

The quality of life of citizens in selected European Union countries

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Abstract

This study presents an analysis of the quality of life in selected Member States of the European Union, with particular emphasis on socio-economic conditions. The primary objective is to compare living standards, subjective well-being, and the population's capacity to manage household income in the analysed countries. The research framework incorporates indicators such as gross domestic income measured in current prices and in purchasing power parity, the ability or inability of households to meet financial obligations, and overall life satisfaction. Consideration is also given to regional disparities and the influence of economic development on the quality of life. The findings reveal significant differences across the selected countries, underscoring the necessity for targeted policy interventions aimed at mitigating these disparities. A specific focus is placed on the Slovak Republic, with the aim of evaluating the quality of life of its citizens through the comparative analysis of selected economic and financial indicators. This paper contributes to the broader discourse on quality of life assessments and may serve as a foundation for formulating effective strategies to enhance living conditions in the Slovak Republic.

Keywords: *quality of life, living standards, indicators, the comparative analysis, citizens.*

Introduction

Quality of life is a concept that has many attributes and can be viewed from different perspectives. Also, the sense of quality of life can be subjective for different individuals with a tendency to compare. Some people consider the quality of life in terms of social status, economic situation while others include the availability of health care, cultural, and other services. If we move from subjective feeling to more objective criteria in order to measure quality of life, we arrive at various indicators and indices through which this concept can be realistically quantified, measured, compared, and evaluated.

Quality of life is a vague concept that represents a valuation of human life itself. It is based on the effect of humans on the environment and the environment on humans. Quality of life brings together objective and subjective aspects. The subjective dimension is primarily related to the individual and is closer in content to concepts such as personal or human happiness. On the other hand, the objective dimension relates to a given territorial unit (region,

municipality), is more oriented on public or community problems and is closer in content to notions of sustainability or liveability. Objective quality of life also refers to those living conditions that are measurable. It encompasses a broad set of assessable indicators, including service accessibility, income conditions, access to education, the quality of healthcare, and others. It is widely recognized that particular living conditions and the overall standard of living substantially shape individuals' life chances and future prospects. Subjective quality of life pertains primarily to people's lived experience and their perceptions thereof. Determining precisely how to measure or evaluate subjective quality of life is methodologically challenging, because it is influenced by numerous factors. Older adults, members of different income groups, persons with disabilities, and those without disabilities will assess their lives differently. The appraisal of subjective quality of life is therefore highly individualized. For this reason, subjective experience and quality of life are predominantly matters for sociological research (Heřmanová 2012).

Quality of life, originally framed within political science and economic concepts, began amid shifts in value orientations and standards of living to permeate other disciplines. As a result, it has secured a stable place across the social sciences and related fields, including sociology, psychology, education, medicine, and others. This broad interdisciplinary interest complicates the precise identification and delimitation of the specific factors and dimensions of quality of life. The difficulty stems chiefly from the diversity of disciplinary theoretical approaches and the use of differing research methods. Each field articulates its own definition of quality of life, on the basis of which it subsequently specifies the relevant domains (Škoda et al. 2008).

The quality of life of the population is a difficult concept to grasp because of its multidimensionality and complexity. It touches on the understanding of human existence and the meaning of life. It examines the environmental, economic, social, cultural, psychological, spiritual and other conditions for a healthy and happy life. A comprehensive view takes into account not only external conditions but also the inner dimensions of human life. The concept of quality of life is largely abstract and is influenced by a large number of factors. Despite considerable inconsistency, quality of life is becoming a holistic concept and there is a growing effort to define it comprehensively (Murgaš 2009). Matis (2002) characterizes the concept of quality of life as the facet of life that expresses through the standard of satisfaction the qualitative dimension of meeting material needs together with spiritual needs. In his view, quality of life is a component of individual as well as supra-individual and societal life; it cannot be captured solely by quantitative characteristics but also requires attention to attributes that are not readily measurable, such as personal life satisfaction. The World Health Organization (1995) conceives quality of life as an individual's perceived position in life, shaped by the

cultural context and value systems that surround them, and related to their goals, expectations, standards, and concerns.

