



# First European Quality of Life Survey: Quality of life in Bulgaria and Romania

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## Introduction

Enlargement of the European Union in May 2004 to include ten new Member States has highlighted significant economic, social and cultural differences among the expanded group of Member States. A primary aim of EU social and economic policy is to foster economic and social cohesion in order to reduce the inequalities that are currently visible across Europe, lowering the gap between old and new Member States with respect to living and working conditions. Further enlargement of the EU with the accession of Bulgaria and Romania, which is scheduled for 2007, will highlight once again the issue of economic and social inequalities and the need for policies aimed at moderating differences, while still maintaining a positive overall growth trend.

In order to lessen such inequalities in the new, enlarged Europe, policymakers and social actors need reliable information on how people live and on how they perceive their living conditions. Against this background, the European Foundation for the Improvement of Living and Working Conditions launched the **European Quality of Life Survey (EQLS)** in 28 countries in 2003. The EQLS examined key aspects pertaining to quality of life in the 25 Member States (EU25), the two acceding countries – Bulgaria and Romania – and one candidate country, Turkey. Since the publication of the results of this survey in 2004, the Foundation has engaged in more in-depth analysis of key components of quality of life, based on its initial findings in the EQLS.

One of a series of analytical reports based on these findings focuses on quality of life in Bulgaria and Romania. The report, which provides the first comprehensive analysis of quality of life in these two countries in a European context, explores both the objective living conditions of people in Bulgaria and Romania and their subjective well-being, along with people's perceptions of the society in which they live. Although quality of life is not a criterion for accession to the EU, researching this sphere can contribute to understanding the disparities in the various realms of people's lives and to identifying appropriate measures that are needed in order to reach social cohesion at European level. Moreover, the comparisons between Bulgaria and Romania and between the selected groups of EU Member States provide an interesting frame of reference for the continuing debate on EU enlargement.

Each chapter of the report examines a particular aspect pertaining to quality of life: the country's economic situation; housing and the local environment; employment and training; household and family structure; work–life balance; health and healthcare; subjective well-being; and quality of society. The main objectives of the report are to describe the material conditions and subjective well-being of people living in Bulgaria and Romania, and to identify the relationship between objective living conditions and the subjective components of quality of life. Furthermore, the report compares the two countries from a number of quality of life dimensions, identifying areas in which these two countries are similar or dissimilar with regard to their potential economic, social and cultural integration in the EU. Finally, the report places the situation of Bulgaria and Romania in a broader European context by comparing the results of these two countries with those of the six new Member States having the lowest gross domestic product (GDP) in the EU (this 'lowest income' group is referred to as 'EU6 Low')<sup>1</sup> – Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia – and also with the EU25 as a whole. Such comparisons help in assessing whether the two countries pose similar challenges for EU integration as the other former communist countries that joined the EU in 2004, or whether the accession of Bulgaria and Romania creates specific and new integration challenges for the EU.

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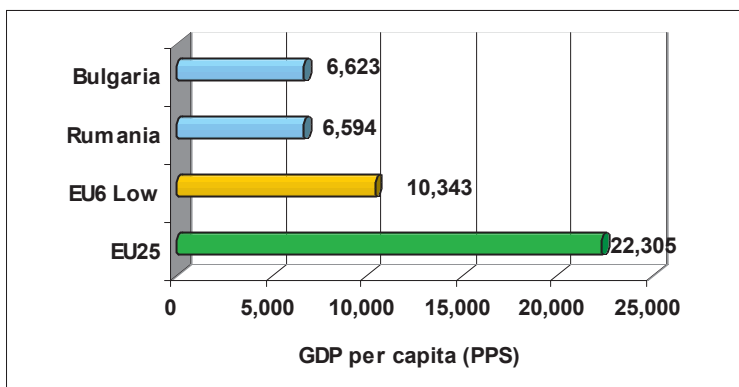
<sup>1</sup> EU6 Low referred to in this document stands for the six 'low income' EU Member States whose gross domestic product (GDP) per capita lies below 60% of the EU15 average. This particular country grouping is adapted from a similar classification used by the Commission's Directorate General for Regional Policy in summarising inequalities in levels of economic development across EU Member States.

