THE STANDARD OF LIVING IN THE COUNTRIES OF THE EUROPEAN UNION

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ABSTRACT
The analysis of living standards has long been a central element in macroeconomic studies, given that the impact of quality of life on the economic health of a nation is considerable. The quality of life of citizens is directly correlated with economic productivity, consumption, as well as health and education. Therefore, understanding the extent to which the population enjoys well-being or lives in conditions that satisfy its basic needs becomes essential. This implies the use of indicators of a complex nature that, above all, reflect the state of the economy. In this context, both developed and developing countries focus their attention on living standards, considering them a much more revealing indicator of economic performance than the simple analysis of gross domestic product (GDP). The purpose of this paper is to explore how the perception of living standards has changed over time and to identify the factors that have influenced these changes.

KEYWORDS: *development, GDP, resources, standard of living.*

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1. INTRODUCTION

This article looks in particular at how the various components of living standards have been assessed and incorporated into this index, from tangible aspects such as income and expenditure to more subtle factors such as access to education and health, personal safety and environmental quality. The special emphasis placed on the analysis of income and expenditure reflects the importance of these indicators in the global assessment of the well-being of the population.
The dynamics of these financial elements provide valuable signs not only regarding the current standard of living, but also the trends of social and economic mobility, essential for the formulation of efficient and fair public policies. This paper therefore aims to make a significant contribution to understanding the complexities of measuring and interpreting living standards in different socio-economic contexts (Boggia et al., 2018).
The standard of living is a central concern both for individuals and for the whole society, in our complex and constantly changing world, it has gone from the simple desire to survive to higher aspirations for well-being and happiness, thus the standard of living directly influences the quality human experience. The material components of living standards include income, living conditions, food, clothing and accessibility to various goods and services.
Income reflects the financial resources available to an individual or family and is a key indicator of living conditions. Also, a suitable and safe habitat, a complete and nutritious diet, adequate clothing and the availability of essential resources such as water, energy and medical services are vital for a

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decent standard of living (Abreu & Öner, 2020). The standard of living is not only limited to material components but also includes social factors such as access to education, medical services, infrastructure, culture and recreational activities. Access to quality education and effective medical services can significantly influence an individual's quality of life (Beekhuizen et al., 2014).

2. THE MAIN INDICATORS FOR MEASURING THE STANDARD OF LIVING

The individual indicators used to evaluate the countries were classified according to the indicators of the standard of living in three categories: economic (Index of Real Economies, based on gross domestic savings, and Global Competitiveness Index, which reflects economic productivity), environmental (Ecological Footprint, Index of Environmental Performance and the Happy Planet Index) and social (Hartley et al., 2020).

2.1 Economic indicators

When it comes to economic indicators, there are some who focus primarily on economic aspects. These may include macroeconomic indicators such as inflation, employment rate, gross domestic savings and direct GDP (Bartolini et al., 2017). In addition, they can include variables such as corruption, business climate, market size and consumption, which are important for modeling the economy. Due to the free availability of the data, we chose the Genuine Savings Index (GSI) and the Global.

Competitiveness Index as the main indicators of our analysis. France and the UK are in the bottom quadrant, having GDP growth by conventional economic standards. However, this growth is not sustainable and is working against future generations. In addition, due to the fact that GSI falls faster than GDP growth, France's economic growth is not that fast. In the upper quadrant, there are countries where both GDP and GSI are growing, and economic growth does not lead to deterioration of natural resources. Hungary fares best, having the highest GSI growth as well as a rapidly growing GDP (Antoniou & Zorpas, 2019).

2.2 Ecological indicators

Four main areas are focused on environmental indicators: population, total damage to the environment, damage to ecological zones and the effects of this damage on the quality of human life. Economic factors are not significant in this case, as their influence on the environment is limited to consumption and the effects of export and import (Castillo-Giménez et al., 2019).

Quality of life is measured by environmental influences. Examples include access to safe drinking water, water quality, air pollution, the effects of environmental degradation on human health, and the use of pesticides in agriculture.

