

Relative Deprivation and Well-being: Switzerland in a Comparative Perspective

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Using data from a European welfare survey this contribution examines the actual Swiss standard of living, the degree and distribution of relative deprivation (the lack of socially perceived necessities) and their consequences for subjective well-being within a European context. Although Switzerland has maintained its high level of standard of living, its low level of relative deprivation and its high level of subjective well-being, the differences between Switzerland and the other European countries have become less pronounced. Despite disparities concerning the actual standard of living and a corresponding east–west gradient there is a large consensus among the examined four countries concerning the minimum standard of living regarded as absolutely necessary for a decent life. In all countries relative deprivation negatively impacts on individual well-being whereas societal well-being that concerns the broader social environments of the individuals remains largely unaffected by deprivation, income and other inequality measures.

1 Introduction

The decade of the 1990s ushered in profound changes for the Swiss society and economy. The most severe economic downturn of the postwar era resulted in rising unemployment, growing numbers of welfare recipients and the working poor and also provoked general feelings of economic uncertainty, fears of social declassification and of increasing social inequalities. Accordingly, current scientific and public debates are witnessing an increasing interest in topics of social exclusion, marginalization, deprivation and precarious living conditions. The objective of this chapter is twofold: first, it examines the standard of living and the level of deprivation in Switzerland as compared to neighbouring countries; secondly, it analyses the impact of these 'objective' living conditions on subjective well-being. In doing so, our study contributes to three, more general theoretical and methodological debates.

The first of these debates centres on the issue of diversity among the countries of Europe. Switzerland, in particular, has often been characterized as a unique case, not only with regard to its political institutions (e.g. direct democracy, federalism) and its cultural diversity (several languages are spoken), but also concerning its high living standards, comparatively low unemployment and its hybrid welfare state model. There are, however, several indications that Switzerland has experienced some kind of 'normalization' in the past years and that it has moved towards the more standard European example as a result of the adverse developments of the 1990s. In the context of our study we ask whether or not Switzerland has maintained its distinct model of standard of living and defended its comparative advantages. More generally, we examine country-specific patterns of actual standards of living and normative assessments of minimum living standards.

The second debate entails the conceptualization and measurement of poverty and social exclusion, i.e. the debate on direct and indirect indicators of poverty. There is a large consensus among contemporary poverty and inequality researchers that poverty must be conceptualized in relative terms. According to the definition of poverty established by the European Union,¹ the poor are individuals, families and groups whose material, cultural and social resources are so limited as to exclude them from experiencing the minimum acceptable quality of life in the member states in which they live. This definition implies that, because the prevailing standard of living within a community must always be taken into consideration, poverty cannot be defined in absolute, unequivocal terms. More specifically, the measurement of such a minimum standard of living depends upon the personal values of the individuals in question concerning their requirements for maintaining a decent standard of living. The concept of relative deprivation employed in this study allows for the inclusion of such judgements.

Two traditions are prominent within the field of poverty research. The first makes use of indirect poverty indicators which are based on the economic resources (income) available to an individual. The second defines poverty directly and focuses on outcomes such as the level of consumption or the standard of living and records the results of the behaviour of individuals after they make use of the resources available to them. The relative deprivation indicators used in this study have several conceptual advantages: They take into account personal preferences, they are suitable for international comparisons and they conceptualize poverty in relative terms, referring to national standards of living. While there is abundant research on indirect poverty measures (e.g. Atkinson et al., 1995; Atkinson, 1998), direct deprivation measures have rarely been used in comparative research. This is due mainly to the scarcity of comparative data sources.

Much criticism has arisen from arguments contending that an indirect notion of poverty should not be used to measure a model which employs a direct conceptualization of poverty in terms of exclusion from the customary level

of consumption and the common standard of living. It is further argued that the actual living conditions of households with identical financial resources can differ markedly (Ringen, 1988: 358). Indeed, research has shown that the relationship between poverty measured indirectly as low income and measured directly as observed deprivation is rather weak. A sizeable proportion of households classified as poor because of low income do not suffer from deprivation, while some households classified above the official poverty line do experience deprivation (Townsend, 1979; Callan et al., 1993; Halleröd, 1995). This mismatch between income and deprivation measures of poverty can be explained to some extent by the temporal dimension of poverty. Research from Germany has shown that available household income can fluctuate over time so that income poverty must be regarded as a dynamic phenomenon (Leibfried et al., 1995). In many cases, shorter phases of poverty can be bridged by savings or with the aid of monetary or other support from the social environment. In contrast, deprivation is related to longer-term or structural poverty, and is likely to occur whenever individuals have to manage over a lengthier period of time on a low income. So deprivation indicators tend to measure a static situation of being 'unable to afford things', whereas income indicators yield a momentary picture of the financial situation.

The third debate relevant to our study deals with the relationship between wealth – i.e. favourable 'objective' living conditions – and well-being. Are wealthier people happier and more satisfied with their lives than poor people? The relationship between income, poverty and well-being has been investigated by several cross-sectional studies (see Diener et al., 1999 for an overview). Although the effect of higher income on subjective well-being is positive, it is a surprisingly weak phenomenon. There are indications that people thrive well at the lower economic margin of society and that the effects of income increases are not always positive.

Thus, several studies could not find a statistically significant relationship between income and well-being (e.g. Clark and Oswald, 1994; Cummins, 2000). This supports more general arguments on the decreasing relevance of traditional inequality and social stratification dimensions in contemporary post-industrial societies. Similarly, recent results of poverty studies suggest that subjective well-being does not increase significantly when the income of poor people is above the poverty line (Leu et al., 1997). While the relationship between income and subjective well-being is positive and strong at the national level, most studies have found a relatively weak correlation at the individual level (cf. Diener et al., 1999; Argyle, 1999). Thus, overall, wealthier societies seem much happier than poor ones, but wealthier people in the economically advanced western societies do not necessarily describe their individual lives as more satisfied than poor people.

Based on a reassessment of ten recent studies, Cummins (2000) suggests a curvilinear relationship: the relationship between income and well-being should be stronger for the lowest income levels than for the middle- and

upper-income groups. Furthermore, the impact of income on well-being obviously differs across different domains (such as standard of living, health, housing). Finally, a recent analysis by Christoph and Noll (2003) on variation in the level of satisfaction with the financial situation exhibited in different countries shows that both income-based, indirect measures and consumption-based, direct measures affect well-being. These results suggest that the impact of economic conditions on subjective well-being is more complex and that relative deprivation measures might be an important factor in explaining subjective well-being.

Against this background, this chapter examines the level and distribution of deprivation in Switzerland as compared to other European countries and investigates the relationship between deprivation and well-being.

More specifically, the following three questions are addressed:

1. What perceptions are there of a minimal acceptable standard of living in Switzerland versus in other European countries and how do these perceptions contrast with the living standards actually achieved by respondents? How does the Swiss concept of the minimum standard of living differ from that of other European countries?
2. What are the levels and distributions of deprivation in the surveyed countries and how do these patterns vary between nations?
3. Does relative deprivation have an impact on subjective well-being? Is relative deprivation a better predictor of well-being than income based, indirect measures?

