

QUALITY OF LIFE IN THE UAE: DO ENTREPRENEURS HAVE HIGHER SUBJECTIVE WELLBEING? ¹

Using data collected through GEM APS in the UAE in 2017, this case aims at studying the Quality of Life (QoL) of the UAE entrepreneurs compared to the non-entrepreneurs from a subjective wellbeing perspective.

QOL: DEFINITION

QoL is a broad concept, consisting of both economic aspects, such as income, as well as more subjective aspects, such as those things that make life worth living, or the non-economic aspects of peoples' life which are of value (Stiglitz et al., 2009). The multifaceted definition of QoL and the difficulty to reach consensus about its meaning as a theoretical construct is reflected in QoL as a multi-disciplinary term (Farquhar, 1995). According to Berhe et al. (2014), the definition of QoL depends on the discipline and objective of the study. For instance, QoL has been defined by Abrams (1973) to be the degree of satisfaction or dissatisfaction felt by people with various aspects of their lives. Foo (2000) defines QoL as the overall satisfaction with the life that individuals have. For Bowling and Windsor (2001), QoL is defined in terms of what one has lost, or lacks, rather than what one has. For Costanza et al. (2007), QoL is the extent to which objective human needs are fulfilled in relation to personal or group perceptions of subjective wellbeing. For Campbell et al. (1976), happiness and satisfaction are conceptually different as satisfaction implies a judgemental or cognitive experience (an evaluation of life experience), while happiness suggests an experience of feeling or affect (Andrews and Withey, 1976). Also, QoL includes both conditions of life and the experience of life (Campbell et al., 1976). Senlier et al. (2009) define QoL as the relation between the individual perceptions and the feelings of people, and their experiences within the space they live in. Therefore, QoL is a measure of objective and subjective features of life, which can be recognized in those keywords present in QoL definitions such as: objective living conditions, enjoyment, happiness and life satisfaction (McCrea et al. 2006).

SUBJECTIVE WELLBEING (SWB) AS ANALYTICAL FRAMEWORK

In the past few decades, a large interdisciplinary literature has emerged around the topic of subjective wellbeing (SWB) and its determinants. Two major research publications have emphasized that SWB can be reliably measured: Andrews and Withey (1976) and Campbell et al. (1976). The importance of the subjective wellbeing perspective is related to the importance of enabling people to be "happy" and "satisfied" with their life as a universal goal of human existence. Having better objective conditions of life do not always translate into greater subjective wellbeing (Stiglitz et al., 2009). A person may be wealthy, yet feel very dissatisfied with life, perhaps because of a comparison with others who may have more material possessions (Hagerty et al., 2001). It is for this reason that our focus is on how people perceive the quality of their lives. We focus on those who have been involved in an entrepreneurial experience and compare their perceptions of QoL to the perceptions of other adult population in the UAE.

DATA COLLECTION INSTRUMENT AND HYPOTHESES

We collected data through a set of questions added to the Adult Population Survey (APS) conducted in the UAE in 2017, which was completed by an accredited market research company. To ensure that the sample was representative, we used area stratified probability sampling, with the sample stratified by gender, age and population group, then by region and community size. A total of 4,000 adults aged

