mothers are likely to find it even harder to combine job and family responsibilities and are particularly vulnerable to time crunches.

## Education and skills

Education and skills are a key component of individual well-being. Developing skills is intrinsically valuable for humans as it responds to their aspiration to learn and to their necessity to respond to the changing environment. Education has also a strong positive impact on the material living conditions of people, as higher education leads to higher earnings and greater employability. More educated people also have better health status. Education also fosters civic awareness and civic participation.

The large majority of the population aged 25-64 in OECD countries holds at least an upper secondary education degree (see Box 2.6 for the definition), with a few exceptions, e.g. Portugal, Turkey and Mexico where the share is less than 40% (Figure 2.16). With the exception of Denmark, where the share of the population with at least an upper-secondary degree has decreased slightly in the past 10 years or so, the average educational attainment has increased across the OECD area and in Brazil, with a significant convergence in attainment levels across countries.

In most OECD countries, today's 5-year-olds may expect to pursue their studies for at least seventeen additional years (see Box 2.6 for the definition). In Finland, Iceland and Sweden, children aged 5 today may expect, on average, to continue to study for 19 additional years or more, but for only 15 in Mexico and Turkey (Figure 2.17).

Cognitive skills, as measured by the average scores in reading, mathematics and science of 15 year-old pupils (see Box 2.6 for the definition), vary across countries (Figure 2.18). They are much lower than the OECD average in Brazil, Mexico and Chile, and much higher in Finland, Korea and Japan. The gap between the highest- and the lowest-performing OECD countries is significant (123 points on the PISA scale) and is roughly equivalent to the skills acquired in more than two school years.

While cognitive skills of 15-years-old may provide some information on the future skills of the population, they do not capture the competencies of the current adult population. The newly launched OECD Survey of Adult Skills (PIAAC) assesses the proficiency of adults in the domains of literacy, numeracy and problem solving in technology-rich environments. According to this survey, adults' competencies in the OECD



### Box 2.6. Measuring Education and skills

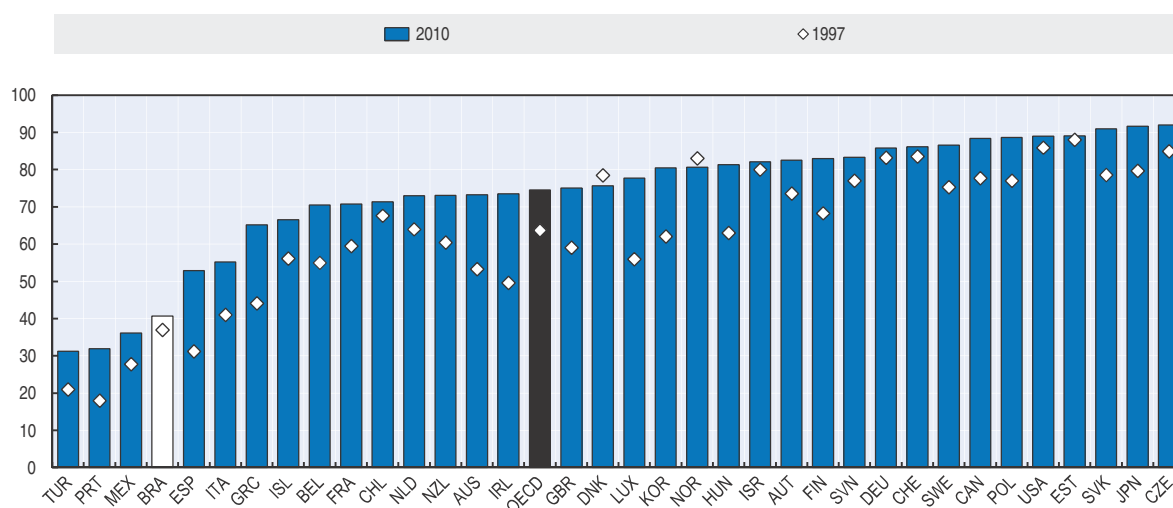
The four headline indicators of education outcomes presented above are defined as follows:

- The **educational attainment of the adult population** is the number of adults aged 25 to 64 holding at least an upper secondary degree (as defined by the ISCED classification), over the population of the same age. The data underlying this indicator are collected through the annual OECD questionnaire on National Educational Attainment Categories (NEAC), which uses Labour Force Survey (LFS) data.
- **Education expectancy** is defined as the average duration of education that a 5-year-old child can expect to experience during his/her lifetime until reaching the age of 39. It is calculated based on current enrolment conditions by adding the net enrolment rates for each single year of age from the age of 5 onwards. Data for this indicator are collected through the annual OECD data collection on the school-work transitions, which rely on Labour Force Surveys as the main source of information.
- **Students' average score in reading, mathematics and science** is based on data collected through the Programme on International Students Assessment (PISA) co-ordinated by the OECD and refers to students aged 15.
- **Mean proficiency in numeracy and literacy for the adult population** is based on data collected through the OECD Survey of Adult Skills, which is part of the Programme for the International Assessment of Adults Competences (PIAAC) co-ordinated by the OECD. The indicator refers to adults aged 16-64.

An ideal set of measures of people's education and skills would refer to both the cognitive and non-cognitive skills of the entire population, based on standardised achievement scores and reflective of the broad range of tasks necessary to live in modern societies. The indicators presented here are, at the current state of knowledge, proxies for this ideal measure. They present, however, some limitations: first, most of them measure individuals' acquired abilities, without informing about how these abilities are actually used in life; second, they measure cognitive skills while they do not capture non-cognitive and soft skills. The OECD project on Education and Social progress is developing proxies of the latter.


Figure 2.16. Educational attainment

Percentage of adults aged 25-64 with at least upper secondary education

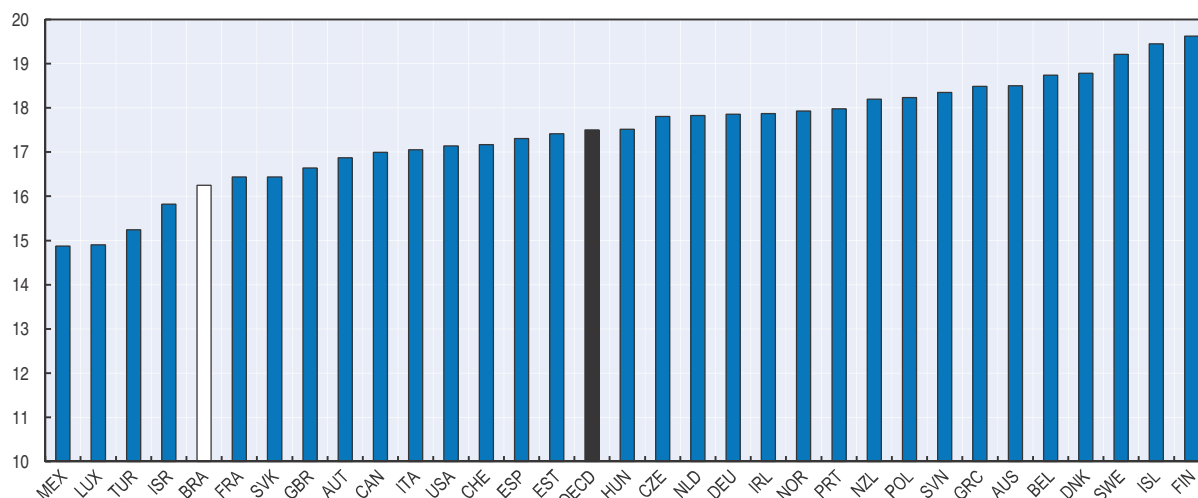


Note: The first available year is 1998 for Denmark, Italy, the Netherlands and Portugal; 1999 for Luxembourg; 2002 for Estonia, Israel and Slovenia; and 2007 for Chile and Brazil. For Norway and Switzerland data for 1997 and 2008 are not strictly comparable due to changes in the classification. The latest available year for Brazil is 2009. The 2010 value for Japan is an OECD estimate.

Source: OECD (2012a), *Education at a Glance 2012: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2012-en> and OECD calculations.

