

Contribution to Beyond GDP „Virtual Indicator Expo“

<http://www.beyond-gdp.eu>

Name of the indicator/method: **Index of Individual Living Conditions**

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The Index of Individual Living Conditions

The Index of Individual Living Conditions presented as part of the European System of Social Indicators (EUSI) is a composite index aiming to give a summary view of the quality of living conditions in a single measure. The Index allows to easily and unequivocally assess the living conditions of a population – which are multidimensional by nature – and to compare them across countries and across time. It measures progress in the improvement of living conditions of the European citizens beyond GDP. Since this index, contrary to others, is based on microdata on personal and household level, the Living Conditions Index can be broken further down and thus allows to compare the situation of subgroups (e.g. age groups, men and women, educational level) within a population.

Composition of the Index of Individual Living Conditions

The Living Conditions Index is supposed to condense and simplify the complexity of information provided by the multitude of single indicators in the European System of Social Indicators addressing the various dimensions of living conditions comprehensively. In order to present a representative measure of individual living conditions, the index is calculated as the mean score of seven subindices, all ranging from 1 to 5: Income and standard of living, housing, housing area, education, health, social relations and work. The Living Conditions Index thus also varies between 1 (worst) and 5 (best). Up to now, the calculation of the index is based on the data from the European Community Household Panel Study, which was established in 1995 and discontinued in 2001. However, the variables used to calculate the Individual Living Conditions Index have been selected with a view to be included into the EU-SILC – the follow-up database to the ECHP – as well. Thus, depending on the availability and accessibility of the EU-SILC microdata sets, the index will be updated for years beyond 2001 and will also be calculated for EU member states not represented in the ECHP.

Development of Living Conditions in EU - Countries

The index currently allows to monitor the development of average individual living conditions for a number of EU member countries for the period from 1995 to 2001. Chart 1 shows the generally high level of living conditions in Europe (with scores between 3.4 in Portugal and 4.1 in Denmark), but also the discrepancy between northern and southern countries of Europe. The development across time displays a general slight improvement of living conditions, while the distance between the countries has decreased only marginally. As soon as the Living Conditions Index can be calculated on the basis of the EU-SILC data, the scope can be extended to all 27 EU member countries, which allows to monitor and assess the whole range of living conditions in Europe, i.e. not only differences between northern and southern, but also between eastern and western countries. Also, the change over time, including processes of convergence and divergence, and the success of EU cohesion policies can be further monitored and assessed.

Chart 1: Individual Living Conditions Index 1995-2001

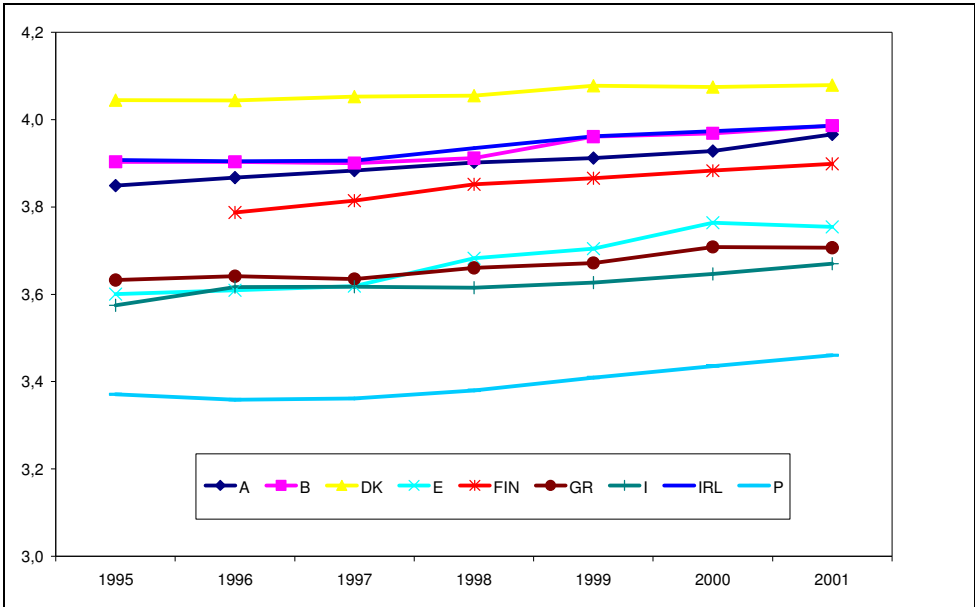
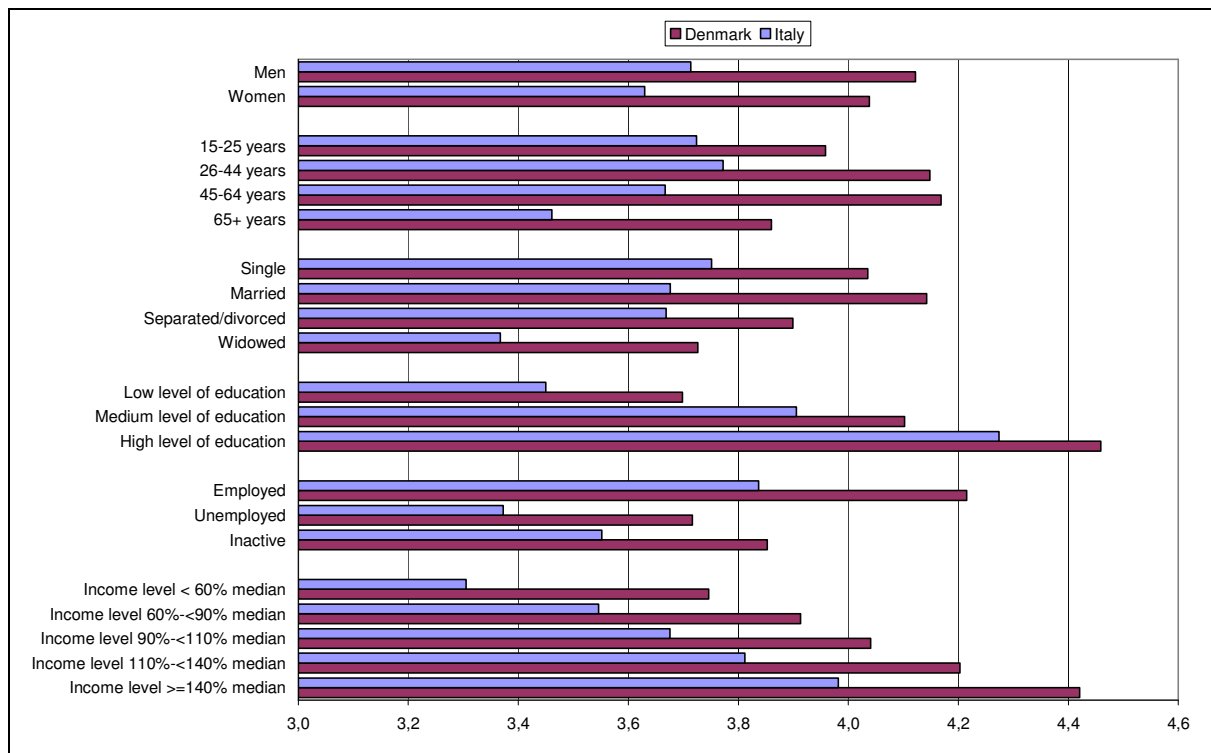


