



European Foundation for the Improvement of Living and Working Conditions

# Quality of life in Croatia, the former Yugoslav Republic of Macedonia and Turkey



Second European Quality of Life Survey

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Macedonia and Turkey*

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# Foreword

The three EU candidate countries of Croatia, the former Yugoslav Republic of Macedonia and Turkey (also known as the CC3) are engaged in their pre-accession socioeconomic and political reforms to bring them in line with the rest of the EU. The recently announced Europe 2020 strategy identifies priorities for smart, sustainable and inclusive growth and offers a framework for the candidate countries to anchor their own reform efforts. Europe 2020's goals include reducing poverty and unemployment, raising labour market participation, improving public services and ensuring efficient provision and access to education, health, pension and care systems, as well as environmental and housing measures.

Assessing progress towards these goals requires research into quality of life in the accession countries, which is the focus of this report. Its findings are based on Eurofound's second European Quality of Life Survey (EQLS) carried out in 2007. The EQLS offers a wide-ranging view of the diverse social realities in the 27 EU Member States and Norway, as well as the three candidate countries at the time of the research. On the basis of the EQLS findings, this report addresses the perceived economic situation of households, family life, housing and local environment, health and access to health services, perceived quality of society, and subjective well-being, as well as interrelations between these factors. In investigating these domains in more detail than previous reports and comparing social groups within and between the countries, the report provides essential information both for understanding candidate country backgrounds and for future policy planning.

This report gives some pointers as to where particular development efforts should be targeted. Some of the ambitious targets for inclusion in the labour force, raising populations out of poverty and extending education could be challenging for the candidate countries to meet, particularly considering that satisfaction with life in these countries is notably lower than in the EU27, and this is largely related to poverty. Those with a low level of education, not in the labour market and living in rural areas suffer from inadequate income and material deprivation. Multiple dimensions of social exclusion are related to inadequate income, poor working conditions and job insecurity, lack of care services and poor health.

Policy efforts in various life domains ensuring social inclusion and the strengthening of institutions of governance, and increasing the efficiency of institutional performance should contribute to better living conditions and increase life satisfaction in the three candidate countries. The economic crisis which took place after the EQLS survey was carried out will have exacerbated social exclusion and unemployment and squeezed government expenditure – and therefore the policy messages raised by this report remain particularly acute.

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# Country codes

**EU15** 15 EU Member States prior to enlargement in 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom)

**NMS12** 12 new Member States, 10 of which joined the EU in 2004 (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) and the remaining two in 2007 (Bulgaria and Romania)

**EU27** 27 EU Member States

**CC3** 3 candidate countries in 2007 – Croatia, the former Yugoslav Republic of Macedonia and Turkey

## EU27

<b>AT</b>	Austria	<b>LV</b>	Latvia
<b>BE</b>	Belgium	<b>LT</b>	Lithuania
<b>BG</b>	Bulgaria	<b>LU</b>	Luxembourg
<b>CY</b>	Cyprus	<b>MT</b>	Malta
<b>CZ</b>	Czech Republic	<b>NL</b>	Netherlands
<b>DK</b>	Denmark	<b>PL</b>	Poland
<b>EE</b>	Estonia	<b>PT</b>	Portugal
<b>FI</b>	Finland	<b>RO</b>	Romania
<b>FR</b>	France	<b>SK</b>	Slovakia
<b>DE</b>	Germany	<b>SI</b>	Slovenia
<b>EL</b>	Greece	<b>ES</b>	Spain
<b>HU</b>	Hungary	<b>SE</b>	Sweden
<b>IE</b>	Ireland	<b>UK</b>	United Kingdom
<b>IT</b>	Italy		

## Candidate countries

<b>HR</b>	Croatia
<b>MK</b> <sup>1</sup>	The Former Yugoslav Republic of Macedonia
<b>TR</b>	Turkey

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<sup>1</sup> International Organization for Standardization (ISO) code 3166. Provisional code that does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place under the auspices of the United Nations ([http://www.iso.org/iso/country\\_codes/iso\\_3166\\_code\\_lists.htm](http://www.iso.org/iso/country_codes/iso_3166_code_lists.htm)).

# Executive summary

## Introduction

This report presents comprehensive analysis and policy-relevant findings on the quality of life in three EU candidate countries: Croatia, the former Yugoslav Republic of Macedonia and Turkey (the CC3).

Findings are based on Eurofound's second European Quality of Life Survey (EQLS 2007). Quality of life is analysed in different social domains, based on objective as well as subjective indicators. The report addresses the perceived economic situation of households, family life, housing and local environment, health and access to health services, perceived quality of society, and subjective well-being, as well as interrelations between these factors. In investigating these domains in greater detail and comparing social groups within and between the countries, the report provides essential information both for understanding country backgrounds and for future policy planning.

## Policy context

The candidate countries have different profiles and development trajectories, but are engaged in their pre-accession reforms, by which they contribute to creating the area of common policy concerns and common rules shared with EU Member States.

The Europe 2020 strategy identifies priorities for smart, sustainable and inclusive growth. It also offers a framework for candidate countries to anchor their own reform efforts. Research into quality of life issues can help in assessing progress towards these goals. Some of the ambitious targets for inclusion in the labour force, raising populations out of poverty and extending education can be challenging for these countries to meet. This report gives some pointers as to where these efforts should be targeted.

Differences between older and newer Member States and the candidate countries in terms of quality of life and social welfare infrastructure present a challenge for understanding country backgrounds, for addressing the situation of disadvantaged groups in societies, and for finding efficient means for improving cohesion in Europe. In this respect, the report provides input for thinking about the system of monitoring and collecting indicators across countries.

## Key findings

Overall life satisfaction in the countries examined is notably lower than in the 27 EU Member States (EU27), and this is largely related to poverty. Those with a low education, not in the labour market and living in rural areas suffer from inadequate income and material deprivation. Multiple dimensions of social exclusion are related to inadequate income, poor working conditions and job insecurity, lack of care services and poor health.

The extent of the informal economy, which differs by country, has implications for quality of life because those not in formal employment report more disadvantages than people with jobs – in terms of health, well-being, material deprivation and housing quality.

Despite the high rate of home ownership in the countries, housing costs are a heavy burden particularly for people in the former Yugoslav Republic of Macedonia and Turkey. The physical housing stock is often inadequate as owners cannot afford to maintain or improve it. People living in urban areas are also more concerned about problems with the local environment.

Families are highly important in candidate countries both for subjective well-being and as a source of support. This is partially related to traditional household structures, even though they are changing, most noticeably in Croatia. Still, men are less involved in household tasks than women and less involved than men in the EU27.

Gender inequality is noticeable, with women reporting more disadvantages than men. Women's labour force participation is generally low and jobs (of men and women) are characterised by long hours and poor work–life balance. About 45% of women in all three countries (compared with 35% in the EU27) reported daily involvement with caring for and educating children. Looking only at women with children, the share of those who are involved daily is again higher in the CC3 – 53% in Croatia and in the former Yugoslav Republic of Macedonia and 59% in Turkey (45% in the EU27).

Informal social support is very important for general life satisfaction in each country, suggesting that it may function as a substitute for welfare institutions found elsewhere in Europe.

Candidate countries have uneven rates of approval for public services and trust in institutions. Croatia and the former Yugoslav Republic of Macedonia are characterised by distrust in institutions and might need to address transparency issues, while people in Turkey show more trust in the main political and social institutions than the EU27 average.

### Policy pointers

- Since low labour market participation is a major issue, policies for raising employment are important for targeting not only the officially registered unemployed but also young people who have not entered the workforce and women.
- Ensuring the inclusion of women through access to education, training and employment is an issue in all three countries for tackling family poverty and social development. To improve work–life balance, there may also be a need for good territorial coverage, quality and affordability of care services for children and elderly people.
- Bringing more work out of the informal and into the formal sector would enable better social security coverage and would generate government revenues. Addressing the problems of those on short-term contracts or with no contract and no social security contributions should be a priority, especially in Turkey.
- Social inclusion policies should target vulnerable groups affected by poverty and deprivation. Efforts should be directed to older people in general and to young people in Turkey, to rural areas, to those with a low level of education and also to women. Social inclusion of the elderly could be improved by increasing coverage of the public pension systems and ensuring adequate pension income.
- In line with EU policy, further investments in education and lifelong learning are needed to increase labour market inclusion and pull people out of poverty. National developments show a demand for higher education, especially in Turkey and the former Yugoslav Republic of Macedonia. However, the rapid expansion of higher education, as in the latter country, has brought its own regulation problems that need to be addressed.
- Housing policies should focus on affordability of adequate quality housing for lower income groups. A range of measures would be needed to help upgrade poor standard accommodation. Policies should further help overcome spatial mismatch and inadequate housing stocks.
- Regarding the high environmental impact on health, policies to improve the environmental quality of neighbourhoods should be strengthened, especially in urban areas.

- Reforming spending in health services through investing in health-related prevention programmes and reducing regional disparities in service provision is highly important. The focus should be on improving the health situation of older people, especially in Croatia and the former Yugoslav Republic of Macedonia, and the situation of women having bad health and suffering from chronic illness in Turkey. Proposals for improving mental well-being for people with chronic illness or disability are needed in all three countries.
- Welfare provision and public services should be developed to compensate for the support that may no longer be available via the family. Promotion of social and political participation, including EU support for civil society organisations, can help in creating new mechanisms of societal cohesion.

# Introduction

This report presents comprehensive analysis and policy-relevant findings on the quality of life in three candidate countries – Croatia, the former Yugoslav Republic of Macedonia and Turkey. Quality of life is analysed in different social domains, based on objective as well as subjective indicators in line with the broad and complex understanding of this concept as used by the European Foundation for the Improvement of the Living and Working Conditions (Eurofound).

## Policy background and study aims

Presently, the three countries are at different stages in relation to their accession to the EU: Croatia is close to becoming an EU Member State, while there was a recommendation in October 2009 to start negotiations for full membership of the former Yugoslav Republic of Macedonia (however, this process has not yet begun). Turkey, which has a long association with the project of European integration, started accession negotiations in October 2005 and in 2008 the Council adopted a revised Accession Partnership with the country.

The EU accession process has accelerated socioeconomic and political reforms in the candidate countries to bring the national legislation in line with the EU's *acquis communautaire*. These reforms are monitored annually through national reports, although the method for achieving policy aims set out in the Europe 2020 strategy will vary in line with the Open Method of Co-ordination (Dobrotić et al, 2007; Donevska et al, 2007; European Commission, 2010a; European Commission, 2010b; Ministry of Health and Social Welfare, 2010; Ministry of Labour and Social Policy, 2010). Key policy issues in the renewed EU social policy agenda are related to the promotion of social inclusion. Important issues are reducing poverty and unemployment, raising labour market participation, improving public services and ensuring efficient provision and access to education, health, pension and care systems, as well as environmental and housing measures. Addressing these issues would also enhance living conditions and subjective well-being in the candidate countries (the subject of this report).

The report analyses the perceived economic situation of households, family life, housing and local environment, health and access to health services, perceived quality of society and subjective well-being, as well as the interrelations between them. In investigating these domains in more detail than previous reports and comparing social groups within and between the three candidate countries, the report aims to provide policy-relevant information and conclusions. Based on selected indicators, a comparison of the candidate countries with the EU27 and the 12 new Member States (NMS12) that joined the EU in 2004 and 2007 is provided to give a better understanding of the policy gaps in the process of EU integration.

## Data and methods

The main data source used in the analysis is the second European Quality of Life Survey (EQLS 2007) carried out by Eurofound from September 2007 to February 2008.<sup>2</sup> Despite national efforts to address the various challenges highlighted by EU policies, the impact on the quality of life of the population is longer-term in nature and therefore this survey provides a good benchmark from which to measure more indirect, longer-term change. The report provides a basic descriptive analysis in order to present the situation in each of the candidate countries as well as the differences between the three countries, identifying advantaged and disadvantaged social groups (for example, by gender, age, education, income, employment status, rural/urban differences). This provides the background against which the chapters are developed.

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<sup>2</sup> The EQLS 2007 had a standard sample size of 1,000 for both Croatia (HR) and the former Yugoslav Republic of Macedonia (MK), and a sample size of 2,000 for Turkey (TR). For an overview of the survey and its full questionnaire, see Anderson et al, (2009).

The advantage of a survey of this kind for understanding the conditions of the population is that it can take into account subjective perceptions of the people in candidate countries, it can analyse data by social groups and it can apply statistical multivariate analysis in ways that are not possible with aggregate statistics. As in previous Eurofound reports, figures are population-weighted and presented only if at least 30 cases are represented in the sample.

