



# Development in the Americas

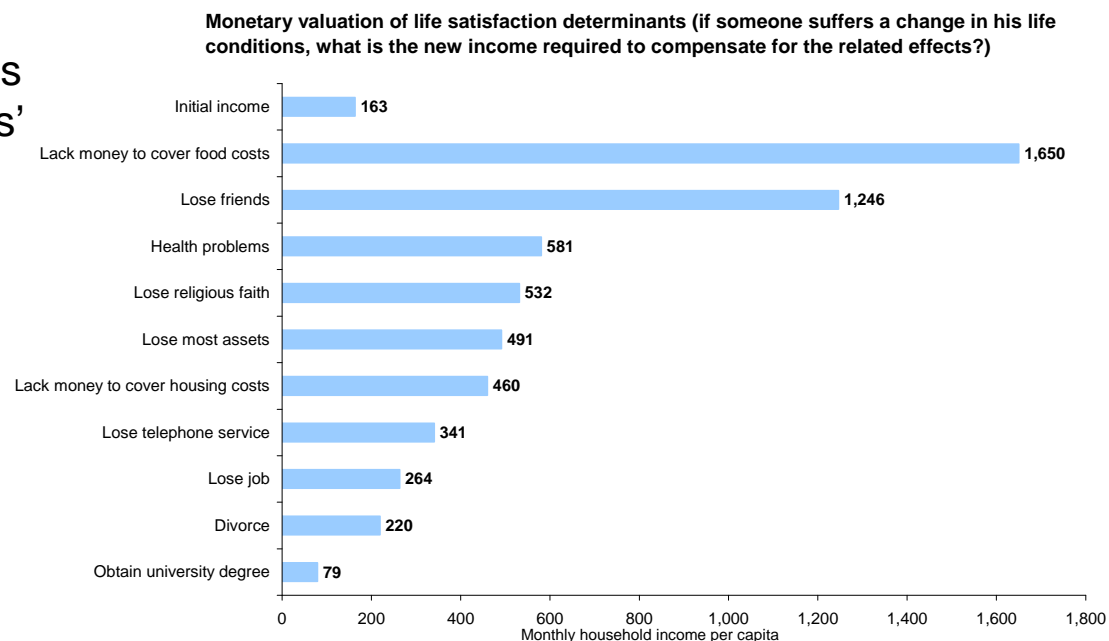
**Beyond Facts:  
Understanding  
Quality of Life**

# The study

- Part of the series *Development in the Americas*, the IDB's flagship publication.
- Report provides a comprehensive study of Latin America and Caribbean citizens' perceptions about quality of life.
- Findings are based on data from the Gallup World Poll, which continually surveys people in 140 countries.
- IDB commissioned additional questions on education, health, work, and living conditions in Latin America and the Caribbean.
- 40,000 citizens aged 15 years or older from 24 countries in Latin America and the Caribbean participated in the survey.

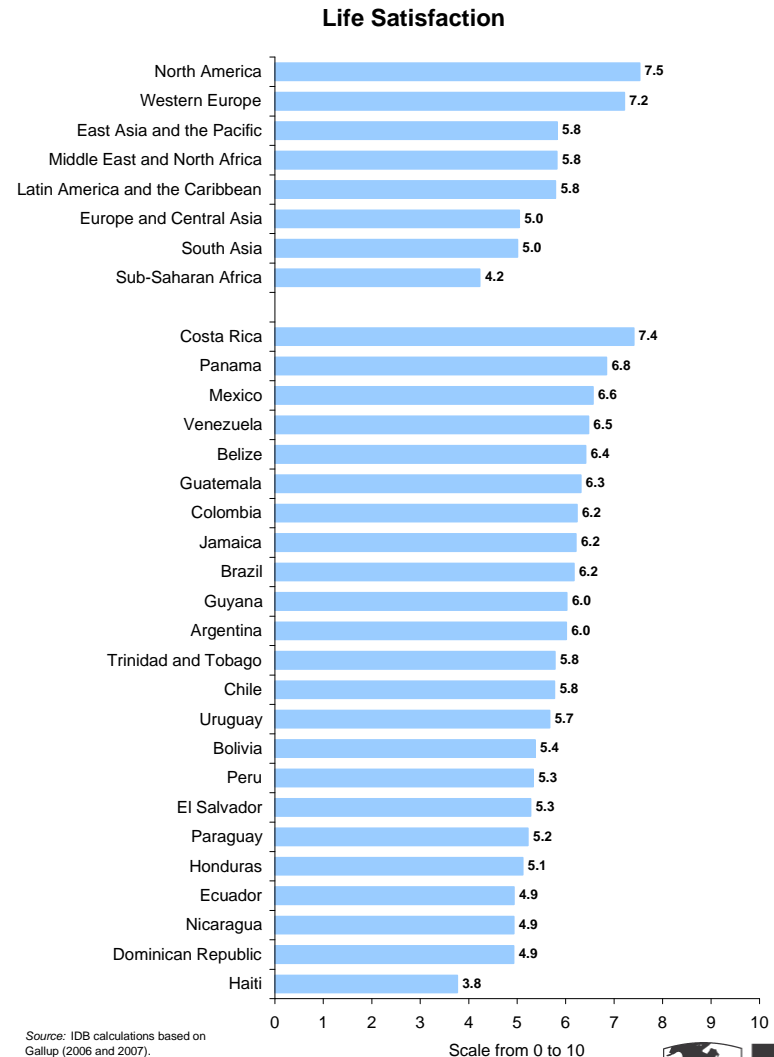
# What affects people's satisfaction?