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**Figure 2.17. Education expectancy**  
Additional expected years in education from age 5 to 39, 2011

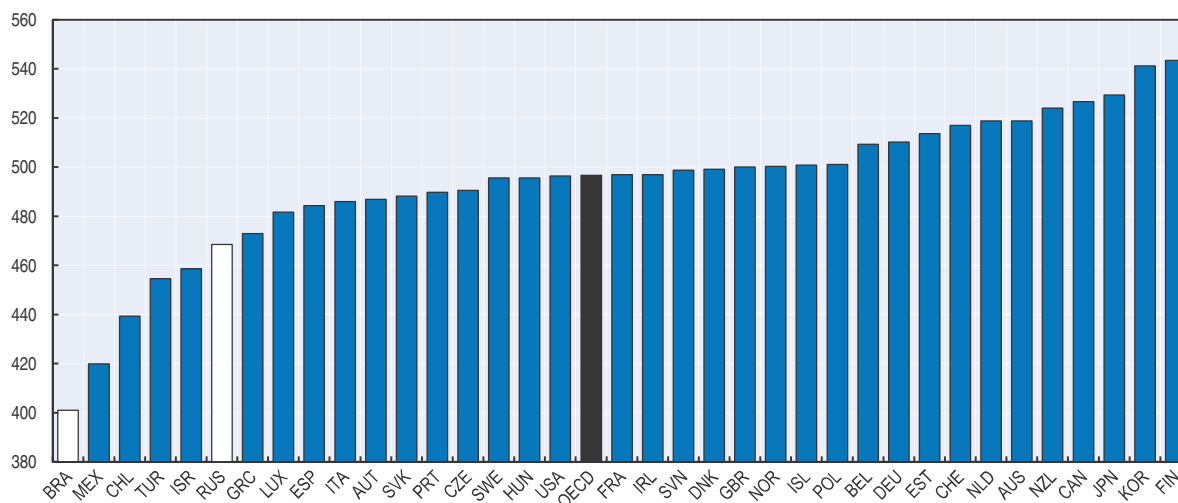


Note: Data refer to 2009 for Canada and 2008 for the Russian Federation.

Source: OECD (2012a), *Education at a Glance 2012: OECD Indicators*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/eag-2012-en>.

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**Figure 2.18. Cognitive skills of 15-year-old students**  
PISA mean scores in reading, mathematics and science



Note: PISA scores are measured on a scale which is normalised to be 500 for the OECD average.

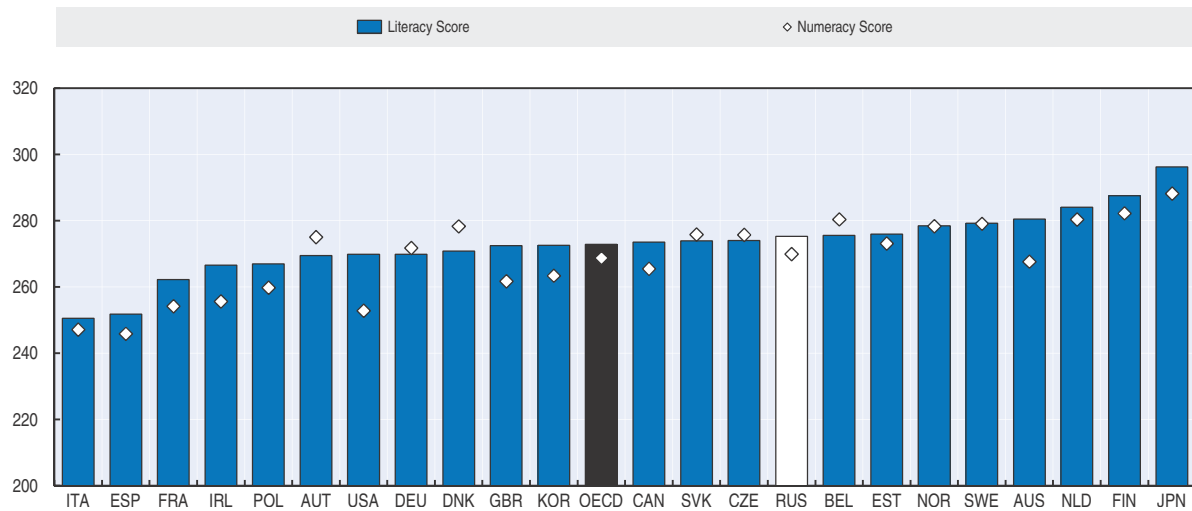
Source: Calculations based on OECD (2011), *PISA 2009 at a Glance*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264095298-en>.

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area vary significantly among countries (Figure 2.19), especially in the domain of numeracy. Japan and Finland are the countries with the highest levels of proficiency in both numeracy and literacy while Italy and Spain perform poorly in both domains. Adult competencies as measured by PIAAC are correlated to some degree to PISA scores.

Educational outcomes vary significantly across population groups. Educational attainment is higher among younger women and younger generations (OECD, 2013c). Boys aged 15 perform noticeably less well in reading than girls (see Chapter 4 and OECD, 2011), and are more likely to be defined as having special educational needs. Girls aged 15 perform

Figure 2.19. **Competencies of the adult population**  
Mean proficiency in literacy and numeracy of adults aged 16-64, 2012



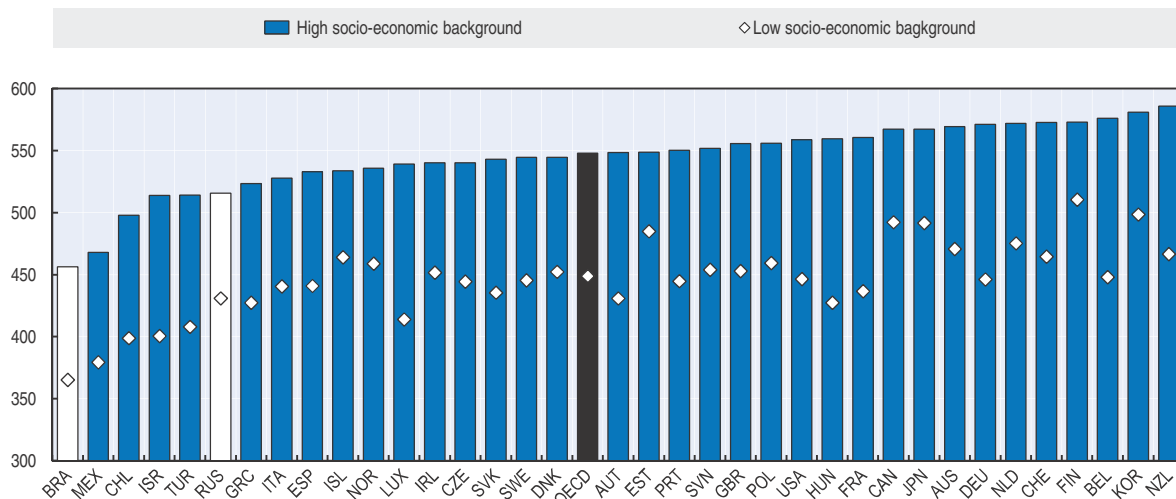
Note: Data for Belgium refers to Flanders; data for the United Kingdom refer to England and Northern Ireland.

Source: OECD (2013h), OECD Skills Outlook 2013: First Results from the Survey of Adult Skills, OECD Publishing, Paris.

StatLink <http://dx.doi.org/10.1787/888932888015>

somewhat less well in mathematics than boys, with the gender gap in performance being smaller in mathematics than in reading. Children of immigrant origins tend to perform less well than native pupils (OECD, 2011). In addition, individual educational outcomes are strongly related to parents' socio-economic background (Figure 2.20) especially in Hungary, Belgium and Luxembourg. In general, adult men have stronger competencies than adult women, especially in the numeracy domain (OECD, 2013d).

Figure 2.20. **Cognitive skills of 15-year-old students by socio-economic background**  
PISA mean scores in reading, mathematics and science



Note: The figure shows average PISA scores in reading, mathematics and science for students with high socio-economic background (defined as the top quintile of the PISA index of economic, social and cultural status) and low socio-economic background (defined as the bottom quintile of the the PISA index of economic, social and cultural status).

Source: Calculations based on OECD (2010), PISA 2009 at a Glance, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264095298-en>.