The descriptive data are complemented by multivariate statistical analysis to examine the interrelation of factors associated with the satisfaction in various domains of quality of life and the overall life satisfaction for each of the candidate countries (see Annex III). Furthermore, it is important to note that the composition of the population plays an important role for measured mean values in the different domains of quality of life. By presenting estimated values for ‘reference cases’ of individual variables, it is possible to control for the impact of different population structures in the three candidate countries under review.

In order to give a view on the specific similarities and differences between candidate countries and EU averages, factor and cluster analysis was applied. These methods provide an insight into how domains of quality of life coalesce in order to show where the three candidate countries differ and where they are relatively homogeneous compared with the EU27 and NMS12. This multivariate research approach is based on the indicators related to personal and societal aspects of the quality of life (happiness, life satisfaction, satisfaction with public services, satisfaction with job and education, satisfaction with present standard of living, satisfaction with accommodation, satisfaction with family life and with social life, satisfaction with health, and trust in people and in institutions).

In addition to EQLS data, the analysis uses official statistics from Eurostat, the World Health Organization (WHO), the Organisation for Economic Co-operation and Development (OECD) and the World Bank. Information and recommendations provided by the project country experts from Croatia, the former Yugoslav Republic of Macedonia and Turkey regarding national policy issues, government priorities and policies, major socioeconomic and political developments and structural reforms are used in the interpretation of results and to inform the policy conclusions.

The report is structured as follows: Chapter 1 briefly introduces the concept of quality of life and describes the current social and economic background in the three countries considered. Chapter 2 gives a comprehensive but brief summary of the main results for the various domains of quality of life in candidate countries and places them in relation to the EU27 and NMS12. Chapters 3 to 8 then address the most prominent individual domains of quality of life in more detail. Based on selected indicators, Chapter 9 provides an additional comparison of the candidate countries with the EU27 and NMS12. Chapter 10 contains conclusions that lead to the policy messages presented in Chapter 11.

# Background to quality of life in the candidate countries 1

This chapter briefly introduces the concept of quality of life and provides an overview of the background situation in each of the three countries under review.

Quality of life is increasingly recognised as a measure of social progress which goes beyond economic measures of gross domestic product (GDP) and can provide an important policy tool for governments (Halpern, 2010). The OECD, European Commission and various governments have been developing robust instruments for measuring quality of life using both subjective and objective indicators (Phillips, 2006). These indicators are increasingly seen as measures of the success of government interventions and even of specific policy measures, but they can also be used to highlight differences between candidate countries and the rest of the EU, identifying policy gaps between them. These subjective measures capture factors that other aggregated statistics fail to address (Diener and Suh, 1997).

European comparisons have consistently indicated that the best quality of life is enjoyed in Nordic countries, with eastern and southern countries having the lowest levels (Böhnke, 2006; Alber et al, 2008; Rose et al, 2009). However, using comparisons across a fairly limited time, there does seem to be evidence of ‘catching up’ by new Member States (Rose et al, 2009). On a less positive note, the recession that has hit Europe since 2008 may have had uneven consequences – those countries that already had lower quality of life in eastern and southern Europe were also the ones hit hardest by the crisis. This group includes the candidate countries analysed here.

## Croatia

Like many countries in the region, Croatia was shaken by systemic changes related to the disintegration of Yugoslavia, including Croatia’s independence in 1991 and the war that followed in 1991–1995 (known in Croatia as the Homeland War). These factors impeded the modernisation of society and delayed improvements in quality of life until recently. In 2004, Croatia became a candidate for joining the EU, with the result that quality of life issues became more prominent in policy planning. In 2006, the United Nations Development Programme (UNDP) carried out a quality of life survey using much of the EQLS questionnaire and provided an input for policy debate. Croatia became a member of the North Atlantic Treaty Organization (NATO) in 2009, and expects to finish the negotiations for accessing the EU in 2011.

Economic recovery began in 2000: GDP<sup>3</sup> growth rose from 3% in 2000 to 5.5% in 2007 led by tourism, government investment in the road infrastructure and domestic demand. This brought improvements in Croatia’s economic indicators: the unemployment rate declined from 16.1% in 2000 to 8.4% in 2008, and per capita income increased from €5,229 in 2000 to €10,683 in 2008 (from 50% to 62.6% of the EU average of GDP per capita in purchasing power standards).<sup>4</sup> High levels of growth have, however, been accompanied by strong regional inequalities and increasing disadvantages for unemployed people (many of them women), disabled people, single parents (of which there are rising numbers), as well as Roma and Serbs living in remote areas. Altogether, extreme poverty affects less than 5% of the population, and 11.2% of people are in relative poverty (UNDP, 2006).

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<sup>3</sup> At constant prices.

<sup>4</sup> Unemployment according to the International Labour Organization (ILO) definition, 15+ years. Source: Central Bureau of Statistics of the Republic of Croatia (CBS); Ministry of Finance of Croatia; Croatian National Bank (CNB). Data on GDP per capita in purchasing power standards are from Eurostat’s online database.

Croatia has followed the demographic patterns of other European countries, with increasing longevity, smaller families and declining birth rates, but it has an exceptionally large share of elderly persons with 17% of the population aged 65 years and over in 2007 (see Murgic et al, 2009 and Fact sheet on Croatia, Annex I). This has been exacerbated by the loss of economically active people through emigration and the Homeland War, and it leads to problems because a large number of those aged over 50 are dependent on welfare/pensions. That means that one in six people are retired and have to survive on as little as €200 per month, while a fifth of those over 65 are not receiving a pension at all, being dependent on family support. The ageing population is likely to lead to problems in terms of welfare systems and labour productivity in the future, especially since many have retired early or are war veterans.

In terms of working conditions, Croatians work longer hours and in worse conditions than the average worker in the EU and many are concerned about losing their jobs. The long hours are exacerbated by the frequent participation in second jobs. A looming problem is that there are relatively low levels of employment, with many of those aged over 50 and under 25 being out of the labour force, along with a low employment rate for women (51% in 2009 – see Fact sheet, Annex I). Croatia has some of the strictest employment protection legislation in Europe, with little scope for flexibility (UNDP, 2006). Therefore, the target suggested by the Europe 2020 strategy of getting 75% of the population aged 20–64 into employment will prove challenging for Croatian policymakers.

Family life is of the traditional kind, with many multigenerational families, and the lack of childcare facilities means that many mothers have to stay at home to raise their children. Research carried out by UNDP suggests that there are very traditional attitudes to women (especially to women in paid work) in some regions of Croatia and this may impede the access of some women to jobs and education. However, younger people are better educated and there are now equal numbers of men and women enrolled in higher education.

Although there are comprehensive health care facilities in Croatia, lifestyle factors including smoking and drinking undermine individual health. Health care facilities are more accessible in large cities, but many people are unable to access health care on account of the cost. Life expectancy is, however, rising (UNDP, 2006).

In terms of quality of society, it was found that despite the strong role of the welfare state, Croatians are generally sceptical and distrustful of public institutions and there is some evidence that corruption (which is a general problem in the region) is widespread (Bejaković and Lipovčan, 2007; Transparency International, 2010). Moreover, corruption and inequality may explain the low level of generalised trust (Uslaner, 2010). There is a need to develop a new organisational culture in public services (UNDP, 2006).

On a more positive note, Croatia is ranked 45 out of 182 countries in the world according to the Human Development Index (HDI).<sup>5</sup> Between 1990 and 2007, Croatia's HDI rose by 0.38% annually from 0.817 to 0.871 (UNDP, 2009).

### **Former Yugoslav Republic of Macedonia**

The former Yugoslav Republic of Macedonia is still struggling out of the transition from the systemic changes that began with the disintegration of Yugoslavia. In addition to the legacy of economic hardship, the country went through an ethnic conflict between its Macedonian and Albanian inhabitants that peaked in 2001. In addition, the dispute over the constitutional name of the nation is still unresolved (Bartlett et al, 2009; Bartlett et al, 2010a).

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<sup>5</sup> <http://hdr.undp.org/en/statistics/>.

Previously one of the poorest republics in the former Yugoslavia, the country is now among the poorest in Europe with a GDP per capita amounting to one-third of the European average (see Fact sheet on the former Yugoslav Republic of Macedonia, Annex I). Despite some economic growth, poverty has not declined; 19% of the population were classified as living in poverty in 2006 and the World Bank estimated the proportion in extreme poverty at between 4.5% and 7.5% (World Bank, 2009). Two out of three households are not satisfied with their household income. Although tackling poverty is a major plank of the government's strategy up to 2020, the problems, which are exacerbated by the global economic crisis, will prove difficult to address (Donevska et al, 2007; Ministry of Labour and Social Policy, 2010). The majority of the jobs that have been created are in the 'grey economy', which often employs unpaid family labour, especially in agriculture. Small firms have created the most jobs, but labour regulations are frequently ignored.

Privatisation and the transition from communism have led to greater regional disparities (Bartlett et al, 2009). Foreign direct investment (FDI) has focused on urban regions, especially the capital city Skopje, and this is where most of the new service sector jobs have been created. Rural regions are left further behind and former industrial regions are faced with economic decline. These regional differences are reflected in levels of satisfaction and happiness, which vary considerably by region.

There are strong ethnic and regional differences, with poverty becoming more regionally diverse. The former Yugoslav Republic of Macedonia is a multicultural society but there are two main ethnic groups: the Macedonians who are the titular majority making up two-thirds of the population and the Albanians who make up a quarter (see Fact sheet, Annex I). The rest of the population comprises a range of other ethnic groups including Roma, Vlachs, Bosnians, Turks, Serbs and others. These ethnic differences are also reflected in religious differences (Loizides, 2009) with Macedonians being mainly Eastern Orthodox followers, while Albanians and Turks are mainly Muslims. Following the ethnic conflicts in 2001, there was a settlement in the form of the Ohrid Framework Agreement which has resulted in the cessation of hostilities. There has been little integration of ethnic groups as they tend to live in different regions, worship at different places and attend different schools (Bartlett et al, 2009). However, the Bertelsmann Transformation Index, which monitors transition globally, indicates that the country has made progress in integrating Albanian people into key areas of public life (Bertelsmann Stiftung, 2010).

Ethnic Albanians and Roma are most likely to suffer from poverty (Bartlett et al, 2009). The high rates of unemployment are one of the reasons for poverty, with 43% of all poor people being unemployed (State Statistical Office of the former Yugoslav Republic of Macedonia, 2009a). The unemployment rate is very high, being 32.3% for people aged between 15 and 64 years in 2009 (see Fact sheet, Annex I). Retirees are likely to be poor too (Bartlett et al, 2009), as are those in large families and those with a low level of education (56.6% of poor people live in families where the main breadwinner has not finished primary education; State Statistical Office of the former Yugoslav Republic of Macedonia, 2009a). Given that the Europe 2020 strategy has explicitly mentioned national strategies for the inclusion of Roma people, this may well be an area where new initiatives will be adopted.

There has been a rapid expansion of higher education, mainly through the creation of a range of private universities. Despite high expenditure on health care, the delivery is poor and regionally uneven. Many people have to pay informally for health care, which can be a burden on the poorer members of the community. In general, the delivery of services and local governance is poor, uneven and subject to suspicions of corruption (Bartlett et al, 2009).

Gender issues are an important factor in the former Yugoslav Republic of Macedonia. There is a low employment rate among women – 33.5% in 2009 (see Fact sheet, Annex I). There is also a large wage gap between men and women and the country will have difficulty in meeting the Europe 2020 challenge of 75% employment among those aged 20–64 years without addressing the issue of the underemployment of women. However, it can be assumed that many women are working in informal and family units, such as small farms, which are very labour intensive. According to World Bank

focus groups, the problem of women's employment is partly related to traditional structures of some population groups, with some Muslim families (Albanian and Turkish) in particular having traditional patriarchal families where the head of the household makes decisions about the rest of the family (World Bank, 2009).

Migration is a traditional feature of Macedonian society, especially among the Albanians. There has been an increase in migration since 2000 and a large number of families depend on remittances from abroad. Some of the work abroad is of a seasonal nature (in Bulgaria and Greece), but there are large numbers of Macedonians living and working abroad with a diaspora estimated at between 350,000 and two million people (World Bank, 2009).

The government's political priorities are to integrate into NATO and the EU, to abolish visa requirements for Macedonian nationals entering the EU (achieved in January 2010) and to resolve the country's name problem. There is also a strong need to reform the economy and governance. The remaining implementation of the Ohrid Framework Agreement by encouraging ethnic tolerance and respect is also important.

The European Commission decided to make the recommendation to start negotiations for the country's EU membership in 2009.

The slowdown in GDP growth rates creates a series of associated problems such as a higher trade deficit (partially counterbalanced by remittances from people working abroad), the growth of the informal economy, the growth of unemployment, uneven regional development, significant poverty and hence a high level of social exclusion. In the former Yugoslav Republic of Macedonia, there is strong state control of the economy which somewhat 'crowds out' the private sector. These effects were significantly increased in 2009 as a consequence of the global financial crisis.