Chart 2 presents the index values for two countries, Italy and Denmark, in 2001, but broken down by a few socio-demographic characteristics. The possibility to do this is a major advantage of an index based on individual survey data. The chart shows very clearly that living conditions overall turn out to be better in Denmark, but the patterns of group differences in living conditions are pretty similar in both countries: In Denmark and in Italy the better educated and higher income groups are also enjoying better general living conditions than less educated and poorer people, the employed are better off than the unemployed or inactive, the middle aged are better off than the young and the elderly or the divorced and widowed are worse off than the married or singles. Overall the figures seem to indicate that the index brings about plausible and reliable results. Of course one could also do all kinds of statistical analyses, e.g. calculations of correlations or regressions, which is another major advantage of an index based on individual survey data, like the Individual Living Conditions Index.

Chart 2: Index of Individual Living Conditions: Denmark and Italy, 2001



The European System of Social Indicators

The Index of Individual Living Condition is an integrated part of the European System of Social Indicators. Within this system it is considered as a summary measure of the objective living conditions for life as a total. The European System of Social Indicators has initially been developed as an EU-funded project (EuReporting) within the TSER program and was then institutionalised as part of the German Social Science Infrastructure Services (GESIS).

The European System of Social Indicators has been developed with a view to be used to continuously monitor and analyse quality of life, social cohesion and sustainability as well as changes in the social structure of European societies and the European Union. Since it is supposed to be a concept driven system, the selection of indicators is based on a conceptual framework that distinguishes eight principal dimensions of welfare measurement and general social change and covers 13 life domains:

- Population, Households and Families
- Transport
- Leisure, Media and Culture
- Social and Political Participation and Integration
- Income, Standard of Living, and Consumption Patterns
- Education and Vocational Training
- Health
- Housing

- Labour Market and Working Conditions
- Social Security
- Public Safety and Crime
- Environment
- Total Life Situation

The indicators system provides time series data for more than 30 nations: the EU member states, Switzerland, Norway, as well as Japan and the United States as two major reference societies. The primary focus of the indicators system is however defined by the member states of the European Union. Depending on data availability time series start at best at the beginning of the 1980s. Most of the indicators time-series are broken down by various socio-demographic variables. Also regional disaggregations at the NUTS-1 level are being offered whenever possible and meaningful. At its present stage the European System of Social Indicators offers time-series data for more than 600 indicators from 9 out of the projected 13 life-domains. The system will subsequently be completed and continuously be updated.

The European System of Social Indicators is based on data sources ensuring the best possible level of comparability across countries and time. The data sources used include international aggregate official data, e.g. from Eurostat, the OECD or the WHO, as well as microdata from crossnational surveys, e.g. from the European Community Household Panel (ECHP), the European Social Survey (ESS), the Eurobarometer studies or the International Social Survey Programme (ISSP). To some extent, the indicator system reverts to national data, too.

The European System of Social Indicators addresses social scientists, policy makers at the national and the supranational level, university and school teachers, students as well as journalists. The database is considered to be particularly useful for all kinds of comparative research on the development of quality of life, social cohesion, sustainability, social structures and value orientations within and across the countries covered. Moreover, the European System of Social Indicators constitutes an important database for the policy making processes as a tool to monitor progress in the achievement of national and international policy goals.

For more information see:

www.geis.org/en/social_monitoring/social_indicators/data/EUSI/index.htm