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A QUALITY OF LIFE INDEX: AN EMPOWERMENT TOOL

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Abstract

This paper has a contribution to make in terms of the existing literature on providing an economic measure of policy success by means of a quality of life index. Agents of government sometimes have limited authority and capacity and need guidelines to strengthen their competence to limit the potential dangers of resource wastage or misallocation. The decisions made by the authorities will inevitably affect the inhabitants of a specific area, the social order, environmental issues and economic activities. Authorities should be empowered to measure quality of life in order to evaluate their own policy outcomes and compare the quality of life of different cities. It will thus provide a tool to measure policy success in terms of economic, social and environmental issues, amongst other. The idea is to develop a single index that may be used as an instrument to measure quality of life over time.

For the purpose of this paper, developing a quality of life index, national welfare is based on supply, demand and socio-economic factors. The quality of life index is based on the assumption that national welfare is equivalent to quality of life. Quality of life therefore, depends on three main variables contributing equal amounts of weight capturing all three aspects of supply, demand and socio-economic factors. The three main variables (each one consisting of several sub-variables) are personal disposable income per capita, capital and socio-economic variables.

The main objective would be to keep the analysis simple, yet comprehensive and meaningful. This quality of life index could empower government authorities to evaluate their own economic, social and environmental policies introduced and implemented. The basic philosophy underlying this framework is that various economic factors need to be measured to enable a country or urban area to identify, address and correct inferior aspects, with the ultimate goal of improving the quality of life and enhancing business activity.