The analysis reveals considerable discrepancies in quality of life between the two acceding countries and the EU25, particularly in relation to material living conditions, quality of employment and working conditions, health and subjective well-being. Nonetheless, certain aspects of quality of life are not that dissimilar to the EU25, such as social support networks and some indicators concerning housing. Many dimensions of life in Bulgaria and Romania do not differ greatly from the six lowest income EU countries; this suggests that the experiences of the latter group in relation to EU enlargement could provide a useful framework for the two acceding countries in such a context. The research indicates that while Bulgaria and Romania have similar levels of living standards, they are not necessarily heterogeneous in this respect. In many quality of life aspects, one or the other of the two countries is more similar to either the six lowest income EU countries or the EU25 countries. This also suggests that each country may pose different challenges in terms of their integration into the EU.

## Economic situation

Using GDP per capita as one of the key macro-economic indicators, Bulgaria and Romania appear to have the lowest level of economic output among all of the 28 countries surveyed (see Figure 1). As a result, citizens of Bulgaria and Romania have the lowest standard of living. The survey results show that the gap in the standard of living between the two acceding countries and the EU25 is wider than that of GDP per capita. In the past few years, the accession process of the two countries has been marked by high growth rates and economic recovery, without generating a substantial increase in income at household level.

Figure 1: Level of annual GDP per capita, by country group (€ PPS)



Source: Eurostat, 2003

In 2003, the average net (equalised) household income in Bulgaria and Romania remained below 300 euro per month in purchasing power parity (PPP)<sup>2</sup>. This represents only about half of the average income level of the six lower income EU countries and less than a third of the EU25 average. Besides a generally low level of household income, both acceding countries – in particular Romania – also show relatively large income inequalities. In Bulgaria, the average income in the highest income quartile was around four times higher than that in the lowest income quartile, while in Romania, it was around 5.6 times higher than the average income in the lowest income quartile. In both acceding countries, the average monthly household income was about 100 euro in the lowest income quartile, which is very low in EU terms.

<sup>2</sup> Purchasing power parity (PPP) refers to currency conversion rates that both convert currencies to a common currency and equalise the purchasing power of different currencies. In other words, they eliminate the differences in price levels between countries in the process of conversion.

Unemployed people and their families, as well as low-skilled people, are most at risk of 'income poverty'. This indicates the need for social inclusion and anti-poverty policies that favour active measures, such as facilitating job creation and increasing employability through education and training. In addition to the aforementioned groups, pensioners (single people and couples over 65 years of age) are also at increased risk of income poverty; this is particularly the case in Bulgaria. Therefore, this group needs to be targeted through specific policy measures – including measures such as social transfers and income support – aimed at easing their financial difficulties and at improving their social inclusion.

Bulgaria and Romania display a high level of deprivation in terms of standard of living, recording levels of 3.9 and 3.4 respectively on the deprivation index (based on six items considered necessary for living). This contrasts both with the six lowest income EU countries, which have an overall deprivation index of 2.5, and in particular with the EU25 countries, which record a deprivation level of 1.0. The measure of deprivation focuses on six items that a household cannot afford: keeping the home adequately warm; having a meal with meat every second day if they choose to; replacing worn-out furniture; buying new rather than second-hand clothes; having a week's holiday away from home; having friends or family to visit for a drink or a meal at least once a month. The deprivation index is an attempt to construct poverty indices that measures exclusion separately from minimum standards of living. The survey reveals that many people are unable to meet these six basic needs in Bulgaria and Romania.

The overall economic conditions prevailing in Bulgaria and Romania have also influenced the extent to which household produce their own food. In both countries, more than half of the respondents reported that they grow crops or keep livestock in order to meet basic needs. In Bulgaria, 64% of the households in the lowest income quartile rely on their own food production activities to meet the household needs for food; in Romania, this situation is even more acute with 75% of the poorest households relying on their own food production activities to meet such needs. The corresponding figures for the six lower income EU countries and the EU25 are significantly lower, with 56% and 19% respectively of households in the lowest income quartile producing their own food to satisfy the household's food needs. This type of subsistence agriculture represents a limited and short-term solution to difficult living conditions in Bulgaria and Romania. While it has proved to be a useful strategy in helping people to survive during the arduous transition years, it cannot be considered a long-term solution for the further development of these countries towards knowledge-based economies.

