

Concept

Quality of Life

December, 2006

Definition

The concept "Quality of Life" refers to the collection of indicators that describe an individual's wellbeing. In addition to measurable components that estimate Standard of Living, like income per capita, Quality of Life also includes abstract components, like happiness, innovation, and political and economic freedom.¹

Background

The concept of Quality of Life plays a central role in the disciplines of policy, economy, social sciences, and welfare. In these fields, it is axiomatic that individuals act to improve their Quality of Life. According to this view, individuals and households make decisions not only for economic reasons, but also because of cultural and moral considerations.

The Reut Institute wishes to initiate a public discourse that will identify and investigate the components of Quality of Life in Israeli society. This discourse will aid in the design of socio-economic policy.²

Estimation and Comparison

Quality of Life is a complex concept and is therefore difficult to define or estimate:

- Select components, like Life Expectancy and Standard of Living,³ are given to measurement; however, it is difficult to deduce Quality of Life directly from their value, in part because of drawbacks in measurement methodology, and in part because of disagreement over their meaning.
- Other components are difficult to measure because they are influenced by individual perceptions and values, like social cohesion, personal security, life satisfaction, and optimism.

Various indices periodically measure Quality of Life of individuals in different countries comparatively. Each attempts to reflect the abstract components through proxy variables that are given to measurement. The indices differ in the variables they choose and the relative weight given to each.

- **The UN Human Development Index⁴** estimates Quality of Life through three components: Standard of Living as measured by GDP per capita, life expectancy, and educational fulfillment.

¹ [The World Bank, Glossary](#)

² The concept "Top 15 Vision" ("Top 15") is comprised of issues and actions involved in achieving a significant socioeconomic advancement that would put Israel among the 15 leading countries in terms of quality of life within fifteen years.

³ Measures like GNP (Gross National Product) per capita gauge an individual's ability to consume basic goods and services like food, water, and sanitation considering their income.

⁴ [Human Development Report, Human Development Index](#)

- **The Quality of Life section in the OECD Factbook⁵** examines the social indicators that contribute to individual wellbeing that are not easily measurable. The descriptors it estimates are: health, leisure, youth inactivity, inequality, crime, and transportation.
- **The Economist Quality of Life Index⁶** utilizes individual life satisfaction surveys to determine the factors that contribute most to Quality of Life. According to the analysis, the variables that explain the majority of variation in Quality of Life are: material wellbeing, health, political stability and security, family life, community life, climate and geography, job security, political freedom, and gender equality.

Additional Sources

- Shye, S., **The Systemic Life Quality Model: A Basis for Urban Renewal Evaluation**. Social Indicators Research, 21, pp. 343-378, 1989.
- Shye, S. & Duchin R., **Quality of Life Index in Israel**. Jerusalem IIASR, 1996.
- Nussbaum, M. and Sen, A., **The Quality of Life**. Oxford: Clarendon Press, 1993.

⁵ [The OECD Factbook](#) organizes set of economic, environmental, and social statistics into sections that describe comparative socio-economics status. It includes the following sections: Population and Migration, Macroeconomic Trends, Prices, Energy, Labor Market, Science and Technology, Environment and Natural Resources, Education, Public Finance, Quality of Life, and Economic Globalization.

⁶ [The Economist's 2005 Quality of Life Survey](#)