Abstract. The purpose of this paper is to investigate how public services can contribute to enhancing quality of life. We try to answer three research questions: Which are the relevant economic and social aspects that need to be taken into account when we want to measure quality of life? Which services of general interest have the most significant impact on life satisfaction? What is the role of human resources in improving the quality of public services and, through them, the quality of life? To achieve the research objectives several statistical indicators were selected and nonparametric correlation method was applied. Statistical analysis refers to 15 European Union Member States belonging to different social models. One of the main findings is the fact that health services and services for elderly seem to have the most significant impact on life satisfaction. These findings draw attention to the recent social and demographic trends in all member states. In this context, public policies should be mainly targeted to solve elderly problems and, not ultimately, to find the best ways to use their potential on the labour market, given the increased phenomenon of demographic aging and the drop in active population number.

Keywords: public services, quality of life, human resources, social and economic indicators, corruption, correlation analysis.

PUBLIC SERVICES – KEY FACTOR TO QUALITY OF LIFE

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Management & Marketing
Challenges for the Knowledge Society
1. Introduction

Even though, at first sight, quality of life (QOL) could be seen as a straightforward concept due to its popularity among public programmes, its content is rather complex involving both a subjective and an objective perspective, as well as an individual and collective approach.

“Quality of life requires that people’s basic and social needs are met and that they have the autonomy to choose to enjoy life, to flourish and to participate as citizens in a society with high levels of civic integration, social connectivity, trust and other integrative norms including at least fairness and equity, all within a physically and socially sustainable global environment” (Phillips, 2006).

So, QOL should be seen as a broader concept than simple living conditions, involving aspects of the personal and social well-being that are more difficult to measure: happiness, freedom, utility, identity etc.

Human Development Index (HDI), The Better Life Index – Organisation for Economic Co-operation and Development - OECD (BLI), Quality of Life Index (QLI), Quality of living Index – Mercer Survey (QLVI) and Happiness Index (HPI) are few of the tools aimed at measuring different aspects of quality of life.

The aforementioned indices try to measure quality of life based on aspects such as: education, health, transport, environment etc., which proves that there is a direct link between quality of life and the performances of public services. Actually, public services, due to their presence in people daily life, have a major contribution in the construction of all these indexes. Even in the economies where the privatisation has reached very high level, or where some public services are assured by outsourcing services, their influence on quality of life is present in a similar degree, because somewhere behind, there are some regulatory public institutions which monitor how the market rules are respected and how they affect citizen’s current life.

A major argument that also sustains the direct relation between quality of life and public services is represented by the financing source. From this perspective it is important to notice that the public service is based on money collected from population or companies, so any increase in their costs is going to negatively affect the people quality of life because they are supposed to pay more. The dissatisfaction generated by such a situation can be compensated at the contributor level only by an increase in the quality of the public service, even if it doesn’t happen simultaneously.

No less important when addressing the problem of quality of life is the necessity to take into consideration all social categories, focusing on the vulnerable ones. In the current economic and social context, great importance should be given to the elderly problems and, implicitly, the way in which their quality of life can be improved.

The financial crisis, whose consequences are still present, has the potential to become a social one, to the extent that state’s financial resources are insufficient to finance the system pension, as it is currently organized. Another argument in favour of a more attention that needs to be paid to this category of population is the recent demographic trends which tend to change population age structure. The number of
elderly is increasing whereas the share of young people tends to reduce. In addition to these demographic changes, future anticipated shortages of the working age population will put even a greater pressure in terms of the pension schemes.

All these developments occur in the context in which governments are increasingly interested in promoting public policies aimed at making the elderly to remain independent and active in the society for a longer period of time (Mollenkopf and Walker, 2007).

Unfortunately, the latest changes in the European Union countries labour markets show that not only the elderly are a vulnerable category, but also the youth. It seems that young people are among the most affected by unemployment age groups. In most European countries youth unemployment rate is two times the national average. In this sense, there is a risk that reducing the number of young people as demographic trend, to be accompanied by their underutilization on the labour market, with drastic consequences in terms of quality of life.

If many research studies have dealt with the various aspects related to the quality of life among elderly, in the future a greater concern for studying the key factors affecting young people’s quality of life will be needed. Recent results in this field have shown that among demographic factors with a significant impact on indicators that reflect the standard of living, age is a significant element.

In this context, the education that young people should receive becomes an essential pillar in the economic recovery process, along with the importance that needs to be given to increasing the compatibility between the type of education and labour market needs. In many European countries, a real concern is represented by the frequent imbalances in the labour market (over-education, under-education, skills gap, skills shortages, skills obsolescence etc.) with a significant impact on job satisfaction and, in the end, the quality of life.

