Abstract. The field of quality of life is highly discussed in the literature, both in terms of the components of the quality of life and the development of indicators on quality of life in different countries. The quality of life is influenced by many factors, both individually and regionally and globally. The paper aims to present different ways of analyzing the quality of life and to highlight the link between education, employment and quality of life, in Romania and in general. Studies have shown that a high educational level increases labour market insertion and offers individuals the chance to get higher income. On the other hand, an increase in education decreases the risk of poverty, precisely because those who invest in education find a job easier and have higher stability in the labour market. However, through better training, there is an increased quality and productivity, all directly or indirectly influencing the quality of life. Furthermore there are taken into account the effects of the current crisis on the quality of life in Romania and the European Union.

Keywords: quality of life, life satisfaction, education, employment, crisis.

LINKS BETWEEN EDUCATION, EMPLOYMENT AND QUALITY OF LIFE. THE CASE OF ROMANIA

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Management & Marketing
1. **Introduction**

The field of quality of life is very broad and addresses issues related to the objective welfare of individuals (occupation, income, working conditions), as well as their subjective well-being (satisfaction, contentment). In the literature there are numerous contributions in the field of quality of life, highlighting the link between education, employment and welfare. Among the foreign authors we mention Blanchflower and Oswald (2004), who analyse welfare as the support of quality of life; Moretti (2004), who analyses the benefits of investment in higher education; Ferrante (2009), who explains the connection between education and life satisfaction; Greenhaus, Collins and Shaw (2003) who highlight the link between work, family and quality of life; Kapteyn, Smith and Soest (2009) highlight the determinants of life satisfaction, considering that it is based on four pillars, namely job or daily activities, social contacts and family, health and income. For Romania, the studies by authors such as Andren and Martison (2006) are relevant, they analyse the factors that contribute to life satisfaction in Romania, as well as the studies written by specialists at the Institute for Quality of Life: C. Zamfir, I.Mărginean, F. Mihalache, I. Precupetu who discuss matters of quality of life in Romania, in various articles, books or research projects.

Thus, in analyzing the quality of life both at the individual and the society level, a lot of indicators are used, including indicators on education and employment, because there is a close connection between education – employment and quality of life.

In terms of methodology, books, studies and articles in the literature were used in order to highlight the link between education – employment and quality of life and Eurostat, Eurofound, ICCV, EBRD reports and research in the field were used to analyze the specific indicators.

A high educational level increases labour market insertion and gives individuals the chance to get higher income. Moretti (2004) demonstrated by an econometric model this wage increase as education increases. According to statistics provided by several international organizations (World Bank, Eurostat), a high level of education increases employment. This is explained by the fact that a better prepared individual will have higher productivity and will adapt more easily to the changes and demands of globalization and development of new technologies, being able to acquire more easily new skills. Well prepared skilled workforce helps to increase work efficiency in any field, and increased work efficiency supports economic growth and development.

On the other hand, an increase in education decreases the risk of poverty, precisely because those who invest in education find their job more easily and have greater stability on the labour market. According to Ferrate (2009) these benefits expected by the individual influence the individual to invest in education and make him regret, if not done. The explanation is based on the idea that education raises both people’s opportunities and aspirations and, to the extent that the education-elasticity of
aspirations is greater than the education-elasticity of opportunities, education may generate regret (in terms of educational choice), exerting a negative effect on life satisfaction.

By investing in education one obtains benefits both individually, as well as at the level of the whole society in the long term. A society composed of people with high education, develops faster through innovation and increased work efficiency. Increased work efficiency contributes to increased macroeconomic results, which is found directly or indirectly in living conditions and wellbeing. Thus, education contributes to quality of life, both individually and at the society level.

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. (Dimian and Barbu, 2012)

Although most specialized studies emphasize the importance of education and long-term investment in people, it should be noted that education in turn is influenced by the quality of life, economic situation, economic circumstances. For example, in conditions of crisis, due to imbalances that can occur, the relationships between high education – labour market stability and high income will not always be able to meet. Thus, this relationship may suffer.

