



POLICY NOTE OF WORKING PAPER 5.21

QUALITY OF LIFE AND LOCAL GOVERNANCE

June 2013

OBJECTIVE

The main objective of Task 5.6 is to examine the quality of life and local governance and especially the degree of social cohesion within the local community and the satisfaction with the institutions of national and regional governance.

SCIENTIFIC/RESEARCH METHODS

The analysis was based on two main sources of data: the European Quality of Life Survey (2012), in which the data provided were based on subjective interpretations of citizens in the 27 EU countries and Eurostat (2011) which offers statistical objective data for the same countries.

The **first source** provided data on:

- a. Trust in Government
- b. Trust in the local or municipal authorities
- c. General satisfaction with life (taking all things together: education, present job, present standard of living, accommodation, family life, health, social life, economic situation in your country)

Perceived tensions on social inequalities (tensions between poor and rich people, management and workers, men and women, old and young, racial/ethnic groups, religious groups and sexual orientations)

A combination of the two first indicators reflects the satisfaction of individuals with the institutional quality at the local and national level, while the third and fourth indicators refer to the perceived life satisfaction in general and the perceived social exclusion.

The **second source** provided statistical data on the inequality of income distribution, giving the opportunity to verify the findings from the subjective answers on perceived tensions on social inequalities.

An additional indicator “National Institutional Quality” was also used, in the effort to assess the quality of national institutional frameworks of the EU countries. This composite indicator was produced in the framework of Deliverable 5.3 “The Quality

of national institutional environment of EU and Neighboring Countries in Comparative perspective” with data derived from the World Economic Forum reflecting the subjective assessment of qualified experts of the business sector.

The methodology followed referred to the confirmation of two main hypotheses:

Hypothesis 1:

High trust in government and in local and municipal authorities is expected in countries with high scores in national institutional quality (composite index based on World Economic Forum data). In these countries, satisfaction with life in general is expected to be also high.

Hypothesis 2:

High score in perceived tensions corresponds with low degrees of social cohesion. It is expected that high scores of satisfaction in general (and satisfaction with institutions in particular) will be in accordance to high degrees of social cohesion (referring to perceptions and objective indicators).

The findings of the paper truly confirm these two hypotheses, since all statistical data are in accordance with the theory.

POLICY VALUE- ADDED

The continuing financial crisis has seriously affected the quality of national institutional frameworks. This phenomenon is much more evident in the southern countries of the EU that have been more seriously hit by the recession and the austerity measures. Consequently, the trust of citizens in their national and local government systems has significantly been decreased.

Moreover, income inequalities (particularly in countries such as Spain, Italy, Greece, Portugal and others) and racial and ethnic differences (e.g. in Belgium and France) are the two main factors that increase the rates of social exclusion in these countries.

Taking into consideration these findings, the following policy recommendations need to be stressed:

- Emphasis should be given to social policies, especially in those countries in which social cohesion is at risk (i.e. Greece, Italy, Belgium, France etc.), through adequate social policy measures. This will reverse the decreased trust in institutions, ameliorate the living and working conditions and increase life satisfaction in general.
- There is a lack of knowledge and data in particular, concerning the social reality which changes rapidly. Statistic surveys either at the national or at the European level should publish comparable time series (which now do not exist) and on time (without long delays).