- Several factors other than income or consumption levels affect Latin American citizens' satisfaction with life.
- Some offer little scope for public policy such as family relationships, friendships, and religious belief.
- Others can be the subject of government action.



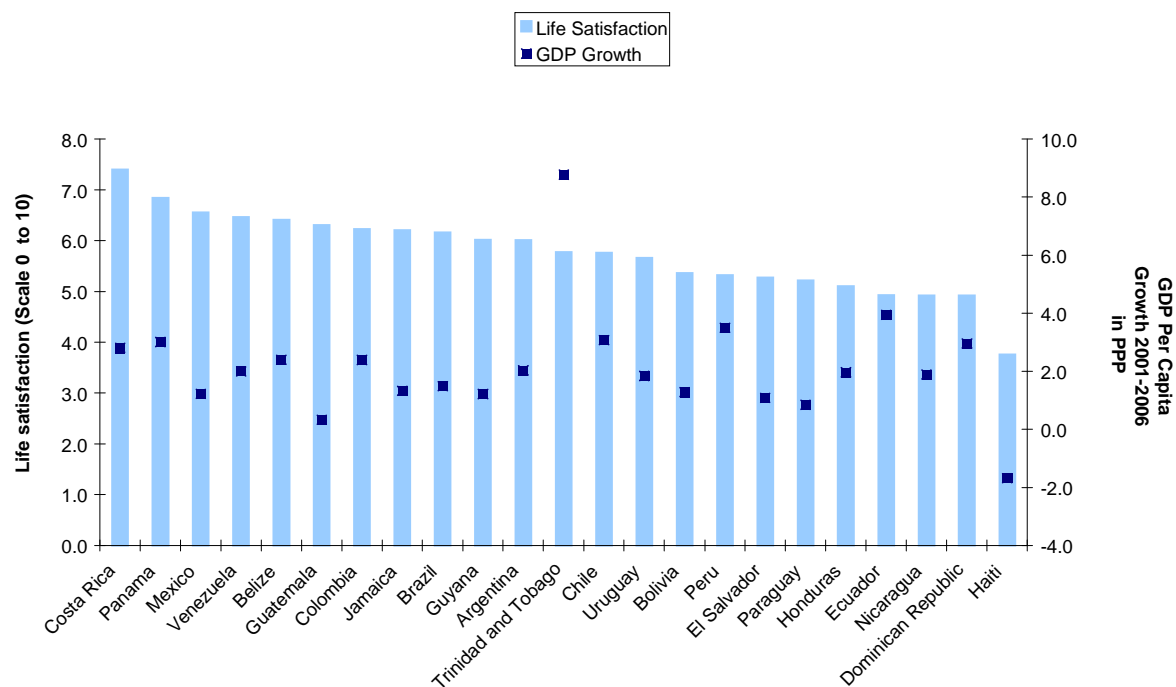
# Satisfaction ranking

- Life satisfaction in the region is high (in some countries even after income is controlled for). For the region as a whole it is higher than in Europe and Central Asia.
- Citizens of Costa Rica, Panama, Mexico and Venezuela are among the region's most satisfied.
- Some of the richest countries in the region, such as Chile and Trinidad and Tobago, have lower levels of satisfaction.