This is explained by the fact that the effects of the crisis are manifested by restricting the economic activity, changes in qualifications requirements, certain measures of economic policy which can affect the labour market. Uncertainty increases, revenue decreases and individuals will invest less in education, which will have negative long term implications. Eurostat Statistics (Yearbook, 2011) show that usually individuals who have low income have also low education, facing difficulties in finding work, having social integration problems and the chance to send this to their children is very high. We therefore have to implement measures to support those affected by the crisis and encourage investment in retraining and continuous training, both through programs at company level and at governmental level.

Education and training policies should increase efficiency by raising the average skills level of the population to ensure a better match between skills and labour market needs and therefore raise both employability and productivity. They should also reduce inequality by improving the employment perspectives of those most in need, including the disadvantaged and the immigrants (Şerban, 2012).

Briefly, the relationship between education, employment and quality of life can be presented in the diagram below:
This relationship is observed in the analysis of the indicators on quality of life. Quality of life is caught in numerous studies and analysis that are based on a series of indicators. Some studies use the indicator of life satisfaction, which is very subjective, but which is influenced by many factors, including education, income, employment or unemployment. Unemployment affects the quality of life, not only by the loss of income that individuals and families have to face, but also through the psychological costs they generate (especially long-term unemployment), with implications on individual's life satisfaction. Many studies show the importance of the analysis of life satisfaction and other factors, besides the income obtained. People’s ultimate objective is happiness and the money is only one of many ways to increase overall life satisfaction (Andren and Martinsson, 2006). Thus, quality of life can be captured by taking into account many factors such as job satisfaction, work-family balance, time for recreation, health, safety, living conditions, education, infrastructure, trust in institutions, etc. For example, the lack of balance between work and family causes stress, low efficiency at work, dissatisfaction with life, so a decrease in quality of life. On the other hand, Greenhaus, Collins and Shaw (2003) consider that a balance between work and family has a positive impact on quality of life, stronger than the negative impact that would have occurred without this balance.

Both the study of these authors and of authors such as Kapteyn, Smith and Soest (2009) demonstrate the highest importance of family on life satisfaction, followed by employment, health and ultimately the size of income. However, these studies were made on the economies of developed countries such as the Netherlands and the U.S. and certainly, others would have been the results for the developing economies.

In analysing the indicators on the quality of life, it is also important knowing the individual preferences and perceptions, that cannot be seen directly, but require a number of indirect observation methods (Şerban-Oprescu, 2011).
Among the organizations that analyse the quality of life in different countries, ranking them, there are OECD (Better Life Index), The Economist Intelligence Unit (Quality of life index), Eurofound (Quality of Life Survey), European Bank for Reconstruction and Development (Report of Life Satisfaction), Legatum Institute-London, UK (The 2011 Legatum Prosperity Index), European Commission (Well-Being-Aggregate Report).

Even if these organizations often apply different methodologies and different take into account different sub-indicators to explain the main indicators of quality of life, the results obtained show similar classification of the countries analysed. For example, Romania's position according to any classification on the quality of life is in the middle of the scale, which corresponds to its position as developing country.

2. Quality of life in the EU, before and after the crisis

According to Eurofound study, quality of life in the European Union remained relatively stable between 2003 and 2007. During this period the lowest progress was made by Bulgaria and Romania, the last countries that acceded to the EU.

After 2007 crisis occurred, manifested by restricting the economic activity, rising unemployment, reduced investment, implementation of austerity measures, which put pressure on the incomes of the population, however negatively influencing quality of life in most EU countries.