The ecological footprint per capita in low- and middle-income countries is relatively constant, while in high-income countries it is almost three times higher and continues to rise. In addition to this aspect, it must also be taken into account that a country needs substantial financial resources to maintain a favorable environmental policy. The amount of these financial resources is largely determined by the technological level of a nation.

Increased consumption leads to increased GDP and therefore an increase in ecological impact. If consumption is considered an essential element of well-being, a key question is how we can increase prosperity without increasing our dependence on material resources and overconsumption (Firoiu et al., 2019). It is essential to promote a sustainable economic model that emphasizes technological progress, energy efficiency and the responsible use of natural resources to find a balance (Bączkiewicz & Kizielewicz, 2021).

2.3 Social indicators

Social factors are primarily used to determine social indicators. In this case, we can use Human Development Index (HDI) and SSI. When comparing the indicators that deal with the standard of living from a social point of view, we can observe four main dimensions, each of which also represents the content of each indicator. These include education level, economic level, quality of life and a personal dimension. Financial factors are not too important. These include the material assets of a household, such as income, salary, housing standard and others. Despite the fact that economic fundamentals are not included in the Human Development Index, it has a significant correlation with GDP (Glatz & Eder, 2020).

3. STATISTICAL ANALYSIS OF THE STANDARD OF LIVING IN THE COUNTRIES OF THE EUROPEAN UNION

Comparing the standard of living in Romania with that of other ex-communist countries and the Nordic countries of the European Union provides a perspective on Romania's economic and social progress. This analysis highlights both Romania's achievements in the European integration process and the persistent challenges to aligning with the higher living standards of the Nordic and ex-communist countries. The study of these differences underlines the importance of economic and social policies in reducing disparities and promoting sustainable development.

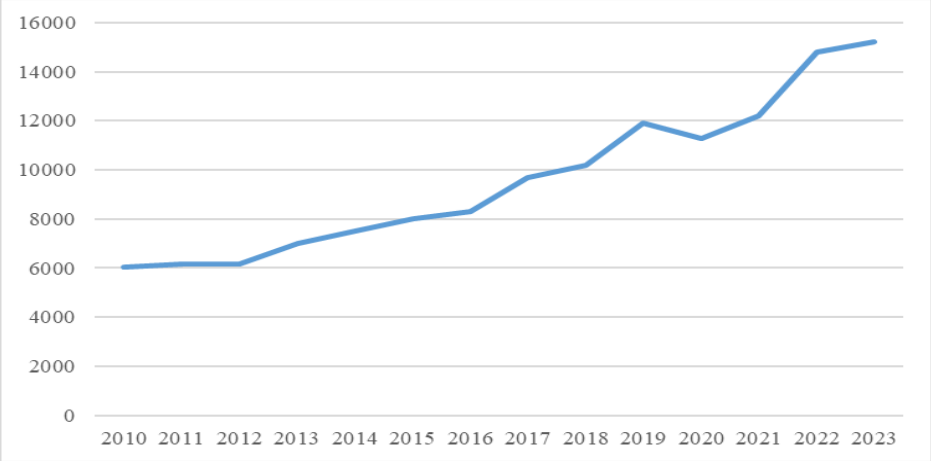

Figure 1. The evolution of the gross domestic product per inhabitant, calculated based on the exchange rate (in euros), for Romania in the period 2010-2023
Source: National Institute of Statistics

The graph shows the evolution of GDP per capita in Romania, expressed in euros, between 2010 and 2023. GDP per capita increased from approximately 6.2000 euros in 2010 to almost 15.000 euros in 2022, indicating a general improvement in the economy. After rapid growth until 2008, there was a sharp decline in 2009 due to the global economic crisis.