# Unhappy, despite growth

Life Satisfaction and Income Growth



- Fast-growing countries (Trinidad and Tobago, Chile, Peru, Ecuador and Dominican Republic) have lower life satisfaction than countries whose economies had little or no growth (El Salvador, Paraguay and Guatemala).
- Within each country, people with lower income and education levels are more satisfied with public education and health services and policies.

# Explaining the two paradoxes

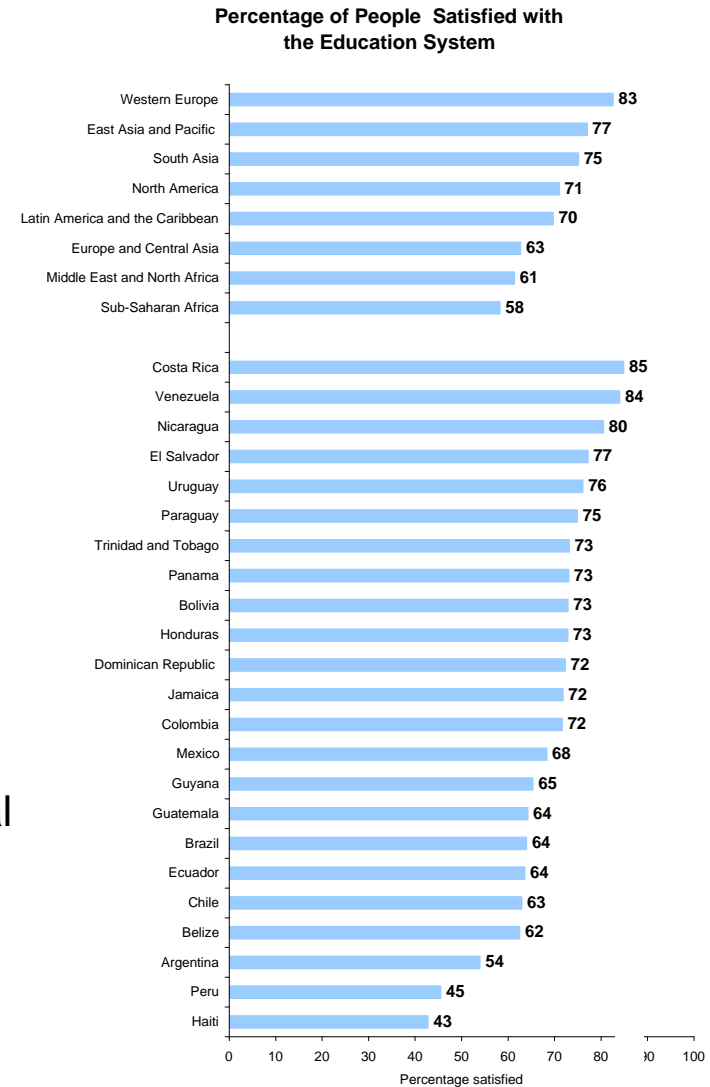
- **Unhappy growth paradox**
  - The faster a country grows, the faster expectations of material consumption and economic and social status increase.
- **Aspirations paradox**
  - Lack of aspirations and low expectations lead to a lack of demand of the poor for better education, health services, and social protection.

# Satisfaction with aspects of life

- As part of the survey conducted for this report, the IDB commissioned The Gallup Organization with a series of questions relating to specific aspects of quality of life: education, health, labor, and housing.

# Education

- Most Latin Americans are satisfied with public education even though students from the region lag behind their peers from Asian and developed nations in international achievement tests.
- Costa Rica, Venezuela and Nicaragua are the countries with the highest satisfaction in the region, with more than 80 percent of the people polled saying they are satisfied with the education system. Haiti, Peru and Argentina are the least satisfied, with approval ratings below 55 percent.