Quality of life is influenced by factors such as air quality, connection to public water supply, safety and quality of transport infrastructure, construction of sewerage systems, waste management, care of public spaces, opportunities for cultural and sporting activities, availability and quality of housing and housing stock and others (Kohutková and Baus 2012). Many of these factors are the responsibility of municipalities and towns (or local government as a whole). Thus, the leadership of the local government, through its development, strategic plans or specific decisions, can significantly influence the quality of life of the inhabitants of a given area.

The OECD Better Life Initiative – Measuring Well-Being and Progress deals with measuring quality of life not only in terms of GDP but also in the following areas:

- Material living conditions (housing, income, work).
- Quality of life (relationships, education, environment, civic engagement, health, safety, overall life satisfaction and work-life balance) (OECD 2023).

In addition to the OECD, quality of life is also addressed by Eurostat, which has defined the following indicators:

1. Material and living conditions.
2. Productivity and labour.
3. Education.
4. Health.
5. Leisure and social interaction.
6. Physical and economic security.
7. Governance and fundamental human rights.
8. Environment.
9. Overall life experience.

The term quality of life is interdisciplinary, encompassing social, economic, health, environmental and political conditions. Examination from a variety of perspectives by different scientific disciplines has caused it to have many definitions. Scientific disciplines offer different methods and tools to measure it. The choice depends on the objective for which they are being studied therefore it must be clear which group it is. The research can focus on the quality of life of the global population when it is about the quality of life in a given country or when comparing the life needs of individuals when the individual quality of life is examined (Holková 2011).

The results of the work - Quality of life of citizens EÚ

The quality of life of the population, as mentioned above, can be measured and assessed through a number of indices and indicators. For the purposes of this article, we will focus on selected economic and social indicators that define the baseline state of quality of life. The selected economic and social indicators are analysed over the time period 2023 - 2018. This six-year period is characterised by dynamic changes and development of not only economic but also non-economic indicators. The economic and social development in the society was influenced by the state interventions as a tool to address the negative consequences of the global pandemic COVID-19 and the war in Ukraine.

For the purposes of this article, we focused on assessing the status and impact of selected financial indicators on the quality of life. We analysed five selected indicators that characterise the quality of life of residents in selected European Union countries. The following indicators are analysed in the paper:

Disposable income is a key economic indicator that represents total current household income net of current expenditures such as taxes, social contributions and interest. This income is an important indicator of how much money households have available for consumption or savings. Disposable income is a basic indicator of household economic comfort. It provides information on the financial capacity of households to make purchases, which has a direct impact on overall consumption and hence on economic growth and stability.

Real gross disposable household income is an economic indicator that represents the amount of money households have available for spending and saving after income taxes and other compulsory levies are taken into account. This indicator is calculated as the gross personal income of all household members plus rental income and other components of income at household level, minus taxes and social security contributions. The components of disposable income include wages and salaries, social benefits and other regular income. Current expenditure such as taxes and social contributions are deducted from this income to obtain net disposable income. In econometrics, disposable income is analysed to understand the relationships between household income, consumption and savings. This information is the basis for making economic forecasts and policies aimed at improving the economic conditions of the population. Adjusted gross disposable household income per capita at PPS is calculated as the adjusted gross disposable income of households and non-profit institutions serving households (NPISHs) divided by the purchasing power parity (PPP) of actual individual household consumption (Eurostat 2024).

Purchasing power parity (PPP) is an indicator of price level differences between countries. PPP tells us how many currencies units a given amount of goods and services costs in different countries. PPPs can thus be used as currency conversion rates to convert

expenditure expressed in national currencies into an artificial common currency, the purchasing power standard (PPS), thereby eliminating the impact of differences in price levels between countries. The main use of PPPs is to convert national accounts aggregates into comparable volume aggregates. Applying nominal exchange rates in this process would overstate the disposable income of countries with high price levels compared to countries with low price levels. The use of PPPs ensures that the adjusted disposable value of all countries is valued at a single price level and thus reflects only differences in the actual volume of the economy. The indicator is based on data from the annual accounts of the non-financial sector.