StatLink <http://dx.doi.org/10.1787/888932888034>

## Social connections

Beyond the intrinsic pleasure that people derive from spending time with others, social connections have positive spill-over effects for individual and societal well-being. People with extensive and supportive networks have better health, tend to live longer, and are more likely to be employed. At a society-wide level, social connections can generate shared values – such as trust in others and norms of reciprocity – which influence a range of outcomes, including economic growth, democratic participation and crime levels.

Across OECD countries, around 90% of people report having someone to count on in time of need (Figure 2.21). Social support networks (see Box 2.7 for the definition) appear to be weakest in Turkey, Mexico, Korea and Greece, and strongest in Iceland, Ireland, the United Kingdom and Switzerland. In Turkey and Mexico, the share of respondents declaring that they have no relatives or friends to turn to in case of need is more than four times higher than in Ireland and Iceland.

### Box 2.7. Measuring Social connections

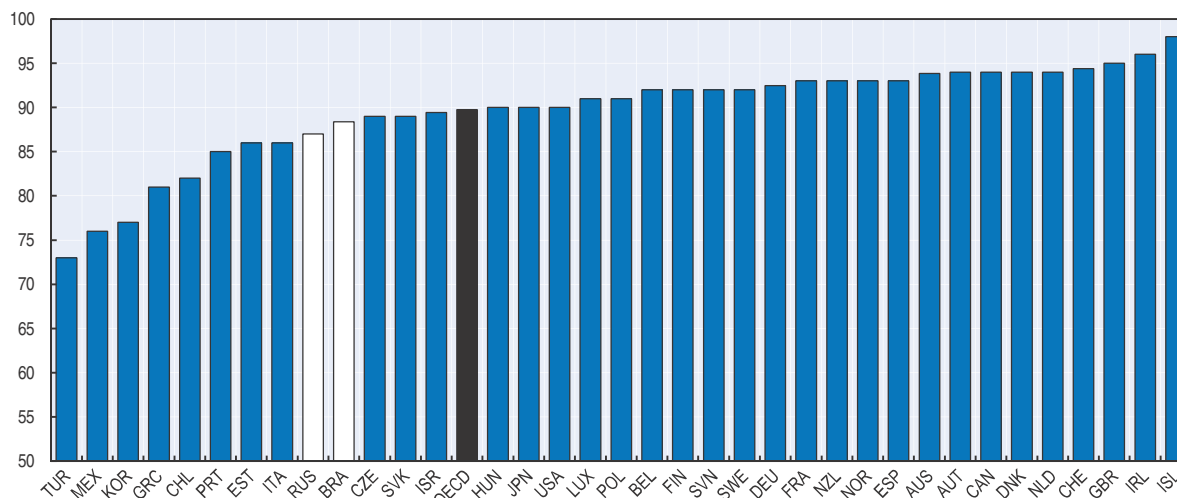
The headline indicator for social connections presented above refers to **perceived social network support**. It measures the proportion of people who respond positively to the question: “If you were in trouble, do you have relatives or friends you can count on to help you whenever you need them, or not?”. While this question does not detail the types of support that might be expected, it provides a general measure of perceived social network support. Data for this indicator come from the Gallup World Poll. While they are collected through the same questionnaire and rely on well-tested questions, the sample size is small: this requires special caution when comparing countries.

Ideally, a set of indicators of social connections should describe a range of different relationships, as well as the quality of those relationships and their resulting outcomes, for both the individual concerned (i.e. emotional and financial support, job opportunities, social isolation) and for society as a whole (i.e. trust in others, tolerance, democratic participation, civic engagement). Some of the most common approaches to measuring social connections have relied on indirect indicators, such as statistics on membership of associations (e.g. sporting clubs, religious or professional organisations) or on the density of voluntary organisations in a given area. However, such measures have been criticised because they are limited to participation in formal networks, and do not describe informal connections such as those that people maintain with friends and relatives. Moreover, formal membership in associations, and its importance for people’s well-being, can differ over time and across countries, thus hampering international comparability.

There are various official surveys that collect information on social networks and personal relationships, for instance the General Social Surveys in Australia, Canada and New Zealand. However, most official statistics on social connections are not internationally comparable (Scrivens and Smith, 2013).

People’s social support networks tend to weaken as they get older until late in their working life, but they increase again over the age of 65. This “U-shaped” pattern may reflect the supportive role played by parents in the case of youth, and by grown-up children and their spouses in the case of elderly people. Education and economic status also influence social network support, with low-educated people less likely to report having someone to count on in times of need (Figure 2.22). Differences in social network support also exist when comparing the upper- and lower-income quintiles.

Figure 2.21. **Perceived social network support**  
Percentage of people who have relatives or friends they can count on, 2012

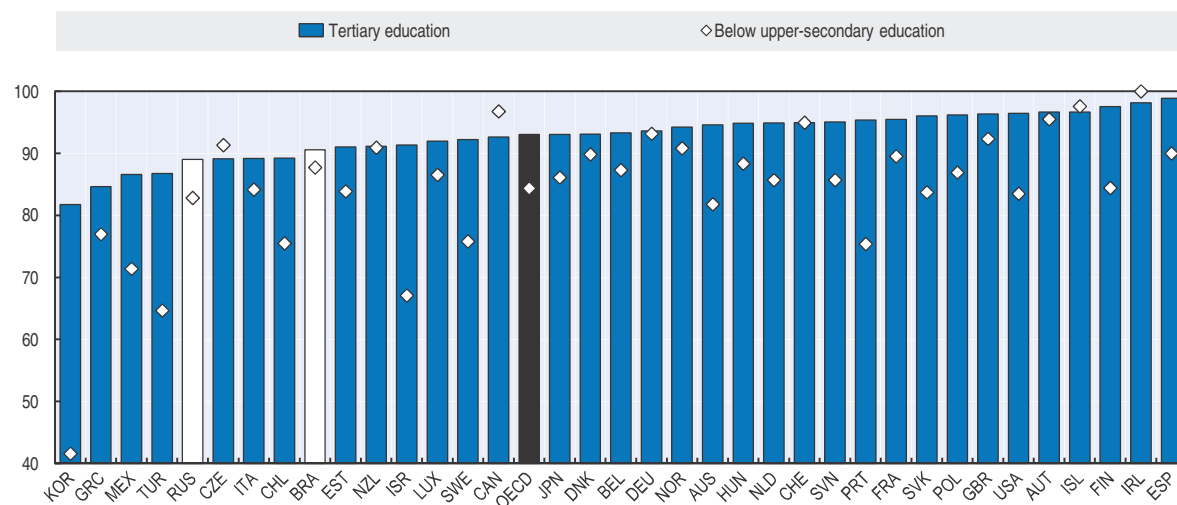


Note: The latest available year is 2011 for Chile and the United Kingdom.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

StatLink <http://dx.doi.org/10.1787/888932888053>

Figure 2.22. **Social network support by educational level**  
Percentage of people saying they have relatives or friends to count on, 2012



Note: The latest available year is 2011 for Chile and the United Kingdom.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

StatLink <http://dx.doi.org/10.1787/888932888072>

## Civic engagement and governance

Civic engagement allows people to express their political voice and contribute actively to the functioning of society. Civic engagement may also increase people's sense of personal effectiveness and control over their lives. Finally, it allows individuals to develop a sense of belonging to their community, trust in others and a feeling of social inclusion.