Decreased quality of life at the EU level (according to European Foundation for the Improvement of Living and Working Conditions, 2010) manifested through:

- lower satisfaction on living conditions and living standards (the strongest decrease was registered in Bulgaria, Romania, Malta, Estonia and Latvia);
- increase in the number of people with difficulty in covering current expenses (mostly in Bulgaria, Greece and Hungary);
- lower satisfaction concerning family life and health (the strongest in Bulgaria, Romania and Portugal);
- lower wages, due to weaker demand for goods, restricted economic activity and lower supply of jobs and wage cuts measures to reduce budget expenditures;
- increased social tensions (most in Slovakia and Malta, but also in Denmark and Sweden);
- loss of confidence in government and national parliament (significant decrease in Estonia, Latvia, Spain, Greece, Ireland, Romania);
- increased tensions between employees and employers - mostly in France and Hungary;
- increase of average job satisfaction on average by 2%. This increase in satisfaction is explained by the fact that, due to many restructuring operations those who have kept their jobs appreciate their professional situation.
Thus, if we follow the evolution of life satisfaction in the EU, one of the most used indicators of quality of life, in 2007-2009, shown in Figure 2, we observe that it decreased in most European countries, the explanation being related to the crisis.

In 2003-2007 at the EU level, life satisfaction remained relatively constant, although in some countries it decreased (Hungary, Italy, Greece, Cyprus, Spain, Germany, and Austria). In 2007-2009, there were declines in most European countries except the Czech Republic and Austria.

In Romania, after the growth registered during 2003-2007, in 2007-2009 there is a strong decrease in life satisfaction, which shows heaviness in the living conditions after the beginning of the crisis.


Another study that supports these changes in quality of life is The 2011 Legatum Prosperity Index, made by The Lagatum Institute din UK. The prosperity index calculated by Lagatum Institute comprises 8 indicators (economy, business, governance, education, health, safety, personal freedom and social capital), including 89 variables.

According to The 2011 Legatum Prosperity Index, in Europe, the Nordic countries are best placed in terms of prosperity index, Norway and Denmark being placed first.
Countries in Central and Eastern Europe enter the middle class, occupying places from 22 (Slovenia) to 79 (Moldova).

Overall, the countries in Western and North Europe maintained their position in recent years, except Italy and Greece, which dropped two places in the last 2 years.

The situation is more worrying in Eastern Europe, where Ukraine, Latvia and Romania dropped at least ten positions from 2009 to 2011.

In conclusion, the current changes in the labour market, with implications on the living conditions and quality of life in the European Union manifested through:

- increased unemployment, especially redundancies in public sector,
- increased concern on job security,
- increased discrimination at work (especially based on age),
- increased work intensity (work at high speed, very short deadlines),
- increased share of employees with temporary contracts,
- increased difficulties in obtaining a balance between work and family,
- lower satisfaction with life, especially for people with low education.

These changes caused by the current crisis occurred differently from country to country so that regional disparities have remained valid between northern and southern Europe, between the old and new EU member states. These disparities concern housing, income, purchasing power, access to healthcare, education, unemployment.

On the other hand, changes on the quality of life in a country may not fully capture the situation recorded, because it is possible for some groups to have faced a higher decline in quality of life more than others.

Measures to be considered at European Union level to improve quality of life are not related only to the individual but also to the society. The quality of life of a person is not shaped only by individual choices, it depends on the environment, public services, operation of state institutions, all of which improve the standard of living and quality of life of citizens. Therefore, efforts should be joint at individual, regional, institutional and governmental level to actively contribute to the improvement of the life of citizens.

3. Quality of life in Romania. The link between education, employment and quality of life

Nationally, the research of the quality of life began in the late ’70s. In 1990, Research Institute for Quality of Life of the Romanian Academy was created. The research program “Diagnosis of Quality of Life”, introduced by the Romanian Research Institute for Quality of Life was the first to assess the quality of life in post-communist Romania (Băltățescu, 2001). This program, together with other studies and research are developed annually. The topics included in this program study the objective and subjective indicators of quality of life that form the basis for the annual report Diagnosis of quality of life. Special attention is paid to developments in living
standards, income and consumption, but also to quality of work life, employment and unemployment.

Both the studies of this institute, and the reports of international organizations show a slight increase in quality of life in Romania, before the crisis, growth followed by a deterioration of it, in recent years.