Table 1: Adjusted gross disposable household income per capita expressed at purchasing power parity (PPS)

Geo / year	2018	2019	2020	2021	2022	2023
EÚ 27	22 066	22 795	23 090	24 344	25 919	27 627
Czech republic	19 426	20 354	21 002	23 222	23 952	24 700
Slovak republic	14 781	15 518	16 400	17 313	18 533	19 411
Austria	26 442	26 740	26 779	28 939	31 052	32 502
Hungary	15 043	16 006	16 060	17 427	19 015	20 663
Poland	16 789	17 709	19 225	19 280	20 268	21 065

Source: own processing according to Eurostat 2024

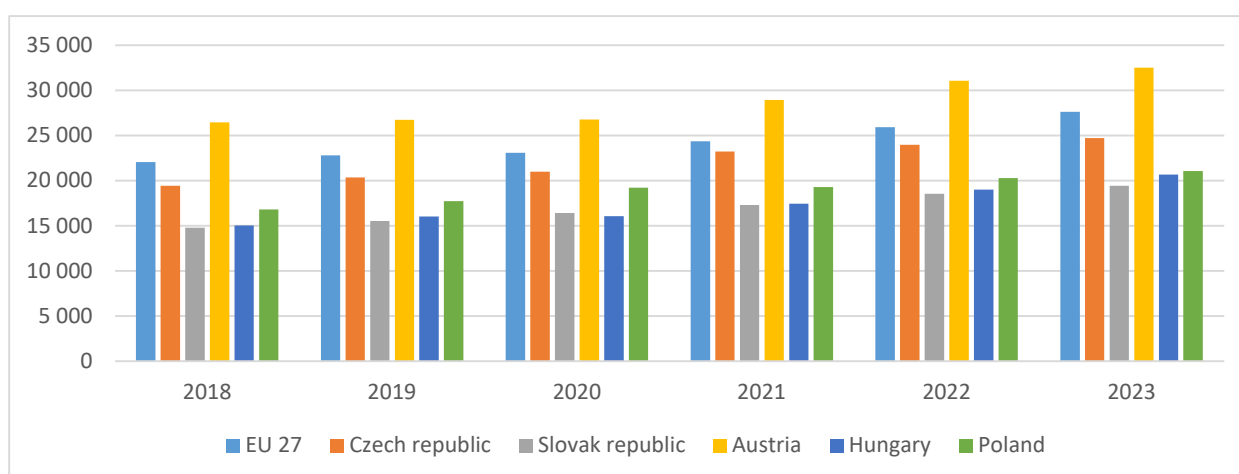


Figure 1: Adjusted gross disposable household income per capita expressed at purchasing power parity (PPS)

Source: own processing according to Eurostat 2024

Adjusted gross disposable household income per capita expressed at purchasing power parity (PPS) for the 2018 to 2022 reference period. shows an increase, according to Eurostat. Data for 2023 for the Slovak Republic could not be obtained. Gross disposable income shows an increase, for the whole period under review, which can be assessed as positive. In 2022, the Slovak household only reached 71.50% of gross disposable income of the European Union household. The Czech household in 2022 reached up to 92.41% of gross disposable income of the EU household. The same trend is shown in the other periods under review. It can be concluded that the household income in the Slovak Republic as well as the burden on the expenditure side is higher in the Slovak Republic than in the Czech Republic. We will look at the issue of expenditures in the following text. Among the analysed countries, Austria achieved the highest gross disposable income, expressed in purchasing power parity, in 2023, which is higher than the EU average. The Czech Republic ranked second, and Poland came third. The worst position is held by the Slovak Republic, which cannot be viewed positively in terms of the quality of life of its citizens.