The former Yugoslav Republic of Macedonia is ranked 72 out of 182 countries in the world according to the HDI. The measured ranking of the HDI in 2009 was 0.817 – identical to the indices of Russia and Albania, but significantly lower than in Slovenia (0.929), Croatia (0.871) and Montenegro (0.834), which were the other regions of the former Yugoslavia.

## Turkey

Turkey is a fast-developing country; although its GDP is still lower than the EU average, it is rapidly catching up. There is strong support for a market-led economy with textiles, finance and tourism (as well as automobiles and machinery) being growth sectors (Rose and Özcan, 2007). Turkey is a large exporter to the EU as well as eastern Europe and the opening up of markets in these latter countries has proved to be a great opportunity for Turkish commerce and industry. Dynamic new industries and investment have created a cosmopolitan urban middle class even while the population in the rural hinterland continues with more traditional lifestyles. Development is concentrated in particular regions of Turkey, reflecting the trend towards rapid urbanisation as jobs are created in the towns or tourist areas. There is also a rapidly growing population (the second largest in Europe after Germany) and a high birth rate (ibid). Since Turkey therefore has a young population, issues of social welfare are shaped differently compared with EU countries.

Concerning economic status, 72% of the female population (15–64 years) were not in the labour force<sup>6</sup> in 2009 (Eurostat online database: extraction June 2010, see Fact sheet on Turkey, Annex I). This will be a major policy challenge, given the Europe 2020 target of getting 75% of those aged between 20 and 64 into employment (European Commission, 2010a). In addition, many of them work without any social security contributions related to their main job, and a large

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<sup>6</sup> All those who are classified as neither employed nor unemployed; see indicator: 'Inactive population as a % of the total population (15–64 years), female', Eurostat online database, extraction June 2010, see Fact sheet on Turkey, Annex I.

number of them are self-employed/employers and unpaid family workers (TurkStat, 2010, p. 2). For many people, households provide subsistence support only.

Social and welfare services have difficulty keeping up with the population growth and tensions between more religious and more secular parts of society are evident. After the economic crisis in 2001, Turkey entered a period of high growth and structural transformation. From 2003 to 2007, annual GDP growth averaged nearly 7% and public debt fell from 74% of GDP in 2002 to 39% in 2007. A strong reform programme encompassed a floating exchange rate, financial sector supervision, privatisation, revenue administration, investment climate, the energy sector and social security. Turkey's economy was hit by the global financial crisis of 2008–2009 through trade and financial channels. In the first half of 2009, export earnings fell by a third. Unemployment exceeded 16% in the first quarter of 2009 with more than one in four workers aged 25 and under unemployed (World Bank, 2010a). Turkey's economy has now embarked on a recovery phase, with a year-on-year GDP growth of more than 10% in the first half of 2010 (OECD statistics, extracted 8 February 2011). Moreover, the unemployment rate has decreased in the period March–May 2010, compared with the same period in the previous year (TurkStat, 2010, p. 2).

Despite increases in full-time work in the formal economy and a reduction in part-time and seasonal work, there are still many Turks who are not in the labour force. A third of these are classified as homemakers and they are mainly women. Only 34% of working-age Turks are in employment and only a small number of people are officially retired, since the public pension system covers only a small fraction of the population. Many people work for small employers, often without a contract, and 11% are employed on a casual basis. The high costs of social security encourage employment in the informal economy. The number of people on low incomes means that although there is little absolute poverty, many people are in a vulnerable situation. It had already emerged from the previous EQLS carried out by Eurofound in 2003 that, on average, Turks are less satisfied with their incomes than the population of the EU (see Rose and Özcan, 2007).

Migration out of the country has been a traditional way to ease population pressures and improve the standard of living. An estimated 1.4 million Turks live in Germany and a further 600,000 elsewhere in the EU. Turks are allowed to hold dual citizenship. Remittances have traditionally been an important way of sustaining standards of living, but with economic growth, the relative value of these remittances has fallen.

Social protection does not cover the whole population and many low-paid people in rural areas are not covered. However, since income standards and social welfare have improved in recent decades, this may not have as severe an impact on quality of life as that in post-communist countries where some services were lost and where transition was accompanied by an initial period of economic and fiscal crisis. Nevertheless, people are very critical of the facilities in their neighbourhoods and there is a shortage of good-standard accommodation.

Education has undergone a rapid expansion which means that now all young people attend school for at least eight years. The numbers of secondary schools and higher education institutions have expanded significantly, but demand for formal education is higher than supply. However, as with the other countries described here, the system of vocational education and adult education is not well developed, which might be a factor impeding participation in the labour market. Furthermore, although the aim is to provide universal education, there is a high drop-out rate among girls.

Gender differences are still large in Turkey and are often perceived as a source of tension in society. This reflects one of the outcomes of rapid modernisation, which has challenged women's traditional roles (Inglehart and Norris, 2003). Women still have a lower level of educational attainment than men, but the gap is closing. In this context, as well as in other areas, there is a generation gap. A study published in 2007 found that women in paid employment were much more able to participate in society than homemakers (Yıldız et al, 2007). Another study found that attitudes to gender roles are also influenced by religion so that, with the growing importance of Islamic movements, this too is likely to be a future source of tension (Sevim, 2006).

The role of family is strong in Turkey, but there are strong informal links and support networks outside the family as well. Levels of political participation and formal participation in civil society and voluntary organisations are relatively low.

The EU established a Customs Union with Turkey in 1995 and today more than half of Turkey's trade is with the EU. FDI from the EU countries accounts for about two-thirds of total FDI inflows in Turkey (European Commission, 2011). Turkey has been a candidate country for EU membership since 1999. Accession negotiations started in October 2005, but only one phase has so far been closed. In 2008, the Council adopted a revised Accession Partnership with Turkey.

Turkey is ranked 79 out of 182 countries in the world according to the HDI. The measured ranking of the HDI for Turkey in 2009 was 0.806. Yet, there is a high income inequality in the country with a GINI coefficient<sup>7</sup> (which measures the extent of income inequality) of 41 compared with the EU average of 31 in 2007 (see Fact sheet on Turkey, Annex I).

### Conclusion

The demographic, social, cultural and political situation of the three countries under review is different and therefore these countries should be treated separately when analysing quality of life. Croatia is developing rapidly in an economic, political and social context but it is still struggling to catch up with Europe due to its legacy of the triple transition (from communism in the 1980s, from Yugoslavia, and from war). Likewise, the former Yugoslav Republic of Macedonia is struggling with these transitions but is hindered by a sluggish economy and lessening, but still marked, ethnic divisions. Turkey is a fast-developing country with a young population and a dynamic economy, but with a large rural hinterland posing problems for the development of welfare services.

All of these countries have certain things in common. There are relatively high levels of poverty and deprivation, strong and growing regional differences, a tradition of emigration and a legacy of traditional family structures, which result in low employment rates among women.

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<sup>7</sup> The GINI coefficient is defined by Eurostat as the relationship of cumulative shares of the population arranged according to the level of equivalised disposable income, to the cumulative share of the equivalised total disposable income received by them.

# Overview of dimensions of quality of life 2

‘Quality of life’ is a multidimensional concept. This section provides an overview of the candidate countries under review based on a selection of questions representing the most important pillars of the quality of life concept. It considers the following aspects of quality of life: happiness; overall life satisfaction; satisfaction with public services; satisfaction with occupational career combining satisfaction with job and education; satisfaction with present standard of living; satisfaction with accommodation; satisfaction with social life combining satisfaction with social and family life; satisfaction with health; trust in people; and trust in institutions.<sup>8</sup>

Cluster and factor analysis were carried out based on the unweighted country means (Table A1, Annex II) of the 10 dimensions considered. These two techniques allow an analysis of tendencies within the data, cluster analysis through considering how close or distant countries are to one another,<sup>9</sup> and factor analysis by looking at latent connections between variables within the data.<sup>10</sup>

Separate factor analysis for each country and region, based on the above set of multidimensional variables, reveals two virtual factors for all three candidate countries and regions: one factor covers personal components and the other societal components of the quality of life concept. Therefore, the analysis indicates that people need to feel that their personal life is satisfying but also that their surrounding society is satisfying in order to have a satisfactory life, and that both of these elements are important for understanding the quality of life. Figure 1 presents the results graphically, highlighting the variability between countries in the key variables.

In terms of most key indicators, the candidate countries are below the average for all 27 EU countries, but not so far from the average of the new Member States (NMS). It can be seen that there is large variability for trust in institutions, satisfaction with occupational career and standard of living. In Turkey the average trust in institutions is the largest and even higher than in the NMS12 and EU27, while the former Yugoslav Republic of Macedonia and Croatia have very low mean trust levels. Looking at satisfaction with occupational career (job and education) and present standard of living it can be seen that Croatia shows values relatively close to the averages for the EU27 and NMS12. As a consequence of the unfavourable labour market situation and the high share of the informal economy, Turkey and the former Yugoslav Republic of Macedonia have lower averages in this respect. For the former Yugoslav Republic of Macedonia, the low mean for life satisfaction, trust in people and satisfaction with social life should be highlighted.

A comparatively low variability among the candidate countries and EU averages is seen for satisfaction with health and happiness, as well as for the index of quality of public services in all countries and country clusters. However, specific distinctions concerning public services will be revealed in further analysis when looking at different types of services.

In general, Croatia shows larger similarities with the NMS12 (and EU27) for the selected quality of life indicators, except for trust in institutions and quality of public services. Turkey seems not to be too different from the NMS12 (and EU27) apart from the satisfaction with occupational career and present standard of living, where levels are notably lower, and trust in institutions, which is considerably higher.

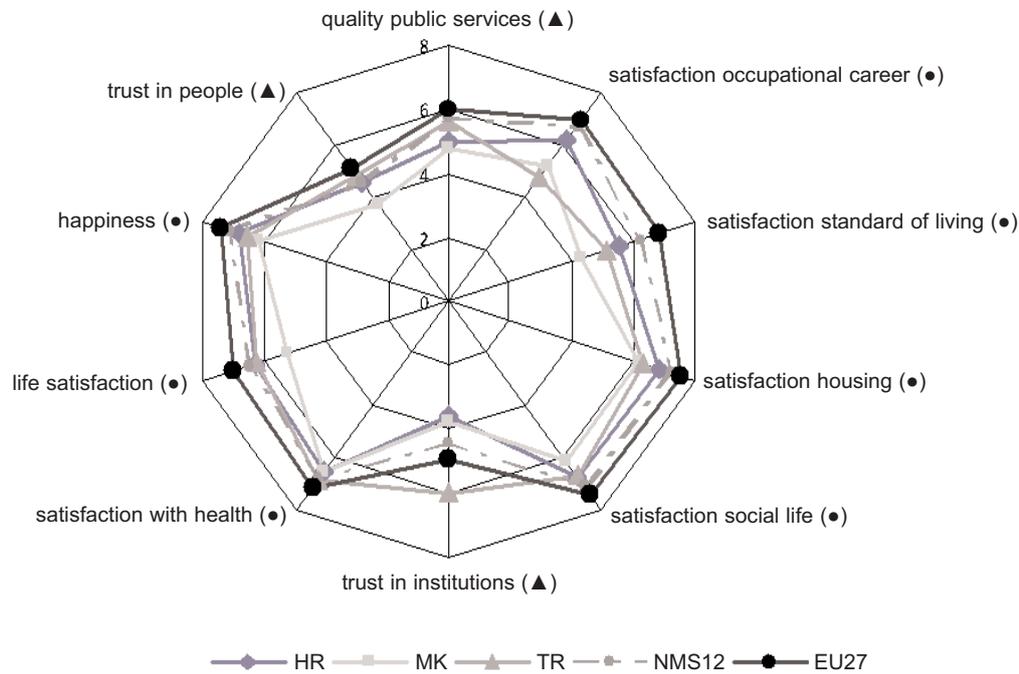
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<sup>8</sup> Happiness: question 42, life satisfaction: question 29, satisfaction with public services: mean of questions 56-1 to 56-6, satisfaction with job and education (economic situation): mean of questions 40-1 and 40-2, satisfaction with present standard of living: question 40-3, satisfaction with accommodation: question 40-4, satisfaction with social life: mean of satisfaction with family life (question 40-5) and satisfaction with social life (question 40-7), satisfaction with health: question 40-6, trust in people: question 23, trust in institutions: mean of questions 27-1 to 27-6.

<sup>9</sup> Hierarchical agglomerative clustering, squared Euclidean distance on standardised variables, average linkage method.

<sup>10</sup> Factor analysis with orthogonal rotation (‘varimax’).

Figure 1: *Multidimensional view on quality of life*



Notes: Based on unweighted means.