We have selected three reference societies for our analysis of Switzerland:² Austria, Germany and Slovenia. Austria and Germany have been chosen because they are the most similar countries to Switzerland with respect to several cultural characteristics, most notably their common language and history, but also similar patterns of consumption and lifestyles. By controlling these general cultural factors the hypothesis of Swiss exceptionalism (or normalization) can be tested more accurately. Compared to Switzerland, Slovenia represents a rather different case, although this country, for historical reasons, has a certain cultural proximity to the German-speaking region of Switzerland. Slovenia has experienced profound social transformations in the last decade (war, the break-up of the socialist society, national independence), its level of welfare is lower and the welfare state is only rudimentarily developed. The selection of Slovenia enables us to compare two transformation countries (eastern Germany and Slovenia). Furthermore, standard of living, level of deprivation and their consequences for well-being are examined against the background of a certain west-east gradient (Switzerland–Austria–western and eastern Germany–Slovenia). Thus, average income per capita at purchasing power parity in Switzerland is 10 per cent higher than in Austria, 15 per cent higher than in Germany and 40 per cent

higher than in Slovenia.³ There is, however, less income equality in Switzerland than in the other countries.⁴ Generally, we expect a west-east pattern with only gradual differences between Switzerland, Austria and Germany but substantial differences to exist between these three German-speaking countries and Slovenia.

The chapter proceeds as follows: section 2 presents the concept of relative deprivation upon which our analyses are based. Subsequently, we briefly describe the database and the construction of the measure of deprivation (section 3). Having established this, we move on to a descriptive analysis of the standard of living and relative deprivation in the four countries examined (section 4). Section 5 deals with the impact of deprivation on subjective well-being and section 6 summarizes the implications and conclusions of our findings.

2 The concept of relative deprivation

Whereas there is a long tradition of measuring poverty indirectly via income, in recent years there has been more interest in direct measurement. Townsend's (1979: 413) concept of relative deprivation pioneers this 'direct' approach. According to his definition, people may be considered deprived if they lack the type of diet, clothing, housing, activities, facilities and environmental, educational, working and social conditions, which are customary – or at least widely encouraged and approved – in the societies to which they belong. In order to measure relative deprivation Townsend prepared a list of material and cultural indicators to determine whether individuals or households lacked certain commodities or did not participate in various common activities. A summed deprivation index was then generated by summing all the listed items deemed to be missing.

Townsend's study generated a multitude of comments, criticism and further research. One of the main criticisms directed at his approach was that, by giving them the power to select the indicators, it gave the researcher a privileged position (cf. Sen, 1981; Mack and Lansley, 1985). Another issue that has been raised is whether the lack of an indicator can be rated as a deprivation as it is conceivable that some people might choose to do without certain items. Furthermore, since different items may be assumed to hold varying degrees of importance to the welfare of a household, the omission of a weighting scheme has been criticized (Veit-Wilson, 1987).

In their 1985 study, 'Poor Britain', Mack and Lansley extended Townsend's approach, particularly in terms of survey technique. In an initial procedure, a random sample of individuals must first assess whether the items on a list of indicators are necessary for maintaining a decent standard of living. Then only those items which have been designated by at least 50 per cent of the respondents as 'absolutely necessary' are actually used. Thus, the normative decisions as to which aspects and features of daily life should be used as

indicators for delineating an acceptable minimum living standard should not be made by experts but, rather, 'by reference to the views of society as a whole' (Mack and Lansley, 1985: 42). Hence, a consensual definition of poverty is at issue here.

Deprivation is defined by Mack and Lansley in terms of an enforced lack of socially perceived necessities (1985: 39). In order to distinguish voluntary renunciation on the basis of personal preferences from enforced renunciation due to scarcity of income resources, in a separate step the respondents are asked not only to state whether they possess a particular item on the list (such as a washing machine), but also, if they do not, whether this item is missing for financial or for other reasons. Only items which are missing for financial reasons are included in the summed deprivation index.

Halleröd (1995) objected to this procedure by claiming that it, at best, led to a majority definition of poverty, but it did not garner a consensual definition. He developed an alternative means of measuring deprivation, termed the 'Proportional Deprivation Index' (PDI), which is based on the same underlying assumptions as Mack and Lansley's approach and which still defines poverty as a 'lack of socially perceived necessities' but which eliminates the rather arbitrary classification of items as necessities or non-necessities. The PDI makes use of all items in the questionnaire, including those which only a minority regard as necessary. Each item is weighted depending upon the proportion of the population that regards it as absolutely necessary for the maintenance of a decent standard of living. Thus, the greater the consensus as to whether an item is absolutely necessary, the greater the weight of that item if it is missing.

Since the advent of the methods described above, for the most part, deprivation indices have been used in national poverty studies. So far, only very few comparisons between countries have been performed (Halleröd, 1998; Böhnke and Delhey, 1999; Layte et al., 2000). This is due mostly to the scarcity of truly comparable data. Now, for the first time, the European Household Panel has acquired information on the living standards of respondents living within a larger framework. However, assessments by the respondents of which material goods or activities are required to satisfy the minimum standard of living in their respective countries is still lacking.

The question now arises as to which deprivation index best satisfies the demands of comparative poverty research. A study by Lipsmeier (1999) showed that even complete renunciation of any form of weighting produces an index which shows such a high correlation with Mack and Lansley's Consensual Deprivation Index (CDI) and Halleröd's Proportional Deprivation Index (PDI) that identical results can be expected with their implementation. However, as long as living standards in the various countries still differ to a considerable extent, the use of an unweighted index makes no sense when attempting comparisons between countries. Deprivation, as indicated by the definition of poverty given by the Council of Europe, cited above, should

be ascertained relatively in terms of the usual standards of living in the respective nations. Since its weighting can be adjusted according to national preferences, the PDI developed by Halleröd appears to be particularly well suited for use in cross-country comparisons. A missing item will be assigned a different weight in each country depending upon the importance attached to it by the people in that country.

3 Measuring relative deprivation

Our study made use of individual data collected in 1999 and 2000 in Switzerland, Germany, Austria and Slovenia by means of the standardized survey tool known as the Euromodule (WZB, 2002). The Euromodule contains questions both on the minimum acceptable standard of living and also the standard of living that has actually been attained. On the basis of this information, the Proportional Deprivation Index (PDI) defined by Halleröd (1995) can be calculated. This weighted index can then be used to determine the deprivation level of the respondents' households relative to the common standard of living in the respective country.

A list of 19 indicators was used in a first step to determine what the respondents felt is needed for a decent living standard in their respective country. The exact phrasing of the questions was as follows: 'In your opinion, what items on this list should every household in your country be able to afford? What could be dispensed with, what is desirable but not necessarily needed, and what is absolutely necessary?' The selection of indicators was chosen based on preceding studies from Great Britain, Sweden and Germany (Gordon and Pantazis, 1997; Halleröd, 1998). In a second step, respondents were asked whether the designated items or activities on the same list of indicators were owned/performed by the respondents personally or by their household: 'Now if you consider your own living conditions, what do you have or can you do? What don't you have or can't you do because you cannot afford it? What don't you have or do for other reasons?' A missing item was considered to be an indicator of deprivation in the sense of the definition quoted earlier only if its absence is due to insufficient financial resources.

These data on living standards were summarized by the weighted index PDI.⁵ To render the deprivation indices comparable, the scores were then calculated as percentages of the maximum possible score in each country using a simple linear transformation of the original score. This standardization has the advantage of being neither sample nor population-dependent (Cohen et al., 1999).⁶

Therefore, the indices constructed in this way vary between 0 and 100. Each value can be interpreted as the percentage of deprivation experienced by a household in relation to the theoretical maximum possible value which can only be obtained only if the household suffers simultaneous deprivation of all items included in the scale.

4 Standard of living and relative deprivation

4.1 The perceptions of the minimum and the actual standard of living

The term standard of living is generally understood to refer to the ability of an individual, a group or a society to obtain goods and services. It thus comprises not only material components of supply but also factors such as educational opportunities, the environment, personal safety or the proportion of income which must be spent on health, recreation and social services. International comparisons often analyse variations in GDP, per capita income or other indicators such as life expectancy or access to clean water.