Table 2: Real gross disposable household income per capita (index = 2008)

Geo/ year	2018	2019	2020	2021	2022	2023
EÚ 27	105,75	107,94	108,03	110,44	110,12	111,05
Czech republic	115,15	119	121,28	127,8	123,87	121,68
Slovak republic	121,02	123,36	124,11	126,89	125,83	123,22
Austria	98,02	97,87	96,77	98,6	99,65	98,48
Hungary	127,49	135,77	135,56	145,35	151,23	154,58
Poland	139,8	146,2	155,56	152,13	150,07	151,93

Source: own processing according to Eurostat 2024

Table 2 shows the changes in real gross disposable household income of the 27 countries of the European Union, the Czech Republic, the Slovak Republic and other country through an index. The table shows the year-on-year changes (increases and decreases) in real disposable income. For calculation of the index, 2008 is used as the base year. The table shows that the 27 countries of the European Union in 2022 recorded a 10.12 % increase in household income compared to 2008. Over the period under review, EU countries showed an average annual growth of 8 %. The countries analysed have significantly improved their position relative to the European 27 average. Real gross disposable household income per capita in the Czech Republic recorded the highest percentage growth in 2021. In that time period, real gross household income increased by 27.80% compared to 2008. The same trend

was observed in 2021 in the Slovak Republic, where income grew by 26.89 % compared to 2008. Between 2018 and 2020, real gross disposable household income per capita (2008 index) in the Slovak Republic grew at a faster rate than in the Czech Republic. The decline in real gross disposable household income per capita in the Czech Republic and the Slovak Republic occurred in 2022 compared to 2021.

One of the economic indicators used to assess the quality of life of the population is the after-tax equivalent disposable household income. **Equivalent disposable income** is the total household income after taxes and other deductions available for spending or saving, divided by the number of household members converted into adults. Equivalent disposable income is calculated by dividing the household disposable income by the equivalent household size. This income is then allocated to each household member. The equivalent scale is used to calculate the equivalent household size. For the calculation of poverty indicators, the so-called modified OECD scale has been used in accordance with Eurostat methodology, where coefficients of 1 are used for the first adult household member, 0.5 for the second and each adult household member, 0.5 for 14 years and older, and 0.3 for each child under 14 years of age. The resulting figure is called the equivalent disposable income and is attributed equally to each household member. The median of the equivalent disposable income is the value of the equivalent disposable income which divides the set by income level into two equal parts according to the number of persons (Statistics 2024).

Table 3: Median equivalent income (net) by age and gender – SILC and ECHP in €

Geo / year	2018	2019	2020	2021	2022	2023
EU 27	16 832	17 325	18 296	18 368	19 083	20 350
Czech republic	9 088	9 995	10 627	10 625	12 146	13 656
Slovak republic	7 462	8 119	8 703	8 473	8 819	9 214
Austria	25 176	25 729	26 555	27 428	27 844	31 443
Hungary	5 424	5 852	6 478	6 619	6 975	7 423
Poland	6 574	7 124	8 022	8 297	8 944	10 048

