

The welfare state and quality of life: politics, policies and outcomes in Bulgaria and Romania

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Abstract —According to Eurostat statistics, more than 10 years after joining the European Union, Bulgaria and Romania "dispute" the last places in the rankings that show the evolution of the main indicators of the quality of life. In addition, it seems that 12 years of European funds absorption, a large part of them being for the development of human capital, were not enough for the Romanian and Bulgarian societies to make progress in improving the quality of life of their citizens. Based on these considerations, this study aims to analyze, in a comparative manner, how social policies on several topics, such as, population, education or health have or have not produced positive effects on quality of life. Moreover, our study is relying on the fact that, although there are national social policy regulations and action lines conforming to the European Social Model, in the two societies (Romanian and Bulgarian), statistics confirm us that the effects are not similar in each of the 28 EU countries.

Keywords EU enlargement; welfare state; social policy; education; healthcare

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I. THEORETICAL APPROACH ON SOCIAL WELFARE AND THE EUROPEAN SOCIAL MODEL

The concept of well-being is related to the goals that any society has: freedom and democracy, social security and protection, equality and sustainable development, social solidarity, civic and political participation, etc. If we consider that welfare and well-being are often perceived as having the same meaning, then we can see welfare in two ways: a) welfare represents "a financial benefit provided by the state" - social security and social assistance measures (Pekka Roos, 1973: 104)¹; b) welfare represents "a state of well-being", health and prosperity - of a person, of a population, of a community etc. (Greve, 2008: 51)²

Among the values that are specific to our contemporary society, well-being is one of the most important, and it is the subject of study of numerous reports and analyses conducted by international organizations such as, for example, the United Nations Development Programme (UNDP) or the Organisation for Cooperation and Development in Europe (OECD). For example, from the analysis of studies conducted by the OECD over time, it can be seen that it uses the term social welfare as an abbreviation for the global welfare of individuals. "The heart of the problem is the well-being of each individual and how he is affected by his relationships with others and with the physical environment". (OECD, 1976: 12)³

Both objective indicators and subjective indicators are used to measure well-being. When we talk about the objective indicators of well-being we are taking into

consideration Human Development Index (HDI), Human Well-being Index (HWI) or the Weighted Index of Social Progress (WISP). Among the subjective indicators of well-being we can mention Overall Life Satisfaction with Life (OSL) or the Happy Life Expectancy (HLE).

Often, in the sociological literature, the "welfare state" concept relates to the phrase "European Social Model", as it was perceived during the "Golden Age" of the European Union (1960-1980). The term "European Social Model" was first used by Jacques Delors, who introduced it as an alternative to the American liberal model as a model based primarily on combining economic growth with social cohesion. Some authors (Jepsen, Serrano, 2005: 232)⁴ have argued that this concept was characterized by ambiguity, unable to make a successful reference to different European societies that evolve at different rhythms and have different models of development.

The fundamental principle of the European Social Model is that any society must ensure that its members receive basic services (such as health or education), that they must provide individual individuals with an income that provides them with decent living. In fact, "the most important factors determining the quality of life are physical, psychological and social welfare state". (Motoi, Gheorghită, 2017: 36)⁵

Also, what should be mentioned is that we cannot speak of a single European social model, given that there are several types of welfare state, as they were described by Gosta Esping-Andersen in the paper entitled *The Three Worlds of Welfare Capitalism*: first of all, there is, the "northern type" of welfare state - specific to northern states, which has a high level of taxation; there is, secondly, the "conservative or corporate type" - based on employees' contributions; in the third place, there is the "liberal or Anglo-Saxon type" - which has a moderate level of taxation (Esping-Andersen, 1990). To this is added a fourth model - the Mediterranean model. Over time, social policy theorists have questioned whether these four models are a variant of the same European Social Model, or if they can be hierarchized, implicitly leading to a hierarchy of states in Europe. According to Anthony Giddens, another type of state should be added - the post-communist one - referring to the ex-communist countries of Central and Eastern Europe, which are "struggling to develop Western-style of social states" (Giddens, 2007: 33).

If during the EU "golden age" the Social Model was considered to be economically and socially successful (Europe managed to overtake the United States in terms of GDP/capita), after 1990, Europe's social and economic performances began to decline, for the first time emerging regional disparities, in terms of economic growth, which led some authors to conduct extensive studies on the performance of different European Social Models.

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II. THE PREREQUISITES FOR THE ACCESSION OF ROMANIA AND BULGARIA TO THE EU

In the case of the two societies, the desire to get closer to the European values, to "return to Europe"(Zielonka, 2006: 23; Marino, 1996: 5-6)⁶ comes along the same historical path: a long period of deviation from the normal course of development, by imposing a communist regime in the period after the Second World War.