Voter turnout (see Box 2.8 for the definition) varies substantially across OECD countries (Figure 2.23, Panel A), partly due to differences in electoral systems. Australia's voter turnout rate is the highest in the OECD area, partly reflecting the fact that voting is

### Box 2.8. Measuring Civic engagement and governance

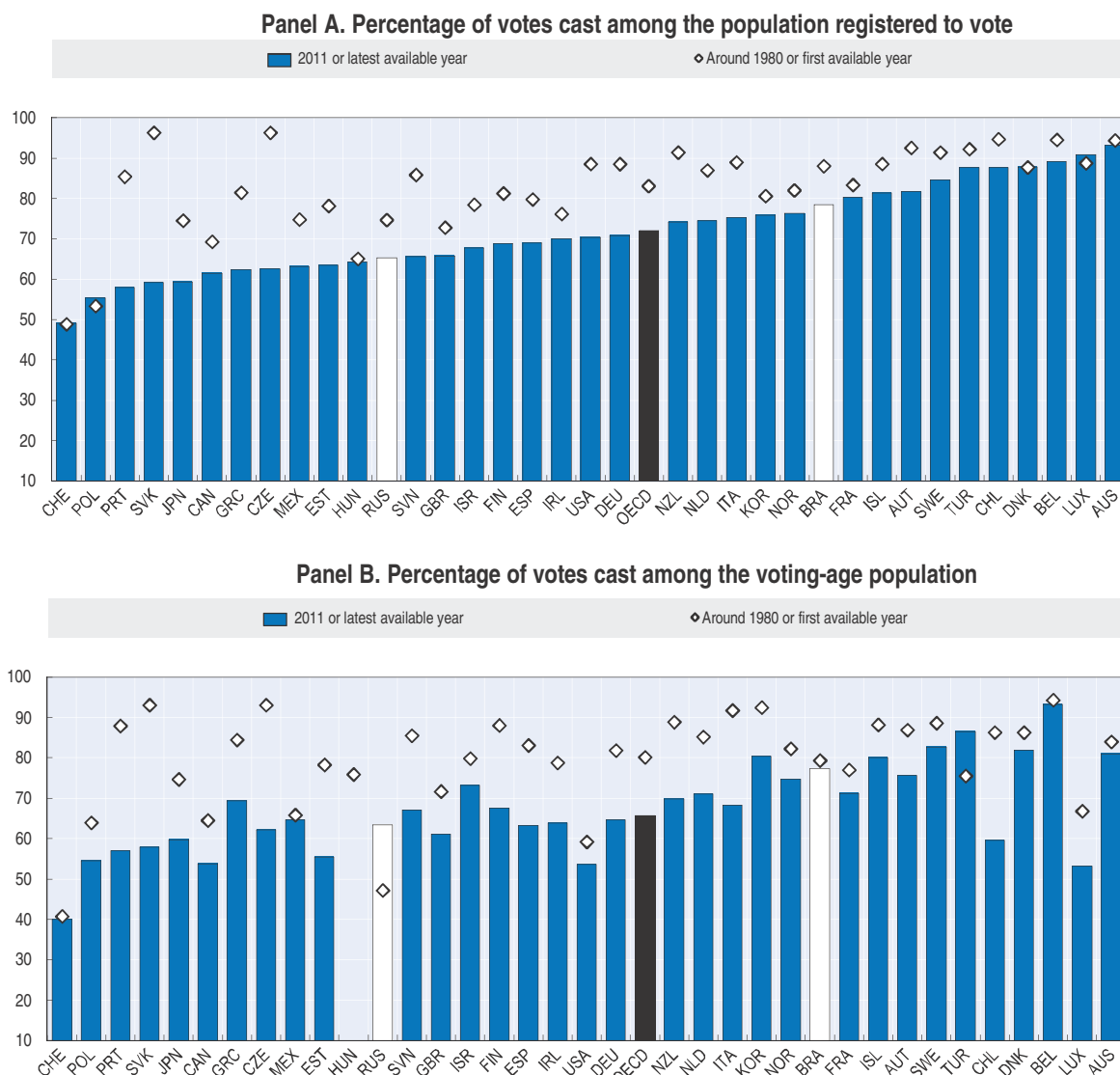
The two headline indicators of civic engagement and governance presented above are defined as follows:

- The **voter turnout rate** measures the extent of electoral participation in major national elections. Voter turnout is defined as the ratio of the number of individuals who cast a ballot during an election (whether this vote is valid or not) to the population registered to vote. As institutional features of voting systems vary a lot across countries and by types of elections, the indicator shown here refers to the elections (parliamentary or presidential) that have attracted the largest number of voters in each country. Voter turnout can also be compared to the voting-age population (generally defined as the population aged 18 or more) which would lead to different country rankings. The number of votes casted is gathered from National Statistical Offices and National Electoral Management Bodies. The voter turnout is compiled by the International Institute for Democracy and Electoral Assistance (IDEA).
- The indicator on **formal consultation processes in law making** measures the extent to which citizens are consulted 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 has been computed based on responses to the OECD's survey of regulatory management systems, where respondents are government officials in OECD countries. It is based on questions about the existence of formal procedures enabling the general public, business and civil society organisations to impact regulation and governmental actions, and on whether citizens' views on such consultation procedures are made public. The underlying data come from the OECD's survey of regulatory management systems and are compiled by the OECD.

An ideal indicator set of civic engagement would measure whether citizens are involved in a range of civic and political activities that enable them to effectively shape the society in which they live. Similarly, indicators of the quality of governance should measure whether public policy is effective and transparent in achieving its stated goals, and whether individuals trust the government and the institutions of the country where they live. Voter participation is only a proxy for some of these activities. Differences across countries in institutional features of the voting systems affect cross-country comparisons of voter turnout indicators.


The indicator of consultation on rule-making relates to the efforts made by governments to engage citizens in political life and captures the possibility given to individuals to have a say in the framing of new policies. However, it measures only one aspect of the transparency of consultations, and suffers from several drawbacks that might hamper cross-country comparability. First, countries that undertake extensive consultation of social groups – such as trade unions, employers associations or consumer organisations – may not necessarily score well, as the indicator refers to consultation with the general public. Second, the indicator does not provide information on whether the consultation system works well, which depends on country-specific context and would require more in-depth analysis. Finally, different consultation methods might be more appropriate in different countries, depending on their cultural, institutional and historical contexts.

compulsory there. Switzerland has one of the lowest voter turnout rates due to the high frequency of elections in the country. In general, voter turnout is high in Nordic countries and low in Eastern European countries. The number of foreigners or people not entitled to vote may also influence voter turnout (Figure 2.23, Panel B). Many countries experienced

Figure 2.23. **Voter turnout**

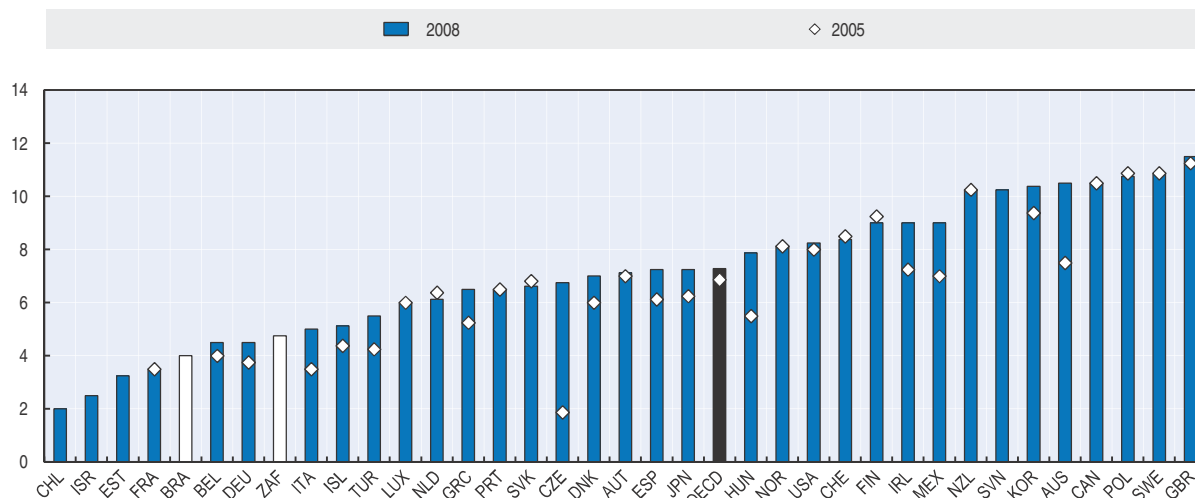
Note: The first available year is 1980 for Australia, Canada, Germany, Japan, Portugal and the United States; 1981 for Belgium, Denmark, France, Greece, Ireland, Israel, the Netherlands and New Zealand, Norway; 1982 for Finland, Mexico, Spain and Sweden; 1983 for Austria, Iceland, Italy, Switzerland, 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; and 1997 for Korea. The latest available year is 2013 for Iceland and Italy; 2012 for Finland, France, Greece, Israel, Japan, Korea, Mexico, the Netherlands, the Slovak Republic and the Russian Federation; 2010 for Australia, Belgium, the Czech Republic, Hungary, Poland, Sweden, the United Kingdom, and Brazil; 2009 for Chile, Germany, Japan, Luxembourg and Norway; and 2008 for Austria, Italy and the United States. Presidential elections, instead of parliamentary and legislative elections, are considered for Finland, France, Korea, Mexico, Poland, United States, Brazil and the Russian Federation.