Despite the fact that many citizens have developed their own strategies to cope with economic strains, some 41% of the survey respondents in Romania and 61% of the respondents in Bulgaria indicated that they had difficulties in making ends meet. In Bulgaria, the level of perceived economic strain was significantly higher than that of the six lowest income EU countries, where 44% of the respondents had reported encountering difficulties in trying to make ends meet. This gap is even wider in comparison with the EU25 average of 15% in relation to perceived economic strain. Such disparities represent a major challenge for policymakers, particularly in relation to Bulgaria where a majority of people live in difficult economic circumstances and feel that they are poor. In particular, the poor standard of living of people in the lowest income quartile represents a considerable challenge.

## **Housing and local environment**

As in most of the other former communist countries, home ownership is very common in Bulgaria and Romania. This is largely the result of the privatisation of social housing during the 1990s, which enabled people to become house owners instead of remaining as tenants. In Bulgaria and Romania, some 89% and 85% respectively of the population now live in their own home compared with 62% of the population in the EU25 and 75% of the population in the six lowest income EU countries. In addition, a large majority of householders in the two acceding countries own their home without any mortgage or loans, a factor which no doubt enables people to survive on smaller incomes.

In relation to the size of dwellings, people in Bulgaria and Romania have a significantly larger living space compared with citizens in the six lowest income EU countries: in Bulgaria, the average number of rooms per person is 1.2 rooms while in Romania it is 1.3 rooms, compared with an average of one room per person in the six lowest income EU countries. In terms of total living space, significant differences emerge between the two countries. In Romania, a significant proportion of householders (27%) live in very small houses of up to 50 square metres, while another equally significant proportion of people (23%) live in bigger dwellings of over 100 square metres. This indicates a certain polarisation in terms of living space, which is not as evident in Bulgaria where the distribution seems more equal.

However, the quality of housing is relatively low in both Bulgaria and Romania (see table 1). A shortage of space, in particular, is a frequently reported problem in these two countries, with 24% and 28% respectively of respondents citing this problem. In addition, houses are reportedly less comfortable and neighbourhoods less safe in these two countries. The situation in Romania in relation to quality of housing is significantly worse than that of Bulgaria: in Romania, 30% of households have problems with rotting windows (compared with 21% in Bulgaria), 29% have problems with damp and leaks (compared with 25% in Bulgaria), while 40% of households have no indoor flushing toilet (compared with 29% in Bulgaria).

Table 1: *Proportion of households declaring problems with accommodation (%)*

	Shortage of space	Rot in windows, doors and floors	Damp and leaks	Lack of indoor flushing toilet	Has at least two of the problems
<b>Bulgaria</b>	24	21	25	29	26
<b>Romania</b>	28	30	29	40	35
<b>EU6 Low</b>	26	29	20	11	24
<b>EU25</b>	18	11	14	3	11

*Q19: Do you have any of the following problems with your accommodation? (1) Shortage of space; (2) Rot in windows, doors or floors; (3) Damp/leaks; (4) Lack of indoor flushing toilet.*

Source: *EQLS, 2003*

With regard to environmental problems, there is a clear difference between the findings for Bulgaria and Romania, on the one hand, and the findings for the six lowest income EU countries and the EU25 on the other. People in the two acceding countries complain much more frequently about air pollution, in particular those living in urban areas. In Bulgaria especially, almost one third of the respondents (20% of those living in rural areas and 40% living in urban areas) complain about poor water quality. Air and water pollution are most likely to compound the relatively poor health conditions of the population in Bulgaria and Romania and therefore require a rapid policy response. In relation to housing and the local environment, particularly in terms of the latter, the two countries should learn from the positive experiences of the EU Member States.

## **Employment and training**

The early 1990s were characterised by a relatively high unemployment rate in Bulgaria and Romania. From 2000 onwards, the situation started to improve. Since 2003, the unemployment rate has stabilised, dropping to about 7% in Romania and to 13% in Bulgaria, with very little difference between men and women. However, the big challenge for Bulgaria, and to a somewhat lesser extent for Romania, will be to reduce the high level of long-term unemployment, particularly among young people with low skill levels and older people. This will require the careful selection, targeting and effective implementation of specific measures arising from active labour market policies, such as activation policies.

