

QUALITY OF LIFE FROM THE VIEWPOINT OF TWO BASIC COMPONENTS: THE ECONOMIC STANDARD AND SATISFACTION

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ABSTRACT: *In the present social/economic conditions of our country, the problem of objective analysis and research of the population's everyday social life, of its wellbeing, of final consumption and possibilities of satisfying vital necessities, of the living standard and lifestyle, of the quality of life as a whole, becomes more and more present and significant. The notion of "quality of life" aims, on the one hand, the objective conditions in living individuals, and on the other hand, what they think about the individuals. In fact, in its essence, the quality of life implies a qualitative approach to social and human life, as assessed by experts and how it is experienced by the subjects.*

KEY WORDS: *quality of life, economic standard, satisfaction, financial balance, well-being, income and expenditure.*

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Quality of life is a contemporary concept that unites individual concerns for happiness with the political objectives of a society based on the responsibility of authorities in front of the citizen and is becoming more and more a goal of social development. All this required a definition as comprehensive approach to quality of life. Thus, the quality of life can be defined by the elements that relate to situations: physical, social, cultural, economic, political, health, etc., in which people live, the content and nature of the activities and the social processes, goods and services to which they have access, consumption patterns adopted the method and style of life, circumstances and results of evaluation activities that correspond to the expectations of the population and the subjective conditions of satisfaction, happiness (Mărginean I.,2005, p.33).

Although the quality of life is not limited to economic standard, the latter is a basic component thereof. Economic standard is the economic basis of individual life.

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Zamfir Cătălin (1984, pp.77/79) presents several complementary indicators, each of those revealing the economic basis from various perspectives:

1. **Total family income** (monetary income) is the sum of salaries, pensions, allowances, additional income of a family in a month. A problem relate to incomes is the difficulty of obtaining accurate information from the subjects included in the investigation of the quality of life. The tendency is to under-evaluate the total family income. Salaries are generally accurately reported by the subjects, but the income coming from unregistered work, income in nature, income from investments, tend to be frequently underrated;

2. **Household belongings** is a strictly objective indicator, referring to the material basis accumulated in a household, to the object possessed by the family: TV set, refrigerator, washing machine, motorcar, computer etc;

3. **Estimated economic standard** is based on individual estimations of the economic level of their own life. This indicator reveals the measure in which economic resources satisfy necessities, economic requirement specific to the person, group (family) or community. It is difficult to determine the maximum limit of resources with which a person (family) can satisfy their necessities. All the research regarding the “minimum standard of living” start from the idea that the latter is relative, and it requires to be defined related to the more general social-economic context of the community. There is a “natural scale” of the standard of living at the level of common conscience, allowing each person to make an estimation of its own standard of living. The minimum acceptable standard of living, according to the definition of the European Council, can be fixed in terms of monetary variables or physical variables.

In case of monetary variables a certain level of income and wellbeing can be assessed, and any individual situated under this level can be considered as being poor. In case of physical variables, poverty means lack of goods and services necessary for the individual or the group, considered as indicators. The most common are household belongings, access to education, to medical services. Generally, monetary variables are more difficult to be used than physical ones.

This “natural scale” of the standard of living has a limit at the level of “strict necessities”, and at the level “I have everything I need”.

Continuing the idea of the “minimum decent level of life”, Zamfir C. (1994, p. 27) finds an equivalence of the steps of this scale as below:

- not enough for the strict necessities = under subsistence level: absolute poverty;
- enough only for the strict necessities = minimum level of subsistence: relative poverty;
- enough for a decent living, but we cannot afford special expenditures = decent minimum level;
- we can afford certain special expenditures, but with efforts = a generally good level of life, but with frustrations and sacrifices;
- we manage to have all that is necessary, without great effort =abundance of resources.