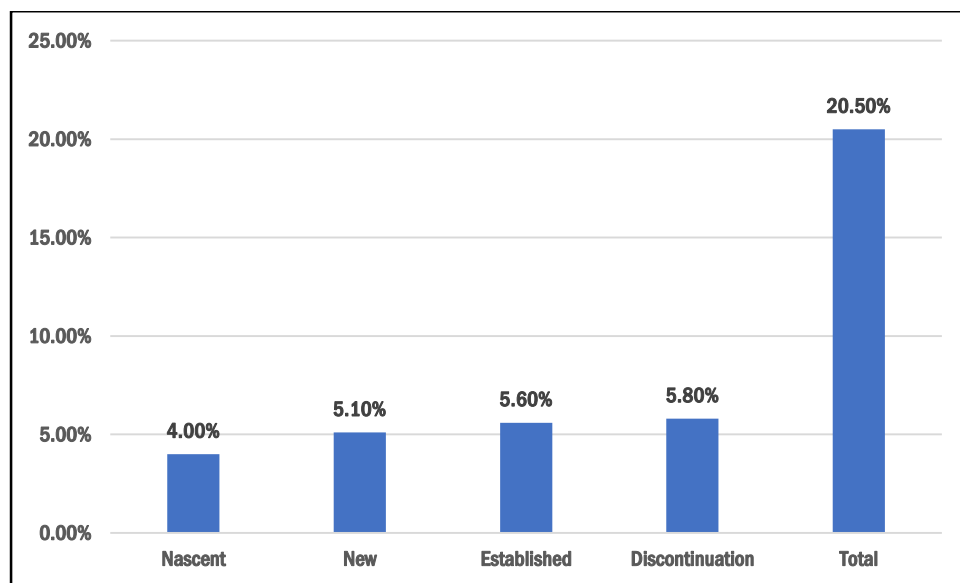
¹ The case study is co-authored by Prof. Nihel Chabrak and Dr. Chafik Bouhadioui. A special acknowledgment goes to Dr. Llewellyn D W Thomas for his help in writing the case study.

between 18 and 64 years old were surveyed. 50% of the interviews were conducted face-to-face and 50% over mobile phones.

We used the OECD subjective wellbeing survey as the core module of questions, which was improved and supplemented by other questions as explained below. All the questions were scaled from 1 to 5. Respondents were also given the possibility not to answer or to answer with “I don’t know”.

To segregate entrepreneurs, we consider those who identified as being either nascent, new, established or discontinued entrepreneurs in the 2017 APS; those who did not self-identify were considered to be non-entrepreneurs. Figure 1 below presents the 2017 distribution of the UAE entrepreneurs.

Figure 1. Percentage of UAE Adult Population with entrepreneurial experience in 2017*



*: These figures are based on individual data (not GEM harmonized)

H1: OVERALL EVALUATION AND DOMAIN EVALUATIONS

Previous literature has regarded QoL as a single, unitary entity, which explains the use of the core question on “how do you feel about your life as a whole?” (Withey, 1976). Alternatively, QoL can be considered as being composed of discrete domains. Following the Bottom-up Theory (see Diener 1984; Diener et al. 1999, for literature reviews), which posits that the overall evaluation of life satisfaction is a function of evaluations made in various life domains, we expect that the overall satisfaction in the UAE is affected by people’s evaluations of the life domains.

H1: Overall evaluation of life satisfaction in the UAE is a function of evaluations made in various life domains.

Cummins et al. (2003) suggest seven different life domains: (1) material wellbeing (including house, car, income, living situation, material possession, standard of living, etc.); (2) health; (3) productivity (including employment, house-work, work, school, etc.); (4) intimacy (social and family connections); (5) safety (including security, personal control, privacy, independence, autonomy, competence, knowledge of rights and residential stability); (6) community (including social class, education, job status, community

integration, community involvement, self-esteem, self-concept and empowerment, city, area you live in, etc.); and (7) emotional wellbeing (including beautiful things, fun, leisure, non-work, recreation, spiritual life, time do to things, etc.) (Cummins, 1996).

To reflect the overall evaluation and the seven life domains, we extended our data collection instrument to include:

1. Following the life domain questions, four addition questions to measure life evaluation as a whole: three questions at the beginning of the questionnaire related to different point in times and a fourth question at the end of the survey:
 - a. (S1) overall evaluation 5 years ago
 - b. (SW1) overall evaluation today
 - c. (S2) overall evaluation in five years
 - d. (SW2) is relatively similar to the Cantril Ladder² for which we changed the scale.
2. Seven questions from the OECD Domain evaluation module as described in Table 1:

Table 1: Life domain questions

DOMAIN	Question in the survey
Material wellbeing	(D1) Your standard of living
Health	(D2) Your health
Productivity	(D3) Your job
Intimacy	(D4) Your personal relationships
Safety	(D5) Do you feel safe
Community	(D6) About being part of the community
Emotional wellbeing	(D7) Quality of your local environment

H2: AFFECTS OR THOUGHTS?