According to the Quality of Life Research Institute, many of the indicators analysed in 2010, return to the ones in 1999. The issues analysed in the research of this institute aim the evolution of population incomes, the access to education, labour market integration, population health, working conditions, quality of social environment. The most satisfactory areas of quality of life in Romania are family, home and relationships with neighbours, and the critical points are fears of tax and price increases, insufficient income, and poor accessibility to jobs.

Studies in Romania (according to the Romanian Quality of Life Institute, studies of Baltacescu, Marginean and Precupetu) reveal that individuals are aware of the difficulties and labour market changes, so that having a job is associated with quality living by about 90% of the population.

However, revenue declines in recent years caused by the crisis have contributed to lower the quality of life, by the fact that one third of the population believes that revenues do not ensure any basic needs and another third considers that revenues are enough only for the basic necessities. Very few households (14%) manage to save and nearly half of households (46%) say they cannot meet monthly expenses, the average disposable income/person per year in Romania is of only 2323 euro, making Romania occupy the last place in the EU in this regard.

Regarding the access to education in Romania, it is highly dependent on social and economic factors and the area of residence. In Romania, in order to provide quality education, a major responsibility is placed on the family level, the educational level of parents’ influences to a large extent the education of young people. The education level of parents is important in the access to education and in the other European countries, but Romania is their first in this regard, with the highest influence. University graduates meet a relatively good labour market insertion (60.9% after one year of graduation), and according to the specialization, technical education graduates integrate the labour market the fastest. But the current crisis has increased the duration of job search for all categories of specialization.

In Romania a small share of the population believes that education is a key revenue-generating. This is because there is no good correlation between labour market and educational offer, which makes a small number of graduates to find employment in the graduated field. On the other hand, the low confidence in the education system is explained by greater instability and limited system resources.

Another study of the analysis on the quality of life also support the results of the ICCV research. This study of European Bank for Reconstruction and Development (EBRD, 2012) shows that Romania has the lowest level of life satisfaction among the developing countries in Europe (called countries in transition). Weaknesses, in terms of composite indicators are recorded in Economics and Social Capital. This can be
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illustrated below (figure 3), showing the position of Romania in terms of life satisfaction, both in Europe and according to respondents' age and completed studies.

![Figure 3. Life satisfaction (% of respondents who are satisfied with life, all things considered)](http://www.ebrd.com/pages/research/publications/special/romania_lits2.shtml)

Thus, Romania's position is observed in terms of life satisfaction, which is the lowest compared to the Western European countries and to the countries in transition. On age categories, the most satisfied are the young people, aged between 18-39 years. The satisfaction of this age group decreased significantly in 2010 compared to 2006, due to changes in people's lives because of the economic and financial crisis. Even if there is also a decreasing trend of the life satisfaction analysed by educational level, however, graduates of higher education remain at its highest level.

In terms of the sub-indicators that form the Economy indicator, Romania ranks 84 of the 110 countries analysed. Romania's position in terms of macro-economy is weak. While household savings represent 24% of GDP, placing Romania on the 39th place, from this point of view, the ability of citizens to pay for adequate food is below the global average, two thirds of citizens being dissatisfied with their standard of living. Romania is the third most pessimistic country in terms of expectations about future economic performance and is ranked 103 (of 110) in terms of trust in financial institutions because of the non-performing banking system.

This study (EBRD, 2012) also shows that the access to education in Romania is different depending on factors such as residence, parents' education, income. The proportion of Romanians who feel that children have the opportunity to learn and grow every day is very low by international standards, placing the country 107th, on this variable.

Workforce has a good basic education, but has relatively little specialized knowledge.

Regarding health, Romania is above average concerning infant mortality rate, life expectancy, but health spending per capita is below the international average, which shows some imbalances in public health. These results should be interpreted considering that the analysis takes into account the 110 countries in the world,
countries including the third world. Thus, Romania's position above or below this average is relative compared to the analysis with the developed countries.

Almost two thirds of households consider that have been affected by the crisis, on age categories the most affected being those aged 40-59 years, and in terms of education, mostly people with low education.