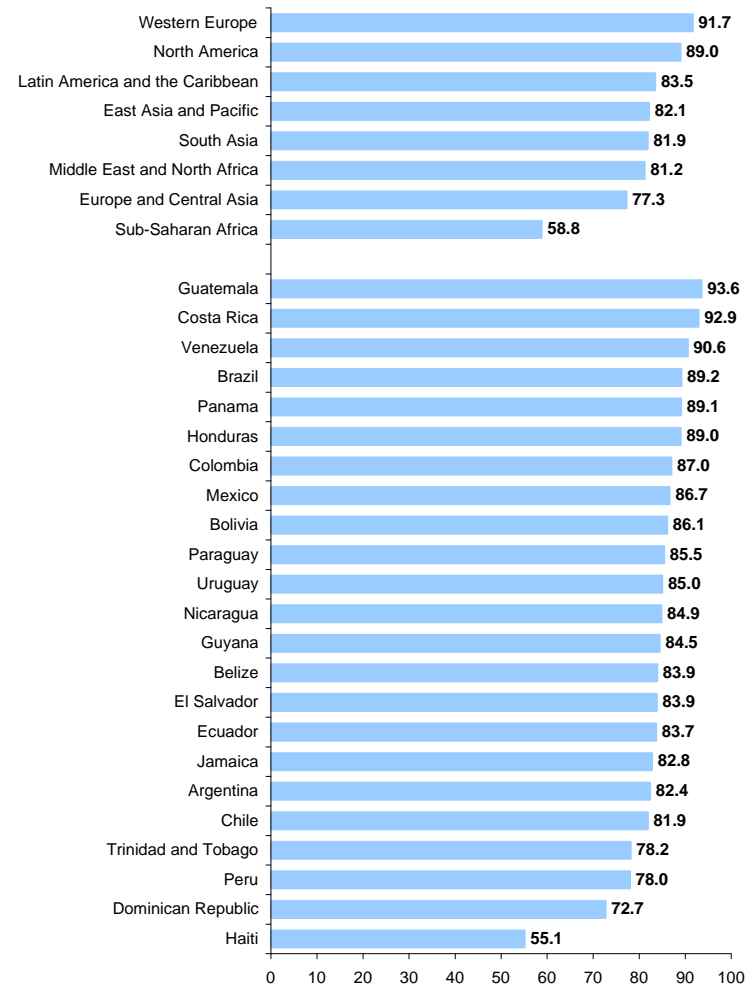
ce: IDB calculations based on Gallup (2006 and 2007).



# Labor

- 81% of Latin American and Caribbean citizens are satisfied with their employment even though a quarter of the population in the region does not earn enough to lift itself out of poverty and informality has increased in recent years.
- What matters the most to people in the region is flexibility and recognition in their jobs rather than social security and other labor benefits.

Percentage of People Satisfied with Work

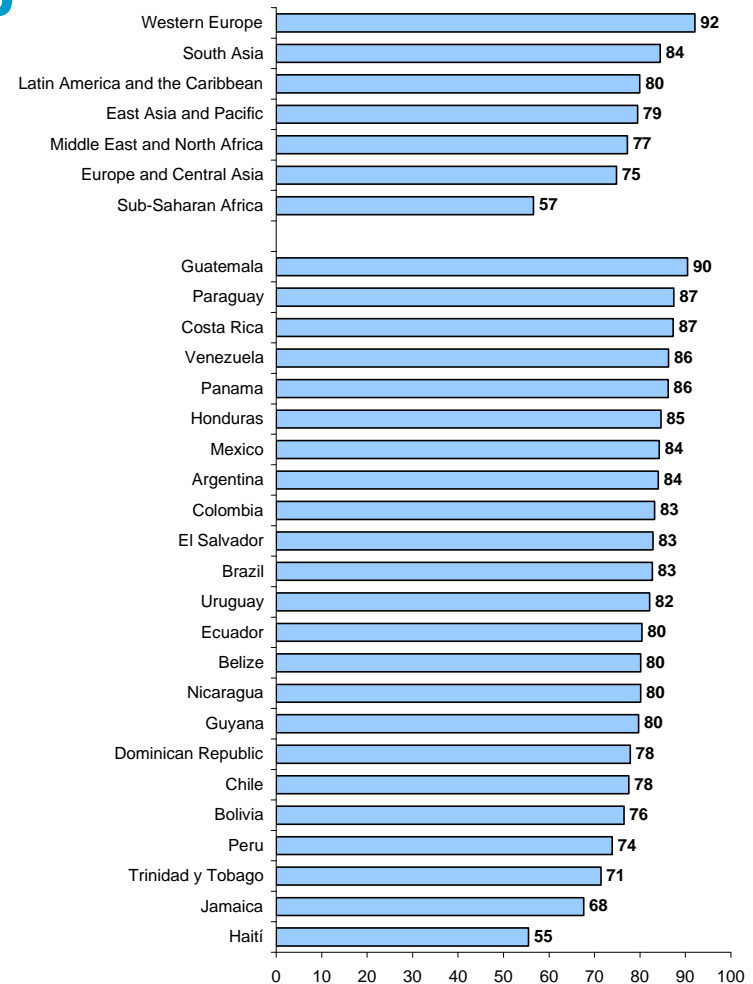


Source: IDB calculations based on Gallup (2006 and 2007).