Variables assigned to the personal component of quality of life are marked with dots. Variables that belong to the societal component are marked with triangles.

Source: *EQLS, 2007*

In addition, a cluster analysis based on the above indicators shows how similar or different the countries and country clusters are with respect to the multifaceted perception of quality of life. From a standardised distance matrix between the candidate countries and country clusters (Table 1), it can be seen that Croatia has the shortest distance to the NMS12 (0.1), followed by the distance to the EU27 (0.2); there is a rather large gap to the former Yugoslav Republic of Macedonia (0.4) and to Turkey (0.6). The former Yugoslav Republic of Macedonia is closest to Croatia (0.4), followed by Turkey (0.6), the NMS12 (0.8) and a maximum distance to the EU27. Turkey has about the same distance to Croatia, the former Yugoslav Republic of Macedonia, the NMS12 and the EU27.

Table 1: *Standardised distance matrix*

	HR	MK	TR	NMS12	EU27
HR	0.0	0.4	0.6	0.1	0.2
MK		0.0	0.6	0.8	1.0
TR			0.0	0.6	0.7
NMS12				0.0	0.0
EU27					0.0

Note: Standardised distance matrix, where 0 = no distance; 1= maximum distance.

Source: *EQLS, 2007*

Summarising the results of factor and cluster analysis gives a first impression of the perceived quality of life in the three candidate countries. The three countries are quite different from each other. For example, the quality of life experienced by Croatians is closer to that of people in the NMS12 and EU27 than that of people in the former Yugoslav Republic of Macedonia or in Turkey, and the Macedonians' experienced quality of life is further away from that of people in the NMS12 and EU27 than that of Turkish people. A comparison of the candidate countries with the NMS12 and EU27 based on selected indicators highlights the major aspects of quality of life of the candidate countries within the broader context of EU integration.

It must be kept in mind that these calculations are based on a limited number of selected indicators and are meant to provide a general picture only. Following these general patterns of perceived quality of life in the candidate countries, the following chapters offer a further detailed analysis of the main life domains based on a vast range of indicators revealing specific policy relevant issues in the three countries, differences by various socio-demographic groups and specific national institutional conditions.

# Perceived economic situation of households 3

The economic situation of households was one of the key focal areas in previous research on quality of life such as that by Bejaković and Lipovčan (2007), Rose and Özcan (2007), Anderson et al (2009) and Bartlett et al (2009). These studies reveal that income, among other things, has a significant influence on life satisfaction and happiness. Moreover, previous research has shown that, while focusing on disposable income is crucial for assessing the level of current financial resources of individuals or households (Anderson et al, 2009, p. 8), it is also necessary to take into account other dimensions of the financial situation of households. This is because, in countries where large numbers of people are marginally employed or employed in the informal economy, the formal income from employment might represent only a minor part of the total household income (Wallace and Haerpfer, 2002). Other factors that need to be taken into account are the agricultural self-provisioning of households, as well as occasional income and remittances from outside the household or abroad. The EQLS 2007 data offer a broad variety of those indicators with which to analyse the economic situation of households more deeply and beyond the existing set of indicators. Nonetheless, using these subjective indicators for analysis by socio-demographic individual/household characteristics allows us to identify relationships and ‘disadvantaged groups’ so that policy recommendations can be derived from the results.

Information on the levels of income alone – even when compared with other countries or regions – is not sufficient for a full understanding of the economic situation of households and levels of poverty or well-being. Additional non-monetary indicators such as ‘material deprivation’ are therefore examined to illustrate the economic status of households in the three candidate countries in more detail. One of the main indicators, the extent of deprivation, is used as the starting point to provide a first overview. The analysis focuses on the extent to which households can meet six basic modern necessities: keeping the home adequately warm; having a week’s holiday; replacing worn-out furniture; being able to afford meals with meat, fish or chicken every second day; buying new clothes; and having guests to dinner at least once a month (Question 19).

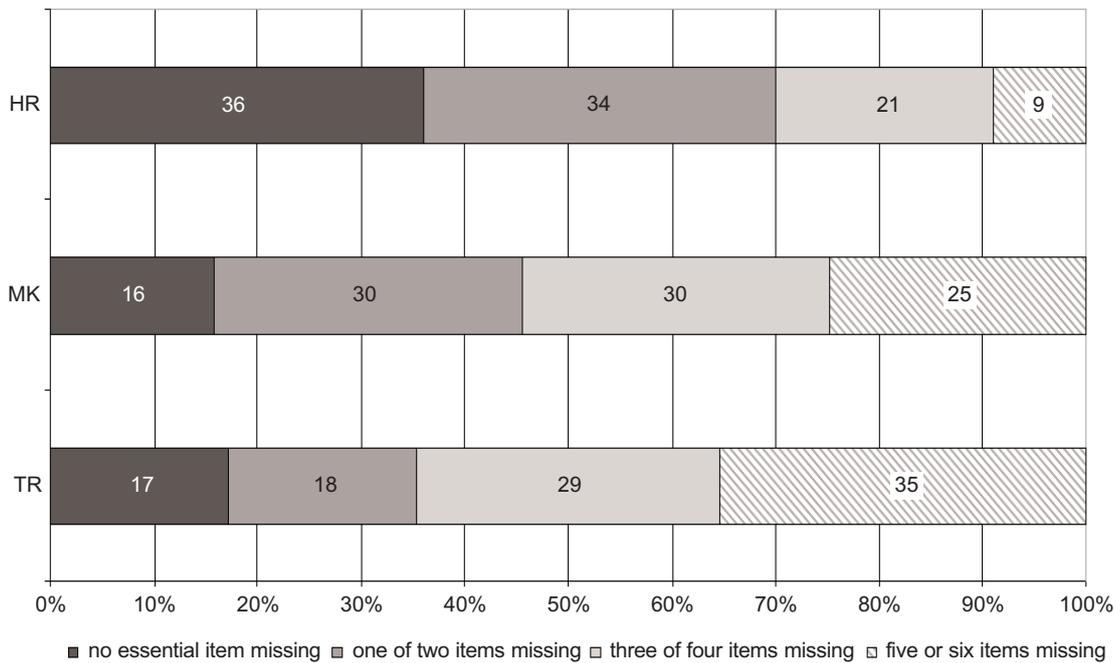
On average, the ‘deprivation index’ (indicating how many of the six basic items cannot be afforded) is 1.7 in Croatia, 2.8 in the former Yugoslav Republic of Macedonia and 3.3 in Turkey, with zero as the lowest and six as the highest reference level (EU27: 1.0). There are large cross-country differences and a more distinctive picture is shown if the median is used: the median ranges from 1 in Croatia to 3 in the former Yugoslav Republic of Macedonia and to 4 in Turkey.

A median of 1 in Croatia means that 50% of households in Croatia cannot afford a maximum of one of the six considered items; the other 50% lack two or more basic necessities. The situation is less favourable in the other two countries where 50% of households experience multiple deprivations and lack at least three or four essential goods, respectively. About a third (36%) of households in Croatia can afford all six items considered. In the former Yugoslav Republic of Macedonia and Turkey, the situation is much less favourable; only 16% and 17% of households respectively do not lack any of the basic necessities (Figure 2). At the same time deprivation is high in these two countries: 55% of households in the former Yugoslav Republic of Macedonia and almost two-thirds of households in Turkey (65%) lack at least three of the basic requirements while this is true for only 15% of households on average in the EU27 countries. Nearly two-thirds of households (61%) in the EU27 can afford all six items.<sup>11</sup>

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<sup>11</sup> A test for the relationship between income and subjective non-monetary indicators has been carried out. As expected, deprivation crucially depends on income; the higher the level of income, the lower the extent of deprivation and vice versa (Anderson et al, 2009). Extent of deprivation is an appropriate measure for describing the economic situation of households and will be used in more detail later in this chapter.

Figure 2: Extent of deprivation of essential items (%)



Note: Question 19: There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it? 1) keeping your home adequately warm; 2) paying for a week’s annual holiday away from home (not staying with relatives); 3) replacing any worn-out furniture; 4) meals with meat, chicken or fish every second day if wanted; 5) buying new, rather than second-hand, clothes; 6) having friends or family for a drink or meal at least once a month.  
 Source: *EQLS, 2007*

Next to the ‘deprivation index’, a second non-monetary indicator can be used to describe the economic situation of households in general: ‘ability to make ends meet’ (Question 57).<sup>12</sup> This indicator is used frequently throughout this report and again shows a relatively unfavourable economic situation of households in all three candidate countries. In Croatia 30% of respondents report that their household has (great) difficulties in making ends meet. Another 28% state that they have at least some problems in making ends meet, that is, their monthly household income is not sufficient to get by. In the former Yugoslav Republic of Macedonia, 40% have great problems and more than 30% have some problems in making ends meet; in Turkey, about 40% and 34% respectively report problems in this respect.

The comparatively low income levels in the former Yugoslav Republic of Macedonia can be accounted for by the long duration of the economic transition combined with low employment and high unemployment rates, as well as poor levels of educational attainment (Bartlett et al, 2009). Unskilled employment and low productivity is also reflected in relatively low salaries (ibid, p. 43). Furthermore long-term unemployment and youth unemployment are severe problems in this country (Bartlett et al, 2010a, p. 155). In addition, the high costs of starting up new businesses have prevented the labour market from working efficiently (ibid). The high proportion of deprived households in Turkey might be the consequence of a low employment rate and precarious working conditions combined with a high proportion of so-called ‘homemakers’ – in other words, non-waged household workers (Rose and Özcan, 2007).

<sup>12</sup> Question 57: A household may have different sources of income and more than one household member may contribute to it. Thinking of your household’s total monthly income: is your household able to make ends meet...? 1) Very easily; 2) Easily; 3) Fairly easily; 4) With some difficulty; 5) With difficulty; 6) With great difficulty; 7) Don’t know. Categories 5 and 6 are grouped together. ‘Don’t knows’ are included in the basic population but not presented.

## Labour market indicators

As the labour markets in the candidate countries are heterogeneous, it is revealing to look (based on EQLS 2007 data) at the specific labour market situation in all three countries in more detail (Table 2). While in Croatia almost 42% of respondents reported that they were (self-)employed, a significantly lower proportion of the population is active in the former Yugoslav Republic of Macedonia (35%) and Turkey (32%).

Apart from the relatively low proportion of respondents having a job, self-reported unemployment is high in the former Yugoslav Republic of Macedonia (23%). Even in Croatia, a high proportion of respondents (13%) claim to be unemployed. The comparatively lower fraction of unemployed respondents in Turkey seems to be the consequence of an outstanding proportion of – mainly female – non-waged homemakers (38%), a group that plays only a minor role in Croatia (6%) and the former Yugoslav Republic of Macedonia (13%).

Table 2: *Self-reported employment status by country (%)*

Country	(Self-)Employed/Employer	Unemployed	Retired	Homemaker	Inactive/Other	Total
HR	42	13	28	6	11	100.0
MK	35	23	19	13	10	100.0
TR	32	5	11	38	15	101.0

Note: Question HH2d from 'household grid': Which of these best describes your situation? 1) at work as employee or employer/self-employed; 2) employed, on childcare leave or other leave; 3) at work as relative assisting on family farm or business (people who do not receive a formal wage or salary for their work); 4) unemployed less than 12 months; 5) unemployed 12 months or more; 6) unable to work due to long-term illness or disability; 7) retired; 8) full-time homemaker; 9) in education (at school, university, etc.)/student; 10) other. Category 1 is equal to '(self-)employed/employer'. Categories 4 and 5 are grouped to 'unemployed'. Category 7 equals 'retired'. Category 8 equals 'homemaker'. Categories 2, 3, 6, 9 and 10 are grouped to 'inactive/other'.

Source: *EQLS 2007*

Nearly a third of respondents in Croatia are retired, while in the former Yugoslav Republic of Macedonia and Turkey a significantly lower proportion can be found in this category. Between 10% and 15% of the sample are classified as 'inactive/other' meaning that they are in education, on childcare leave, at work at family farms or businesses, unable to work due to illness or disability, or in an 'other' economic status. As the multiple regression analysis later in this chapter shows, labour market status also has an influence on overall satisfaction with a person's standard of living.