Education must be included in the category of essential public services when it comes to elaborating viable strategies aimed at overcoming (demographic, financial, economic) crisis consequences. At the same time, together with the professionalism of public institutions are indispensable drivers in the process of increasing the efficiency of public services.

Whereas defining the concept QOL and finding their key factors can be a difficult task, it is more easily to prove its importance for the future development of a country, region or local area.

“A good quality of life is crucial for attracting and retaining a skilled labour force, businesses, students, tourists and, most of all, residents in a city. Assessing the current economic and social situation is a prerequisite for any improvement, development and future monitoring” (Feldmann, 2008).

The next section focuses on defining quality of life using several economic and social indicators and indexes. The methodology and results of the correlation analysis are presented and commented on in section 3. Emphasizing the role of human resources in ensuring high quality public services is subject to section 4. Main conclusions are presented in section 5.
2. Defining quality of life through economic and social indicators

Nowadays, many international institutions are trying not only to define QOL, but also to find various aspects through which it can be measure. Among them, important elements for assessing individual and social well-being are: income, jobs, cost of living, health, education, environment, safety.

Twenty years ago, commissioned by the United Nations Development Programme (UNDP), the first Human Development Report proposed a concept and an indicator for measuring human development. Human Development Index (HDI) analyzes the level of human development of a country based on three dimensions: long and healthy life expectancy, education and living standards and divides countries into four categories: very high human development, high human development, medium human development and low human development.

The 2010 Report extended the scope of human development analysis with three new indexes (Human Development Report 2010): Inequality-adjusted HDI, Gender Inequality Index and Multidimensional Poverty Index.

In 2011, European Union countries having the highest human development indexes were: Netherlands, Ireland, Germany, Sweden, Denmark and Belgium, while in the second category of countries were included only Bulgaria and Romania.

With a similar purpose to HDI, to compare well-being across countries, Better Life Index was built as an interactive tool that allows OECD countries to evaluate their performances based on 11 topics (housing, income, jobs, community, education, environment, governance, health, life satisfaction, safety and work-life balance) identified as essential in the areas of material living conditions and quality of life (Table 1).