To measure the standard of living, this study limits itself to 19 indicators which describe the level of consumption of individuals and households. To start with, we tried to establish what possessions and activities respondents assess as necessities for a decent standard of living in the respective countries. This step was necessary in order to gain some idea of the perception of the minimum acceptable standard of living in the various nations and to determine appropriate weights for those items which are missing for financial reasons.

The respondents were asked to indicate which items on a list of standard of living indicators every household in their country should be able to afford, classifying items respectively as *absolutely necessary*, which items were *desirable but not essential*, and which could be *dispensed with*. Any mention in the following discussion of respondents' views on minimum living standards refers exclusively to those items determined to be 'absolutely necessary'. Figure 1.1 provides the main results, depicting the percentages of respondents who classified an item as an absolute necessity. The items are listed in order of descending degree of intrinsic necessity according to the Swiss sample.

The first four items listed belong to the group of standard or basic goods: a large majority of the respondents consider a lavatory or bath in the apartment, one cooked meal per day, a washing machine and a telephone, to be necessities. It is remarkable to note that (with the exception of Switzerland), those items which more than 50 per cent of the respondents regarded as essential and which would thus, based on the majority criterion, be included in Mack and Lansley's deprivation index, include only two further things – namely, a television and a car. Furthermore, a private pension plan was seen as a necessity by nearly 50 per cent of the respondents. There is also a large consensus regarding the last seven items. Neither a computer, nor a garden or balcony, nor a dishwasher, nor a family meal at a restaurant, new furniture or a video recorder are classed as being necessary for a decent standard of living.

If the focus is now placed on the differences in assessments between countries, it is striking to observe that in Switzerland neither a television set nor a car are judged to be absolutely necessary by a majority of the

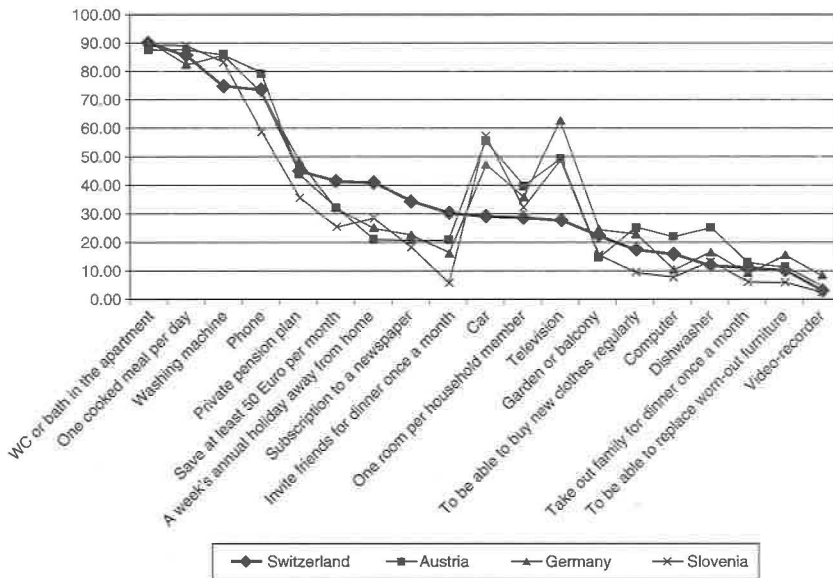


Figure 1.1 Necessities: percentage of persons considering the listed items 'absolutely necessary' for decent living

Notes: Country individual weighting (excepted for Slovenia).

Source: Euromodule (1999/2000).

respondents – even though more than 80 per cent of them own these things themselves (cf. Figure 1.2). Thus, a picture is created of the Swiss as a rather modest people. On the other hand, the Swiss respondents regard a week of holiday away from home, monetary savings, a subscription to a newspaper and inviting friends for a dinner as more important than do respondents from the other countries. On the whole, Figure 1.1 shows some variations between the countries in perceptions of minimum living standards. The differences, however, are surprisingly small. Thus, contrary to our expectations Slovenia does not show a different pattern compared to Austria and Germany. Furthermore, there are no discernible differences between western and eastern Germany. The most important differences are not those between Slovenia and the three German-speaking countries, but those between Switzerland on the one hand and Germany, Austria and Slovenia on the other.

In a second step, the respondents were asked to indicate in regards to the same list of items whether their household owns a particular commodity or can afford to perform a particular activity. If a negative answer was given, then respondents were also asked whether this lack was for financial or other

reasons. A description of the quality and cost of items was not included in the survey (e.g. small old Fiat versus new Mercedes), so it is a fairly crude indicator of living standards. In the affluent countries, a large proportion of households possess all of the items surveyed. This gives the impression of a uniform living standard. However, the households may in fact differ considerably in terms of incomes and living standards. An overview of approximate living standards can nevertheless be given on the basis of the indicators used. Figure 1.2 shows the percentages of people who reported they were able to afford each of the items surveyed.

It can be noted that the first four items, which were almost unanimously classified as indispensable, are present in nearly all households. Television sets are found in more than 95 per cent of the respondents' homes as well. This discrepancy between the low level of importance ascribed to televisions and the fact that televisions are present in practically all households has also been observed in other studies (e.g. Van den Bosch, 1998). This result leads to the assumption that the respondents distinguish between what they want for themselves and what should be included in a community's notion of the minimum standard of living. With regard to all items, the

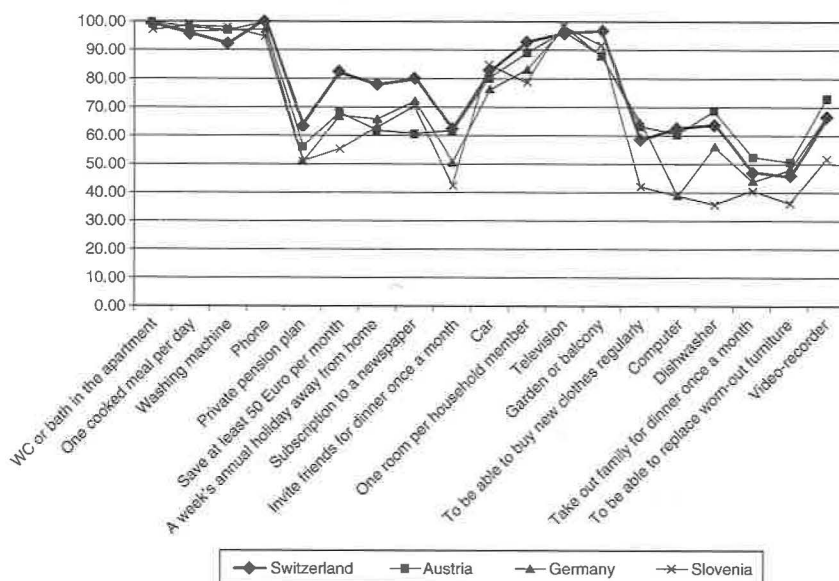


Figure 1.2 Actual standard of living: percentage of persons who can afford the listed items

Notes: Country individual weighting (excepted for Slovenia).

Source: Euromodule (1999/2000).

standard of living of the respondents is clearly highest in Switzerland and lowest in Slovenia. However, Germany and Slovenia differ only slightly.

More specifically, eastern Germany and Slovenia demonstrate a practically identical pattern. This is confirmed by the percentage of respondents who reported that they could not afford the surveyed commodities (data not shown separately). Although the proportion of people who indicated that they could not afford certain items varied between countries, a clear pattern is discernible with regard to the items that are lacking. The households were mainly unable to afford commodities and activities which required a permanent surplus income, such as a private pension plan or the ability to save money. Items regarded as luxury goods – such as computers, dishwashers or new furniture – were also more frequently absent. In addition, in such cases, there is often insufficient money for taking holidays, entertaining friends or eating out with the family. When all of these items are considered, the west-east order of national rankings is again noticeable: Switzerland, Austria, western Germany, eastern Germany and Slovenia.