Source: own processing according to Eurostat 2024

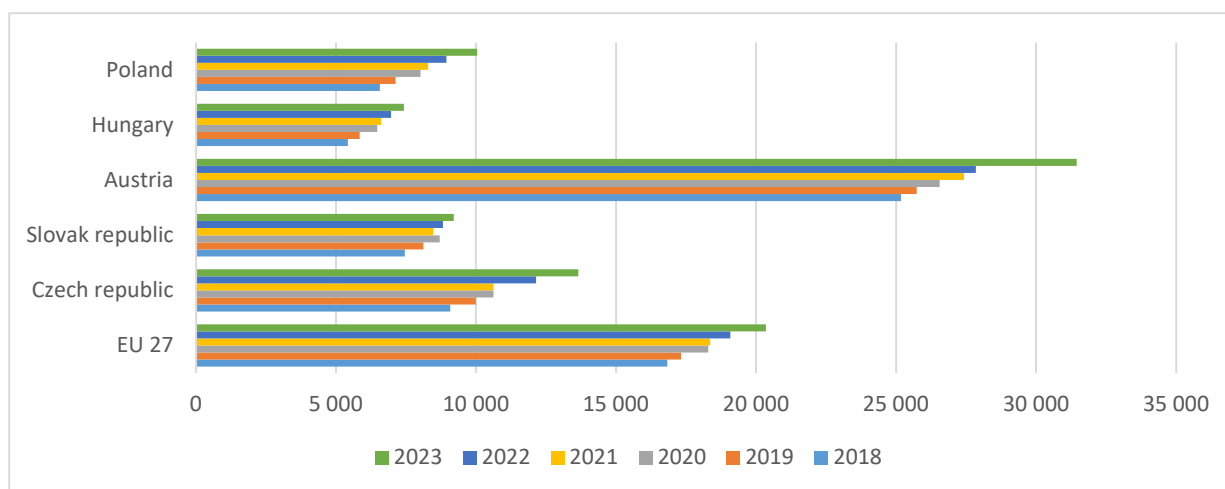


Figure 2: Median equivalent income (net) by age and gender – SILC and ECHP in €

Source: own processing according to Eurostat 2024

The median net income in the EU27 shows an increasing trend over the whole period analysed. In the EU27, the median value of net equivalent income has risen from €16 832 in 2018 to €20 350 in 2023, an increase of €3 518 (20.9%). An analysis of the median equivalent net income in the Czech Republic and the Slovak Republic for 2018 to 2023 shows the same upward trend. In the Czech Republic, the equivalent net income increased from €9 088 to €13 656, an increase of 66.55%. In the Slovak Republic, the median equivalent net income increased from the original €7 462 to €9 214, representing 23.48%. Year-on-year, equivalent net income grew at a higher rate between 2018 and 2020 in both the Czech Republic and the Slovak Republic. Between 2020 and 2021, at the time of the pandemic, there was a decrease in equivalent net income, especially in the Slovak Republic, from €8 703 to €8 473, a decrease of €230 per person. The Czech Republic maintained its equivalent income in 2021 at almost the same level as in 2020. At the time of the COVID-19 pandemic, the EU27 shows a half percentage point increase in equivalent net income in 2021. In 2023, the median equivalent income (net) by age and gender reached its highest value in Austria, amounting to €31,443. Compared to the EU average, this indicator in 2023 is higher by more than €11 100. The worst result was recorded by Hungary at €7 423, with the second-to-last place held by the Slovak Republic. In Slovakia, the median equivalent net income is less than 50 percent of the EU average. Similarly, this indicator cannot be viewed positively in terms of the quality of life of its citizens.

Other problems we have been encountering recently include the problem of not being able to make ends meet. This issue analyses whether the net monthly income of citizens in the countries analysed is large enough to cover all the compulsory payments and payments that a citizen needs to meet their basic monthly expenses. The following table presents the

percentage of citizens who are unable to make ends meet. They are thus unable to ensure a minimum subsistence level and have no savings left to build up.

Table 4: Inability to make ends meet – EU-SILC survey in %

Geo / year	2018	2019	2020	2021	2022	2023
EU 27	7,5	6,5	7,6	7	6,8	6,8
Czech republic	4,5	3,3	3	3,2	3,1	3,7
Slovak republic	8,4	9,4	8,6	9,3	9,7	10,4
Austria	4,5	4,0	3,9	4,0	4,7	5,0
Hungary	12,1	8,6	10,7	9,8	8,1	7,9
Poland	5,3	4,5	3,8	3,3	3,7	3,8