The sharp decrease in the unemployment rate of these two countries in the last four to five years is attributed to the strong economic growth and the creation of new jobs arising from this growth, particularly in the private sector; it is also related

to the relatively high level of emigration from these two countries to EU Member States. However, since labour emigration is very selective in terms of the age and education of the workforce (the so-called ‘brain drain’ and ‘skills drain’), large-scale emigration can result in serious disturbances to the domestic labour supply. Both countries should therefore pay greater attention to this issue and develop policies aimed at minimising the negative macro-economic, demographic and social effects of emigration.

Despite the strong economic growth in recent years, both countries still have relatively low overall employment rates at 52% in Bulgaria and 58% in Romania – between five and 10 percentage points below the EU25 average. In Bulgaria, the female employment rate at just below 50% is one of the lowest in Europe. The employment rate of older workers in these countries is also below the EU average. Overall therefore, labour market participation in Bulgaria and Romania is quite low and should be a key policy concern in these two countries. Creating new employment opportunities is recognised as one of the major factors for facilitating social inclusion and cohesion. For this reason, increasing the labour participation rates of women and older people in particular, by 2010, represents one of the major objectives of EU social policy. However, this does not represent an easy challenge for Bulgaria and Romania due to the relatively large proportion of total employment that is found in agriculture (10% in Bulgaria and 34% in Romania). In the medium term, EU agricultural policy will put serious pressure on employment opportunities in the non-competitive farming sector in Romania, possibly leading to a labour surplus in rural areas in particular; such a scenario may also occur to a lesser extent in Bulgaria.

On average, people in Bulgaria and Romania work longer hours than people in the EU25. Low wage levels and inflexible working time arrangements are seen as significant contributory factors in this context. For example, because of the low wage levels, people often try to increase their earnings by having a second job. Another reason is the relatively high level of employment in the informal economy, which is characterised by low pay, poor working conditions, the absence of flexible working time arrangements, high job insecurity and a low level of protection for employees in relation to working time. Therefore, employment in the informal economy is an area where much greater regulation and policy intervention is needed.

The perceived quality of jobs in Bulgaria and Romania – measured by pay levels, degree of autonomy at work, and prospects for career advancement – is lower than that of the six lowest income EU countries and much lower than the EU25 average. In addition, the level of perceived job insecurity in these two countries is very high, particularly in Bulgaria where a half of employees think that they might lose their job within the next six months. In Romania, this proportion is lower at 18%, but still twice the EU25 average. Along with the poor rights in relation to job protection and the scale of the informal sector, the feeling of insecurity also seems to have been influenced by the unsettling experiences associated with the privatisation of the socialist economy, when thousands of jobs were lost.

In relation to training, the EQLS data indicate that only 5% of employees in Bulgaria and 12% of employees in Romania have undertaken training or participated in a course of some kind over the past year; this is extremely low compared with the average of the six lowest income EU countries of 18% and the EU25 average of 21%. In fact, these figures are a significant cause for concern, since investing in people through the provision of better education opportunities, more training and lifelong learning is seen as a key determinant for the competitiveness of EU economies. It is also considered an important factor for enabling people to access good quality jobs which, in turn, leads to greater social inclusion and increased cohesion. For all of these reasons, policymakers in Bulgaria and Romania should address these issues in a more proactive way and aim to create conditions that will promote and facilitate different forms of investment in human capital.



## **Household structure and family relations**

Bulgarians and Romanians live in relatively large households with an average of 2.69 persons and 2.92 persons per household respectively, compared with the EU25 average of 2.46 persons per household. There is also a relatively high proportion of multi-generational households in these two countries, where children, parents and grandparents live in the same house. Conversely, the proportion of single-person households is low compared with the EU level. Household patterns are determined by cultural, but also social and economic factors. Due to the high unemployment levels and low levels of pay, many young people in Bulgaria and Romania cannot afford to live independently and therefore remain for longer in the parental home, compared with their counterparts in western European countries. Factors strongly contributing to the relatively high proportion of multi-generational households in these countries are housing problems and lack of childcare facilities especially for young parents, along with the low level of remuneration in the pensions of older people. Essentially, larger families are better able to cope with economic problems in these two countries because of the support offered by family members during difficult times.