4.2 Relative deprivation

The information obtained for individual indicators of living standards was used to calculate our measure of relative deprivation, i.e. the Proportional Deprivation Index (PDI). We begin our discussion by examining the proportion of respondents affected by deprivation and mean deprivation value. As described in section 3 above, the deprivation index varies between 0 (none of the 19 standard of living items are lacking for financial reasons) and 100 (all of the 19 standard of living items are lacking for financial reasons).

Comparing the degree of deprivation in the four countries seems to confirm our expectation that deprivation would be lower in the more affluent countries such as Switzerland, Austria and Germany. As demonstrated by Table 1.1, the ratio of people being affected by deprivation is lowest in Switzerland (31 per cent), followed by Austria (39 per cent), western Germany (40 per cent) and Slovenia (52 per cent). In eastern Germany, however, 55 per cent of the population is suffering from deprivation – even more than in Slovenia. Thus, Germany still seems to be divided in some regards.

These observations are mirrored in the mean deprivation values. Again, Switzerland demonstrates by far the lowest average deprivation value (3.6), followed by Austria (4.5). Surprisingly, and contrary to our expectations, the mean deprivation values of Germany and Slovenia are almost identical (6.1 and 6.5). The highest deprivation values are reported by the respondents in eastern Germany (7.9).

The comparatively low mean values of deprivation do not tell us, however, how deprivation is distributed across the population. Is deprivation concentrated within a few social groups – or is it more equally distributed over a larger proportion of the population? In order to answer this question we have calculated the deprivation index values for each deprivation decile. In all

Table 1.1 Relative deprivation (PDI) in four European countries

	Switzerland	Austria	Germany	West Germany	East Germany	Slovenia
Proportion of the population affected by deprivation (%)	30.8	39.0	41.7	39.9	55.2	51.5
Overall mean of deprivation (index values)	3.6	4.5	6.1	5.7	7.9	6.5
Mean deprivation of the 9th deprivation decile (index values)	9.3	10.7	16.2	16.1	16.4	15.2
Mean deprivation of the 10th deprivation decile (index values)	22.9	24.6	30.4	30.7	29.5	32.1
N	1570	502	2413	1941	472	1012

Notes: 'PDI' is the Proportional Deprivation Index, Minimum (no deprivation)=0, Maximum=100.
Source: Euromodule 1999/2000.

countries there is a gap between the ninth and the tenth deprivation deciles. Deprivation, therefore, is heavily concentrated. Regarding the level of deprivation in the most affected population groups, the exceptional status of Switzerland can again be demonstrated: the mean deprivation of the most highly deprived decile is 23 in Switzerland, but 25 in Austria, 30 in Germany and 36 in Slovenia.

The next factor to be examined is the relationship between equivalent household income⁷ and level of deprivation. Figure 1.3 indicates the mean PDI value attained in each income quintile. It comes as no surprise that the average deprivation in all countries decreases with increasing income. In general, country differences are more pronounced when considering the lower income quintiles. Thus, in Germany and Slovenia the level of deprivation in the lowest income quintile is substantially higher than that observed in Switzerland (17 and 16 versus 8). Compared to the other countries, the Swiss deprivation pattern is less skewed.

The relationship between income and deprivation is a highly contentious issue in poverty research. Townsend (1979) postulated that poverty starts at the point at which people become disproportionately excluded from social participation as their income decreases. According to this concept, the poverty line is drawn at the position where a threshold or break in the curve indicates that deprivation is increasing disproportionately. However, no such threshold can be observed in Switzerland. The deprivation rates in this country rise

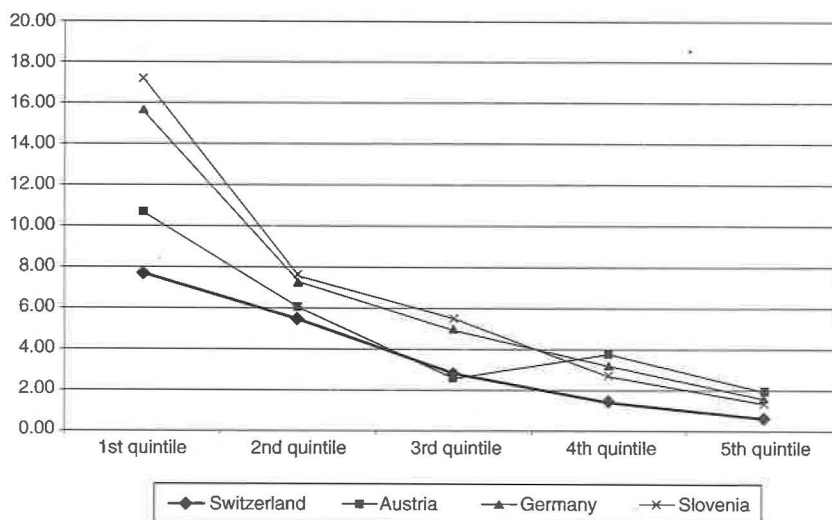


Figure 1.3 Level of deprivation (mean PDI) by quintiles of equivalent income

Notes: Country individual weighting (excepted for Slovenia).

Source: Euromodule 1999/2000.

relatively continuously with declining incomes. In the other three countries the proportion of people suffering from deprivation jumps between the first and second income quintiles (Germany and Slovenia) and between the second and third income quintiles (Austria).

In a comparative analysis of the relationship between income and deprivation in Sweden and Great Britain, Halleröd (1998: 299) noted that the overall level of deprivation decreased considerably when the unemployed were excluded from the sample. In these circumstances, the differences between the countries also disappeared. From this he concludes that deprivation is a dilemma particularly for the unemployed. However, this result could not be reproduced with our data. Corresponding comparisons of the overall sample and the sample excluding unemployed persons yielded practically identical deprivation values by income deciles for all countries. Therefore, in the examined countries, at the individual level additional factors must be considered in addition to unemployment.

In a separate analysis we estimated the determinants of relative deprivation by computing multivariate logistic regression models.⁸ In addition to income and employment status we included other factors that are known to be relevant for poverty and deprivation (level of education, age, gender and as well as aspects of life-course transitions). In all four countries the classical inequality dimensions such as low income and low education

turned out to be significant determinants of deprivation. In Switzerland, Germany and Slovenia a precarious employment situation (long-term unemployment) sickness, and disability are further important components. In Switzerland, the probability of being severely deprived is five times greater for those who are not employed due to illness and disability than for those who have been regularly employed. This finding supports the structuralist argument of the classical stratification perspective that social class and employment status have persisted as powerful predictors of poverty and living conditions. Nevertheless, aspects of lifestyles and life courses, as proposed by the individualization thesis, are relevant, too. Thus, separation and divorce is a predictor of (high) deprivation in Switzerland. Age, relevant in all countries but Austria, shows contradictory relationships: young people (under 35 years) show higher levels of deprivation than the reference group of the 45 to 54 year olds in Germany, but lower levels in Slovenia. In Switzerland, the midlife cohort (35–44 years) is affected by the highest deprivation values.

5 The consequences of relative deprivation for well-being

As demonstrated in the previous sections, there are people and households in Switzerland and its neighbouring countries who fall below the generally recognized minimum standard of living of their respective societies. But what are the consequences of this situation? Does relative deprivation really matter? Since the 1980s, the relevance of inequality and stratification in post-industrial societies has been highly debated. Thus, it is argued that the traditional dimensions of inequality – i.e. indirect, income-based indicators – have largely lost their explanatory power due to the ‘elevator effect’ of generally upward social mobility present during the postwar period and as result of the processes of individualization and pluralization (e.g. Beck, 1986). In the context of our analysis the question arises as to whether this weakening of social stratification measures applies to direct consumption based measures as well. We will address the question of the significance of direct poverty indicators by examining the effects of relative deprivation on subjective well-being. More specifically, it is hypothesized that the relative impact of deprivation is one of the most important explanatory factors negatively affecting well-being.