# Housing and urban living

- 4 out of every 5 people are satisfied with their homes and cities.
- 60% of people, the highest percentage among all regions of the world, feel unsafe walking alone at night.

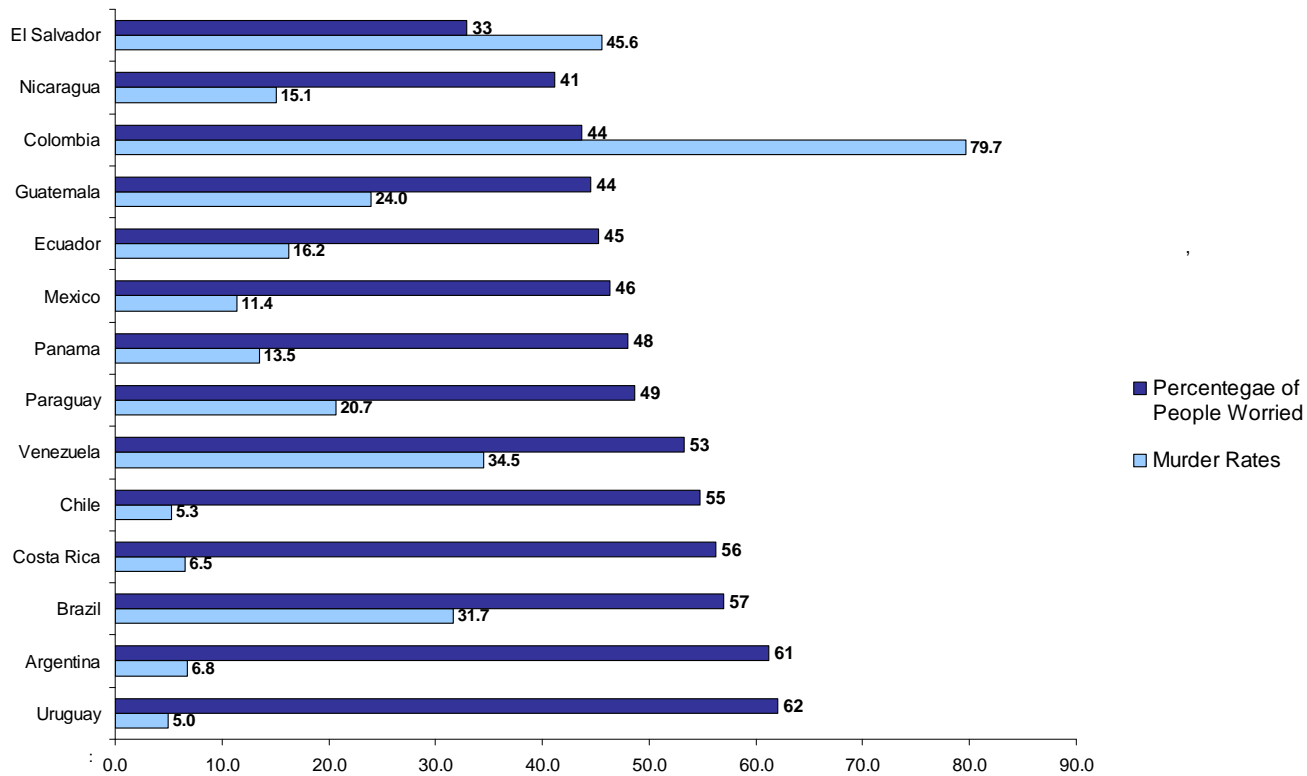
Percentage of people Satisfied with own Housing



Source: IDB Calculatons based on Gallup (2006 and 2007)

# Housing and urban living

Percentage of People Worried About Lack of Safety Versus Murder Rates



# Policy implications

- People's satisfaction with life goes beyond income and economic growth.
- For countries facing the unhappy growth paradox, policies focused exclusively on economic growth have few chances of being sustainable politically.
- For countries facing the aspirations paradox, information and active participation of the citizenry is key to pushing for better policies.
- Though policies should not be based on maximizing the happiness or satisfaction reported by people in opinion polls, it would be equally serious to ignore the role that public opinion plays in political processes.
- Knowing what matters to people can also help governments prioritize policies, especially in an economic downturn. The study suggests that policies such as conditional cash transfers can greatly increase satisfaction in these circumstances. It also suggests that governments have more flexibility to adapt their labor policies to preserve employment.
- The responsibility of leaders is to understand and transform opinions so as to make achieving the greatest possible good for the greatest number of people more realizable.



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