<table>
<thead>
<tr>
<th>Quality of Life Indexes</th>
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<td><strong>Table 1</strong></td>
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<tr>
<th>BLI - OECD</th>
<th>QLI (1) – Nation Ranking</th>
<th>QLI (2) – International Living</th>
<th>QLVI – Worldwide Quality of Living Mercer Survey</th>
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<tbody>
<tr>
<td>1. Housing - Rooms per person - Dwelling without basic facilities</td>
<td>1. Health Index (20%) - Life expectancy at birth - Mortality amenable to health care (when available) - Infant mortality - Access to health care</td>
<td>1. Cost of living (15%) - Cost-of-living allowances for a Western-style of living - Income tax rates</td>
<td>1. Political and social environment (political stability, crime, law enforcement etc.)</td>
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<td>2. Income - Household disposable income - Household financial wealth</td>
<td>2. Education Index (20%) - Adult literacy rate - School life expectancy</td>
<td>2. Culture and leisure (10%) - Literacy rate, newspaper circulation per 1,000 people, primary and secondary school enrolment ratios, number of people per museum, and a subjective rating of the variety of cultural and recreational offerings</td>
<td>2. Economic environment (currency exchange regulations, banking services etc.)</td>
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<td>3. Jobs - Employment rate - Long-term unemployment rate</td>
<td></td>
<td>3. Economy (10%) - Interest rates, GDP, GDP growth rate, GDP per capita, the inflation rate, and GNP per capita</td>
<td>3. Socio-cultural environment (censorship, limitations on personal freedom etc.)</td>
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<tr>
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<td>4. Community - Quality of support network</td>
<td>- PISA results (when available)</td>
<td>4. Environment (10%) - Population density per square kilometer, population growth rate, greenhouse emissions per capita, and the percentage of total land that is protected</td>
<td>4. Health and sanitation (medical supplies and services, infectious diseases, sewage, waste disposal, air pollution etc.)</td>
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<td>5. Education - Educational attainment - Students reading skills</td>
<td>3. Wealth Index (20%) - GDP (PPP) per capita - Gini coefficient of national income distribution</td>
<td>5. Freedom (10%) - Citizen’s political rights and civil liberties (Freedom House Survey)</td>
<td>5. Schools and education (standard and availability of international schools etc.)</td>
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<td>6. Environment - Air pollution</td>
<td>4. Democracy Index (15%) - Freedom House political rights index - Freedom House civil liberties index - Freedom House freedom of the press index</td>
<td>6. Health (10%) - Calorie consumption as a percentage of daily requirements, the number of people per doctor, the number of hospital beds per 1,000 people, the percentage of the population with access to safe water, the infant mortality rate, life expectancy, and public health expenditure as a percentage of a country’s GDP</td>
<td>6. Public services and transportation (electricity, water, public transport, traffic congestion etc.)</td>
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<tr>
<td>7. Governance - Consultation on rule-making - Voter turnout</td>
<td>5. Peace Index (15%) - Global Peace Index</td>
<td>7. Infrastructure (10%) - Length of railways, paved highways, and navigable waterways in each country, and equated these things to each country’s population and size. We also consider the number of airports, motor vehicles, telephones, Internet service providers, and cell phones per capita</td>
<td>7. Recreation (restaurants, theatres, cinemas, sports and leisure etc.)</td>
</tr>
<tr>
<td>8. Health - Life expectancy - Self-reported health</td>
<td>6. Environment Index (10%) - Environmental Performance Index</td>
<td>8. Safety and risk (10%) - Unhealthy, or dangerous living conditions</td>
<td>8. Consumer goods (availability of food/daily consumption items, cars etc.)</td>
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<td>9. Life satisfaction - Life Satisfaction</td>
<td></td>
<td>9. Climate (10%) - Average annual rainfall and average temperature and consider its risk for natural disasters</td>
<td>9. Housing (housing, household appliances, furniture, maintenance services etc.)</td>
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<td>10. Safety - Homicide rate - Assault rate</td>
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<td>10. Natural environment (climate, record of natural disasters)</td>
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<td>11. Work-life balance - Employees working very long hours - Employment rate of women with children - Time devoted to leisure and personal care</td>
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Source: http://oecdbetterlifeindex.org/;
http://natonanking.wordpress.com/2011/03/06/2011qli/;
Thus, in 2011 when people from OECD countries were asked to rate how they value their life in terms of the best possible life (10) through to the worst possible life (0), the most happy with their life conditions were Danes, Norwegians, Swedes and Finns, while the last positions were held by the people from Estonia, Portugal and Hungary (OECD, Index of Better Life).

The same results are revealed by the Global Barometer of happiness for 2011 (The World’s First Global Barometer 1977-2011) through the Happiness Index which measure people’s perceptions about their personal happiness. The happiest people are not necessarily those with high incomes, but rather those with a certain social status. Less happy are people who have no religious belief, middle age, the unemployed or the retired ones.

Many other public and private organizations (National Ranking, International Living, Mercer) have tried to measure quality of life in countries around the world using a multidimensional analysis based on several criteria which were given a certain coefficient of importance. Thus, International Living and National Ranking proposed two quality of life indexes which were built taking into account both statistical data and citizens’ perceptions. The most important aspects of quality of life included in the computation of these indices were health, education, welfare and the cost of living (Table 1). These factors have received the largest coefficients of importance in calculating the global indices and the final ranking of countries.

Another research conducted by Mercer explores the living conditions of world cities based on 10 categories of factors: political and social environment, economic environment, socio-cultural environment, health and sanitation, schools and education, public services and transportation, recreation, consumer goods, housing, natural environment.

According to Mercer’s Survey, in 2011, the cities offering the best living conditions were: Vienna, Zurich and Auckland. When only the 27 member states of European Union were taken into consideration, the countries with most cities in the top of quality of life were Austria, Germany and Sweden.

In conclusion, all these indexes demonstrate that living environment and public services are among the most important factors for high standards of living.

3. Public services as factor for enhancing quality of life

Assessing quality of life at personal (individual) or social (country) level proves to be a complex process due to the multiple aspects to be considered.

Thus, quality of life indices computed by different specialized international institutions have a multidimensional character, capturing elements such as: education, health, environment, infrastructure, and issues related to democracy, peace, freedom, safety, or leisure (Table 1). It is obvious that in order to ensure a high quality of life, public services are playing an essential role.

At the European Union level one of the most important pillars of the European model of society is represented by the services of general interest (SGI). In 2004, European Commission launched the White paper on services of general interests and
restated “the crucial importance of well-functioning, accessible, affordable and high-quality services of general interest for the quality of life of European citizens, the environment and the competitiveness of European enterprises” (COM, 2004).