5.1 Measuring well-being

The concept of well-being is complex and contains many aspects. Thus, subjective well-being is generally measured by several specific questions concerning their level of satisfaction with different aspects of life. Our Euromodule data contain nine such questions dealing with the contentment of respondents with several areas of life. As in other surveys (e.g. the European Household Panel, the Swiss Household Panel) an 11-point scale was used

(0=completely dissatisfied to 10=completely satisfied) to explore the following dimensions of well-being: (1) satisfaction with one's apartment, (2) satisfaction with one's current job,⁹ (3) satisfaction with one's standard of living, (4) satisfaction with one's household income, (5) satisfaction with one's health, (6) satisfaction with one's education, (7) satisfaction with one's neighbourhood, (8) satisfaction with public safety and (9) satisfaction with the environmental situation.

One of the main issues that arises in relation to these questions is whether each of these nine different aspects of well-being must be analysed separately or whether a general index should be constructed. We decided to create a general measure. But which dimensions of well-being should be taken into account? We answered this question by conducting a factorial analysis for each country to see if there is a common, latent structure underlying the different aspects of satisfaction.

Our empirical analysis revealed two common factors for all of the four countries: the first is composed of satisfaction with one's standard of living, one's household income, one's health and education, and the second refers to satisfaction with public safety and with the environmental situation.¹⁰ The first factor can be seen as a dimension of well-being which directly touches the subjects on an individual level and on which they can have an influence. We call this dimension individual well-being. The second factor can be seen as a dimension of well-being that concerns the broader social contexts and environments of the individuals. In contrast to the first factor it is more difficult for the subjects to directly influence this second dimension of well-being. We call this second dimension societal well-being.¹¹

5.2 Individual and societal well-being and their determinants

In a first step we examine the overall level of well-being among the four countries. As already mentioned, most empirical studies find a strong correlation between subjective well-being and income at the collective level of nations (cf. Christoph and Noll, 2003 for the European countries). We therefore expect the highest level of well-being to be observed in Switzerland and the lowest in Slovenia. Considering our empirical results on standard of living and deprivation, we expect to see a west-east gap – that is, higher degrees of subjective well-being for Switzerland, Austria and western Germany as compared to eastern Germany and Slovenia.

The overall mean values of individual and societal well-being and the mean values of each component are listed in Table 1.2. As expected, Switzerland shows the highest values of well-being for both dimensions as well as for all components. Regarding individual well-being there is a pronounced west-east gradient. Mean scores vary between 6.5 (Slovenia) and 7.9 (Switzerland). Empirical evidence for societal well-being, however, is quite different. There is no west-east gap but, instead, two rather homogenous

Table 1.2 Mean of individual and societal well-being and their components

	Switzerland	Austria	Germany	West Germany	East Germany	Slovenia
<i>Individual well-being</i>	7.91	7.56	7.16	7.25	6.82	6.47
Standard of living	8.32	7.89	7.44	7.56	6.96	6.80
Household income	7.48	7.21	6.71	6.89	6.01	5.88
Health	8.06	7.74	7.31	7.36	7.12	6.71
Education	7.76	7.39	7.20	7.16	7.38	6.58
<i>Societal well-being</i>	7.23	7.04	6.13	6.29	5.50	6.23
Public safety	7.68	7.38	6.17	6.39	5.25	6.32
Environmental situation	6.79	6.73	6.10	6.19	5.73	6.18
N valid (listwise)	1000	486	2333	1862	470	916
n (unweighted)	1570	502	2413	1941	472	1012

Notes: 'Individual Well-being': weighted mean of satisfaction with standard of living, household income, health and education. 'Societal Well-being': weighted mean of satisfaction with public safety and environmental situation. Minimum (completely dissatisfied) = 0, Maximum (completely satisfied) = 10.

Source: Euromodule 1999/2000.

groups: index values for Switzerland and Austria are slightly over 7, and for Germany and Slovenia slightly over 6. A closer inspection of the German pattern reveals again that this country is deeply divided, with respondents in eastern Germany suffering from a lower level of societal well-being (index value of 5.5).

For all countries, scores for individual well-being are higher than those for societal well-being. By far the greatest differences between the two dimensions of well-being can be found in Switzerland and eastern Germany. Obviously, the respondents are much more critical in regards to the situation of their society and their social environment than to their own personal situation. This can be explained by a stronger individual responsibility of respondents for their personal situation. In individualized societies people are, in some respects, forced to be happy because they feel fully responsible for their own life and would otherwise be fully responsible for their unhappiness.

In our final analysis we will examine the relationship between relative deprivation and the two dimensions of well-being in each of the four countries (that is, at the individual level). We started by computing simple linear regression models for estimating the effects of relative deprivation on individual and societal well-being. In a second step, we added to our first straightforward models the factors that are known from earlier studies to determine well-being (cf. Diener et al., 1999 for an overview on the state of the art). Apart from socio-demographic variables (gender, age, marital status, household composition) we took into account income (i.e. the indirect

measures of poverty) and the other traditional inequality measures (social class, employment status, education) as well as self-reported health, suffering from anxiety, intensity of perceived social conflicts in the country, incidents of crime, and membership of an association.¹² The results are summarized in Table 1.3.¹³ Due to limited space available we will confine our discussion to the two most important findings.

The first result shows that the Proportional Deprivation Index is a powerful determinant of individual well-being. It explains between 9 per cent (Austria) and 21 per cent (Slovenia) of the variance between the four countries. When compared to a model which includes relative deprivation as well as all of the other variables, the model using only the Proportional Deprivation Index enables us to explain almost half of the variance of the full model (total explained variance fluctuates between 29 per cent for Austria and 41 per cent for Slovenia). In Switzerland and Germany, high levels of deprivation reduce individual well-being by 1 point, in Austria they do so by 0.8 points and in Slovenia by 1.3 points (multivariate model) on the 11-point scale. The traditional dimensions of inequality – i.e. indirect income-based indicators, employment status, education, social class – also have an impact on individual well-being. These determinants, however, are less powerful (measured by the explained variance) than the consumption-based measure of relative deprivation. Our analysis also confirms the effects of other known factors – like the positive influence of good health or the negative impact of anxiety and crime. Interestingly, there are only minor differences between the four countries (this also holds true for western and eastern Germany), suggesting that the underlying mechanisms are similar in all countries despite the different levels of relative deprivation and well-being.

Our second finding shows that the relationship between relative deprivation and societal well-being is rather different. As demonstrated by Table 1.3, relative deprivation is rather weakly correlated to societal well-being. Depending upon the country, relative deprivation only explains between 0.2 per cent and 1 per cent of the variance. The most important determinants of societal well-being are the intensity of perceived social conflicts in the country, the level of anxiety experienced and the incidence of crime (which is rather implicit since one of the two components of societal well-being is public safety). Compared to individual well-being the explanatory power of the whole model for societal well-being is rather weak (explained variance varies between 6 per cent for Slovenia and 18 per cent for Austria).

6 Concluding remarks

The goal of this chapter has been to examine the actual Swiss standard of living, the degree and distribution of relative deprivation and their consequences for subjective well-being within a European context. Our comparison points

Percent of explained variance ($R^2_{(adjusted)}$):									
model with only deprivation as explicative variable	14.2	9.4	14.9	21.1	0.2	1.1	0.9	0.3	
model with only income as explicative variable	5.6	9.5	11.0	11.2	0.0	n.s.	0.0	0.0	n.s.
model with deprivation and other explicative variables(a)	30.2	29.2	36.2	41.2	10.3	18.4	10.3	6.4	

Notes: Significant level: *0.05, **0.01, ***0.001; n.s.= not significant; not inc. = not included (saturation of regression model)
 multiple linear regression: b non-standardized regression coefficient, country individual weighting.