The economic and financial crisis had a major impact on wage levels in Romania, especially in 2008-2010, which is why over 70% of middle-aged and especially those with low incomes were affected. Compared to 2006, life satisfaction decreased by 15 percentage points, the young people being happier than older people are. For those with low income, life satisfaction declined the least, perhaps because they were already familiar with this situation. Unlike the Western European population that is confident in improving the lives of future generations, in Romania, only one fifth is optimistic about the future of the next generation.

According to the reports on the quality of life, developed by Eurostat, of the areas analysed, namely family, education, work (job), health, housing, social life and standard of living, for Romanians, the most important elements influencing the quality life is family life (which is first in most EU countries) and education, then job, health, accommodation, social life and standard of living. Among the risks that could affect the most the quality of life, the Romanians consider unemployment and long standing illness.

The difficulties encountered in keeping a balance between work and private life have a negative impact on satisfaction regarding work, family and personal life - all are important dimensions of quality of life.

Reconciling professional and private life is an active concern of the European Union and aims to increase women's participation in employment and insure families better care of child and dependent adults. In Romania, achieving this reconciliation is difficult because of the large number of hours spent at work. In Romania the proportion of women working over 48 hours per week is similar to that of men, they are also more involved than men in domestic duties.

The link between education and employment, with implications for on the quality of life in Romania is highlighted in the table below (table no. 1). It is noted that the greater the educational level is, the lower the risk of poverty is and the higher the employment rate is. Thus, higher education, compared to primary decreases the risk of poverty by 32.6 percentage points and increases employment by 31 pp.

In the same way, we can analyse unemployment by level of education. In Romania, the average unemployment rate recorded in 2006-2010 varies by level of education, being 6.4% for higher education and 12.1% for low educational attainment. (Eurostat, “Sustainable Development Indicators”, 2012)

However, employment and unemployment do not depend only on the quality of education. On the one hand, changes in the general state of the economy and the labour market are the most important determinants of job opportunities. On the other hand, there are many factors that influence the employment prospects of an individual, which means that not all graduates who received the same education have similar
labour market opportunities. Such factors include the mode of study (full-time or part-time), the students' location and mobility, graduates' previous work experience as well as their age, gender, ethnicity or social class (Harvey, 2001).

**Table 1**

<table>
<thead>
<tr>
<th></th>
<th>Pre-primary, primary, lower secondary education</th>
<th>Upper secondary and post-secondary non-tertiary education</th>
<th>Tertiary education</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>At-risk-of-poverty-rate</td>
<td>Employment Rate</td>
<td>At-risk-of-poverty-rate</td>
</tr>
<tr>
<td>EU 27</td>
<td>....</td>
<td>53%</td>
<td>....</td>
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<tr>
<td>Romania</td>
<td>34,6%</td>
<td>50,7%</td>
<td>14,4%</td>
</tr>
</tbody>
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The role of education for graduates should be to provide knowledge and skills they need at the workplace and during their working life.

Internationally, it is required more and more qualified and better-prepared labour, so the role of higher education has increased. In Romania enrolment in tertiary education (% of the total population) increased from 6.5% in 1999 to 16.8% in 2009. The highest participation in higher education in Europe is recorded in Lithuania (23%) and lowest in Malta (8.9%). In Romania, the annual public expenditure on tertiary education was of 1.12% of GDP in 2011, half compared to the expenses of the developed countries (Eurostat, The European Higher Education Area in 2012).

The difference between those who enter the tertiary education system and who become graduates (Net entry rate and net graduation rate (%)) is the highest in Romania, among the European countries, being of 44.8%. This can be explained by the increase of entries in the university system in recent years, but the analysis is performed only on the academic year 2008/2009, it will take some years for this increase in the entry rates to be reflected in the graduation rates (Eurostat, The European Higher Education Area in 2012).

The average time of transition from school to work also differs depending on the level of education. In Romania, those who graduated higher education find jobs on average in 7.3 months, compared to those with upper secondary educational attainment – 12 months and those with at most lower secondary educational attainment – 12.5 months. These results refer to 2009 and are influenced by the economic crisis, which caused the average time of transition from school to work to increase.