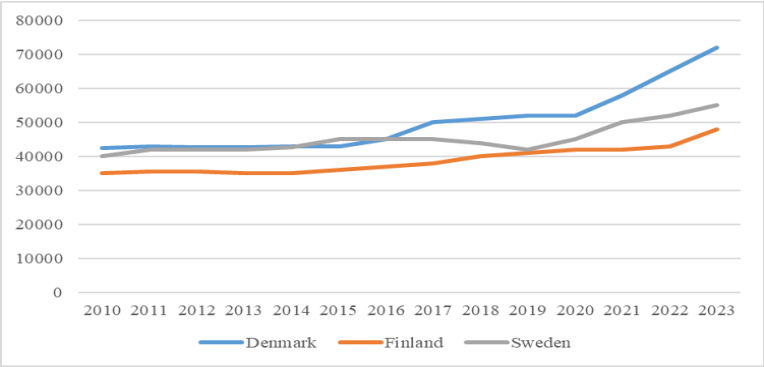

Figure 2. The evolution of the gross domestic product per inhabitant, calculated based on the exchange rate (in euros), for the Nordic countries in the period 2010-2023
Source: Eurostat

The graph shows the evolution of GDP per capita in Denmark, Finland and Sweden between 2010 and 2023. In 2023, Denmark reached around 70.000 euros, Sweden 55.000 euros and Finland 48.000 euros. The 2008 economic crisis caused a temporary downturn, but all three countries quickly recovered and continued to grow, indicating solid economic development and improved living standards.

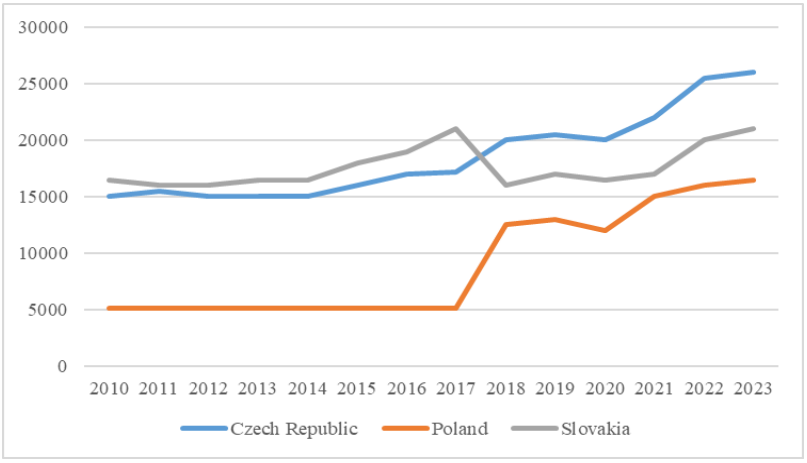

Figure 3. The evolution of gross domestic product per inhabitant, calculated based on the exchange rate (in euros), for former communist countries 2010-2023
Source: Eurostat

The graph shows the evolution of GDP per capita in the Czech Republic, Poland, and Slovakia between 2010 and 2023. GDP per capita in the Czech Republic and Slovakia increased steadily over the period, with the Czech Republic reaching approximately €26.000 in 2023 and Slovakia at around 20.000 euros. Poland had a slower growth until 2016, but experienced a sharp increase after this year, reaching around 15.000 euros in 2022. This evolution reflects the steady economic progress of these countries, with variations in the growth rate.

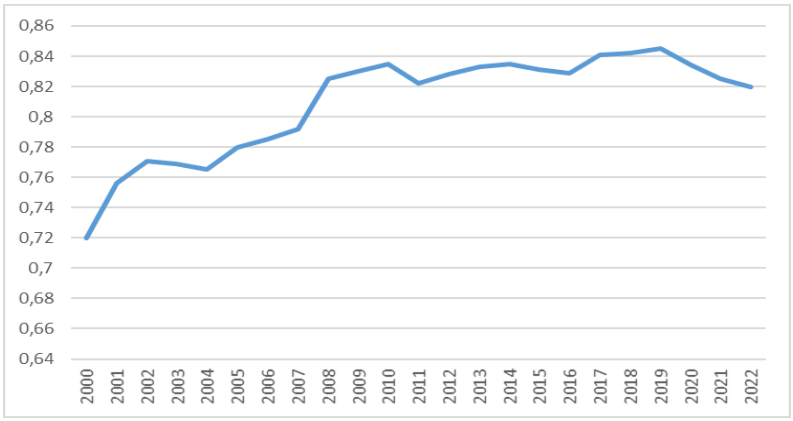

Figure 4. The evolution of the human development index in Romania, 2000-2022
Source: United Nations Development Programme (UNDP), 2023. Human Development Index (HDI) DataCenter