To determine the extent to which households are affected by a precarious contract or labour market situation, it is worth looking at the labour market situation in the three candidate countries in more detail. As shown by Rose and Özcan (2007), for example, a large proportion of the adult population in Turkey has an insecure source of income; for instance, they are employed on a daily basis not knowing for how long they will remain employed. Moreover, a large number of people are employed in the informal economy in Turkey. There are huge differences between the three candidate countries in this respect: in Turkey, more than a third of respondents (35%) face a precarious employment situation as they have fixed-term contracts of less than 12 months, temporary employment agency contracts or no written contract at all (Question 4).<sup>13</sup> In the former Yugoslav Republic of Macedonia, 24% of respondents are in such an unfavourable

<sup>13</sup> Question 4: In your job are/were you...? 1) On an unlimited permanent contract; 2) On a fixed contract of less than 12 months; 3) On a fixed contract of 12 months or more; 4) On a temporary employment agency contract; 5) On apprenticeship or other training scheme; 6) Without a written contract; 7) Other; 8) Don't know. Categories 2, 4 and 6 were grouped to 'precarious contract situation'. 'Don't knows' ranging from 2% in the former Yugoslav Republic of Macedonia to 20% in Turkey are included in the basic population but not presented.

position; in Croatia, the figure is 14%. Unlimited permanent and thus more attractive employment contracts are usual in Croatia (76%) or the former Yugoslav Republic of Macedonia (68%), but play only a minor role in Turkey (25%). Additionally, a high percentage of people in Turkey (43%) work without any social security provision in their main job (TurkStat, 2010, p. 2). This may result from the high proportion of informal employed workers and policy efforts therefore need to be focused towards reducing the informal sector.

Subjective job security is another suitable indicator for assessing precariousness in the labour markets in the three candidate countries (Question 9).<sup>14</sup> Based on EQLS 2007 data, 13% of respondents in Croatia, about 15% in Turkey and 34% in the former Yugoslav Republic of Macedonia report that it is very likely or quite likely that they will lose their (main) job within the next six months. Research suggests that people with a low level of educational attainment have a significantly higher risk of being confronted with a precarious labour market situation (for example, an unfavourable contract and/or low job security).

As discussed above, the labour market situation of individuals is significantly linked to an unfavourable economic situation. For example, having a precarious contract is significantly correlated with deprivation: the majority of people working on limited (employment agency) labour contracts or who have no working contract at all are deprived<sup>15</sup> considerably more often than those with an unlimited contract or a fixed-term contract of more than 12 months. In Croatia (53%) and Turkey (78%), the majority of workers with unattractive and precarious labour contracts also live in deprived households (Question 4 in relation to Question 19).<sup>16</sup> The country differences are large and the situation is comparatively worse in Turkey; the relative risk of being deprived in Turkey in the case of a precarious contract situation is 3.5 times higher than in Croatia (1.1). A similar correlation exists in the former Yugoslav Republic of Macedonia, although EQLS 2007 data do not secure statistical significance. It can thus be concluded from the data that, the more precarious the labour market situation, the more unfavourable the income situation. Again, it must be assumed that active labour market policies as well as the creation of attractive jobs, especially for the long-term unemployed and young unemployed people, play an important role and therefore must be the primary targets for policymakers to fight material deprivation and poverty. Additionally, investment in an educated and qualified labour force has to be at the top of the political agenda.

Someone's satisfaction with their standard of living is also closely linked to their labour market position. Mean satisfaction with the present living standard (measured on a scale from 1 to 10<sup>17</sup>) ranges from 5.7 in Croatia to 4.3 in the former Yugoslav Republic of Macedonia (Turkey: 5.1). More revealing is the fact that satisfaction with the present living standard increases significantly if a person enjoys job security (Question 40-3 in relation to Question 9). In Croatia, the mean satisfaction with the present living standard for respondents having job security is 6.4 compared with 5.6 for those facing job insecurity. A similar relationship can be identified for the other two countries: 5.2 compared with 4.7 in the former Yugoslav Republic of Macedonia and 5.4 compared with 4.0 in Turkey.

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<sup>14</sup> Question 9: Using this card, how likely do you think it is that you might lose your (main) job in the next 6 months? 1) very likely; 2) quite likely; 3) neither likely nor unlikely; 4) quite unlikely; 5) very unlikely; 6) don't know. Categories 1 and 2 were grouped to 'no job security'. Categories 3-5 were grouped to 'job security'. 'Don't knows' ranging from 7% in Croatia to 15% in Turkey are included in the basic population but not presented.

<sup>15</sup> A household is defined as 'deprived' if it cannot afford at least two of the basic items listed in Question 19.. If the household cannot afford zero or one item, the household is defined as 'not deprived'. This aggregation was necessary to obtain enough observations for detailed statistical analyses and to identify the group of deprived households.

<sup>16</sup> If the respondent contributes a substantial part to the household income similar results arise in Turkey (81%). In Croatia and the former Yugoslav Republic of Macedonia, this hypothesis cannot be confirmed due to a limited number of observations.

<sup>17</sup> Question 40-3: Could you please tell me on a scale of 1 to 10 how satisfied you are with each of the following items, where 1 means you are very dissatisfied and 10 means you are very satisfied? 3) Your present standard of living.

There is a close correlation between working conditions and overall satisfaction with the present standard of living – the better the working conditions, the higher the satisfaction with the present living standard (Question 40-3 in relation to Question 10;<sup>18</sup> Table A2, Annex II). For example, the average satisfaction with living standards in the former Yugoslav Republic of Macedonia increases from 4.0 to 6.1 if respondents subjectively feel they are well paid, have considerable influence on the working process and that their job offers good career prospects. The same applies to the other two countries evaluated. Working conditions represent an adequate indicator for a precarious labour market situation, but further analyses are not possible due to an insufficient number of observations.

## Material deprivation by social group

Material deprivation as defined here<sup>19</sup> is quite widespread in the candidate countries with 49% of Croatian households, 73% of households in the former Yugoslav Republic of Macedonia and 76% of households in Turkey considered to be in deprivation.

### Age group

Age group specific deprivation rates reveal that the group aged 65 years and older is most affected by deprivation in all three countries. In Croatia, 72% of respondents within the oldest age group are classified as deprived; the proportions are 86% and 87% in the former Yugoslav Republic of Macedonia and Turkey respectively (Question 19; Figure 3). The high extent of deprivation among the oldest age cohort might be because a large proportion of (mainly female) households are living without a pension. The youngest age cohort (18–34 years) is affected comparatively less by deprivation. There are major cross-country differences.

The apparently advantageous situation of the young should not be overestimated since the youngest age group often live with their families and do not therefore bear the full housing costs. Moreover, the youngest age cohort was the most badly affected by the worldwide economic crisis starting in autumn 2008, which is not covered by EQLS data for 2007. Within the middle age group (35–64 years), high group-specific deprivation rates are identified, again with large country differences (see Table 3). The remarkably high deprivation rate within the youngest age cohort in Turkey may reflect the high youth unemployment rate in Turkey (TurkStat, 2010, p. 1).

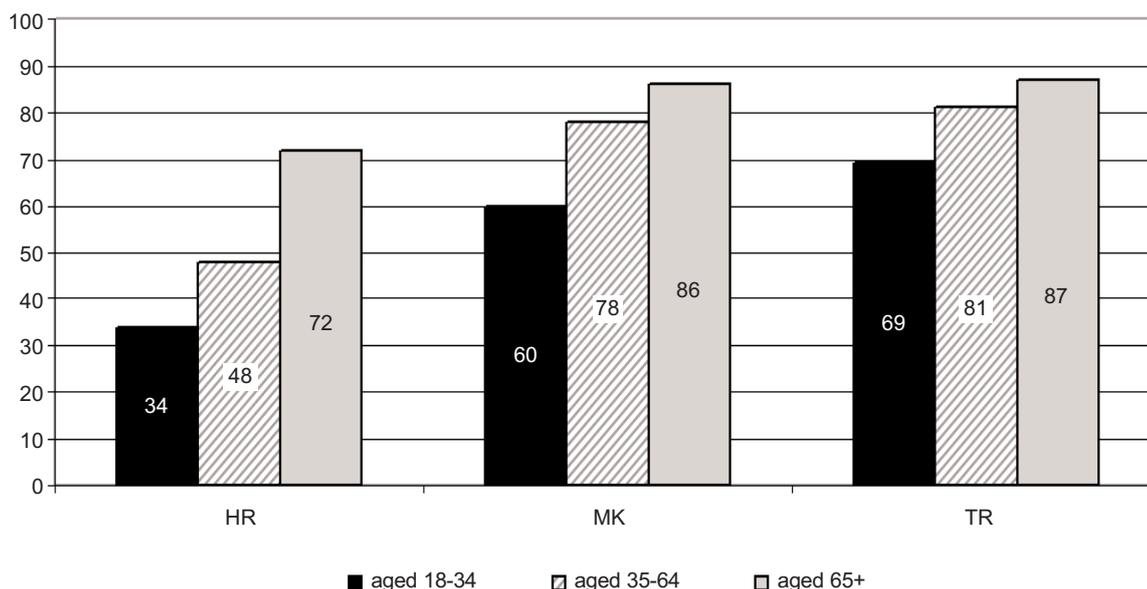
In general, these results indicate that the poor economic situation needs to be improved in all three countries. The creation of more attractive and well-paid jobs and an increase in the employment rate, combined with efforts to decrease (long-term) unemployment and informal working can help to reduce poverty by ensuring that households earn sufficient income to make ends meet. In addition, a specific policy focus on the older generation is required.

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<sup>18</sup> Question 10: How much do you agree or disagree with the following statements? a) My work is too demanding and stressful; b) I am well paid; c) I have a great deal of influence in deciding how to do my work; d) My work is dull and boring; e) My job offers good prospects for career advancement; f) I constantly work to tight deadlines; g) I work in dangerous or unhealthy conditions. Categories b, c and e were grouped to 'good working conditions'. Intensity can range from 0 to 3 with 0 if none of the three statements was answered with 'strongly agree' or 'agree' to 3 if all three statements are (strongly) agreed. 'Don't know' are excluded.

<sup>19</sup> If a household cannot afford at least two out of the six basic necessities listed in Question 19, the household is defined as 'deprived'. If the household cannot afford zero or one item, the household is defined as 'not deprived'. This aggregation was necessary to have enough observations for detailed statistical analyses and to identify the group of deprived households.

Figure 3: Age group specific deprivation rates (%)



Note: Question 19: There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it? 1) keeping your home adequately warm; 2) paying for a week's annual holiday away from home (not staying with relatives); 3) replacing any worn-out furniture; 4) meals with meat, chicken or fish every second day if wanted; 5) buying new, rather than second-hand, clothes; 6) having friends or family for a drink or meal at least once a month. 'Don't knows' are excluded.

Source: *EQLS, 2007*

### Gender

When considering deprivation by gender, again a statistically significant difference – at least in two of the three candidate countries – can be identified. In Croatia, 52% of female respondents report deprivation compared with 45% of their male counterparts and, in Turkey, 80% of women in contrast to 71% of men. From a policy point of view, an increase in female labour market participation is essential as active labour market participation will secure (higher) income and can prevent households from being deprived and socially excluded.

### Type of settlement

As large differences in the levels of income by type of settlement can be observed in Croatia (Bejaković and Lipovčan, 2007, p. 18), the former Yugoslav Republic of Macedonia (Bartlett et al, 2009, p. 28; Bartlett et al, 2010a) and Turkey (Rose and Özcan, 2007, p. 18), it is necessary to evaluate subjective non-monetary indicators against the type of settlement (rural vs. urban). EQLS 2007 data deliver the statistically significant result that rural households more frequently report deprivation than urban ones. Thus, more than half of rural households in Croatia (55%) are classified as deprived, while only 42% of urban households face such an unfavourable economic position. In the former Yugoslav Republic of Macedonia and Turkey, a similar relationship can be identified. The greatest disparities between regions are seen in Croatia (see Table 3) because war-affected regions are often depopulated and economically underdeveloped with a poor infrastructure and low levels of investment (Bejaković and Lipovčan, 2007, p. 18). In the former Yugoslav Republic of Macedonia, business activities are often concentrated in urban settlements (Bartlett et al, 2009, p. 19).

For detailed evaluations concerning income differences by type of settlement in the three candidate countries, see for instance Bejaković and Lipovčan (2007), Rose and Özcan (2007), Bartlett et al (2009) and Bartlett (2010a).

### Education level

Another noticeable result occurs when comparing deprivation with levels of education. As social theory suggests, poverty and deprivation is often a problem of workers with low levels of educational attainment and low qualifications. This coherence arises from labour market effects. The low qualified workforce is strongly represented in unqualified jobs, more often affected by periods of unemployment, has lower employment rates, etc., which results in comparatively low income levels and leads to an unfavourable income position. A vicious circle exists between unemployment, poverty and social isolation (Bartlett et al, 2009, p. 13).

EQLS 2007 data significantly confirm this hypothesis in all three candidate countries: within the group of ‘at most secondary educated’, the majority of respondents classify their household as deprived, while this is true for a notably smaller fraction among ‘post-secondary and tertiary educated households’ (Question 49<sup>20</sup> in relation to Question 19, Table 3).<sup>21</sup> Moreover, the risk of poverty is particularly high when low levels of educational attainment are combined with unemployment (Bejaković and Lipovčan, 2007, p. 19).