Source: IDEA (International Institute for Democracy and Electoral Assistance), [www.idea.int/](http://www.idea.int/).

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declining voter turnout over the last three decades, following a long-term increase in previous decades. This decline in civic participation is less visible in other major economies. In the Russian Federation the voter turnout has increased sharply since the mid-1990s (Figure 2.23, Panel A).

Figure 2.24. **Formal and open consultation processes on rule-making**  
Composite index, 2005 and 2008/09



Note: The composite indicator rises with the number of key elements of open and formal consultation used in various countries. However, it does not gauge whether these processes have been effective.

Source: : OECD (2009), *Indicators of regulatory management systems: 2009 report*, [www.oecd.org/gov/regulatory-policy/44294427.pdf](http://www.oecd.org/gov/regulatory-policy/44294427.pdf).

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In most OECD countries, citizens' consultations on rule-making (see Box 2.8 for the definition) have become more formalised and frequent, but large disparities in country-practices remain (Figure 2.24). The openness of consultation has significantly increased in Australia, the Czech Republic, Mexico and Hungary, while it has slightly decreased in Finland, the Netherlands, the Slovak Republic and Switzerland. While this indicator captures institutional efforts in involving citizens in rule-making processes, it does not necessarily measure effective participation or whether these consultations have an influence on the policies that are finally adopted.

Even if the right to vote is universal in all OECD countries, not everyone exercises this right. Young people typically report lower participation rates in elections than people aged 65 and over (OECD, 2011). Differences by educational attainment are also large. Across OECD countries, voter turnout is 12 percentage points higher for people with tertiary education than for those with less than secondary education. Finally voter turnout rates increase with individual income (Figure 2.25). The differences in voter turnout between rich and poor people are particularly large in the United Kingdom, Poland, Switzerland, the United States and Korea while they tend to be nil or very small in Brazil and Chile, as well as in Japan and Ireland.

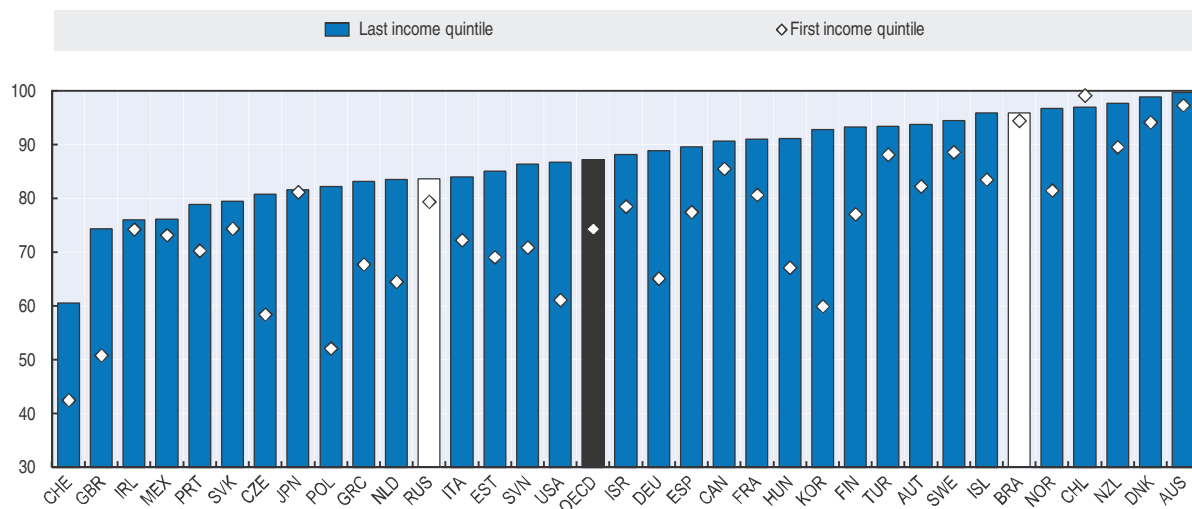
## Environment quality

Quality of life is strongly affected by a healthy physical environment. The impact of environmental pollutants, hazardous substances and noise on people's health is sizeable. The environment also matters intrinsically as many people attach importance to the beauty and the healthiness of the place where they live, and because they care about the degradation of the planet and the depletion of natural resources.




Figure 2.25. **Voter turnout by income**

Percentage of votes cast over the registered population, 2009 or latest available year



Note: Data refer to 2011 for Estonia, Finland and Turkey; 2010 for Brazil, the Czech Republic, the Netherlands and the Slovak Republic; 2008 for Austria, Canada, Korea, New Zealand, Slovenia, Spain and the United States; 2007 for Australia, France, Ireland, Japan, Poland and Switzerland; 2006 for Israel, Italy and Sweden; 2005 for the United Kingdom; 2004 for the Russian Federation; 2003 for Belgium; 2002 for Hungary and 2001 for Denmark.

Source: Module 2 and 4 of the Comparative Study of Electoral System (CSES).

StatLink  <http://dx.doi.org/10.1787/888932888129>

In the last two decades, concentrations of particulates ( $PM_{10}$ ) in the air people breathe (see Box 2.9 for the definition) have significantly decreased in all OECD countries (Figure 2.26), although many countries are still well above the annual limit of  $20 \mu\text{g}/\text{m}^3$  recommended by the World Health Organization. These concentration levels are highest in Chile and lowest in Estonia and Sweden.  $PM_{10}$  concentrations have drastically dropped in the Russian Federation, Israel and in Eastern European countries (including Estonia, the Czech and Slovak Republics), where reductions in air pollutants were mostly the result of structural shifts in the economy and the introduction of cleaner vehicle engine technologies.

In 2012, a large majority of respondents in OECD countries reported being satisfied with the quality of local water (see Box 2.9 for the definition). In Australia, Norway, Iceland and the United Kingdom more than 90% of the population expressed contentment over water quality. However, in some countries such as Turkey, Israel and Greece, the proportion of those satisfied with water quality is much lower. In the Russian Federation, only one in two respondents reported being satisfied with water quality (Figure 2.27).

The association between fine-particle pollution in the air and heart and respiratory diseases is mediated by many factors, including people's occupation, age, gender, underlying disease, smoking, health habits, body mass, education and income. National and local studies of the adverse health effects of air pollution have shown that certain groups of the population are especially vulnerable to air pollution and other environmental hazards. The very young and the very old are more at risk than the rest of the population (OECD, 2011). People with pre-existing cardiovascular and respiratory conditions are also more susceptible to ambient PM.

### Box 2.9. Measuring environmental quality

The two headline indicators of environmental quality presented above are defined as follows:

- **Air quality** is measured as the urban-population weighted average of annual concentrations of particulate matters less than 10 microns in diameter ( $PM_{10}$ ) in the air in residential areas of cities with more than 100 000 residents. 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.  $PM_{10}$  also comprise smaller particles, such as  $PM_{2.5}$ , which are thought to be the most poisonous. The data shown here are based on World Bank statistics.
- **Satisfaction with water quality** captures people's subjective appreciation of the environment where they live, in particular the quality of the water. It is based on the question: "In the city or area where you live, are you satisfied or dissatisfied with the quality of water?" and it considers people who declared being satisfied with local water quality. Data come from the Gallup World Poll.