Intergenerational solidarity among families in Bulgaria and Romania is also manifested in the extent to which people care for children and elderly persons; in these two countries, caring activities are performed by the family to a greater extent than in the six lowest income EU countries and the EU25. While elderly people are usually cared for by the family, at the same time, older people also play a very active role in caring for children. This form of support partly compensates for the poorly developed social services in these countries.

Housework, childcare and care of elderly family members are tasks that are usually carried out within the household, mostly by women. Among all of the 28 countries covered in the EQLS, Romania ranks first in terms of the highest number of daily hours devoted to housework. Bulgaria scores somewhat lower in relation to this indicator and shows a rate closer to the average of the six lowest income EU countries. The number of hours devoted to childcare and care of elderly people is also higher in Romania. Economic constraints on the one hand, and a lack of private and public services on the other, are considered to be the major reasons compelling family members to take responsibility for such tasks. In many cases, particularly in relation to women, these responsibilities prevent people from participating in the labour market. Therefore, ensuring better access to and developing different forms of childcare and elderly care services should be high on the agenda for policymakers in Bulgaria and Romania.

Generally, the family is the main source of social integration and support in Bulgaria and Romania. People largely rely on family members in difficult situations like physical and mental illness, and when they need advice and support. In relation to relying on support from friends, Bulgaria and Romania differ from other European countries in this respect, as people in these two countries appear to be less dependent on friends in comparison with the EU25 countries. The social life of people in the two acceding countries is therefore characterised by relationships within family and by less developed social networks in society. Among all of the countries and country groups examined, Romania is most prominent in terms of its strong reliance on the family.

## **Work–life balance**

Reconciling work and family life is an important issue in the EU policy agenda, which aims at increasing women's participation in the labour market, as well as enabling family care of children or dependent adults. In Bulgaria and Romania, reconciling these two aspects of life is particularly difficult, given the unusually long hours that people in these countries work. Women in particular face a high burden in this respect. In Bulgaria and Romania, the proportion of women working more than 48 hours a week is close to the proportion of men in both countries; this differs markedly from the situation in the EU25, where twice as many men than women work long hours each week. At the same time, due to the distribution of roles within the family, women in Bulgaria and Romania also devote more time to housework

than men do and more often have responsibility for childcare and care of elderly people. In order to change this pattern and to increase the labour participation of women, the governments of these two acceding countries should guarantee stronger support for the provision of different care services. They should also make greater efforts to develop and implement flexible working time arrangements that enable women to better combine their family responsibilities and their professional careers.

The EQLS data confirm that balancing work, family and social commitments represents a difficult task in the two acceding countries. More than a third of the survey respondents in Bulgaria and Romania reported that they were too tired after coming home from work to carry out any household tasks – a level that is above the average of the six lowest income EU countries and higher again than the EU25 average. Similarly, a higher proportion of people in the two acceding countries, compared with the six EU countries and the EU25 as a whole, reported that they had difficulties fulfilling family responsibilities because of spending too much time at work. In such a context, it is easier to understand why people in Bulgaria and Romania complain more frequently about not having enough time for social contacts, hobbies and personal interests compared with people in any of the EU Member States.

The difficulties experienced in maintaining a work–life balance have a huge impact on people’s satisfaction with their work, family and personal lives – all of which are important dimensions of quality of life. The social partners in both Bulgaria and Romania should therefore consider creating and offering new possibilities for balancing family, social and work life. Employees should be offered greater choice in arranging their work schedules through the introduction of more flexible working time arrangements. Women should be given more opportunities to enter or remain in the labour market, for example through the provision of more and better quality care services. Labour market regulations and social security provisions should ensure that people have the opportunity to return to full-time work in order to reduce the risk of poverty in old age. Although both countries have already taken steps in this direction, greater efforts need to be made to increase the social acceptance and take-up of flexible working time options and to create conditions more conducive to job and income security. Failure to do so may hinder the efforts aimed at increasing labour market participation and at improving people’s overall quality of life.