(a) explicative variables: Gender, Age, Educational degree, Marital status, Social class, Employment status, Household's financial situation compared to 1 year ago, Household income, Living with partner, Good Health, Crime incidents, Membership of an association, Intensity of conflicts in the country, Suffering from anxiety, and Household composition; for details see additional Tables A.3 and A.4 at the website of the Institut de Sociologie, Université de Neuchâtel.

Source: Euromodule 1999/2000.

to the following implications relevant for the three theoretical and empirical debates mentioned in the beginning of this chapter:

(1) *Similarities and differences*: The similarities and differences between the four countries correspond only partly to our expectations. Three results are of special importance: First, as expected there is a west–east gradient in the level of standard of living, deprivation and subjective well-being. The pattern of Switzerland and Austria are quite similar, but we found substantial differences between these two countries and Germany and Slovenia. Notwithstanding the deep and prolonged economic stagnation during the 1990s, Switzerland has maintained its high level of standard of living, its low level of relative deprivation (particularly regarding the lowest income groups) and its high level of subjective well-being. The characteristics of the Swiss pattern of standard of living are a combination of modest expectations concerning the minimum acceptable standard of living and a high level of actual standard of living. However, Swiss modesty is not necessarily an expression of traditional, conservative attitudes and values (e.g. diligence, modesty, thrift). The comparatively low proportion of Swiss respondents who consider having a car as necessary can be also explained by the high quality of the public transport system or by post-materialistic values.

Secondly, despite their structural differences (e.g. different levels of GNP per capita, cultural and political differences), standard of living, deprivation and subjective well-being are rather similar in Germany and Slovenia. This can be partly explained by the differences between eastern and western Germany: standard of living and subjective well-being are substantially lower in eastern Germany than in Slovenia. In a way, the pattern observed in eastern Germany represents the opposite of that observed in Switzerland: high expectation concerning the minimum acceptable standard of living combined with a modest level of actual standard of living and a pessimistic estimation of personal and, in particular, societal well-being. Thirdly, there is a large consensus among all countries concerning the minimum standard of living regarded as absolutely necessary for a decent life. Apart from a few cultural peculiarities – e.g. the Swiss assignment of high significance to having monetary savings and low significance to owning a television – the national hierarchies of necessities are identical. This empirical evidence holds true for other European countries as well (e.g. Spain and Hungary). This means that on the normative level we are witnessing the emergence of a consensual European minimum standard of living. Concerning the actual standard of living, however, the disparities between and within countries are still considerable.

(2) *Direct and indirect measures of poverty*: The emergence of a consensual minimum standard of living in Europe – as well as the disparities concerning the actual standard of living, the level and distribution of relative deprivation – indicate the significance of the direct, consumption-based measures of

poverty and social exclusion. Although there is a relationship between direct and indirect measures – e.g. between the degree of relative deprivation and income quintiles – the two measures produce different pictures. In the case of Germany and Slovenia, our data show a concentration of deprivation in the lowest income groups – but only small deprivation differences between the second and fifth income quintiles. Our empirical evidence suggests that direct and indirect measures are complementary rather than substitutive: They map different aspects of reality. Thus, indirect indicators and the traditional dimensions of inequality are important predictors of relative deprivation in all countries. Furthermore, both relative deprivation and indirect measures are relevant factors for explaining well-being.

(3) *Relative deprivation and well-being*: Our empirical evidence concerning the relationship between wealth and well-being yields three results. First, subjective well-being is a two-dimensional concept. In all of the four countries examined, a dimension of individual well-being and a dimension of societal well-being can be distinguished. Individual subjective well-being – which is the most important dimension – concerns the micro-aspects of happiness – that is, all of those aspects which impact directly at the individual level. These include satisfaction with personal resources such as health, income, standard of living and education. Societal well-being refers to satisfaction with the broader social environment – e.g. the quality of life of municipalities and districts, as measured by public safety and the environmental situation.

Secondly, the impact of wealth and objective living conditions on well-being is confined to the individual dimension of well-being. In all of the four countries analysed there is a strong relationship between individual well-being and both direct and indirect indicators of poverty and the traditional inequality and stratification measures. By contrast, societal well-being remains largely unaffected by deprivation, income or other inequality measures.

Thirdly, relative deprivation – that is, a direct consumption-based measure – is an important determinant of individual well-being. Thus relative deprivation explains between 9 and 21 per cent of the variance of individual well-being in the four countries – the strongest effect can be found in Slovenia, the smallest in Austria. Hence, relative deprivation seems to be a more powerful explanatory factor than the income-based indirect measures. This leads us to the conclusion that deprivation rather than wealth or income in general is important for subjective well-being.

Notes

1. European Council of Ministers 1994 ruling.
2. Data have been available for seven countries: Austria, Germany, Hungary, Slovenia, Spain, Switzerland, Turkey (see WZB, 2002).

3. The figures for 2002 (GNP per capita, PPP US\$) are: Switzerland: 31, 250, Austria: 28, 240, Germany: 26, 222, Slovenia 17, 690 (World Bank: <http://www.worldbank.org/data/countrydata/countrydata.html>).
4. The Gini coefficient is 0.31 for Switzerland (1992), 0.26 for Germany (1994), 0.28 for Austria (1995) and 0.29 for Slovenia (1993/94) (Jesuit and Smeeding, 2002 and World Bank, *World Development Indicators 2001*).
5. For a specific set of j items and a person or household i ($i = 1, 2, \dots, n$) in a specific country c ($c = 1, 2, \dots, C$), the non-standardized PDI would be:

$$PDI_{(nstd)} = \sum_{j=1}^J \sum_{i=1}^n (w_j^c d_{ij})$$

where d_{ij} is a binary variable that is assigned a value of 1 when household i cannot afford item j ($j=1, 2, \dots, J$) and 0 when it can, and w_j^c is the proportion of respondents who consider item j to be absolutely necessary for a decent living in their respective country c .

6.
$$PDI_{(std)} = \frac{\text{observed}}{\text{max}} \times 100$$

observed = the observed score for a single case

max = the maximum possible score for the country of origin.

7. The income was determined by asking for the net monthly income of the household. In order to make the incomes of people from households of different sizes comparable, the equivalent per capita income was calculated. As the Euromodule data do not include information on the age of any children, the Atkinson scale was employed. The values on this scale are obtained from the square root of the number of household members (cf. Atkinson et al., 1995). The values on the Atkinson scale are very similar to those on the modified OECD scale.
8. Dependent variable: belonging to the highest deprivation quintile; for details see Suter and Paris (2002) and the web site of the Institut de Sociologie, Université de Neuchâtel.
9. The question concerning employment was not taken into account in our analyses, due to the fact that half of the respondents in our sample do not work.
10. See additional Table A.2 at the website of the Institut de Sociologie, Université de Neuchâtel.
11. The index values of the two dimensions have been calculated as weighted mean of the satisfaction components. We have used the correlation between each item and the factors to weight the components of our two indices.
12. For more detailed information, see additional Table A.1 at the website of the Institut de Sociologie, Université de Neuchâtel.
13. Detailed information on the regression models is given in the additional Tables A.3 and A.4 available at the website of the Institut de Sociologie, Université de Neuchâtel.