Source: own processing according to Eurostat 2024

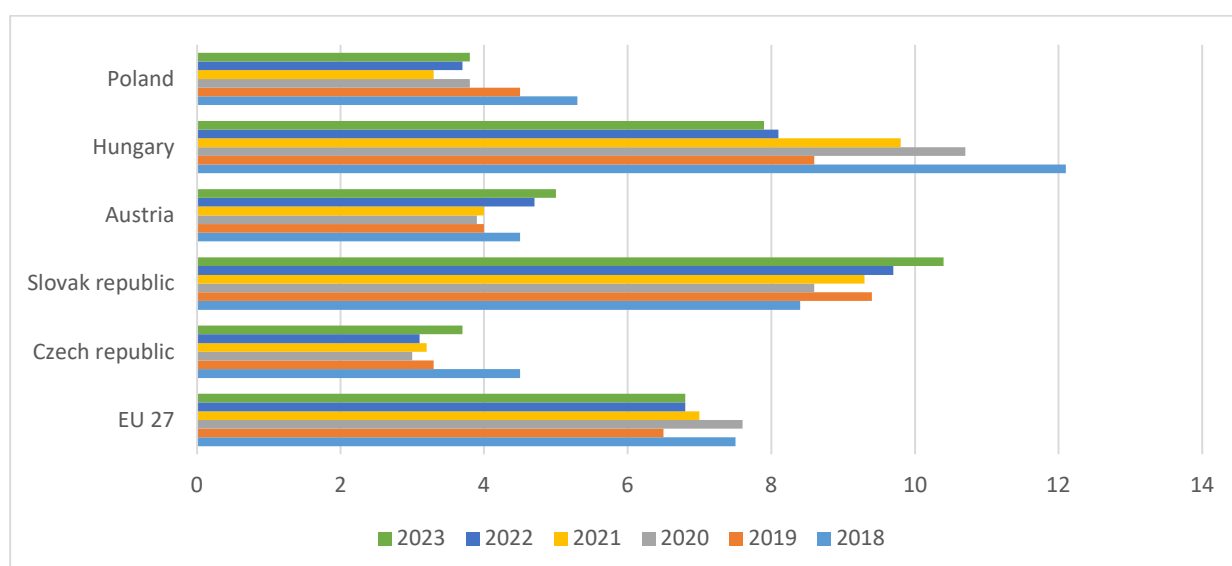


Figure 3: Inability to make ends meet – EU-SILC survey in %

Source: own processing according to Eurostat 2024

Table 4 shows that the EU27 average is 6.8 %. This means that, on average, 7 % of the population is unable to provide adequately for the cost of living, let alone save for a “rainy day”. Statistically, the population of the Czech Republic is below the EU27 average. Since 2018, the Czech Republic has seen a decline in the percentage of the population who cannot make ends meet. The best situation was in 2020 in the pre-pandemic period, where only 3 % of the population did not have sufficient finances for monthly expenses. Compared to the Czech Republic, Slovak citizens have more problems with personal finances. On average, 9 % of the population was unable to make ends meet during the period analysed. Table number

4 shows that in 2023, 10.4 % of the population of the Slovak Republic is unable to make ends meet. The best results, besides the Czech Republic, are achieved by Poland with 3.8 %, and Austria ranks third. All three of these countries have a lower percentage than the EU average. Similarly, the trend of this indicator's development in the Slovak Republic needs to be critically assessed. While all other analysed countries show a decrease in the percentage of people unable to make ends meet during the observed period, only Slovakia has shown an increase since 2018. This fact reflects a decline in the quality of life for citizens in the Slovak Republic. This situation worsened during the pandemic. Critical numbers in the Slovak Republic were recorded in 2023, where one in ten people were unable to meet their needs. The inability to cope with unexpected financial expenditures is linked to this fact. The following Table 5 presents the opinions of the respondents, i.e. citizens regarding this issue.

Table 5: Inability to cope with unexpected financial expenses – EU-SILC survey in %

Geo / year	2018	2019	2020	2021	2022	2023
EU 27	32,2	30,9	32,5	30,2	31,5	31,2
Czech republic	23,7	21,8	19,6	18,1	17,5	19,7
Slovak republic	31,5	30	26,1	27	27	29,3
Austria	20,1	18,5	17,6	18,6	19	22,8
Hungary	33,3	33	35,7	34,8	33,9	31,5
Poland	31,7	29,3	25,7	24,5	27,1	25,7