According to Vennhoven (2006), when evaluating their lives, besides having an overall “happiness” and “components” of happiness that function as “sub-totals” in the overall evaluation of life, people can use two more or less distinct sources of information: their affects (hedonic level of affect) and their thoughts (contentment or the perceived realisation of wants). Other researchers such as Diener and colleagues (Diener 1984, 1994, 1996; Diener and Lucas 2004; Diener and Diener 1996) have argued that SWB comprises two components: a cognitive evaluation of life satisfaction; and an affective component that involves pleasant and unpleasant emotional reactions to activities and events in life.

Cognitive theories of SWB hold that happiness or SWB is a product of human thinking and reflects discrepancies between perceptions of life-as-it-is and notions of how-life-should-be (standards). Social judgment theory posits that people do make judgments about their life overall or certain aspects of their lives (e.g., community well-being) using some reference (or standard of comparison). According to Campbell et al. (1976), individuals judge their objective situation in the various life domains according to standards of comparison based on aspirations, expectations, feelings of what would be just, reference

² Used in numerous studies among various populations and in different settings, the Cantril ladder (1965) is considered to be a valid and reliable measure of subjective well-being.

group comparisons, personal needs, and personal values. Stiglitz et al. (2009) give the example of the Easterlin Paradox (Easterlin, 1974), according to which, gains in income and material prosperity (higher levels of a country' per capital GDP) were not followed by similar gains in life-evaluations. Considering discrepancy theory, a well-recognized cognitive theory, an explanation would be that income gains relative to other people within a community matter more for these life-evaluations than country-wide improvements in absolute income.

Affective theories of SWB hold that happiness reflects how well we feel generally. It is not calculated; rather, it is inferred. Diener et al. (1991) think intense affects are the most salient affective experiences that gear the overall evaluation of life. The Affective-Cognitive Theory (AFT), developed by Davern (2004) and Davern et al. (2007) explains differences in SWB. It asserts that it is primarily influenced by a latent construct called 'Core Affect', which represents the most elementary consciously accessible affective feelings that can be experienced without the presence of a known stimulus as it is a blend of hedonic (pleasant–unpleasant) and arousal (activation–deactivation) values, and is regarded to be primitive, universal and ubiquitous (Blore et al., 2011). According to this theory, people infer satisfaction from how they feel generally. If they feel fine, they gather that they must be satisfied. If they feel lousy most of the time, they conclude they must be dissatisfied (Veenhoven, 1996).

To evaluate whether SWB is driven by cognitive exercise or affects, we added a short series of affect questions from the OECD core module. This includes a range of positive and negative experiential questions, to measure positive (1 question) and negative affects (2 questions):

1. (A1) Yesterday I felt happy
2. (A2) Yesterday I felt worried
3. (A3) Yesterday I felt depressed

H2: Overall evaluation of life satisfaction is influenced by thoughts (affects).
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H3: FLOURISHING FACTORS?

According to Sirgy (2011), in recent years the **theory of human flourishing** has been developed (Ryff 1989; Ryff and Singer, 1998; Ryan and Deci, 2000). It suggests that there are several universal human psychological needs, such as the need for competence, relatedness, and autonomy that contribute to human flourishing. Other theories posit that the concept of purpose and meaning in life plays a very important role in subjective wellbeing (Steger et al. 2008).

Our data collection instrument includes a third element, which is composed of three experimental eudaimonic questions (accomplishment in life, worthiness and freedom to assess the level of control):

1. (F1) The things I do in my life are worthwhile
2. (F2) I am free to decide for myself how to live my life
3. (F3) Most days I get a sense of accomplishment from what I do

H3: Overall evaluation of life satisfaction is influenced by flourishing factors.

All the hypotheses were tested separately for entrepreneurs and non-entrepreneurs for comparison and to uncover any pattern which is specific for entrepreneurs to better understand their life satisfaction.