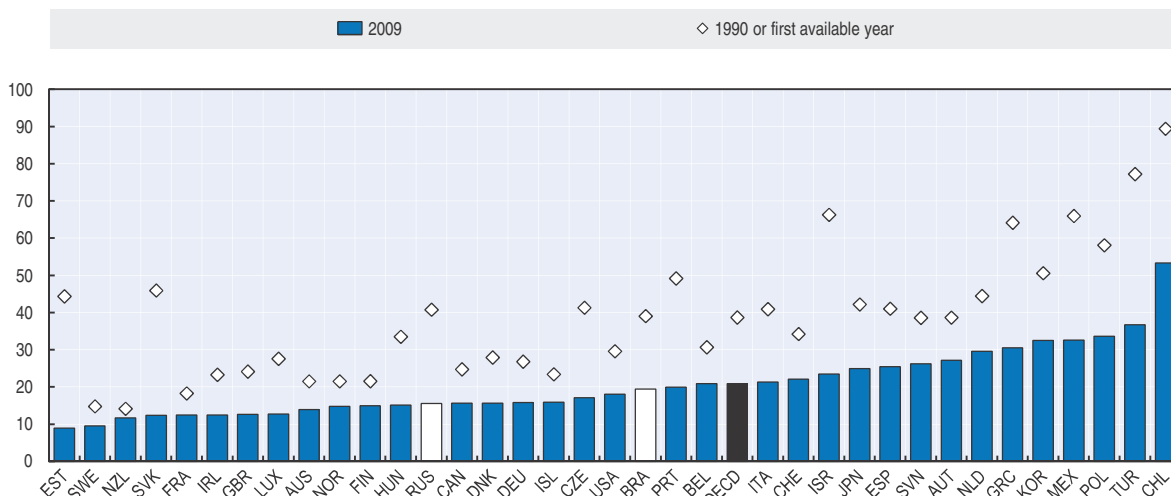
The concept of "environmental quality" is broad, and an ideal set of indicators would inform on a number of environmental media (soil, water, air), on people's access to environmental services and amenities, as well as on the impact of environmental hazards on human health. Unfortunately, available data are scattered and not comparable across countries.

Measuring air pollution is also challenging, as air quality is the result of a complex mixture of pollutants that may vary over time, space and form. The indicator of air pollution presented here is based on good-quality time-series data that allow comparisons across countries and over time. Improvements in pollution monitoring and statistical techniques during the last decades have enhanced the ability to measure air pollution and provided a broad picture of how pollution affects people living in urban spaces. However, these data are limited in several respects. First, they relate to annual levels, and thus do not capture important variations at smaller time scales (e.g. hours or months). Second, air pollution data assume that everyone living in an urban area is equally exposed; in practice, personal exposure varies substantially, depending on where people live and work, their occupations, lifestyles and behaviours.

Subjective data on environmental quality provides critical information on environmental conditions and people's appreciation of the environment where they live. The indicator of satisfaction with water quality is based on data drawn from the Gallup World Poll, a non-official survey characterised by small samples; this suggests that the evidence drawn from this measure must be taken with caution.

Short-term effects of high  $PM_{10}$  concentration appear to be restricted largely to people with low socio-economic status, due to a combination of greater susceptibility and higher exposure. Moreover, attributes of poor education (e.g. nutritional status, increased exposure, lack of access to good-quality medical care) may affect people's susceptibility to fine-particle pollution. The impact of education on satisfaction with the quality of environment is however mixed (Figure 2.28).

Figure 2.26. **Air pollution**  
PM<sub>10</sub> concentrations, micrograms per cubic metre

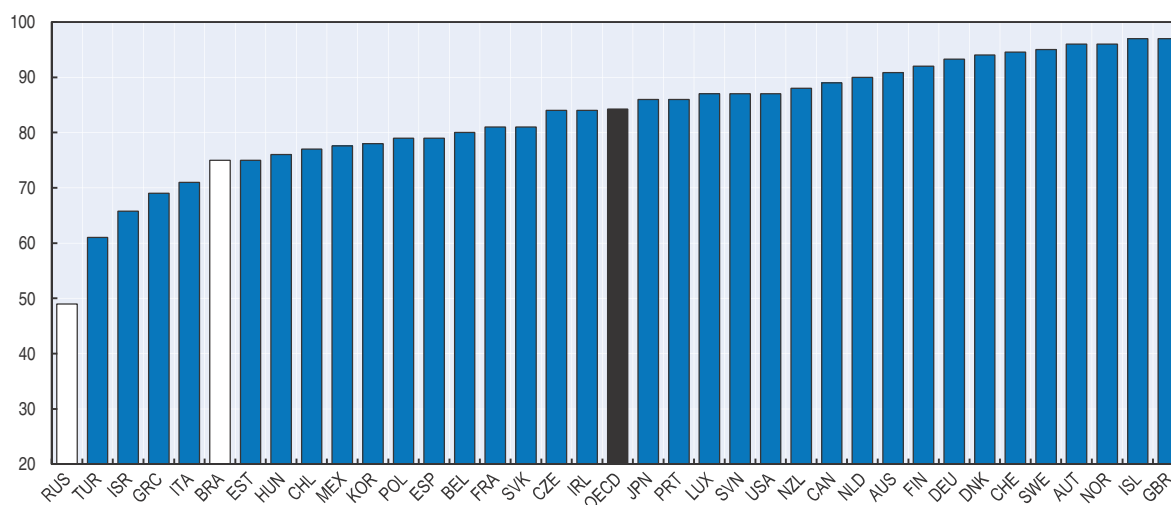


Note: Data are urban-population weighted PM<sub>10</sub> levels in residential areas of cities with more than 100 000 residents in 2013. The first available year is 1994 for Slovenia.

Source: World Bank, Data: PM<sub>10</sub>, country level (micrograms per cubic meter, <http://data.worldbank.org/indicator/EN.ATM.PM10.MC.M3>).

StatLink <http://dx.doi.org/10.1787/888932888148>

Figure 2.27. **Satisfaction with water quality**  
Percentage of satisfied people in the overall population, 2012 or latest available year



Note: Data refer to 2011 for Chile, Japan, Korea, the United Kingdom and Brazil.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

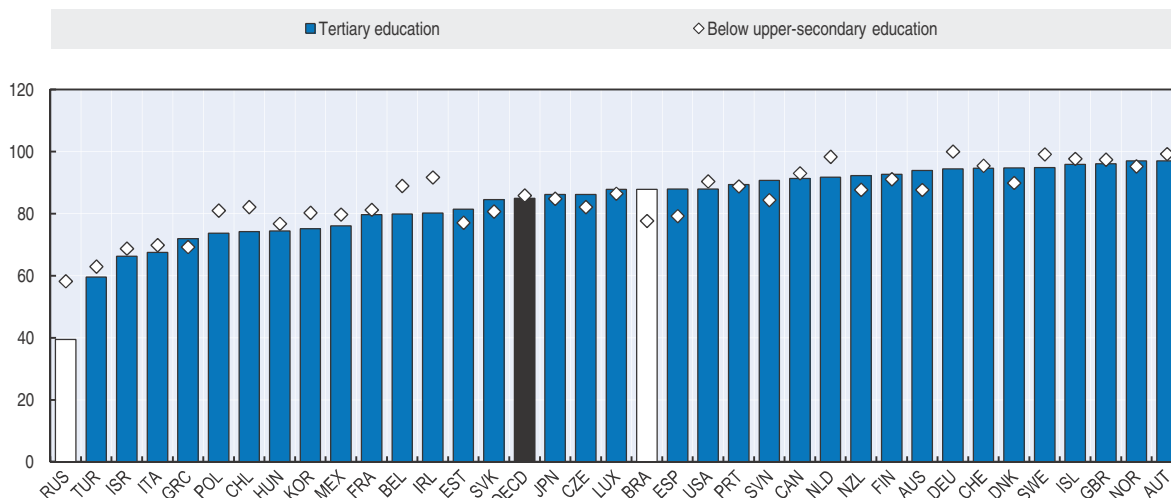
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## Personal security

Physical security includes a wide range of threats to people's lives, one of the most common ones being crime. Some forms of crime may lead to the loss of life, while others have a strong impact on the victims' mental and physical health, both in the short and long term. Crime also has large direct impacts on the well-being of non-victims, through the increase in worry and anxiety.

Figure 2.28. **Satisfaction with water quality by educational level**

Percentage of satisfied people among the higher educated and the lower educated, 2012 or latest available year



Note: Data refer to 2011 for Chile, Japan, Korea, the United Kingdom and Brazil.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

StatLink  <http://dx.doi.org/10.1787/888932888186>

In most OECD countries, homicide rates (see Box 2.10 for the definition) are low, and well below the OECD average of 2.23 homicides per 100 000 people. They are, however, more than twice as high in the United States and even higher in Mexico, Brazil and in the Russian Federation. Over the past ten years or so, homicide rates have declined or remained stable in all OECD countries, with the exception of Luxembourg, Korea and especially Mexico, where the national homicide rate has almost doubled. A sharp decline in homicide rates has taken place in Brazil, the Russian Federation and Estonia (Figure 2.29).