## **Health and healthcare services**

Being in good health is an essential precondition for a high quality of life. According to the EQLS, the health status of people living in Bulgaria and Romania is below the EU25 average. A poor health status in Bulgaria and Romania is reported by 15% and 16% of the respondents respectively – about twice the proportion of the EU25 average. Moreover, a quarter of the total adult population in Bulgaria and Romania report that they have a longstanding illness or disability that prevents them to some extent from leading an active and independent life. These findings on subjective health status correspond fully with objective indicators on health: among the 28 countries analysed – with the exception of Latvia – these two countries have the lowest life expectancy and some of the highest infant mortality rates.

Elderly citizens in Bulgaria and Romania most often report a poor health status. Low-income groups, unemployed people, those with a poor education and people living in urban areas are also at an increased risk of having health problems. With the exception of the urban population, the level of satisfaction with personal health in all of the aforementioned groups is also below the national average.

In relation to access to health services, people living in Bulgaria and Romania cite more problems accessing such services than people in the EU do in general. Bulgarians complain most about the distance to a doctor’s office and about the delay in getting an appointment: two out of five Bulgarians who needed medical services reported that they found it ‘very difficult’ to access medical care from the point of view of these two aspects. One third of the respondents in Bulgaria cited difficulties in accessing health services due to the high costs involved. This figure is among the highest



of the 28 countries studied. Meanwhile, in Romania, people complained most often about the costs involved in seeing a doctor: altogether, 29% of the people who needed medical services reported difficulties in accessing health services due to the high cost of these services.

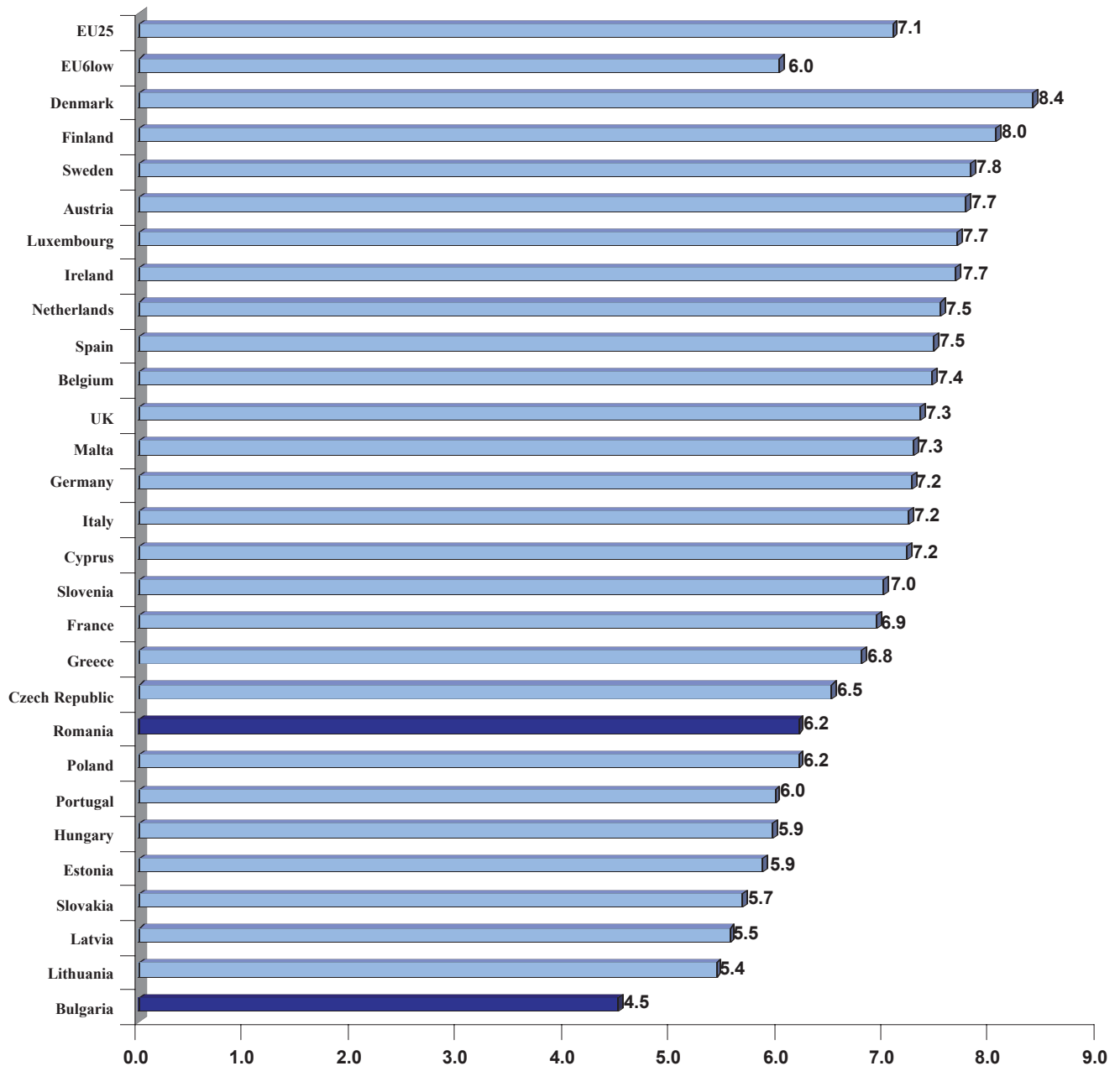
The perceived quality of health services in the two acceding countries, particularly in Bulgaria, is much lower than that of the EU. In Romania, the respondents gave an average score of 5.6 points (on a scale of one to 10, where one means very poor quality and 10 means very high quality) when rating the quality of health services. Although this is higher than the corresponding score of five points in the six lowest income EU countries, it is significantly lower than the average score of 6.2 points in the EU25. At just 3.5 points, Bulgaria scored the lowest of all the countries studied, underlining the need for a rapid response by all the relevant actors in this country to improve the quality of health services. Given the budgetary constraints of both of these countries and the restrictions on public spending, improving the quality of health services will not be an easy task. Nonetheless, a key priority for these countries in the coming years will be to enhance access to health protection and to ensure that all citizens have access to basic medical services. Special schemes should also be developed for the most vulnerable groups in society, such as children, elderly people, and those on low incomes. In addition, a greater focus should be placed on health prevention programmes and on health education in the longer term.