At the level of Jiu Valley, almost 15% of the subjects/families live in absolute poverty, a double percentage in relative poverty, one third at a decent minimum level

of life, whereas a little more than 16% can enjoy a generally good level of life, the percentage of those that benefit of abundance of resources is insignificant (Table 1)

Table 1. Estimated economic standard (%)

Answering options	Threshold of monthly income	% respondents
We cannot even cover basic necessities	Absolute poverty	14.7
We can cover basic necessities	Relative poverty	34.0
We can have a decent living standard, but we cannot afford other expenses.	Decent minimum living standard	34.7
We can afford other expenses but with big effort	Generally good standard of living	12.3
We can manage to have all we need, with no big effort.	Abundance of resources	4.3

Source: Research made by the author in the year 2009, on a sample of 600 pensioners.

4. **Financial balance of the family** is important for many investigations of the standard of life and of the economic behaviour. Financial balance shows an equilibrium between necessities and possibilities, a lifestyle, as a whole, balanced. Financial imbalance is manifest by loans and important variations in expenditure in the period between salaries. Some researchers consider that financial imbalance of the family can be an indicator of relative poverty: economic means significantly reduced than active necessities of consumption, expressed by expenditure.

At the level of Jiu Valley area, more than one quarter of the subjects declare that they had to borrow money before their pension, and more than half live at the limit of a decent living. While more than 40% of the subjects have a precarious material situation, only one tenth of those say that when all the expenses are covered, a certain sum was left from the family income. (Table 2).

Table 2. Financial balance of the family (%)

Answering options	% respondents
We had to borrow before pension	27.0
We cut back expenses significantly with no loan	15.3
Sometimes we reached the limit	20.7
Enough for all expenses	26.0
Enough and still we were left with a sum of money	11.0

Source: Research made by the author in the year 2009, on a sample of 600 pensioners.

5. Estimation of the ratio income/necessities. This indicator expresses a global assessment, made by each person, of their income from the point of view of their necessities.

The first two indicators of the economic standard – family income and household belongings –are strictly objective indicators. The other three indicators assess economic resources by relating those to one's own necessities.

Population income and consumption are considered by specialists as the most important components since, by their size and dynamics, they offer an overall look over the quality of life.

Income is one of the key factors that directly influence the population's level of living.

As Zamfir C. (1994, p.36) states, if we start from the premise that the population income is turned into consumption, that any increase of the income draws along a consumption increase, then a parallel analysis of the population's income and consumption is required.

Almost all of the research made regarding quality of life start from the hypothesis of existence of a direct connection between the level of income and the quality of life of the population. The idea is backed up by the fact that in higher income generally means the possibility of satisfying more necessities. The level of the income directly influences the level and quality of consumption of food, other products and services. The volume of expenses in a certain period depends on the level of income in the same period, on the accumulations from the income in the previous periods, as well as on the use of expected income.

The **income of the population** represents their material resources. From macroeconomic perspective they are seen as an aggregated indicator, taken into consideration as such in the analysis of the economic processes. Social policies are concerned with observation of the income of the population, the analysis thereof often determining directions of action, not to mention that for the individual they are a fundamental problem. Currently, the term refers to monetary resources, but in a broader sense non-monetary resources that can be used are also included. (Ilie S., 2000, p.55).

Income refers to monetary resources, but in fact they are not limited to collecting money, but also include the counter-value of the goods and services obtained and received by the population, as a result of rendering socially useful services or as rights. Economic statistics identify the following large groups of income. (Zamfir C. 1994, pp 37-47).

a) Primary income is obtained by the population by its participation in the process of production and distribution of material goods and services, alongside with generation of national income. In its turn it falls into income from work and income from property and capital. Income from work is obtained by direct participation in the productive process and means any income obtained as a result of lending workforce by its owners. Income from property and capital are obtained as a result of their possession.

b). Income from redistribution refers to transfers from the state (social transfers), aiming at social protection of the individuals, being an explicit objective of

wellbeing. Out of these categories: old age pensions, illness and accidents pensions, descendant`s pensions, allowances for unemployment, utilities, social situations, children, education etc.

c). Income in nature are the least frequent. They can come from participation in production process, work, but also from redistribution process. They may lie in: food, other than food products, various services, transportation or other associated benefits.

d). Other income. Economic reality also includes other special income.