In 2012, only a small minority of people (4%) in OECD countries reported that they had been victim of an assault (see Box 2.10 for the definition) over the preceding 12 months (Figure 2.30). Self-reported victimisation rates for Canada, Iceland, the Netherlands, the United States and Turkey are below 2 percentage points. However, the self-reported victimisation rate is twice as high in Brazil and Chile, and much higher in Mexico (13%).

Homicide rates for men are usually far greater than those affecting women (Chapter 4). The group most at risk of being victims of homicide are young men between the ages of 15 and 29 (OECD, 2011). High youth homicide rates reflect patterns of criminal activity, such as gangs and drug smuggling. Women are, however, the primary target of domestic and intimate partner violence, and they are usually more fearful of crime than their male counterparts. In the case of contact and property crimes, socio-economic inequality seems to play a central role in the occurrence of criminal victimisation as disadvantaged people are more likely to perpetrate and to be victims of crimes.

### Box 2.10. Measuring Personal security

The two headline indicators of personal security presented above are defined as follows:

- **Reported homicides** measure the number of intentional homicides reported to the police 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 from Interpol, Eurostat and regional crime prevention observatories.
- **Self-reported victimisation** refers to 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.

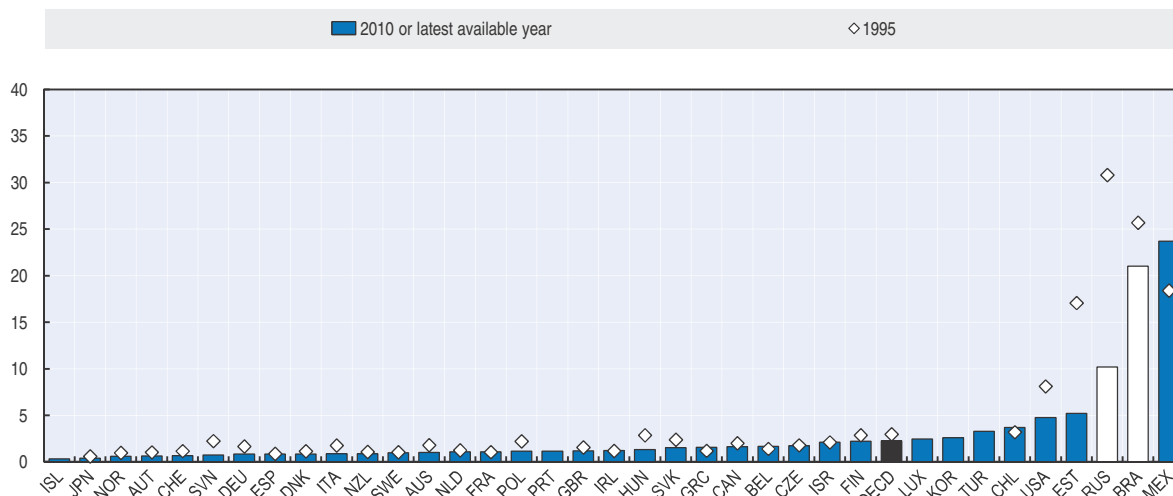
A set of ideal indicators of personal security would inform about the various crimes and offenses experienced by individuals, weighting these crimes according to their seriousness. However, official records of these crimes may not be comparable across countries due to differences in what is counted as crime in various countries and to changes in recording practices. In addition, official police-based statistics tell only part of the story, as a large share of crimes are neither reported nor recorded (the so-called “dark figure”). However, homicide is the type of crime that is the least affected by the above-mentioned problems of cross-country comparability, under-reporting and idiosyncratic classification. As the majority of violent killings involve the use of some form of weapon, statistics on intentional homicide also provide proxy information on overall levels of armed violence. However, homicide rates only represent the most extreme form of contact crime.

Crime victimisation surveys are a critical tool for measuring people's experiences with respect to types of crime other than homicide. The indicator presented here refers to assaults, thus excluding crimes against property that do not involve contact between the victim and the offender. It is based on data from a non-official survey (the Gallup World Poll) characterised by small sample sizes, a limit that is especially important for measuring events that typically affect only a small proportion of the entire population. National crime victimisation surveys exist in some countries but are not based on common standards and methodologies; while available data from existing international surveys on the subject (the International Crime Victim Survey) refer to the mid-2000s and are also based on small samples.

Victimisation surveys bring into focus the extent of crime problems that affect ordinary citizens most often and – if conducted at regular intervals based on an unchanged methodology – provide measures of changes in levels of crime over time. However, due to methodological limits, the available data provide only a proxy for the number of illegal acts that occur in society. First, some crimes may be underestimated or overestimated due to the subjective interpretation of what constitutes a crime by respondents. In addition, some people may be reluctant to disclose information for incidents of a sensitive nature, such as sexual assaults or inter-partner violence. Second, the accuracy of victimisation surveys is influenced by the ability of people to recall past crimes: the longer the period elapsed, the less likely it is that a victimisation will be recalled accurately. Finally, unconventional types of crime such as corruption may be difficult to capture through household surveys.

A recent INEGI and UNODC report provides a roadmap to improve the availability and quality of crime statistics at national and international level (<http://unstats.un.org/unsd/statcom/doc13/2013-11-CrimeStats-E.pdf>).

Figure 2.29. **Intentional homicides**  
Number of homicides per 100 000 persons



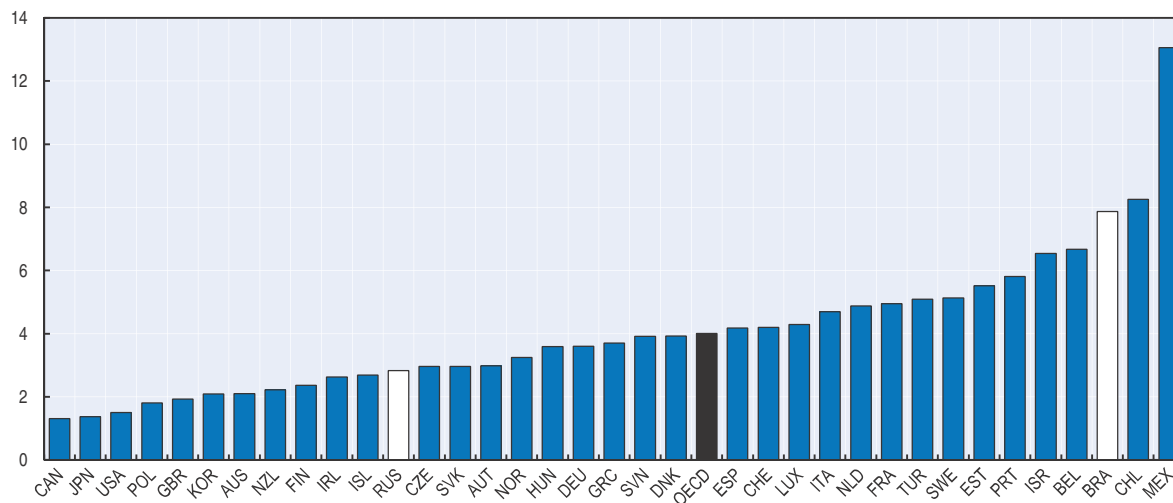
Note: The latest available year is 2011 for Chile, Israel, Mexico and New Zealand; 2009 for the Czech Republic, Denmark, France, Iceland, Japan, the Netherlands, the Slovak Republic and the United Kingdom; and 2008 for Luxembourg and Turkey. Data for the United Kingdom are collected by three different jurisdictions (England and Wales, Scotland and Northern Ireland): the value shown here is the unweighted average of the three.

Source: United Nations Office on Drugs and Crime (UNODC), [www.unodc.org](http://www.unodc.org); Eurostat 2011, *Crime and Criminal Justice Statistics* is the source for Austria, Denmark, Ireland and the Netherlands, <http://epp.eurostat.ec.europa.eu/portal/page/portal/crime/introduction>.