The SWB questions and their sequencing are summarised in Table 2:

Table 2: Data collection instrument for SWB

In a scale of 6 points where 1 = not satisfied at all and 6 – completely satisfied, how satisfied are or have been you with
(S1) Your life 5 years ago
(SW1) Your current life as a whole
(S2) Your expected life 5 years from now
(D1) Your job
(D2) Your current standard of living
(D3) Your health
(D4) Your personal relationships
(D5) About being part of your community
(D6) About the quality of your local environment
In a scale of 6 points where 1 = completely disagree and 6 – completely agree, what degree of agreement do you have regarding these statements
(A1) Yesterday I felt happy
(A2) Yesterday I felt worried
(A3) Yesterday I felt depressed
(F1) The things I do in my life are worthwhile
(F2) I am free to decide for myself how to live my life
(F3) Most days I get a sense of accomplishment from what I do
(D7) I feel safe all the time
(SW2) Finally, please imagine a ladder with steps numbered from 1 at the bottom to 6 at the top. On which step of the ladder would you say you personally feel you stand now?

FINDINGS

ON OVERALL EVALUATION OF LIFE SATISFACTION

Table 3 summarizes the average scores and standard deviations of the questions related to overall evaluation of life satisfaction S₁, S₂, SW1 and SW2.

Table 3: Average Scores and Standard Deviations of Overall life satisfaction for entrepreneurs (E) and non-entrepreneurs (NE)

	E	NE
Your life 5 years ago (S ₁)	4.70 (1.179)	4.89(1.077)*
Your current life as a whole (SW1)	4.84 (1.070)	4.93(0.944)*
Your expected life 5 years from now (S ₂)	4.83 (1.072)	4.94(0.968)*

Finally, please imagine a ladder with steps numbered from 1 at the bottom to 5 at the top. On which step of the ladder would you say you personally feel you stand now? (SW2)	3.69 (1.290)	4.03(1.124)*
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(*) significantly different at level 1%. Also, all variances for the variables related to entrepreneurs are significantly higher than those of non-entrepreneurs.

As these variables are all significantly positively skewed, we then use a non-parametric method to test the differences in happiness between the two groups. The Mann-Whitney test shows that all tests are significant. We conclude that entrepreneurs are less satisfied with their lives than non-entrepreneurs in the UAE.

Entrepreneurs overall life satisfaction is significantly lower compared to non-entrepreneurs

Moreover, the findings corroborate H1 according to which, overall life satisfaction is affected by life domain evaluations. In fact, the SW2 average scores are significantly lower for both entrepreneurs and non-entrepreneurs compared to the scores of the questions asked at the beginning of the survey, which might suggest that our respondents have reviewed their overall evaluation of life satisfaction after they made an evaluation of their life domains. This also suggests that the overall evaluation of life satisfaction results from a cognitive exercise and is a product of human thinking.

Overall life satisfaction of entrepreneurs and non-entrepreneurs is affected by their life domains evaluations

We also explore the differences in the overall life satisfaction among entrepreneurs at the different stages of entrepreneurial activity. Table 4 summarizes the scores in averages and shows that established entrepreneurs have the highest overall life satisfaction. For instance, their perception of their satisfaction in the future is the highest score registered.

Table 4: Average Scores and Standard Deviations of Overall life satisfaction for entrepreneurs at different stages of the entrepreneurial activity

Stage / Variable	S ₁	SW1	S ₂	SW2
Nascent	5.06(1.063)	5.16(.756)	4.95(.895)	3.58(1.045)
New	4.74(0.983)	4.83(0.992)	4.85(0.938)	3.74(1.060)
Established	4.87(1.159)*	5.09(1.115)*	5.21(1.076)*	4.26(1.349)*
Discontinued	4.75(0.859)	4.88(0.737)	4.88(0.823)	3.75(0.973)

(*) Significantly different at level 1%.

The table also shows that the entrepreneurs who have the highest drop in their overall life evaluation after the life domain evaluations are the nascent entrepreneurs followed by the discontinued entrepreneurs.

Established entrepreneurs have the highest overall life satisfaction among all entrepreneurs
 Nascent entrepreneurs overall life satisfaction is the most affected by their life domains evaluations

To better understand which variables have impact on life satisfaction, we next describe the results of the different regression models we run to explain both SW1 and SW2 for entrepreneurs (SW1E and SW2E) and non-entrepreneurs (SW1NE and SW2NE).