The return to Europe (which is, in other words, the "West" so condemned by the Communists) was associated with the idea of regaining prosperity, economic and social success, and socio-economic development. Although they applied for EU membership in 1995 (in June - Romania and in December - Bulgaria), it was accepted 10 years later, after the EU verification mechanisms monitored the compliance with the Recommendations and fulfilment of the criteria in The Community Acquis. The European Union was aware that many of the states belonging to the ex-Communist bloc were not ready for accession because of the fragile economies and social problems they faced, but these pre-accession recommendations (and implicitly financial aid schemes such as PHARE or SAPARD programs) removed the idea of a refusal, which would have come "in contradiction with the anti-totalitarian discourse used by Western Europe in the process of positioning to the Soviet Union". (Devret, 2004: 170)⁷

Regarding the pre-accession financial support that Romania has received from the EU, it has to be mentioned that Romania has been included in the PHARE program since January 1991 and by 1999 it has been allocated over 1 billion Euro, funds it has used since 1998, 70% for investment and infrastructure and 30% for institutional consolidation.⁸

In 1994, Romania received PHARE assistance worth 100 million euros, becoming the second largest beneficiary, after Poland. Overall, pre-accession financial assistance to Romania was of 3671.6 million dollars, compared to 2358.1 million dollars, for Bulgaria (Filipescu, Fuerea, 1999:185).⁹

The social and economic profile of Romania, of Bulgaria, but also of the countries of the East that joined earlier in May 2004 is that of transition countries that did not have a mature market economy yet and for which the "young" of a democratic political system was considered, in many cases, by some developed countries in Western Europe to be insufficient.

For this reason, unlike other enlargement waves, "a set of highly defined criteria to be fulfilled by the Member States, regardless of the outcome of the negotiations, have been introduced in order to become full members of the European Union"(Ciocuban, 2002:65).¹⁰

Therefore, the fact that Romania and Bulgaria could not join the European Union earlier, in 2004 (with Latvia, Lithuania and Slovakia) was largely due to the fact that their economies were considered, at that time, as being uncompetitive; in addition, these economic problems were associated with many other social problems: a high unemployment rate (16% in Bulgaria and 8% in Romania - in 2003, which led to the occurrence of extreme poverty and the increase of regional disparities); the situation of the

protection of children's rights (especially those in orphanages - the case of Romania), the problem of the Roma community (in both countries), corruption eradication issues (lack of a legal and economic framework that could match the EU criteria) etc. Of course, beyond these reasons, we can also mention the strategy of the European Union, which at that time took into account the enlargement to the East in "regional blocs" (Avram, 2001:31).¹¹

By analysing the period 1994-2004, we can identify some characteristic elements of the EU enlargement process towards the eastern part of the continent: "the acceptance by candidate countries of the full *acquis*; the focus of accession negotiations exclusively on the practical aspects of the *acquis communautaire* by the candidate countries; the integration of new members into the Community institutional structure, based on its gradual adaptation, with the promise of a more comprehensive reform after accession; preference for negotiation with groups of states that already have close collaboration relationships; the use of the enlargement process by the Member States to pursue their own interests and the externalization on a common basis of internal problems" (Ciupagea, 2004).¹²

In December 2006, after "monitoring the economic improvements along with the social and political situation of the two countries through regular reports" (Porumbescu, 2015:171)¹³ the European Council decided that Romania and Bulgaria would become EU Member States, starting with January 1st, 2007. At the time of accession, Bulgaria had a population of 8 million; compared to about 21 million in Romania (what it placed it on this in the 7th rank in the EU). Both countries recorded economic growth rates (6% in Bulgaria in 2005 and 8% in Romania, in the same year), a falling inflation rate (6.5% in Bulgaria in 2005 and 7% in Romania), but they were still facing the problem of poverty, especially in rural areas (European Commission, 2007).¹⁴ In addition, even after accession, the European Commission's Report on the progress made by Romania and Bulgaria states that both countries should redouble their efforts to implement judicial reform and fight against corruption.