StatLink <http://dx.doi.org/10.1787/888932888205>

Figure 2.30. **Self-reported victimisation**

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



Note: Data refer to 2012 for Mexico; 2011 for Chile; 2009 for Estonia and Switzerland; and 2008 for Iceland and Norway.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

StatLink <http://dx.doi.org/10.1787/888932888224>

## Subjective well-being

Subjective well-being reflects the notion that how people experience a set of life circumstances is as important as the circumstances themselves and that people are the best judges of how their own lives are going.

Across OECD countries, the gap between countries with the highest and lowest life satisfaction (see Box 2.11 for the definition) is approximately 3 points on an 11 point scale (Figure 2.31). People in Switzerland, Norway, Iceland, Sweden, Denmark and the Netherlands report the highest levels of life satisfaction. By way of contrast, people in Hungary, Portugal and Greece report the lowest levels of life satisfaction. On average, in the OECD area, people report a life satisfaction of 6.2. East Asian countries (e.g. Japan and Korea) tend to report a lower level of life satisfaction than might otherwise be expected given their economic development while, Latin American countries (e.g. Chile, Brazil, and Mexico) show a higher level of life satisfaction than might otherwise be expected. This finding might reflect cultural differences in reporting about life satisfaction but also the importance of other factors shaping people's quality of life that are unrelated to income.

While some OECD countries have a relatively equal distribution of life satisfaction (e.g. much of Western Europe, Israel, Japan and New Zealand), others countries (e.g. Slovenia, Portugal, Chile, and Brazil) display much wider distributions. In general, countries with a less equal distribution of life satisfaction also tend to have a lower average level of life satisfaction. However, there are exceptions; for example Mexico, Chile and Brazil combine a relatively high spread in life satisfaction scores and very different levels of average life satisfaction.

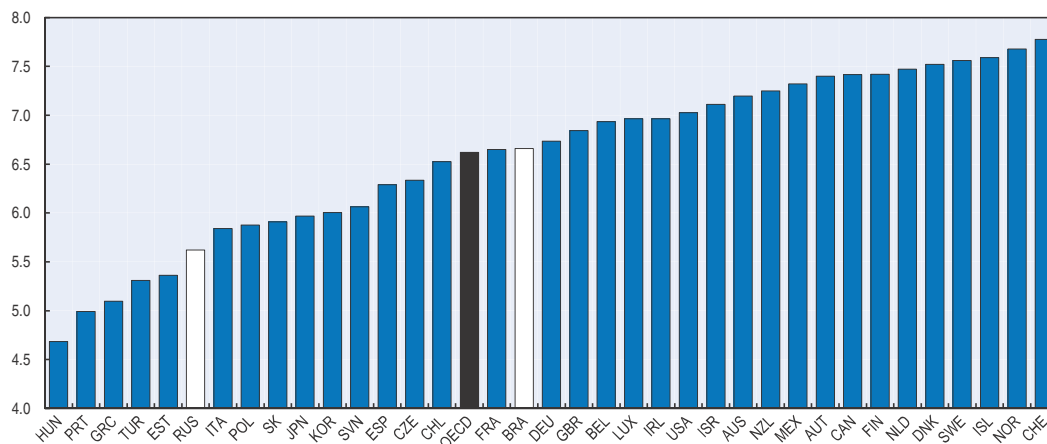
#### Box 2.11. **Measuring Subjective well-being**

The headline indicator of subjective well-being, **life satisfaction**, reflects people's evaluation of their life as a whole. It is based on the Cantril Ladder (also known as the "Self-Anchoring Striving Scale"), which asks people to rate their current life relative to the best possible life (10) and to the worst possible life (0) for them. The score is computed as the weighted sum of the different response categories. The data shown are drawn from the Gallup World Poll, a non-official survey characterised by small sample tests. The evidence from this indicator must therefore be taken with caution.

An ideal indicator of life satisfaction would make it possible to identify how the external circumstances in which people live affect their life evaluations, and to reach judgements about how different countries and population groups are faring. In practice, while the Cantril Ladder represents the best available measure of overall life satisfaction, it does have some limitations: how people respond to the Cantril Ladder can be affected by personality, mood, cultural norms, and relative judgements. Some of these aspects, such as personality and mood, can largely be ignored for the purposes of comparisons of average levels between countries, since they are likely to cancel out in a sufficiently large sample. Other factors, such as the impact of cultural factors on response styles, may be more significant and suggest caution in cross-country comparisons.

For subjective well-being data to inform policies, data need to be collected based on large and representative samples and in a consistent way across different countries and over time. The *OECD Guidelines on Measuring Subjective Well-Being* provide international recommendations on collecting, publishing, and analysing subjective well-being data. They provide guidance on collecting information on people's evaluations and experiences of life, as well as on "eudaimonic" measures of psychological well-being. The guidelines also include a number of prototype survey modules on subjective well-being that national and international agencies can use in their surveys.

**Figure 2.31. Life satisfaction**  
Cantril Ladder, mean value in 2012



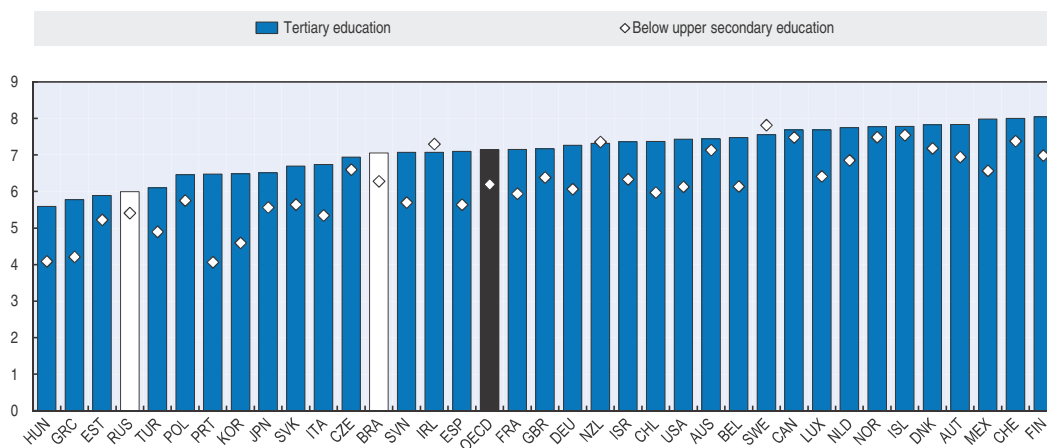
Note: The Cantril Ladder is measured on a scale from 0 to 10 (see Box 2.11 for the definition). The latest available year is 2011 for Chile.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

StatLink <http://dx.doi.org/10.1787/888932888243>

In most of OECD countries low levels of education are associated with lower levels of life satisfaction (Figure 2.32). This effect is strong in Portugal, Korea, Greece and Hungary. Although there is a direct relationship between life satisfaction and education, this correlation tends to weaken when measures of income and health status are also included in the analysis (see Boarini et al., 2012) This suggests that education may contribute to subjective well-being primarily through its impact on other life outcomes.

**Figure 2.32. Life satisfaction by educational level**  
Cantril Ladder, mean value in 2012



Note: The Cantril Ladder is measured on a scale from 0 to 10. The latest available year is 2011 for Chile.

Source: Gallup World Poll, [www.gallup.com/strategicconsulting/en-us/worldpoll.aspx](http://www.gallup.com/strategicconsulting/en-us/worldpoll.aspx).

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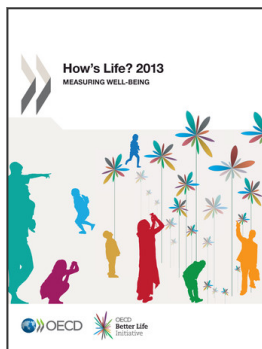
## Conclusions

This chapter has presented evidence of cross-country and over time differences in well-being average outcomes in 11 dimensions. In addition, it has discussed selected information on the distribution of well-being outcomes when such information exists. Among OECD countries there are large differences in average well-being outcomes; this holds true for all the well-being dimensions considered. The OECD area as a whole made considerable progress in many well-being areas over the past twenty years or so; however this trend does not hold for some well-being dimensions (e.g. jobs and electoral participation) and, more importantly, it hides a great diversity of patterns among countries. Finally, for many of the *How's Life?* dimensions there remain large differences in well-being outcomes across the population.

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