The graph shows the evolution of the Human Development Index (HDI) in Romania between 2000 and 2022. During the period 2000-2008, the HDI increased steadily from approximately 0.720 to 0.825, indicating significant improvements in the standard of living. After 2008, growth stabilized with minor variations, reflecting the impact of the global economic crisis.
From 2011 to 2019, the HDI increased gradually, reaching 0.845 in 2019. In 2020, it recorded a slight decrease due to the COVID-19 pandemic, stabilizing around 0.820 until 2022. Romania's HDI grew significantly during this period, reflecting major improvements in living standards, education and health, despite periods of stagnation.
Regarding the evolution of the Human Development Index (HDI) in Denmark, Finland and Sweden between 2010 and 2023, it can be stated that all three countries started with a HDI around 0.900 in 2000. Throughout the analyzed period , the HDI rose steadily in all three countries.
In 2022, Denmark and Sweden reached an HDI of around 0.960, while Finland reached around 0.950. Growth has been steady, with some minor fluctuations around 2008 and after 2011, reflecting the stability and continued improvement in living standards, education and health in these Nordic countries.
Evolution of the Human Development Index (HDI) in Poland, the Czech Republic and Slovakia between 2000 and 2022. In 2000, the HDI was around 0.800 for Poland and Slovakia and slightly higher for the Czech Republic. Over the period under review, the Czech Republic had the highest growth, reaching an HDI of around 0.890 in 2022.

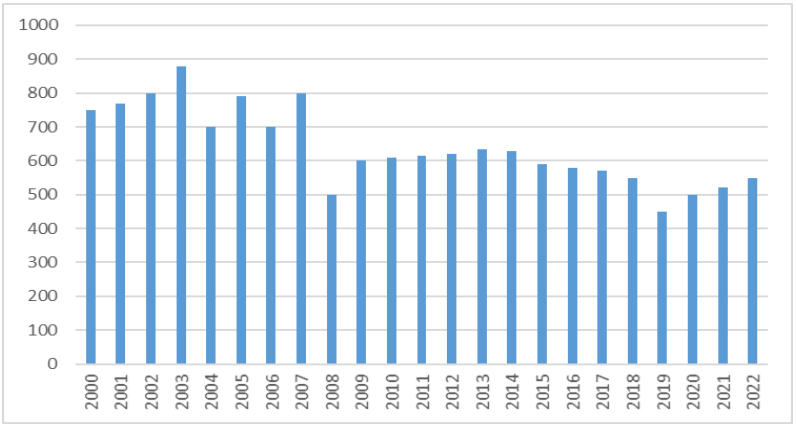

Figure 5. Evolution of the number of unemployed in Romania, 2000-2022
Source: National Institute of Statistics

The graph shows the evolution of the number of unemployed in Romania between 2000 and 2022, expressed in thousands of people. In 2000, the number of unemployed was about 750 thousand, with a peak in 2002, when it reached about 800 thousand. After this year, a gradual decline in unemployment is observed until 2008, when the number of unemployed fell below 500 thousand. After 2015, a sharper decrease is observed, reaching a minimum in 2019, with approximately 300 thousand unemployed. In recent years, between 2020 and 2022, the number of unemployed has increased slightly, stabilizing around 400 thousand. These fluctuations reflect both domestic economic conditions and global influences, including the 2008 global economic crisis and the COVID-19 pandemic.