Investment in the education and qualification of the labour force are advisable from a policy point of view. For countries to become more competitive, the quality of education needs to be raised and the structure of education modified to better match labour market needs (Bartlett et al, 2009, p. 43). Only with a qualified workforce will a business location be attractive for foreign companies in times of globalisation, while job creation is a problem in all three candidate countries.

Table 3: *Deprivation rates (%)*

	HR	MK	TR
Age 18–34	<b>34</b>	<b>60</b>	<b>69</b>
Age 35–64	<b>48</b>	<b>78</b>	<b>81</b>
Age 65+	<b>72</b>	<b>86</b>	<b>87</b>
Rural area	<b>55</b>	<b>76</b>	<b>78</b>
Urban area	<b>42</b>	<b>70</b>	<b>74</b>
At most secondary education	<b>54</b>	<b>76</b>	<b>79</b>
Post-secondary and tertiary education	<b>20</b>	<b>45</b>	<b>49</b>

Note: Bold means statistically significant with  $p < 0.05$ .

Source: *EQLS, 2007*

### Other indicators

EQLS 2007 offers a wide range of further indicators to describe subjective economic strains on households in the countries under review. All these indicators confirm that a high percentage of households are in a disadvantageous income situation in each of the three countries (Figure A1, Annex II). For instance, 24% of households in Croatia had problems paying utility bills, 10% had problems paying their rent or mortgages or they had run out of money for food (16%) within the previous 12 months. A similar but more drastic situation can be found in the former Yugoslav Republic

<sup>20</sup> Question 49: What is the highest level of education you completed? Is this...? 1) No education completed (ISCED 0); 2) Primary education (ISCED 1); 3) Lower secondary education (ISCED 2); 4) Upper secondary education (ISCED 3); 5) Post-secondary including pre-vocational education but not tertiary (ISCED 4); 6) Tertiary education – first level (ISCED 5); 7) Tertiary education – advanced level (ISCED 6); 8) Don’t know. Categories 1–4 are grouped to ‘at most secondary education’. Categories 5–7 are grouped to ‘post-secondary and tertiary education’. ‘Don’t knows’ are excluded.

<sup>21</sup> If the respondent contributes a substantial part to the household income similar results arise in the former Yugoslav Republic of Macedonia (91% vs. 10%) and Turkey (93% vs. 7%). In Croatia this hypothesis cannot be confirmed due to a limited number of observations.

of Macedonia (34% had problems in paying utility bills, 5% problems with rent payments and 23% no money for food) as well as in Turkey (23% had problems paying utility bills, 13% problems with rent payments and 38% no money for food). Large country differences can be identified – for example, the relative risk of running out of money for food is about 2.4 times higher in Turkey than in Croatia. In addition, the risk of having problems paying monthly utility bills is much higher in the former Yugoslav Republic of Macedonia than in Croatia. Problems with rent payments play a comparatively minor role in Croatia and the former Yugoslav Republic of Macedonia; this is related to high rates of ownership (see more in Chapter 5 ‘Housing and local environment’).

EQLS 2007 data indicate that a large proportion of households received help (money and/or food) from people living outside the household (Question 63).<sup>22</sup> The proportion ranges from 14% of households in Turkey to 17% in the former Yugoslav Republic of Macedonia. This support makes it easier for households to cope with a lack of income and material deprivation. Furthermore, a close relationship can be seen between the financial situation of a household and help received when the hypothesis of households having an inadequate income (Question 63) also having higher probabilities of receiving help (Question 57) was examined. For Croatia and Turkey, there is statistically significant support for this hypothesis; in the former Yugoslav Republic of Macedonia, a similar relationship can be identified but it is not statistically significant. Nevertheless, it is possible to conclude that the more disadvantageous the income situation of a household, the more often the household receives help from outside. Social systems seem (at least within the family) to cushion financial strain to a certain extent. Moreover, remittances from abroad are an important source of income; households in Croatia and the former Yugoslav Republic of Macedonia receive notable remittances which added up to 2.3% and 4.3% respectively of GDP in 2008.<sup>23</sup> However, it is not known how the remittances are distributed across society.

According to the survey data, subsistence farming is used and can possibly help to cope with economic strain. In Turkey, about a fifth (22%) of households use domestic food production to meet a part of their nutritional needs, whereas in Croatia (50%) and the former Yugoslav Republic of Macedonia (38%) domestic food production is more frequent (Question 61).<sup>24</sup> In Croatia, this seems to be more a matter of traditional housing culture than a possible strategy to cope with economic strain. As expected, food production is more common in rural than in urban areas in all three countries.

### Perceived social exclusion

Social and economic theory supposes a close relationship between an unfavourable economic position and poverty and social exclusion respectively. Based on EQLS 2007 data, social exclusion is analysed below in terms of subjective feelings of being left out of society and being looked down upon on the grounds of income or job position. A large proportion of respondents in the three candidate countries suffer from both these conditions (Table 4). This is most obvious in the case of the former Yugoslav Republic of Macedonia where 28% of respondents felt excluded and 24% felt they were viewed as inferior in terms of their social position. In Croatia, the proportion is significantly lower (15%

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<sup>22</sup> Question 63: In the past year, did your household receive regular help in the form of either money or food from a person not living in your household (e.g. parents, grown-up children, other relatives, or someone not related)? 1) Yes; 2) No; 3) Don't know. 'Don't knows' are included in the basic population but not presented.

<sup>23</sup> World Bank staff estimates based on International Monetary Fund (IMF) Balance of Payments Statistics Yearbook 2008 (extracted June 2010).

<sup>24</sup> Question 61: In the past year, has your household helped meet its need for food by growing vegetables or fruits or keeping poultry or livestock? 1) No, not at all; 2) Yes, for up to one-tenth of the household's food needs; 3) Yes, for between one-tenth and half of household's food needs; 4) Yes, for half or more of the household's needs; 5) Don't know. The 'yes' categories are grouped together. 'Don't knows' are included in the basic population but not presented.

feel they are socially excluded and 17% feel looked down upon). The lowest share of people subjectively feeling socially excluded was in Turkey (10% and 12% respectively). In EU27 countries on average, only 9% of people feel left out of society and a rather similar proportion (15%) of respondents to those in the three candidate countries feel they are viewed as inferior because of their income or job situation.

Table 4: 'Out of society' or 'discriminated against' (%)

Country	Out of society	Discriminated against
HR	15	17
MK	28	24
TR	10	12

Note: Question 28: Please tell me whether you 1) strongly agree; 2) agree; 3) neither agree nor disagree; 4) disagree; 5) strongly disagree with each statement. Question 28d: I feel left out of society (labelled 'out of society'); Question 28g: Some people look down on me because of my job situation or income (labelled as 'discriminated against'). Categories 1 and 2 are grouped to 'agree'. Categories 3–5 are grouped to 'disagree'. 'Don't knows' are excluded.

Source: EQLS, 2007

The results of comparing subjective perceptions of social exclusion and discrimination with indicators of deprivation are noteworthy. The majority of those who feel socially excluded are living in a household facing deprivation (Question 28d in relation to Question 19); in Croatia the figure is 75%, in the former Yugoslav Republic of Macedonia it is 85% and in Turkey 82%. A similar relationship is found between discrimination and the income position of the household. In all three countries, the majority of those who reported feeling discriminated against are living in households classified as deprived. The figures range from 54% in Croatia to 85% in the former Yugoslav Republic of Macedonia (in Turkey it is 81%).

## Satisfaction with present living standard

The EQLS measures the level of people's satisfaction with their standard of living. The results for the three candidate countries show that the level of satisfaction (measured on a 1–10 scale) is relatively low. Only in Croatia is satisfaction with present living standard (Question 40-3) above the scale mean (5.5) at 5.7. The index is considerably lower for Turkey (5.1) and extremely low (4.3) in the former Yugoslav Republic of Macedonia, indicating considerable differences between the three candidate countries.

Satisfaction with present standard of living can be considered an aggregate measure influenced by many factors; therefore, it is looked at in greater detail here. Multiple regression analysis was used to analyse the relationship between income and satisfaction with the present standard of living. Several other factors that influence the overall satisfaction with the present standard of living were included in this analysis. Besides variables such as deprivation and ability to make ends meet (which describe a household's income situation), variables such as age, type of settlement, labour market status or health status were included in the model to increase explanatory power as they are expected to have an effect on overall satisfaction with present living standard. Table 5 presents the results of a uniform multiple regression model for all three countries with satisfaction with present living standard as the dependent variable.<sup>25</sup>

<sup>25</sup> Independent variables: age group (reference group: middle aged); type of settlement (reference group: urban); gender (reference group: male); deprivation (reference group: not deprived); ability to make ends meet (reference group: making ends meet not easily but without difficulty); whether housing cost is a financial burden (reference group: no heavy burden); available money for food (reference group: enough money for food); accommodation problems (reference group: less than two accommodation problems); discrimination (reference group: not discriminated against); employment status (reference group: (self-)employed); health status (reference group: very good or good health); local infrastructure (reference group: bad local infrastructure).

The regression model yields a rather similar overall satisfaction with present living standard for the ‘reference’ case<sup>26</sup> in all three countries ranging from 6.3 in the former Yugoslav Republic of Macedonia to 6.6 in Croatia. If the variables listed above are considered, the situation differs. In the former Yugoslav Republic of Macedonia, the standard of living increases if the respondent is aged 18–34 years. In Turkey, the situation is very different, with overall satisfaction significantly higher for older people. Only in the former Yugoslav Republic of Macedonia does the type of settlement have a significant and negative influence on overall satisfaction with the present living standard if the household is situated in a rural area.

As expected, deprivation and the ability to make ends meet have a large and significant influence on overall satisfaction with the present living standard. If the interviewee lives in a household that is able to make ends meet easily, overall satisfaction with the present standard of living increases – all other things being equal – in all three countries. On the contrary, if the household has difficulties in making ends meet the overall satisfaction with living standards declines significantly. The same applies to deprivation: if the respondent classified their household as deprived, overall satisfaction with the standard of living falls drastically.

Reasonable and significant effects again occur if the focus shifts to certain other problems concerning the financial situation of the respondents’ household. As expected, satisfaction with the present standard of living decreases if the household had run out of money for food during the previous 12 months. If the household feels that housing costs are a financial burden, overall satisfaction with the present living standard decreases in Turkey but has no effect in both the former Yugoslav Republic of Macedonia and Croatia. If the household is not able to finance basic necessities with its income (such as satisfying its nutritional needs or paying its housing costs easily), the respondent is less satisfied with their standard of living. The same applies when looking at problems with accommodation: if the respondent has accommodation problems, the overall satisfaction decreases significantly in the former Yugoslav Republic of Macedonia and Turkey (in Croatia, this effect is only slightly significant). Moreover, social exclusion has a significant influence on satisfaction with the standard of living: if someone feels discriminated against because of their job or income situation, overall satisfaction decreases in Croatia and the former Yugoslav Republic of Macedonia.

Additional factors were included in the regression model; for example, it was possible to identify a close relationship between satisfaction with the standard of living and health status. If the health status is indicated as ‘fair, bad or very bad’, the satisfaction decreases in all three countries compared with a ‘good or very good’ health status.

Infrastructure<sup>27</sup> also has a significant influence, as satisfaction with the standard of living increases in Croatia and Turkey if infrastructure is more adequate (good). However, this effect is not significant for the former Yugoslav Republic of Macedonia. Furthermore, employment status<sup>28</sup> has a significant influence on satisfaction: in Croatia and the former

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<sup>26</sup> Reference case: middle-aged man living in an urban area, not deprived, making ends meet not easily but without difficulty, having housing costs that are not seen as a heavy burden, having enough money for food and less than two problems with accommodation, feeling not discriminated against because of his income or job situation, being (self-)employed, having good or very good health status but having a bad local infrastructure.

<sup>27</sup> Question 55: Still thinking about your immediate neighbourhood, are there any of the following facilities available within walking distance? a) A food store or supermarket; b) Post office; c) Banking facilities; d) Cinema, theatre or cultural centre; e) Public transport facilities (bus, metro, tram, etc.); f) Recycling facilities. If a household answers at least three out of six questions with ‘yes’, the local infrastructure is defined as ‘good’. If the household answers a maximum of two questions with ‘yes’, the local infrastructure is defined as ‘bad’.

<sup>28</sup> Employment status is based on Question HH2d from ‘household grid’, but categories are grouped differently compared to the evaluations in Table 2. Categories 1 to 3 are grouped to ‘(self-)employed’. Categories 4 and 5 are grouped to ‘unemployed’. Category 7 equals ‘retired’ and Categories 6, 8, 9, and 10 are grouped to ‘inactive/other’.