## **Life satisfaction**

People living in Bulgaria and Romania have among the lowest standards of living of all the 28 countries covered in the EQLS. Lower living standards, in turn, negatively affect people's subjective feelings about their lives as a whole and about various aspects of their lives. In Bulgaria in particular, the respondents reported low levels of subjective well-being. Both of the acceding countries lag behind the older EU Member States in relation to subjective well-being, thus mirroring the existing disparities between these two country groupings in relation to objective living conditions such as: financial situation, standard of living, working conditions, time use, health, and quality of society.

Life satisfaction is generally regarded as the overall sum of all circumstances that people experience in their lives. In Bulgaria, the score for life satisfaction is the lowest among all the countries analysed, at just 4.5 points (on a scale of one to 10, where one means very dissatisfied and 10 means very satisfied), compared with an average score of six points for the six lowest income EU countries and an average of 7.1 points for the EU25 (see Figure 2). In Romania, the average score for life satisfaction is considerably higher than in Bulgaria at 6.2 points. A similar situation is found when people's optimism about the future is considered. In Romania, two thirds of people are optimistic about the future, while in Bulgaria less than half (47%) of the respondents are optimistic about their future. Nevertheless, the fact that people in the two countries have different responses to essentially similar material conditions reflects the reality that their assessment also includes their expectations and values, as well as their experiences from the past.

Figure 2: Life satisfaction in Europe



Question: 31: All things considered, how satisfied would you say you are with your life these days? Please indicate on a scale from one to 10, where one means very dissatisfied and 10 means very satisfied.

Source: *EQLS, 2003, Mean values*

In relation to people's experiences and expectations, it is worthwhile referring to the recent history of Bulgaria and Romania. Although both countries had long-term experiences of communism, they took slightly different paths in this respect. Bulgaria experienced a less strict communist regime, with a rather smooth departure from its autocratic past: as a result, it had a better starting point in relation to its economic transition compared with Romania. However, this transition has proved to be extremely difficult and involved economic crises that led to high social costs which also impacted negatively on individuals themselves. Thus, transition in Bulgaria was largely far more difficult than expected and led to a sharp deterioration in living conditions, including increased job insecurity, unemployment and poverty. In

this sense, therefore, the low level of subjective well-being in Bulgaria can be linked to the conditions and feelings of disappointment that people had following transition.