Population consumption represents the totality of food products and non-alimentary products consumed and services used by the population in non-productive ends, for a certain period of time. The expenditure for consumption of the population equally depends both on the level of the income, and on the evolution of the prices of products and services.

The models of population consumption express behaviour particularities adopted by various population categories regarding acquisition of goods and services for personal and household needs. A consumption model can develop in a geographical space, being active for a certain historical period, including sets of concrete, repetitive activities at various intervals, organized in structures viewing the existence and awareness by the consumers of a common body of facts and social realities. (Stanciu M., 2005, p.276).

Consumption models existing in Romania can be described, at a higher degree of information synthesis, by the use of largely inclusive statistic indicators referring to effective consumption of goods and services in Romania, such as: level and structure of population`s expenditure on consumption, level of providing households with long term goods, indicators regarding the way of dwelling, consumption of medical services, degree of inclusion in the process of education and instruction etc.

In the Institute of Research of the Quality of Life (Mihăilescu A., 2001, pp.49-52) there were earlier studies in determining the minimum consumption.

Minimal living involves the necessary resources for current consumption - food, clothes, footwear and dwelling - complete with an education and occupational training component, which would assist their progress and one of social status that would allow the development of the individual in society.

Minimal subsistence involves aspects related to survival of a person, in conditions of a short term public assistance, in view of reintegration of the respective person into society. It differs from minimal living by elements of social development and affirmation, which are not anticipated for survival.

Inflation, unemployment, deterioration of income and other social costs supported by the population lead to a calculation of these minimums in time, which are related to society`s resources and conditions at a given time, expressing the cost of life based on generally accepted standards.

In an economy that adjusts to new laws and mechanisms of functioning, namely market laws, consumption are also affected. It is organically linked to economic circuit components and is influenced by a series of factors: development level reached by the respective country, tradition, inflation, income earned by the population, demand and offer of goods and services on the market etc. Diversity of existing situations, education and level of professional training, lifestyle, adaptation to

the requirements of the jobs, lead to differences in aspirations of life and to various levels of consumption.

The last decades of the 20th century brought along, at least for the well developed societies, a new approach of poverty and standard of living. Alongside with the increase of the level of aspirations, of technological progress and material possibilities of societies, with the diversification of lifestyles, with the increasing interest for community problems in detriment of society in general, the attention of public opinion, of political world and of scientific community more and more focussed on problems of general and individual wellbeing, on the problem of poverty and social inclusion, as objective of social protection systems.

Satisfaction is understood as subjective condition resulting from the fulfillment of needs, lack of tension, anxiety; It is found on the appreciation of the way of life in general or a particular sphere. (Zamfir C. & Vlăsceanu, L., 1998, pp.514-516).

Satisfaction is akin to the concept of happiness, but there are some differences between them. Satisfaction refers to the degree to which the different conditions of life, individually and/or jointly, in line with expectations. She is so clearly linked to levels of aspirations, having a more adaptive in nature. Depending on the conditions and possibilities, it establishes a certain level of aspirations, expectations, and compared it to his living conditions evaluated. Satisfaction has, for this reason, a somewhat minimal in character-sets minimum acceptability, as well as a motivator: If an aspect of life is unsatisfactory, this evaluation motivates action to improve it. Happiness is more global and more, describing the "peak" experiences characterized by intense emotional reactions; It is a feeling of fullness, referring to the essential aspects of life. Happiness comes in moments of peak of life, in connection with the experience of great achievements. (Veenhoven R., Scherpenzeel A.C. & Bunting B., 1996, pp.143-168).