Appendix

Table A1.1 List of variables

<i>Indicator</i>	<i>Scaling and construction</i>
A: Demographic characteristics	
Gender	1 = female; 0 = male
Age	6 age groups: 18–24, 25–34, 35–44, 45–54, 55–64 and over 65
Educational degree	ISCED 1997 scheme, 3 categories: ISCED 0–2: low (level of education below upper secondary level, no further qualification), ISCED 3–4: medium (upper secondary education, vocational training), ISCED 5–6: high (level of higher education, university).
Marital status	4 types of marital status: 'married', 'single', 'divorced or separated', 'widowed'
Social class	3 categories: 'lower class/working class', 'middle class' and 'upper middle/upper class'
Employment status	6 categories: 'employed' (has been in work during the last five years), 'short-term unemployed' (less than six months without work in the last five years), 'long-term unemployed' (without work for more than six months in the last five years), 'retired' (both early and regular retirement), 'sick, disabled' (long-term incapacity for work), 'momentarily not in the workforce' (e.g. homemakers, people in retraining) and the category 'has never been employed'.
B: Well-being	
Satisfaction with standard of living	11-point scale (0 to 10); 0 = completely dissatisfied, 10 = completely satisfied
Satisfaction with household income	11-point scale (0 to 10)
Satisfaction with health	11-point scale (0 to 10)
Satisfaction with education	11-point scale (0 to 10)
Satisfaction with public safety	11-point scale (0 to 10)
Satisfaction with environmental situation	11-point scale (0 to 10)
Satisfaction with apartment	11-point scale (0 to 10)
Satisfaction with actual job	11-point scale (0 to 10)
Satisfaction with neighbourhood	11-point scale (0 to 10)
Individual well-being	weighted mean of satisfaction with standard of living, household income, health and education
Societal well-being	weighted mean of satisfaction with public safety and environmental situation

Table A1.1 (Continued)

<i>Indicator</i>	<i>Scaling and construction</i>
C: Deprivation	
Actual standard of living	List of 19 items; count 'have'
Deprivation score	List of 19 items; count 'necessities' and 'cannot afford', PDI cf. section 3
Deprivation categories	3 categories: 'not deprived' (PDI=0), 'somewhat deprived' ($0 < PDI \leq 9$ th deprivation decile), 'highly deprived' (PDI=10th deprivation decile)
D: Economic situation	
Household's financial situation, compared to 1 year ago	3 categories: 'clearly/some what deteriorated', 'remained the same' and 'improved somewhat/clearly improved'
Household income	6 categories: 1st to 5th quintile of equivalent income and a category for the no response (respondents reported household income, open question, Atkinson scale)
E: Others	
Living with partner	0 = no, 1 = yes
Good health	2 categories: 0 = some extend/severely problems of health, 1 = no problem of health
Crime incidents	2 categories: 0 = not subjected to crime, 1 = subjected to at least one of the following crimes during the last 12 months: get things stolen, be harassed or threatened, get sexual molested and be beaten and hurt.
Membership of an association	1 = member of an association, 0 = no member
Intensity of conflicts in the country	Mean of 6 types of conflicts: 'between poor and rich', 'between unemployed and people with jobs', 'between management and workers', 'between young and old people', 'between men and women' and 'between nationals and immigrants'. Scale 1 = no conflicts to 4 = very strong conflicts.
Suffering from anxiety	2 categories: 0 = no anxiety; 1 = suffering from one or more of 5 types of anxieties: 'exhaustion or fatigue', 'unhappy or depressed', 'shake or tremble', 'keyed up and jittery' and 'frightening thoughts'.
Household composition	5 types of households: 'single', 'couple without children living in the household', 'couple with 1-2 children younger than 18', 'couple with 3 and more children younger than 18', 'single parent family' and 'other household composition'.

Table A1.2 Factorial analysis for well-being

	Switzerland		Austria		Germany		Slovenia		Pooled sample (4 countries)							
	factor 1	factor 2	factor 1	factor 2	factor 1	factor 2	factor 1	factor 2	factor 1	factor 2						
<i>satisfaction with:</i>																
standard of living	0.81	—	0.67	0.83	—	0.70	0.83	—	0.71	0.82	—	0.69	—	0.82	—	0.70
household income	0.76	—	0.60	0.83	—	0.70	0.82	—	0.69	0.80	—	0.67	—	0.80	—	0.67
health	0.62	—	0.38	0.42	—	0.47	0.59	—	0.36	0.69	—	0.49	—	0.63	—	0.42
education	0.53	—	0.28	0.61	—	0.41	0.66	—	0.44	0.72	—	0.53	—	0.68	—	0.46
public safety	—	0.79	0.64	—	0.70	0.51	—	0.82	0.70	—	0.81	0.66	—	—	0.80	0.68
environmental situation	—	0.82	0.68	—	0.78	0.61	—	0.84	0.72	—	0.83	0.70	—	—	0.85	0.72
percent of explained variance	31.9	22.2		32.7	23.9		36.2	24.1		38.8	23.4		37.0	24.0		
n (unweighted)	1570			502			2413			1012			5497			
chi square	732.9			483.7			3006			1199			6119			
sig	0.000			0.000			0.000			0.000			0.000			
weight	yes			yes			yes			no			yes			

Notes: Factor analysis: rotation varimax, country individual weighting.

Source: Euromodule 1999/2000.

Table A1.3 Determinants of individual well-being

	<i>Individual well-being</i>							
	<i>Switzerland</i>		<i>Austria</i>		<i>Germany</i>		<i>Slovenia</i>	
	<i>b</i>	<i>t</i>	<i>b</i>	<i>t</i>	<i>b</i>	<i>t</i>	<i>b</i>	<i>t</i>
<i>Deprivation</i>								
Not deprived	not inc.		not inc.		not inc.		not inc.	
Some what deprived	-0.24**	-2.74	-0.41**	-3.21	-0.30***	-4.69	-0.39***	-4.14
Highly deprived	-1.00***	-7.75	-0.76***	-3.75	-0.99***	-9.51	-1.36***	-8.40
<i>Gender (woman)</i>	n.s.		n.s.		n.s.		n.s.	
<i>Age</i>								
18-24	not inc.		not inc.		not inc.		not inc.	
25-34	-0.24*	-2.40	n.s.		n.s.		n.s.	
35-44	n.s.		n.s.		n.s.		-0.37***	-3.34
45-54	n.s.		n.s.		n.s.		-0.40***	-3.41
55-64	n.s.		n.s.		n.s.		n.s.	
65+	n.s.		n.s.		n.s.		n.s.	
<i>Household's financial situation</i>								
Deteriorated	-0.34***	-3.95	n.s.		-0.50***	-6.38	-0.53***	-5.43
Same	not inc.		not inc.		not inc.		not inc.	
Improved	n.s.		n.s.		0.30***	4.25	n.s.	
<i>Income</i>								
1st quintile	not inc.		not inc.		not inc.		not inc.	
2nd quintile	n.s.		n.s.		n.s.		n.s.	
3rd quintile	n.s.		n.s.		0.36***	3.52	n.s.	
4th quintile	n.s.		n.s.		0.26**	2.81	n.s.	
5th quintile	0.24*	2.36	0.44**	2.86	0.45***	4.76	n.s.	
No answer	n.s.		n.s.		0.41***	5.56	n.s.	
<i>Household composition</i>								
Single	not inc.		not inc.		not inc.		not inc.	
Couple	n.s.		1.09***	4.61	n.s.		n.s.	
1-2 children<18	n.s.		0.77***	3.52	n.s.		n.s.	
3 and more children<18	n.s.		1.09**	3.47	n.s.		0.55*	2.06
Single parent	n.s.		1.55***	5.90	n.s.		n.s.	
Other household composition	n.s.		0.88***	4.20	n.s.		n.s.	
<i>Marital status</i>								
Married	n.s.		n.s.		n.s.		n.s.	
Single	not inc.		not inc.		not inc.		not inc.	
Separated or divorced	n.s.		n.s.		-0.29*	-2.52	n.s.	
Widowed	n.s.		n.s.		n.s.		n.s.	
<i>Social class</i>								
Low	-0.54***	-5.14	-0.37**	-2.67	-0.65***	-9.69	-0.40***	-4.04
Middle	not inc.		not inc.		not inc.		not inc.	