To quantify the role that public services play in determining the standard of living or quality of life, 15 European Union member states have been selected (Austria - at, Belgium - be, Bulgaria - bg, Czech Republic - cz, Germany - de, Denmark - dk, Spain - es, Finland - fi, France - fr, Ireland - ie, Italy - it, Lithuania - lt, Netherlands - nl, Romania - ro and Sweden - se) and correlation analysis (Spearman’s rank correlation coefficient) has been applied.

Characterizing the intensity of the relationship between two variables X and Y by this method is not based on the empirical values of the variables analyzed but on their ranks in the ordered series of the registered values.

Spearman’s rank correlation coefficient has the following formula:

$$S = 1 - \frac{6 \sum d_i^2}{n(n^2 - 1)}$$

where $d_i$ are differences between the ranks of each observation of the variables $x$ and $y$.

This coefficient takes values between –1 and +1. The higher the coefficient (closer to 1, in module), the stronger is the intensity of the relationship between the variables. Values of 1 or –1 indicate a perfect direct correlation, inverse correlation respectively, between the variables analyzed.

Countries were selected so as to belong to each of the four social models proposed by Boeri (2002) and analyzed, for example, by Rovelli and Bruno (2008), plus several former communist countries from Central and Eastern Europe.

The Anglo-Saxon countries (Ireland and UK) model is characterized by a focus on the cash transfer to the working-age people, while the wage dispersion is pretty wide and low paid jobs record a relatively high frequency.

Nordic countries (Denmark, Finland, Sweden and Netherlands) share the most powerful level of social protection, including a welfare status but these advantages are conditioned by the citizenship principle. Labour market is influenced by an extensive fiscal intervention and also by a quite large employment in public area. This kind of model has conducted to a compressed wage structure.

In continental countries (Austria, Belgium, France, Germany, Luxembourg) case, it worth to notice that social policies are designed on offering non employment benefits and protection to old age people as well as to the people who pay their social contributions. Even if trade unions members number have decreased a lot, by collective bargaining they preserved their influence at the policy makers’ level.

On the other side, Mediterranean countries (Greece, Italy, Spain, and Portugal) have focused on spending more resources on old-aged pensions, protecting employed people and preparing to deal with early retirement. There is also a strong trade unions influence, fact which is reflected on the wage structure (quite compressed).
If we analyse people of these countries perceptions related to several public services, very important in any society (health, education, public transport, childcare, care for elderly, state pension), we can noticed that they are not only significantly dependent on the level of national income, but also closely related to the level of happiness perceived by citizens in relation to their personal life (Figure 1).

Spearman’s rank correlation coefficient is 0.818 when index of public services and per capita income are taken into consideration, and 0.700, when index of public services is analyzed in relation to net happiness index.

In the case of the 15 EU Member States selected, the quality of public services seems to have an important influence on the degree of people satisfaction about their life.

In fact, for each of the public services analyzed, Nordic countries (Finland, Denmark, Sweden and Netherlands) can be found in the group of member states with high levels of happiness and a very good perception on the quality of public services received (Figure 1).

Instead, central and eastern European countries (Bulgaria, Romania and Lithuania), as well as the Mediterranean ones (Italy), are situated on the opposite side, in the group of countries having both low levels of happiness and very little satisfaction in terms of the public services they have access to (Figure 1).

As expected the correlation between the net income and the quality of the public services is very strong (correlation coefficient of 0.818) and only one member state, Germany, can be found in the category of countries with high income but with people not very satisfied with the quality of the public services (Figure 1).

Correlation analysis also show that, as expected, people happiness is closely related to the quality of some public services, like: health services, care for elderly and state pension. For example, there is a strong relationship between Net Happiness Index and indexes like: Index of Health Services (S = 0.607), Index of Care for Elderly (S = 0.732), Index of State Pension (S = 0.650) respectively (Figure 2).

In almost each public service analyzed case, correlation method highlights two different groups of countries: Nordic and continental countries with a high degree of satisfaction related to their lives and the public services received, on one hand, and a group of countries, new entrants in the EU (Romania, Bulgaria) plus Italia with a low degree of satisfaction with their living conditions Figure 2).
These findings draw attention to the recent social and demographic trends in all member states, but also to the large differences between developed and emerging countries.

In this context, public policies should be mainly targeted to solve elderly problems and, not ultimately, to find the best ways to efficiently use their potential on the labour market, given the increased phenomenon of demographic aging and the drop in active population number.

In addition, there is a pressing need to identify the best ways to increase the quality of all public services, including education and infrastructure, especially in emerging countries and to reduce disparities among European Union countries.