FACTORS EXPLAINING OVERALL LIFE SATISFACTION OF ENTREPRENEURS AND NON-ENTREPRENEURS IN THE UAE

In order to study the relationship between the two overall life satisfaction variables SW1 and SW2 on one hand and the explanatory factors (D), (F) and (A) for entrepreneurs and non-entrepreneurs on the other hand, regression models using stepwise method were run, and the equation models are given by:

For entrepreneurs

$$SW1E = .309 + .286S_1 + .168S_2 + .086D_1 + .134D_6 + .085D_7 + .058F_1 + .141F_2 - .031A_2$$

(with an $R^2 = 64.7\%$)

$$SW2E = .986 + .117D_1 + .147SWE1 + .185F_1 + .142A_2 - .055A_3$$

(with an $R^2 = 18.5\%$)

The results suggest that entrepreneurs today overall satisfaction of life is mainly affected by their perception of their overall life satisfaction in the past (S1), their belonging to the community (D6) and the level of control of their lives (F2). However, SW2E is highly affected by the overall satisfaction (SW1E), the perception of the worthiness of things entrepreneurs do in life (F1) and their feeling being worried (A2) variables.

For non-entrepreneurs

$$SW1NE = .441 + .198S_1 + .166F_2 + .051F_3 + .149D_3 + .113D_7 + .100D_5 + .067D_1 + .033D_6 + .026A_1$$

(with an $R^2 = 71.4\%$)

$$SW2NE = 1.62 + .146S_1 + .076F_2 + .051A_1 + .069D_3 + .082D_7 + .068D_2$$

(with an $R^2 = 33.1\%$).

For non-entrepreneurs, the results suggest that their overall life satisfaction today is mainly affected by their perception of their life satisfaction in the past (S1), the productivity variable (D3), the level of control of their lives (F2) and their feeling being happy (A1). However, SW2NE is highly affected by the non-

entrepreneurs' perception of their life satisfaction in the past (S1), their emotional wellbeing (D7) and the level of control of their lives (F2).

Since the coefficient of determination for the ladder variable is remarkably low for both entrepreneurs and non-entrepreneurs, it suggests either using different set of variables or applying different methodology to analyse the variability of this dependent variable. Given that most of the variables, including the dependent ones, are positively skewed and their values are concentrated between 4 and 6, the OLS regression can behave poorly.

CONCLUSION

This study aims at studying the Quality of Life (QoL) of the UAE entrepreneurs compared to the non-entrepreneurs from a subjective wellbeing perspective. Using data collected in the UAE in 2017 through GEM with a sample of 4,000 adult population aged between 18 and 64 years old, the main findings reached are:

1. UAE Entrepreneurs overall life satisfaction is significantly lower compared to non-entrepreneurs.
2. Overall life satisfaction in the UAE is affected by life domains' evaluations for both entrepreneurs and non-entrepreneurs.
3. Established entrepreneurs have the highest overall life satisfaction among all entrepreneurs.
4. Nascent entrepreneurs overall life satisfaction is the most affected by their life domains' evaluations.
5. The factors affecting overall life satisfaction are:
 - a. Entrepreneurs: their overall life satisfaction in the past (S1), their belonging to the community (D6) and the level of control of their lives (F2).
 - b. Non-entrepreneurs: their overall life satisfaction in the past (S1), the productivity variable (D3), the level of control of their lives (F2) and their feeling being happy (A1).

Our study contributes to understanding the determinants of life satisfaction of the UAE entrepreneurs, which could help policy makers set the right policies to increase the level of life satisfaction in the UAE in general and for entrepreneurs in particular. As part of the shift of the UAE government strategy towards supporting QoL, it will help the address the challenge laid down by H.H, Sheikh Mohammed bin Rashid, Vice President, Prime Minister of the UAE, and ruler of Dubai: "Happiness and positivity in the UAE are a lifestyle, a government commitment and a spirit uniting the UAE community. The government system is evolving to realize the goals that every human seeks: happiness for him and his family,"³

³<https://www.uaecabinet.ae/en/details/news/mohammed-bin-rashid-happiness-positivity-are-lifestyle-government-commitment-and-a-spirit-uniting-uae-community>