Yugoslav Republic of Macedonia, satisfaction decreases if the respondent is classified as unemployed. Being retired has a positive effect in Turkey (OECD, 2009) but not in the other two countries. The same applies to being ‘inactive’, where the coefficient is significant only in Turkey.

Table 5: Regression model for overall satisfaction with the present standard of living

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
Constant	6.612	0.000	6.285	0.000	6.510	0.000
age_young (ref = age_middle)	0.252	0.153	<i>0.360</i>	<i>0.055</i>	-0.086	0.453
age_old (ref = age_middle)	-0.183	0.423	0.041	0.876	<i>0.356</i>	<i>0.076</i>
rural (ref = urban)	-0.130	0.357	<b>-0.314</b>	<b>0.038</b>	0.100	0.425
female (ref = male)	0.066	0.638	0.107	0.478	0.056	0.708
deprived (ref = not deprived)	<b>-1.092</b>	<b>0.000</b>	<b>-0.846</b>	<b>0.000</b>	<b>-0.856</b>	<b>0.000</b>
makeendsmeet_easily (ref = makeendsmeet_normal)	<b>0.766</b>	<b>0.000</b>	<b>1.059</b>	<b>0.000</b>	<b>0.819</b>	<b>0.000</b>
makeendsmeet_difficult (ref = makeendsmeet_normal)	<b>-1.043</b>	<b>0.000</b>	<b>-0.939</b>	<b>0.000</b>	<b>-0.863</b>	<b>0.000</b>
housingcostaheavyburden (ref = no heavy burden)	-0.234	0.133	-0.378	0.107	<b>-0.403</b>	<b>0.014</b>
nomoneyforfood (ref = money for food)	<b>-0.626</b>	<b>0.003</b>	<b>-0.623</b>	<b>0.003</b>	<b>-0.463</b>	<b>0.000</b>
accproblems (ref = less than two accommodation problems)	-0.277	0.110	<b>-0.623</b>	<b>0.000</b>	<b>-0.749</b>	<b>0.000</b>
discriminated (ref = not discriminated against)	<b>-0.427</b>	<b>0.015</b>	<b>-0.339</b>	<b>0.051</b>	-0.243	0.133
unemployed (ref = (self-)employed)	<b>-0.776</b>	<b>0.001</b>	<b>-0.664</b>	<b>0.001</b>	-0.355	0.227
retired (ref = (self-)employed)	-0.019	0.932	-0.235	0.364	<b>0.411</b>	<b>0.032</b>
inactive_other (ref = (self-)employed)	0.215	0.334	-0.124	0.614	<b>0.335</b>	<b>0.035</b>
fair, bad or very bad health (ref = very good or good health)	<b>-0.534</b>	<b>0.001</b>	<b>-0.362</b>	<b>0.034</b>	<b>-0.493</b>	<b>0.000</b>
goodlocalinfrastr (ref = bad local infrastructure)	<b>0.468</b>	<b>0.006</b>	0.150	0.334	<b>0.302</b>	<b>0.013</b>
R squared adj.	0.371		0.338		0.270	
n	847		744		1,718	

Notes: Data unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which overall satisfaction with present living standard increases if the considered variable increases by one unit.

ref = reference group.

R squared adj. = R squared adjusted in statistical terms.

Source: *EQLS, 2007*

## Conclusions and policy pointers

This chapter uses subjective non-monetary indicators rather than absolute levels of income to describe the perceived financial situation of households in the three candidate countries in detail. The analysis highlights the existence of a large proportion of households in the three candidate countries that face an unfavourable economic position and also identified considerable differences between countries. As measured by an indicator for material deprivation, the situation is particularly unfavourable in the former Yugoslav Republic of Macedonia and Turkey, where more than 50% of households face multiple material deprivation.

The findings confirm the hypothesis that an unfavourable employment situation (precarious contracts and/or no job security) has a negative link to a deprived financial situation. In addition, a relationship exists between the labour market situation and overall satisfaction with the present standard of living. In particular, overall satisfaction increases if the worker enjoys job security or working conditions are classified as 'good'.

The evaluation of the economic situation of households with respect to socio-demographic characteristics allows the identification of 'disadvantaged groups'. The relationship between the level of educational attainment and deprivation is particularly noteworthy: those educated to 'at most secondary level' face deprivation significantly more often compared with respondents with 'post-secondary and tertiary education'. Within the group of rural households, deprivation is more often reported in all three countries. With respect to age, the oldest age group is affected most by deprivation in all three countries; large cross-country differences also exist, especially with respect to the other two age groups. A disadvantaged position is reported by women in Croatia and Turkey.

Further indicators such as reported payment problems or a shortage of money for food confirm the comparatively unfavourable financial situation in the three candidate countries, especially in the former Yugoslav Republic of Macedonia and Turkey. There is also a close relationship between poverty and social exclusion: those who subjectively feel socially excluded are largely from households that are deprived.

Finally, the analysis tested the hypothesis that satisfaction with the present standard of living is affected by the economic situation of a household. EQLS 2007 data confirm this hypothesis: if a household is able to make ends meet easily or the household is not classified as deprived, overall satisfaction increases significantly in all three countries.

Other indicators describing the financial situation of a household also confirm their strong relationship with satisfaction with the present living standard. As a further step, several other variables were identified that influence overall satisfaction with the standard of living such as employment status, health status, age and area of residence.

The following policy pointers (detailed in Chapter 11 'Policy messages') can be derived.

- Raising levels of labour market participation and reducing unemployment in order to reduce poverty and social exclusion are not only in line with the Europe 2020 strategy but also particularly relevant to conditions in the three candidate countries.
- Strategies are needed to reduce the size of the informal sector of the economy and to bring more people into social security systems. It is also necessary to look at ways of improving the quality of work.
- Since low-income households are often headed by people with at most secondary education, more effort should be made to raise the educational attainment levels of all groups in line with the Europe 2020 strategy.
- Developing and reforming training and educational programmes to reintroduce people to the labour force and/or to match labour market needs are required. In particular, programmes directed at women are needed to increase their participation in the labour market.

Family life in Croatia, the former Yugoslav Republic of Macedonia and Turkey has some distinctive characteristics compared with other EU Member States. Previous Eurofound research (Anderson et al, 2009; Kotowska et al, 2010) looked at family life and work–life arrangements in European countries and country studies (Bejaković and Lipovčan, 2007; Rose and Özcan, 2007; Bartlett et al, 2009), highlighting the situation in each country. But because they looked at only one country or grouped the three countries under review as CC3, these studies did not investigate country differences or similarities within this group; neither did they look at factors influencing satisfaction with family life in each country.

This chapter focuses on family life, household structures, the importance of family ties and support, as well as the distribution of household tasks and unpaid work within the family. In all three countries, families provide important social networks, not only in terms of emotional support, but also for practical and financial support. With a large proportion of women not in paid work, balancing work and family life is only an issue for some families. Yet for those who work, attaining a work–life balance seems difficult. Finally, this chapter considers satisfaction with family life and its determinants.

## Household structure and living arrangements

As shown in previous Eurofound research (Anderson et al, 2009; Kotowska et al, 2010), larger and more traditional households still prevail in the former Yugoslav Republic of Macedonia and Turkey. Average household sizes<sup>29</sup> exceed those of the EU27 (2.9 persons), with 4.1 in the former Yugoslav Republic of Macedonia and 4.2 in Turkey, implying a larger number of children and live-in family members. In both countries, major shifts in household structure and family relations – characterised by small nuclear families and rising numbers of single-person households (as seen in the rest of Europe) – are not yet evident. In Croatia, which has an average household size of 3.5, these changes seem to be happening at a slightly slower pace (Bejaković and Lipovčan, 2007, p. 31). In all three countries, living as a couple with children is considerably more common, as is leaving the parental home later in life.

A comparison of EQLS figures for living arrangements<sup>30</sup> (Figure A2, Annex II) shows that Croatia has twice as many single households as the former Yugoslav Republic of Macedonia or Turkey, as well as a high share of single parents. Family structures are affected by modernisation, a long-term decline in birth rates and demographic ageing. A decline in the number of marriages, as well as rising numbers of extra-marital births and single parents, requires the government to respond in terms of renewed family policies (State Institute for the Protection of the Family, Maternity and Youth, 2003; Ljubetić, 2007). At 1.1, the crude divorce rate in 2007 remained at its 1990 level (Eurostat data, extracted December 2010).

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<sup>29</sup> In EQLS 2007: Average number of persons living in household based on variables HH1 (Including yourself, can you please tell me how many people live in your household?; 1–10 and more persons). Household size (HH1): a household comprises one person living alone or a group of people living at the same address in a non-institutional dwelling, who have that address as their only or main residence, and who either share at least one main meal a day or share the living accommodation (or both). Included are people away for less than six months (for example, people on holiday, or away working temporarily). Excluded are people away for six months or more (for example, students), people away for six months or more or temporary visitors (Eurofound, 2007, p. 33).

<sup>30</sup> Based on ‘Household type – Eurofound’ (EQLS, 2007; household grid) which includes: single households, single parents, couples, couples with child(ren), other household types. Multigenerational families are subsumed under single-parent and couple-with-children households.

In Turkey, the share of young people is high (see Fact sheet on Turkey, Annex I). But with still strong traditional values and norms, as well as the prevalence of the Muslim family-oriented religion, the share of single households and single parents is (as expected) much lower than in the other two countries. In addition, two-thirds of Turkish single parents (nearly all women) live in medium to large towns and cities. However, the crude divorce rate increased from 0.7 in 2003 to 1.3 in 2007 (Eurostat data, extracted December 2010). Divorce is a phenomenon observed in middle and upper classes as well as urban areas.

In the former Yugoslav Republic of Macedonia, the divorce rate also increased – from 0.4 in 1990 to 0.7 in 2007 (Eurostat data, extracted December 2010). Here, as well as in Croatia, the share of female single households and single parents is much higher than that of men.

According to EQLS findings, all three countries have similar shares of couples without children (11.2%–13.1%); these are mostly ‘empty-nest’ households as only around a tenth of middle-aged couples do not have children. Approximately half of the population lives in ‘couple-with-children’ households. Interestingly, the former Yugoslav Republic of Macedonia’s share (52.9%) of couples with children is even higher than that of Turkey. While no remarkable differences for rural and urban areas could be found in Croatia and the former Yugoslav Republic of Macedonia, living in a couple with children was more frequent in rural Turkey.

### **Social contact, sources of support and satisfaction with social life**

The EQLS offers a number of indicators with which to analyse social contacts and sources of support. As shown previously (Kotowska et al, 2010), contacts with siblings, relatives, friends and neighbours in the three candidate countries are significantly more frequent than in the EU27, while contacts with children or parents living outside the household are less frequent. As expected, women are more likely to report direct contact with their children than men; the exception was the former Yugoslav Republic of Macedonia, where the lower labour market participation might explain higher male family contacts.

#### **Social contact**

Considering only those with non-household relatives,<sup>31</sup> the share of respondents with at least weekly face-to-face contact with non-household children (63%) and parents (59%) is smaller in Turkey than in the other two countries, where it varied between 72% and 80%. Face-to-face contacts with non-household siblings and other relatives are highest in the former Yugoslav Republic of Macedonia (59%). In Croatia, 91% of the respondents saw their friends at least once a week compared with 73% in the former Yugoslav Republic of Macedonia and 88% in Turkey.

Computing a social contact index by counting the number of at least once weekly face-to-face contacts with these non-household groups (left bars, Figure A3, Annex II), it emerges that women in Croatia and the former Yugoslav Republic of Macedonia have more extensive contacts and networks than men, while Turkish women have fewer extensive contacts and the highest share of ‘only one non-household person they frequently meet’. This might be explained by religious

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<sup>31</sup> Interestingly, a more detailed analysis of face-to-face contacts reveals that between half and two-thirds of the respondents in Croatia and the former Yugoslav Republic of Macedonia do not have children or parents living outside their household. In Turkey, although not having children outside one’s household is quite common (two-thirds), nearly two-thirds of people have parents outside their own home.

contact restrictions for Muslim women (Rose and Özcan, 2007, p. 40), but also by the generally lower contact rate to non-household groups. Yet, Turkish men have the largest share of frequent face-to-face contact with three of the groups, which makes them the most socialising group in all three countries (highest share of frequent contacts with at least two groups). The highest share of ‘no frequent contacts’ was observed in the former Yugoslav Republic of Macedonia, for both men and women.

Investigating similar contacts by phone, email or post and again considering only people with non-household relatives, it appears that frequent (at least once weekly) contacts with non-household relatives were usually more common than face-to-face contacts. This may either be explained by the distance between relatives (for example because of labour migration to cities or foreign countries, or relocation after war), but also by the increasing availability and convenience of modern media for social contacts. As expected, contacts with neighbours and friends were more frequently face-to-face. Again, gender differences in contacts exist, with patterns following more or less those of face-to-face contacts.