Source: own processing according to Eurostat 2024

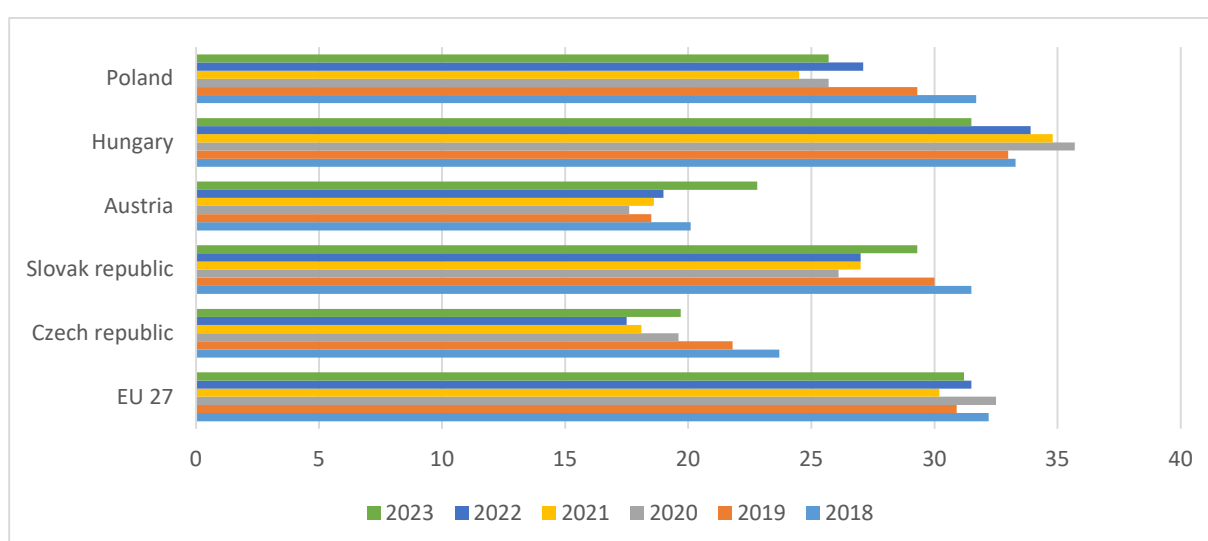


Figure 4: Inability to cope with unexpected financial expenses – EU-SILC survey in %

Source: own processing according to Eurostat 2024

The inability to cope with unexpected financial expenditures is related to, among other things, the low level of savings that a citizen could use in an emergency. The Eurostat survey shows that there is a growing number of citizens in the European area who are unable to cope with unexpected financial expenses. In the EU27, a favourable situation was recorded in 2021, when 30% of the population was unable to cope with unexpected financial expenses. In the case of the Czech Republic and the Slovak Republic, both corresponding figures were below 30 %, lower than in the EU27. Again, in the Czech Republic, the situation is more favourable despite the COVID-19 pandemic and the war in Ukraine. In both countries analysed, the situation was most favourable in 2020. Up to and including 2023, the percentage of citizens unable to cope with unexpected financial situations has been gradually rising. In 2023 in the Czech Republic, less than 20 % of the population is unable to face the problems of paying for emergencies. In the Slovak Republic, this percentage is reaching 30 %.

Conclusion

As previously mentioned, the quality of life of residents can be measured and assessed using a wide range of indices and indicators. For the purposes of this study, we focused on selected economic and social indicators that define the baseline state of quality of life. These selected economic and social indicators were analysed over the period from 2018 to 2023. This six-year period has been characterised by dynamic changes and developments not only in economic but also in non-economic indicators. The economic and social development of society has been influenced by state interventions aimed at mitigating the negative consequences of the global COVID-19 pandemic and the war in Ukraine. The analysis of selected indicators over time was conducted in the context of selected European Union countries.

In conclusion, it must be stated that the quality of life, as measured by selected economic and social indicators, is higher in the Czech Republic than in Slovakia. The Slovak Republic has long lagged behind the EU average and selected member states, as demonstrated by the analysis of key economic indicators. This fact is documented in the preceding tables and graphs included in this study. An undeniable factor that negatively impacted the quality of life was the COVID-19 pandemic from 2020 to 2022. The pandemic significantly affected not only the functioning of the business and non-business sectors but also the economic and social well-being of the population. The consequences of the pandemic have persisted beyond 2022, further exacerbated by the war in Ukraine. These two major global events have significantly influenced the standard of living in the Slovak Republic. Both

the government and the citizens of Slovakia are still grappling with the economic repercussions of the years 2020 to 2022, which continue to be felt today.

The economic trends observed in the analysed indicators suggest that the Slovak government will have to implement unpopular economic measures to stabilise and reduce the state deficit. The government's proposed measures for consolidating public finances, set to take effect from 2025, will increase expenses not only for businesses but also for households. This development will negatively impact the quality of life of the residents of the Slovak Republic.

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