III. AFTER 2007. CASE STUDY: ARE THERE DIFFERENCES BETWEEN BULGARIA AND ROMANIA PUBLIC POLICY IN EDUCATION AND HEALTH?

After 2007, Romania and Bulgaria have begun a process of aligning economic and social systems on European lines. In the opinion of some authors, this struggle to build a Western-style social-economic system keeps them in a state of dependence, a kind of "dependent capitalism", insisting on the idea that Romania and Bulgaria represent "the archetype of this type of capitalism" (Delteil, 2016: 92).¹⁵

This type of dependence, essentially of economic nature, is characterized by a semi-peripheral or even peripheral insertion in the world economy (see, for example, the theory of the world system of Immanuel Wallerstein (1994)¹⁶, in which the American author analyses relations

dependence between semi-peripheral and core countries), through a slightly unstable economy, which has as a source of financing the loans contracted from global financial institutions (such as the IMF or the World Bank), a strong wage decentralization etc.

From an economic point of view, statistics show that both societies have experienced economic growth in recent years, reflected also in the GDP growth - 3.8% in the case of Bulgaria and 6.7% in Romania, but also in the relatively low unemployment rates - 6.3% for Bulgaria and 8% for Romania (Eurostat). The problems faced that both societies are confronting go beyond the statistical indicators: thus, paradoxically, although unemployment rates are relatively low, in fact the share of the non-working population (but not recorded in the statistics as "unemployed") is much higher, showing regional and rural-urban disparities.

Very high inactivity rates, to which we could add, for example, the high proportion of NEETs youths - whom situation "produces serious adverse consequences both for individuals who get in this situation, as well as society and economy" (Niță, 2017: 95)¹⁷, contribute to perpetuating the problem of poverty and differentiation from other European countries in terms of living standards. According to a 2017 European Commission report, 16.2% of the Bulgarian population was at risk of poverty, in the last 2 years, the most vulnerable being the Roma (90% of the Roma population was affected by poverty) and people aged over 65 (45.9%). In the case of Romania, in 2016, 38.8% of Romanians lived in the poverty. Basically, in both countries, active policies are required to increase the inclusion of young people from rural areas, Roma, the elderly and also women (World Bank, 2017).¹⁸

In order to reduce the share of elderly people at risk of poverty, one of the social policy measures that could be put into practice is to promote "active aging" and "adult participation in learning"; although the social policies in both countries have also targeted this goal, significant progress is still needed if we take into account that the adult participation in learning rate was only 2.2% in Bulgaria and 1.2% in Romania, below the EU average - 11%.

In addition, the social policy measures for this category of the population cannot have the desired success in the case of Romania and Bulgaria, also because there are significant differences from other EU states: for example healthy life years is very low in Romania, among the lowest in the EU - 57 years, compared to the European average of 61 (European Commission, 2017).¹⁹

It should be noted that, regardless the easy attitudes described as discriminatory, that both Romanians and Bulgarians are facing in different context situations, and the fact that we are not talking about the same quality of life as anywhere in the EU-28, according to a recent Eurobarometer, they are among the most Euro-optimists. Thus, following the survey conducted in 2018 and published in November of the same year, about 68% of Romanians and 51% of Bulgarians appreciated that they felt belonging to the European Union as EU citizens (European Commission, 2018: 33).²⁰ This share has grown over time in the 12 years of EU membership. According to the same study, the ideal future for the European Union would be a stable socio-economic climate in which there

would be equal pay for the same job (regardless of the country of residence) - 43% of Romanians and 59% of Bulgarians have indicated this response (European Commission, 2018a:15-16).²¹ Economic security is seen in a different way by Bulgarians and Romanians. Thus, in the case of the Bulgarians, the most often referred to as "economic security" syntaxes were "jobs for everyone", "lack of corruption", "stimulating economic growth" (in total, these variants have represented 37% of the mentioned answers); for Romanians economic stability can only be achieved through the "fight against corruption" - 40% of the answers mentioned this option. This share can be explained by the fact that the time when the Eurobarometer was conducted, Romania faced massive protests against a government ordinance (OUG13) on amnesty and other amending to the Criminal Code.

Almost 12 years after joining the European Union, public policies implemented in both countries did not quite have the expected effects. Regarding the demographic policies, they did not record the desired results, taking into account the fact that both societies registered a significant demographic decline rate (-7.3 ‰ in Bulgaria and -6.2 ‰ in Romania, in 2018). The main causes are the same: falling birth rates and external emigration of the working age population (18-64 years). For example, according to study conducted by the International Organization for Migration in 2017, Romania ranks second in the world as the increase of number of people migrating (Diaspora growth rate), after Syria (1st rank), a country facing a military conflict and war.

At the same time, demographically, since 2008, both societies have begun to face the phenomenon of demographic ageing, a phenomenon involving an increase of expenditures for pensions, health and social assistance. Of course, the trend of rising health expenditures is explained, on the one hand, by demographic ageing and, on the other hand, by the progress of technology, which has led to the prolongation of life expectancy.