4. The role of human resources in ensuring high quality public services

Even though, private sector can be involved in providing public services of general interests for the citizens, the obligation to guarantee the fulfilment of consumer needs in the best conditions lies on the public sector. “While the provision of services of general interest can be organised in cooperation with the private sector or be entrusted to private or public undertakings, the definition of public service obligations and missions remains a task for the public authorities at a significant level. The relevant public authorities are also responsible for market regulation and for ensuring that operators accomplish the public service missions entrusted to them” (COM, 2004).
As in any private organizations, human resources are at the core of public institutions performances. Through their knowledge, skills, values and attitudes, they can be the engine of reform and progress but, in case of corruption and incompetence, a real obstacle in fulfilling their mission.

There is a straightforward relationship between corruption, public trust in public institutions and the social and economic level of development in a country. “People who do not trust the government will be less likely to endorse policy initiatives and the taxes needed to pay for them, relying instead on their own resources, especially a narrow circle of friends and family, and what they can buy in the market. Insofar as trust is learned by experience, people who are socialised in societies where institutions are untrustworthy will be less willing to rely for their welfare on the collective services of government or other providers” (Rose and Newton, 2010).

In order to have competitive public institutions which are supposed to act in a professional manner it is important to pay attention to the quality of the people who were/are hired. Their competences, if are used properly, can influence the life quality of the entire society.

High quality public services are provided when certain criteria are fulfilled:
- a real need of the citizens is addressed (it implies a tendency to balance the bureaucracy and to avoid redundant demands from the authorities);
- people who benefit from public services are not illegally extra-charged (the most frequent situation is forcing them, directly or indirectly to offer bribe);
- tax payer benefits in a reasonable time period from the service he/she has applied for (citizens are not indirectly obliged to increase their opportunity costs).

This situation also implies the presence of a competitive management system in each public institution, especially at the human resources level. One of the main challenges for a public institution is to ensure a competitive environment at its own level due to the monopoly position that it holds in the socio-economic environment. A direct consequence for the public institution human resource policy is represented by the difficulties encountered when performance indicators have to be designed.

In many situations, highly competitive public employees are actually unused at their certain value, or, if it happens, they do not benefit from an appropriate remuneration or a career evolution. More than that, a vicious circle can be reached when public services do not hire the most competitive persons (who prefer to apply for positions in the private sector or to act as professionals), but everybody expects to receive a high standard quality of public service when need it.

As it can be noticed, the role of human resources in ensuring high quality public services is a critical one.

Also it is important to highlight the fact that public services level of quality, on long term, directly influences human development (for example, through educational or health systems) and, consequently, brings its contribution to the sustainable development of the entire society (Bunea, 2007).
5. Conclusions

The aim of the paper was to investigate how public services can contribute to enhancing quality of life and to answer three research questions: Which are the relevant economic and social aspects that need to be taken into account when we want to measure quality of life? Which services of general interest have the most significant impact on life satisfaction? What is the role of human resources in improving the quality of public services and, through them, the quality of life?

To achieve paper objectives several economic and social indicators were selected and analyzed. Spearman’s correlation coefficient was computed in order to assess the relationship between indexes that reflect people perceptions related to their life satisfaction and indexes related to the quality of public services.

Even if the analysis of the factors that people perceive to be essential for a high level of living standards shows that income is not the most important driver, statistics show that in wealthy countries most people are happy with the quality of life they have.

In contrast, in developing countries, confidence in public institutions is low, corruption being one of the factors considered to have negative influence on the activity of the state to ensure universal access to quality public services.

Increasing the number of jobs, and thus, improving the access of vulnerable persons (unemployed and low income workers) to an income that would ensure a certain status in the society can be a solution to increase the quality of life of these categories.

At the same time, active measures to reduce corruption in public institutions can restore society's trust in these institutions and may have a beneficial effect in improving the state of mind of the population, with positive effects on economic and social environment.

One of the main findings of the correlation analysis is the fact that people happiness is closely related to the quality of some public services, like: health services, care for elderly and state pension. These results are a reflection of the direction in which modern societies evolve and of the problems they have to face: aging, reducing in the number of economically active population and high pressure on pensions system.

In these circumstances, it is obvious that public policies need to be mainly targeted to solve elderly problems and, not ultimately, to find the best ways to efficiently use their potential on the labour market.

In addition, there is a pressing need to strengthening professionalism in the public services and to acknowledge the importance played by human resource management (as an entire process) in the public area as a critical input in providing high quality public services, having a significant influence on people’s daily quality of life.

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