Conversely, Romania was subjected to one of the most severe communist regimes in east Europe. In contrast with Bulgaria, the overthrow of this autocratic system was traumatic and the starting point to transition was quite low compared with most former communist countries. Although the transition also proved difficult in this country, it was accompanied by less extreme crises and a relatively slow pace of reform. By 2000, the country began to witness the first signs of economic recovery, an improved political environment, and more targeted and efficient social protection measures. These positive changes may partly explain the increased sense of optimism that was reflected in the findings of the EQLS survey, conducted in 2003, and the reason why people's subjective well-being is higher in Romania than in Bulgaria.

Nevertheless, in both countries, certain groups of people are relatively more disadvantaged in terms of subjective well-being. For example, the level of life satisfaction among unemployed people, those on low incomes, and people with low skill levels is below the national average. However, the lowest figures in this respect are to be found among older people – a clear signal that policymakers need to identify measures aimed at this particular target group. Life circumstances for many older people are very negative. The economic transition has impacted on this group by interrupting their work biographies and disrupting their way of life, while other features like the sharp drop in incomes, poor health services, social isolation, and the lack of services for elderly people have all adversely affected their subjective well-being.

## **Feelings about the quality of society**

Determining the quality of the social context in which people live complements the picture of people's objective living conditions and subjective well-being. The conditions of the different societies influence people's life strategies and impact decisively on the quality of their lives. For instance, in countries in which citizens have little trust in others, where there is poor social capital, where people perceive tensions between various groups, and where public services are of low quality, positive life strategies are not likely to be encouraged.

In Bulgaria, people's perception of the quality of society is extremely low: at individual level, people have little trust in others, often feel alienated and lost in society, perceive their own communities as not being very safe and evaluate the quality of social services as being very low. This perception largely corresponds with the generally low scores for all subjective indicators in Bulgaria. In Romania, people have a less negative perception of the different aspects of the quality of society than in Bulgaria. However, both countries are still far behind the EU in this respect, where a much lower proportion of citizens feel alienated, lost or unsafe, and where the quality of social and health services is perceived to be much better.

More specifically, people in Bulgaria and Romania are concerned about tensions in society, particularly tensions that reflect traditional social divisions, for example between rich and poor people, and between management and workers. These tensions are related to the increased income inequalities and material polarisation experienced in these two countries. Reducing the gap between the rich and poor, therefore, constitutes one of the key challenges for both of these countries. However, in relation to tensions between different ethnic groups, Bulgarians do not perceive this to be a serious issue. Only 13% of the respondents in this country perceived a lot of tensions between ethnic groups, representing the lowest figure among the 28 countries covered in the survey – with the exception of Lithuania, where 10% cited such tensions. In Romania, the proportion of people perceiving a lot of tensions between ethnic groups is much higher at 33%; this may be linked to the higher level of ethnic diversity in the country, which includes large Roma and Hungarian ethnic groups.

The perceived low quality of health and social services in the two acceding countries also reflects the low level of government spending in these areas. In Bulgaria, the quality of education and public transport is also perceived as being relatively low. Despite improvements in these services in recent years, much work remains to be done in this area. One of the big challenges for governments in Bulgaria and Romania is to reduce the extensive informal sector. A high degree of tax evasion in the informal economy makes it far more difficult to finance the necessary reforms in the social security system, and in education and health, and to improve the overall quality of these services.

The low evaluation of the quality of society in Bulgaria and Romania has its roots in the economic, social and political context of these two countries. The countries' transition to a market economy has led to profound changes in economic and social structures, which are often associated with negative processes such as a weakening of social control, increased crime, widespread corruption, and greater income inequalities and polarisation. All of these factors, in turn, seem to have affected the feelings of people in Bulgaria and Romania in relation to the quality of the society in which they live. Many people feel marginalised or disoriented, see their lives as being led by factors that are outside of their own control, often feel unsafe, and perceive their country as being different to the norm. While there are no simple solutions to these problems, it is likely that creating certain conditions – such as the sustainable functioning of the market economy, more rapid economic growth, the modernisation of social services, a more socially acceptable redistribution of income and better law enforcement – will contribute to a better quality of society and to an improved quality of life for citizens in Bulgaria and Romania.

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