From a demographic point of view, the population of Bulgaria will experience a decrease of about 23% by the year 2050 unless public policies appropriate to this issue are put in place. Similarly, a decrease will also occur in Romania, with 17%, the main causes being drop in birth rates and emigration (Eurostat, 2017).²²

According to a study published in *The Economist*, about one million Bulgarians live outside the borders of the countries where they were born, and of these 700,000 settled in other European countries (*The Economist*, 2018). Also, a study conducted in Romania in 2018 highlights the fact that over the last 10 years, about 500,000 Romanians with higher education have left the country to work abroad (European Union, 2018b). This is called also brain drain, a "phenomenon that has become increasingly important after the year 2007, upon admission to the European Union. The main reason was the fact that it is easier to leave the country to make a better living in the Western countries". (Ilie-Goga, Ilie, 2017:94)²³

With regard to education, the relatively unsatisfactory effects of public policies can be observed by analysing the results of PISA tests by Romanian and Bulgarian students, which do not place the two countries in the top positions of the OECD ranking. In education, the progress is not yet

significant, and this is evidenced primarily by the low investment in education - only 4.5% in Bulgaria and 3.7% in Romania (in 2016). What we should add for the education system in Bulgaria is the fact that in this country, almost 50% of teachers are over 50, which may lead us to the conclusion that, in the future, one of the policy objectives should be targeted increase the valorisation of the teaching profession, in order to make it attractive for young graduates (including also the increase of teachers' salaries).

Analysing the results of Romanian and Bulgarian pupils in the PISA tests (the 2015 survey) we will notice that there is still a strong correlation between the socio-economic level and the school performance. For example, for Bulgaria, nearly 60% of students from disadvantaged backgrounds had very poor results in Science. In addition, the results obtained by the Romanian pupils, are placing Romania far away from the European average: in 2015, "42.9% of pupils are functional illiterates, compared to an average OECD of 29.1%; in mathematics, the share is 39.9% of pupils who do not manage, compared to an average of 24.4%; and the share of very poorly educated pupils in science is 38.5% compared to the European average of 23.1%" (OECD, 2016; Motoi, 2018:68-75).²⁴ Public education policies should also target disadvantaged social groups at risk of social exclusion, such as Roma and rural students, population categories that we identify in both societies. They contribute to maintaining a high school dropout rate of 13.6% in 2016 in Bulgaria and 17.5% in Romania (European Commission, 2017a).²⁵

In healthcare, both Romania and Bulgaria occupy the top positions in the EU with regard to the mortality rate caused by cancers (80% of deaths in Bulgaria are due to cancer and cardiovascular diseases).

This is also explained by the low share of investments in the health system - 8.2% of GDP for Bulgaria and 5.9% for Romania (OECD, 2017, 2017a). In 2016, more than 12% of Bulgarians and 14% of Romanians did not benefit from health insurance. Based on these considerations, the Romanian health system occupies the last place in Europe in 2017 (34th rank of 34), according to the European Health Consumer Index (EHCI), which took into account indicators such as: patients' rights and information, accessibility (waiting times for treatment), the results of the treatments, the services offered and their extension, prevention and pharmaceuticals (Björnberg, 2018). One of the main conclusions of the Report was that "Albania, Romania and Bulgaria are suffering from an antiquated healthcare structure, with a high and costly ratio of in-patient care over out-patient care" (Björnberg, 2018:19).²⁶

As for Bulgaria, it was ranked 33rd position, achieving a score of 548 points (compared to 439 points, the score registered by Romania). Moreover, in recent years, the social policy measures for increasing health insurance coverage, reducing out-of-pocket payments and addressing shortages of healthcare professionals have made limited progress.

CONCLUSION

The approach undertaken to carry out this study was the analysis of the secondary data, especially the data provided by Eurostat, in order to look at the statistical indicators that represent the outcomes of the social policies in different domains – such as education or health that conducted us to one major conclusion: entering a democratic process in 1989 like the other countries of Central and Eastern Europe, Bulgaria and Romania, however, have not experienced the same economic developments as their neighbours.

Despite all the limited progress, 12 years after joining the European Union, the situation of Romania and Bulgaria has changed: we are speaking about a GDP growth of over 15%, a fall in inflation rate, a fall in the population at risk absolute poverty, a drop in the unemployment rate, active participation in the European educational space and the European labour market. Of course, challenges persist in almost all the domains, and in both countries the social protection system is not very efficient for some disadvantaged or vulnerable groups, such as: elderly, persons with disabilities, Roma, people living in rural areas.

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