The level of education also affects the quality of life through the income that the graduate gets and usually it is higher for graduates with higher education. But this correlation is not always respected, higher education is not a guarantee of a high level of income. For example, at EU level, 25% of employees who completed only lower
secondary levels of education earned more than 20,000 Euros PPS, while 25% of those who completed tertiary education earned less than 15,000 Euros. Such differences in wages can be potentially linked to the fact that not all tertiary graduates are occupying jobs that require a tertiary qualification. However, in every European country the median gross income of those who completed tertiary education was higher than of those who completed only upper secondary or lower secondary education (Eurostat Indicators, 2012).

In the analysis of the link between education, employment and quality of life, another important aspect is how qualifications obtained through education meet labour market needs. This is because a graduate must not only find a well-paid job, but in harmony with his skills, knowledge, and aspirations. Such a mismatch affects job satisfaction, the most common being the vertical mismatch, that is, the graduate is too educated for a specific skill or little educated. This discrepancy may highlight the inability of education to prepare graduates with the skills demanded by the market, but it may be the result of other factors such as lack of demand for certain skills, or the existence of discrimination.

20.6% of young people in the European Union of higher education are employed in areas that do not require high qualification. This percentage remained relatively stable during the period 2000-2010, although during this period the number of students increased. This suggests that the over-qualification rate is mainly influenced by the labour market structure and innovation and less by the increase in the number of students. In Romania, the percentage of graduates employed in areas that do not require higher education is 13.2% below the European average (Eurostat Indicators, 2012).

On the other hand, job satisfaction is also related to the educational level. It was observed that those with higher education have a high degree of satisfaction at work (83%) than those with low education. This can be explained by the fact that those with low levels of education are included in fields of activity involving hard and difficult working conditions. (Mărginean and Precupetu, 2010)

An important aspect of maintaining employment and labour productivity growth is also participation in continuous training. Investment in people by providing better training opportunities, additional training and lifelong learning are considered essential for the competitiveness of economies. They are also an important factor that allows people access to quality jobs, leading to better social inclusion and to increase satisfaction and quality of life.

In Romania, the participation in lifelong learning is low compared to EU average, being of only 1.6% compared to 8.9% EU average, especially as the crisis has reduced the budgets allocated to investment in people both at managerial and governmental level.

And the number of people who leave school before graduation is the highest in Romania (17.5% in 2011) compared to the EU average (13.5%). These people are harder to integrate into society and hardly find a job (Eurostat Indicators, 2012).

This analysis aims to capture the main aspects of quality of life in Romania, compared to the EU and especially to highlight the link that is established between
education, employment and quality of life. The research undertaken at the European level shows that there are direct and indirect correlations between these factors. Statistics along with analysed reports point out what was shown in this paper, namely a link between education – employment and quality of life.

Conclusions

In Romania, according to ICCV and Eurostat studies, the quality of life has deteriorated in recent years because of the current crisis. The quality of life of Romanians has been affected, in particular, by reducing the income, increasing instability and uncertainty in the labour market and the economy.

In Romania, the relationship between education – employment and quality of life has suffered in recent years due to certain imbalances manifested by:
- the existence of a weak link between education and labour market needs,
- poor investment in education,
- increasing the duration of transition from school to work,
- difficulty in maintaining a balance between work and private life,
- low participation in lifelong learning.

Overcoming these imbalances requires measures aimed at long-term actions such as supporting education that enables individuals to easily adapt to the labor market requirements and have a better chance in obtaining good income and labour market stability.

The analysis of the relationship between the quality of life and education shows that in a society there cannot be a high level of quality of life with low education status. Education and its quality are key factors of the socio-economic development of a country. Quality education, a high percentage of school enrolment, a population educated at appropriate age ensure not only the recovery of investment in education but also offer some benefits both individually and socially: the living standards of population increase, quality and productivity of labour improve, health, quality of life also improve.

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