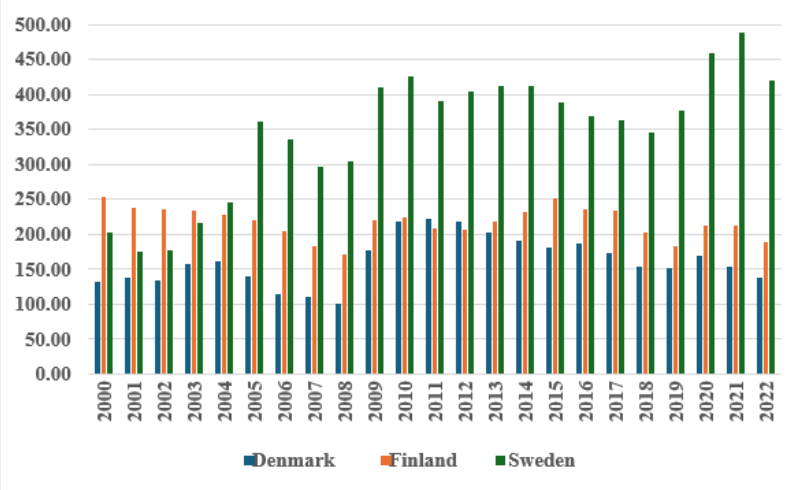

Figure 6. The evolution of the number of unemployed in the Nordic countries, 2000-2022
Source: National Institute of Statistics

The graph shows the evolution of the number of unemployed in the Nordic countries (Denmark, Finland and Sweden) between the years 2000 and 2022. In Denmark, the number of unemployed varied between 100.000 and 200.000 people, with a peak in the period 2009-2011. In Finland, unemployment has been relatively constant, varying between 200.000 and 300.000 people, with an increasing trend in recent years. In Sweden, the number of unemployed has increased steadily, exceeding 400.000 people in 2022. These variations reflect the different economic conditions and employment policies in each country.
In Poland, the number of unemployed reached a peak in 2002, exceeding 3 million people, followed by a steady decline until 2022, when it stabilized below 500.000 people. In the Czech Republic and Slovakia, unemployment followed a similar trend, with peaks in the first part of the analyzed period and a significant decrease starting in 2010, reaching relatively low values in 2022. These developments reflect the economic transition and labor market reforms implemented in these countries .

4. CONCLUSIONS

Analysis of living standards has highlighted the complexity of this concept and its direct influence on the quality of life and economic health of nations. The assessment of the standard of living should not be limited only to the gross domestic product (GDP), but should also include environmental, social and economic indicators to obtain a complete picture of the population's well-being. The literature review showed that the standard of living is defined by a wide range of factors, from income

and material conditions to access to education and health, the quality of infrastructure and the state of the environment. Indicators such as the Human Development Index (HDI) and the Ecological Footprint provide a more nuanced perspective on living standards.

The statistical analysis of the standard of living in the countries of the European Union, with an emphasis on Romania, highlighted the positive trends of income growth and improvement of living conditions. However, significant challenges were also identified, such as regional disparities, income inequalities and unequal access to essential services.

Comparing the standard of living in Romania with that of other ex-communist countries and the Nordic countries revealed Romania's steady economic progress, but also the persistent differences compared to the higher standards in the Nordic countries. The positive evolution of the GDP and HDI in Romania indicates an improvement in the quality of life, but important gaps remain in relation to more developed countries. The case study on the impact of education and student mobility programs showed that these programs have a crucial role in the personal and professional development of students. Participation in programs such as Erasmus+ is perceived to have a positive impact on quality of life, although there are challenges related to adaptation and financial aspects. To improve living standards, it is essential to increase financial support for education by allocating additional financial resources for scholarships and support programs for students, especially those from disadvantaged backgrounds. Investments in the modernization and expansion of school and university infrastructure are necessary to ensure an environment conducive to learning.

It is also crucial to promote student mobility by intensifying information campaigns on study abroad opportunities and facilitating access to mobility programs. Reducing economic and social inequalities by implementing public policies aimed at reducing income disparities and improving access to essential services for all segments of the population is another important step. In addition, adopting measures to encourage the responsible use of natural resources and environmental protection is crucial to promoting sustainable development.

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