Upper	0.30***	3.13	n.s.		0.53***	5.39	0.45**	2.74
Unknown	n.s.		n.s.		-0.40***	-3.71	n.s.	
<i>Living with partner (yes)</i>	n.s.		n.s.		n.s.		n.s.	
<i>Health (good health)</i>	0.27***	3.34	0.67***	4.75	0.43***	6.70	0.46***	4.35
<i>Employment status</i>								
Employed	not inc.		not inc.		not inc.		not inc.	
Unemployed<6 months	n.s.		n.s.		n.s.		n.s.	
Unemployed>6 months	n.s.		n.s.		-0.56***	-6.25	n.s.	
Retired	0.34***	3.63	n.s.		n.s.		n.s.	
Sick, disabled	n.s.		n.s.		-0.73**	-2.91	n.s.	
Temp. not in workforce	0.42***	3.43	n.s.		n.s.		n.s.	
Never been employed	0.47*	2.24	n.s.		n.s.		n.s.	
<i>Educational degree</i>								
ISCED 0–2 (low)	n.s.		-0.41**	-2.95	-0.53**	-2.93	-0.61***	-5.53
ISCED 3–4 (medium)	not inc.		not inc.		not inc.		not inc.	
ISCED 5–6 (high)	n.s.		n.s.		n.s.		0.34**	2.66
<i>Crime incidents (yes)</i>	-0.22*	-2.46	-0.37*	-2.39	-0.18*	-2.19	n.s.	
<i>Membership of an association (yes)</i>	n.s.		n.s.		n.s.		n.s.	
<i>Intensity of conflicts in the country</i>	-0.21**	-2.83	n.s.		-0.23***	-3.98	-0.20**	-2.62
<i>Suffering from anxiety (yes)</i>	-0.61**	-8.12	-0.48***	-4.04	-0.40***	-6.52	-0.58***	-6.32
<i>Constant</i>	8.60***	43.10	6.81***	26.89	7.85***	47.89	7.68***	34.94
n (unweighted)	1570		502		2413		1012	
F	32.09		16.7		68.24		51.5	
sig weight	0,000		0,000		0,000		0,000	
percent of explained variance ($R^2_{adjusted}$)	yes		yes		yes		no	
	30.2%		29.2%		36.2%		41.2%	

Notes: Significant level: *0.05, **0.01, ***0.001; n.s.=not significant; not inc.=not included (saturation of regression model) multiple linear regression: b non-standardized regression coefficient, country individual weighting.

Source: Euromodule 1999/2000.

Table A1.4 Determinants of societal well-being

	<i>Societal well-being</i>							
	<i>Switzerland</i>		<i>Austria</i>		<i>Germany</i>		<i>Slovenia</i>	
	<i>b</i>	<i>t</i>	<i>b</i>	<i>t</i>	<i>b</i>	<i>t</i>	<i>b</i>	<i>t</i>
<i>Deprivation</i>								
Not deprived	not inc.		not inc.		not inc.		not inc.	
Somewhat deprived	n.s.		n.s.		-0.15*	-2.05	n.s.	
Highly deprived	n.s.		n.s.		n.s.		n.s.	
<i>Gender (woman)</i>	n.s.		n.s.		n.s.		n.s.	
<i>Age</i>								
18–24	not inc.		not inc.		not inc.		not inc.	
25–34	n.s.		n.s.		n.s.		n.s.	
35–44	n.s.		n.s.		n.s.		n.s.	
45–54	n.s.		n.s.		n.s.		n.s.	
55–64	n.s.		n.s.		n.s.		n.s.	
65+	n.s.		n.s.		n.s.		n.s.	
<i>Household's financial situation</i>								
Deteriorated	n.s.		-0.35*	-2.56	-0.19*	-1.99	-0.38**	-3.21
Same	not inc.		not inc.		not inc.		not inc.	
Improved	n.s.		n.s.		n.s.		n.s.	
<i>Income</i>								
1st quintile	not inc.		not inc.		not inc.		not inc.	
2nd quintile	n.s.		-0.41**	-2.58	n.s.		n.s.	
3rd quintile	n.s.		n.s.		n.s.		n.s.	
4th quintile	n.s.		n.s.		n.s.		n.s.	
5th quintile	n.s.		n.s.		n.s.		n.s.	
No answer	-0.32*	-2.13	n.s.		n.s.		n.s.	
<i>Household composition</i>								
Single	n.s.		n.s.		n.s.		n.s.	
Couple	not inc.		not inc.		not inc.		not inc.	
1–2 children<18	n.s.		n.s.		n.s.		n.s.	
3 and more children<18	n.s.		n.s.		n.s.		n.s.	
Single parent	n.s.		n.s.		-0.45**	-2.75	n.s.	
Other household composition	n.s.		n.s.		n.s.		n.s.	
<i>Marital status</i>								
Married	n.s.		n.s.		n.s.		n.s.	
Single	not inc.		not inc.		not inc.		not inc.	
Separated or divorced	n.s.		n.s.		n.s.		n.s.	
Widowed	n.s.		n.s.		n.s.		n.s.	

<i>Social class</i>								
Low	n.s.		n.s.		n.s.		n.s.	
Middle	not inc.		not inc.		not inc.		not inc.	
Upper	0.35**	3.13	n.s.		n.s.		n.s.	
Unknown	n.s.		n.s.		n.s.		n.s.	
<i>Living with partner (yes)</i>	n.s.		0.29*	2.28	n.s.		n.s.	
<i>Health (good health)</i>	n.s.		n.s.		n.s.		n.s.	
<i>Employment status</i>								
Employed	n.s.		n.s.		n.s.		n.s.	
Unemployed<6 months	not inc.		not inc.		not inc.		not inc.	
Unemployed>6 months	-0.54*	-2.45	n.s.		-0.24*	-2.20	n.s.	
Retired	n.s.		n.s.		n.s.		n.s.	
Sick, disabled	0.83*	2.22	1.06*	2.02	n.s.		n.s.	
Temp. not in workforce	n.s.		n.s.		n.s.		n.s.	
Never been employed	n.s.		n.s.		n.s.		n.s.	
<i>Educational degree</i>								
ISCED 0–2 (low)	n.s.		n.s.		n.s.		0.28*	2.26
ISCED 3–4 (medium)	not inc.		not inc.		not inc.		not inc.	
ISCED 5–6 (high)	n.s.		n.s.		n.s.		n.s.	
<i>Crime incidents (yes)</i>	–	–5.61	n.s.		–0.79***	–7.71	–0.64***	–3.72
<i>Membership of an association (yes)</i>	n.s.		n.s.		n.s.		n.s.	
<i>Intensity of conflicts in the country</i>	–	–7.69	–0.83***	–7.14	–0.67***	–9.45	–0.57***	–5.70
<i>Suffering from anxiety (yes)</i>	n.s.		–0.52***	–4.18	–0.40***	–5.62	n.s.	
<i>Constant</i>	8.99***	40.26	9.17***	31.35	8.16***	47.27	7.67***	32.06
n (unweighted)	1570		502		2413		1012	
F	20.5		18.94		38.36		16.56	
sig	0,000		0,000		0,000		0,000	
weight	yes		yes		yes		no	
percent of explained variance ($R^2_{adjusted}$)	10.3%		18.4%		10.3%		6.4%	

Notes: Significant level: *0.05, **0.01, ***0.001; n.s.=not significant; not inc.=not included (saturation of regression model) multiple linear regression: b non-standardized regression coefficient, country individual weighting.

Source: Euromodule 1999/2000.