Ruut Veenhoven, also known as the first Professor of "happiness studies" in the world, defines happiness as "the extent to which their individual judges the overall quality favorable of his life".(Veenhoven R., 2000, pp.1-39). This assessment represents either a cognitive process (life satisfaction) or an affective process (hedonic, component linked to the pleasure you get the individual out of his experiences). However, in analyses undertaken by him is right, practical cognitive side happiness with satisfaction with life. The author defines as "plastic" satisfaction of life, deeming it "the perceived discrepancy between aspirations and achievements, ranging from the perception of achievement to that of one may mention".

Reported to a state of affairs, which refers to the living environment and/or the subject providing information on self-assessment and perceptions expressed what people think in connection with that state of affairs. Therefore, we get to know a true custom, a dependent person to communicate its perceptions and self-assessment. At the same time, in addition to references to the states in fact, perceptions and self-assessment to encompass a whole set of expectations, motivations, interests, norms, values, policy options, philosophical, religious, and public opinion and the group, and other items that you can influence in one way or another. What we obtain by studying people's perception is reality filtered individually, and the filter used is some variation from one population group to another. (Mărginean I. & Bălașa A., 2005, p.33).

Satisfaction indicators quality of life refers to the subjective perception of quality of life, as a basic component of the assessment of the degree of social and human development from the point of view of the opinions and attitudes of the population. (Fayers P.M. & Machin D., 2000, p.160). Thus, indicators of satisfaction are used frequently as indicators of quality of life.

From the perspective of the quality of life that we intend to analyse them at the level of the Jiu Valley, surprise elements of support, but also critical elements in the evolution of the quality of life of subjects investigated.

Following table 3, we can point out that in the field of personal life, supporting elements for subjects are represented by family life, housing and neighborhood relations (over 80% declaring himself satisfied and very satisfied with family and neighbors, and over three quarters, housing), and the critical elements of family income (43% are dissatisfied and very dissatisfied), all rights reserved (nearly 40% expressing dissatisfaction) and health status, evaluated by more than one-third of the subjects as being unsatisfying.

Table 3. Satisfaction of the following subjects (%)

Answering options					
	Very dissatisfied	Dissatisfied	Both satisfied and dissatisfied	Satisfied	Very satisfied
health	6.7	27.0	39.6	24.7	2.0
family income	5.7	37.3	27.0	26.3	3.7
home security	0.7	6.0	27.6	56.0	9.7
safety on the street	5.0	22.7	37.3	33.0	2.0
all rights reserved	8.7	30.3	42.7	17.3	1.0
political life in the country	27.0	45.3	23.4	4.3	—
the leadership society	29.0	46.7	21.3	3.0	—
relationships between people	5.7	27.0	44.6	22.7	—
environmental quality	2.0	14.0	36.0	44.7	3.3
medical care received	6.0	19.0	34.0	39.3	1.7
police and justice activities	12.7	24.0	36.3	26.7	0.3
home	—	2.3	19.7	68.0	10.0
relations with neighbors	—	0.3	16.3	74.7	8.7
family life	—	2.7	14.3	51.7	31.3
achievements in life	—	4.7	28.7	53.6	13.0
how to spend leisure time	0.3	6.0	35.0	53.7	5.0
everyday life	—	7.3	43.0	46.0	3.7

Source: Research made by the author in the year 2009, on a sample of 600 pensioners.

In the sphere of social life, most of the indicators analysed are borderline or even in the critical zone, except only the natural environment, which is rated positively by almost half of the subjects. One-quarter of subjects polled declaring dissatisfied and very dissatisfied with health care received while in relation to the work of police and justice, more than a third declares his dissatisfaction. In terms of political life in the

country and the society, the situation is critical, the percentage of dissatisfied and very dissatisfied with three-quarters of all subjects.

Satisfaction with life expressing the result of experiencing the living conditions, half of the subjects of our research declaring himself satisfied and very satisfied in relation to daily life.

What we have proposed in this research is to identify important areas of life for the elderly, as they are revealed by the research data. The perspective used is that of "quality of life", which involves taking into account assessments that people make the conditions in which they live. The research data obtained by questioning individuals outlines, through aggregation, with a coherent picture of the living conditions of human communities and on society as a whole.

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