Expectations about support are not discussed in the existing literature (Kotowska et al, 2010, p. 28ff) for the three candidate countries. So from whom do people get support if they are ill, need advice, need help looking for a job, if they feel depressed and need someone to talk to, or urgently need to raise €500? In all three countries, it is families (Table A3, Annex II) who are expected to help as a first source of support, followed by friends, neighbours, work colleagues or someone else. Very rarely do people have nobody to turn to. The highest support is expected when ill or when needing advice or someone to talk to, followed by the need to raise money or help with finding a job.

### Sources of support

To find a job, people rely both on family and relatives as well as their social networks (of friends, neighbours and colleagues). In Croatia, friends, neighbours and work colleagues are expected to help even more than families. One-sixth to one-fifth of the respondents have nobody to turn to, with the lack of support felt most in Croatia.

When there is a need to urgently raise a fairly large sum of money, two-thirds of respondents expect help from their families and relatives while one-fifth to one-third expect help from friends, neighbours or work colleagues. Croatians expect their friends, neighbours and colleagues to be more helpful with money than people in the former Yugoslav Republic of Macedonia or Turkey. It is probable that their better economic situation and higher labour market participation allow people in Croatia to lend more funds. Nonetheless, Croatians – living in smaller households and with smaller families – seem to be more likely to depend on their friends rather than their family compared with people in the former Yugoslav Republic of Macedonia or Turkey. Croatians have more frequent contact with friends, thus creating well-functioning networks of trust and support which can be relied on in case of need. Lack of any support when looking for urgent financing is reported to be highest in Turkey (18%) and lowest in Croatia (7%).

Male and female expectations about possible sources of support do not differ much when asked whom they would approach for help when ill, in need of advice, feeling depressed and needing someone to talk to. Yet, when looking for a job or needing to raise money, men and women seem to approach different people (Figure 4).

When looking for jobs, Turkish (and Croatian) men are most likely to approach friends, neighbours and work colleagues. Similarly, Croatian women indicated they were most likely to approach friends. The highest reliance on family support can be found among Turkish women, but also among men in the former Yugoslav Republic of Macedonia. In the latter case, this is most readily explained by the unfavourable labour market situation, resulting in strong job competition – making social networks less useful than family connections. In Turkey, the low female labour market participation and dominance of traditional role division within the family seems to centre female activities on households and family members, making them the first contact point for women.

When needing to raise money urgently, Croatian men show the highest propensity to approach friends, neighbours and work colleagues, although everybody seems to be more comfortable approaching family members. Women from Turkey and the former Yugoslav Republic of Macedonia show the lowest inclination to approach friends.

In these two fields, support is missed to a much higher degree than in the other areas. Turkish women looking for a job or seeking urgent finance feel least supported, as well as Croatian women and men looking for jobs. Nevertheless, Croatian men and women looking for financial support can usually count on getting it.

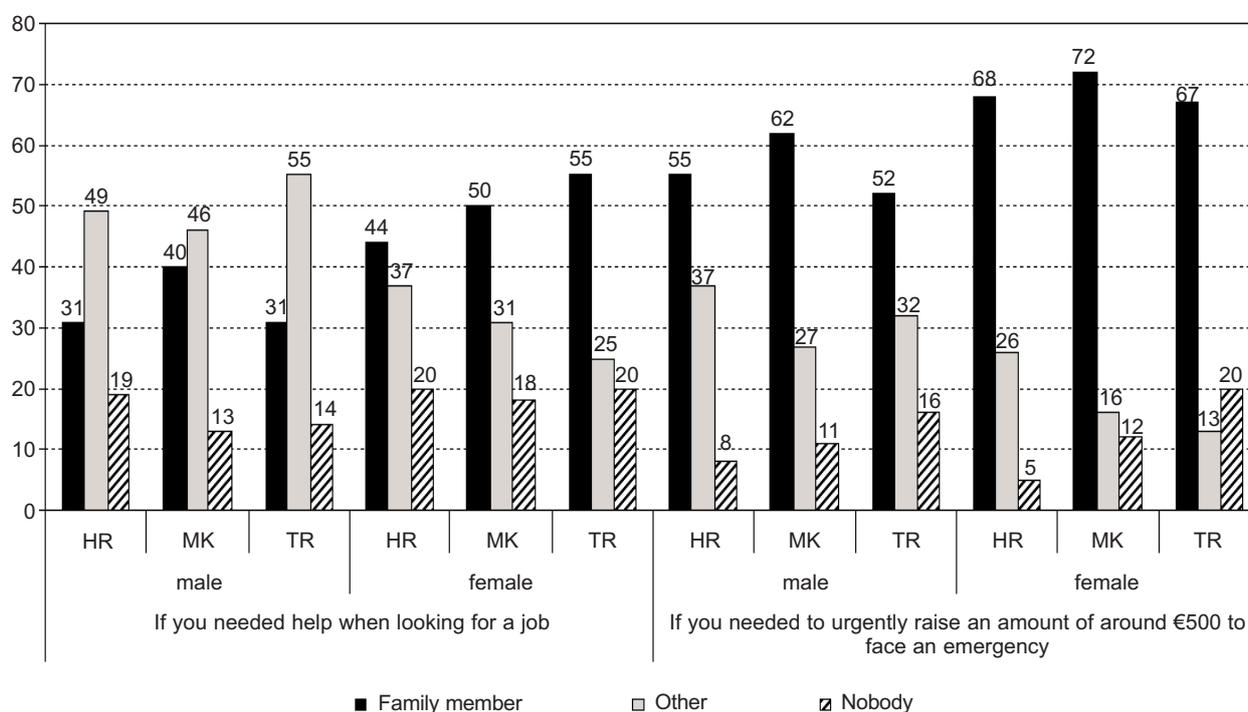
Expectations about support when ill are similar in rural and urban areas. Advice about a serious personal or family matter is more likely to be sought from friends in urban Croatia than in rural areas. When looking for a job, respondents in urban Croatia and the former Yugoslav Republic of Macedonia expected more help from friends, neighbours and work colleagues than those in rural areas; in Turkey, the situation was reversed. In rural parts of the former Yugoslav Republic of Macedonia, expectations about family help with finding a job were much higher than in the cities. While urban respondents in the former Yugoslav Republic of Macedonia and Turkey did not expect a lot of support, those in urban Croatia expected more.

When feeling a bit depressed and wanting to talk, rural respondents in all three countries expected more support from families and less from friends. Expectations about family support with financial problems were higher in rural areas of the former Yugoslav Republic of Macedonia but did not differ in Croatia and Turkey; yet, urban respondents expected a lower level of support with money problems.

Turning to 'regularly giving or receiving support from persons outside the household', it emerges that such interactions are more frequent in Croatia and the former Yugoslav Republic of Macedonia than in the EU27 or Turkey: a third of Croatians regularly gave money or food to people outside their household. While gender differences were low (with men giving a little more frequently), urban Croatians support others to a higher degree. The situation in the former Yugoslav Republic of Macedonia is similar but without any rural–urban differences. In Turkey, only 17% (about half of those in the other two countries) regularly gave food or money to non-household members. Again, men and urban respondents reported giving such support slightly more frequently.

The share of people 'receiving support in the form of money or food from persons outside the household' in all three countries is larger than in the EU27, reflecting a higher degree of reliance on social networks. In Croatia, more than one-seventh of the population report receiving support regularly, with only slight differences in gender or location. In the former Yugoslav Republic of Macedonia, which had the largest share (17%) of support received, the situation was similar. In Turkey, where a seventh also report receiving such regular support, gender and location do matter: women reported such support more frequently, and while only a tenth of rural respondents reported the receipt of support, nearly a fifth of people in urban areas did so.

Figure 4: Expectations about support when looking for job or having an urgent need for money, by gender (%)



Note: Based on Q35: From whom would you get support in each of the following situations?  
Source: EQLS, 2007

### Satisfaction with social life

With regard to social life, nearly 50% of respondents in Croatia reported high satisfaction. This figure was slightly below 40% in Turkey and the former Yugoslav Republic of Macedonia. Men's satisfaction with social life was generally higher than that of women's, with the largest differences in high satisfaction in Croatia (where 54% of men but only 46% of women reported high satisfaction). The situation in the former Yugoslav Republic of Macedonia was similar to that in Croatia, with figures of 41% for men and 34% for women. Differences were small in Turkey (men: 40%, women: 38%).

Dissatisfaction with social life was higher for women in all countries and highest for respondents in the former Yugoslav Republic of Macedonia, where a quarter of women and a fifth of men reported 'very low to low' satisfaction. People in urban areas reported high satisfaction with social life more frequently than those from rural areas: more than 50% of Croatia's urban respondents were highly satisfied with their social life, while in the former Yugoslav Republic of Macedonia and Turkey, the share was only around 40%. Dissatisfaction with social life was highest in the urban parts of the former Yugoslav Republic of Macedonia (26%), but also high in rural areas of the country, as well as in Croatia and urban areas of Turkey.

### Sharing household tasks and the domestic workload

Male and female involvement in the labour market, as well as traditional role models, affects the sharing of household tasks and the distribution of the domestic workload. While in breadwinner societies women are expected to do most of the housework while men go out to earn income, dual earner couples are more likely to share some of the tasks. Anderson et al (2009) and Kotowska et al (2010) provide good overviews of the labour market situation in the three candidate countries. The proportion of young women neither in work nor education is extremely high for those who remain living with their parents or in couples with or without children, but also quite high for young men living with their parents and

a tenth of fathers. The frequency of dual earner couples is low (extremely low in Turkey), while that of male breadwinner couples is high.

Care and housework are core activities occupying the time and resources of family members. Kotowska et al (2010, p. 18f) found that domestic workload patterns in the candidate countries differ from those in the EU in terms of gender asymmetry, frequency and time spent on tasks. However, while ‘cooking and housework’ and ‘caring for the elderly and disabled’ are quite similar to the EU27, parents in all three candidate countries devote less time to ‘caring for and educating their children’.

There are hardly any urban–rural differences in terms of how often people are involved in caring for and educating children. However, daily cooking and household activities take place more often in rural Croatia and markedly more often in urban Turkey. The frequency of caring activities for elderly or disabled relatives – with infrequent activities strongly dominating in all countries – are similar for rural and urban areas of Croatia and the former Yugoslav Republic of Macedonia, but a little higher in rural Turkey.

As expected, gender has a huge impact on caring and household activities (Figure A4, Annex II). Daily involvement in care of the elderly (although generally higher than in the EU27) is low, with the highest level of involvement reported for women in the former Yugoslav Republic of Macedonia. Infrequent care is highest in Turkey. From a country perspective, daily care for elderly and disabled relatives is highest in the former Yugoslav Republic of Macedonia (where one in 10 of the population provide such services) and lowest in Turkey (one in 20).

The gender nature of cooking and housework is most obvious: while men in all three countries undertake to cook or do housework only infrequently, 75% of women tend to cook and clean on a daily basis. This value corresponds to that in the EU27 (79%), while that of male daily involvement is significantly lower (EU27: 29%). Low male employment and labour market activity rates in the three candidate countries do not seem to increase their involvement in household tasks; supported by traditional family structures and religion, traditional role models persist.

Gender has also a visible effect on involvement in caring for and educating children. This is true for all three countries, where women more frequently than men look after and educate their offspring as well as perform daily cooking and household tasks. While Croatian men reported a relatively high daily involvement with children, it was lowest for men in Turkey – reflecting differences in fatherhood styles and sharing of childcare tasks.

About 45% of the women in all three countries reported daily involvement with caring for and educating children: this figure is noticeably higher than in the EU27 (35%). Looking only at women with children, the share of those who are involved daily is again higher in the candidate countries (53% in Croatia and the former Yugoslav Republic of Macedonia and 59% in Turkey compared with 45% in the EU27), suggesting that women there still follow more traditional role models and thus spend more time with family and children. However, women may have to substitute for non-existent or too expensive external childcare, the lower involvement of fathers (not applicable in the case of Croatia) or fewer or too expensive after-school childcare facilities. Unfortunately, interactions between levels of involvement and paid work could not be studied due to the low number of cases in each category.

### **Work–family balance**

With a large proportion of women not in paid work, balancing paid work and family life is an issue only for some families. Yet, for those who work, reconciliation seems to be difficult – not only for women but also for men. As already highlighted by Anderson et al (2009, p. 23), Turkish men work a very long average of 55 hours a week, while Macedonian men work 45 hours and Croatian men 42 hours. Average female working hours are long and range from 45 hours per week in Turkey to 44 hours in the former Yugoslav Republic of Macedonia and 39 hours in Croatia. For those women who work, part-time employment is low in Croatia and the former Yugoslav Republic of Macedonia, and higher in Turkey.

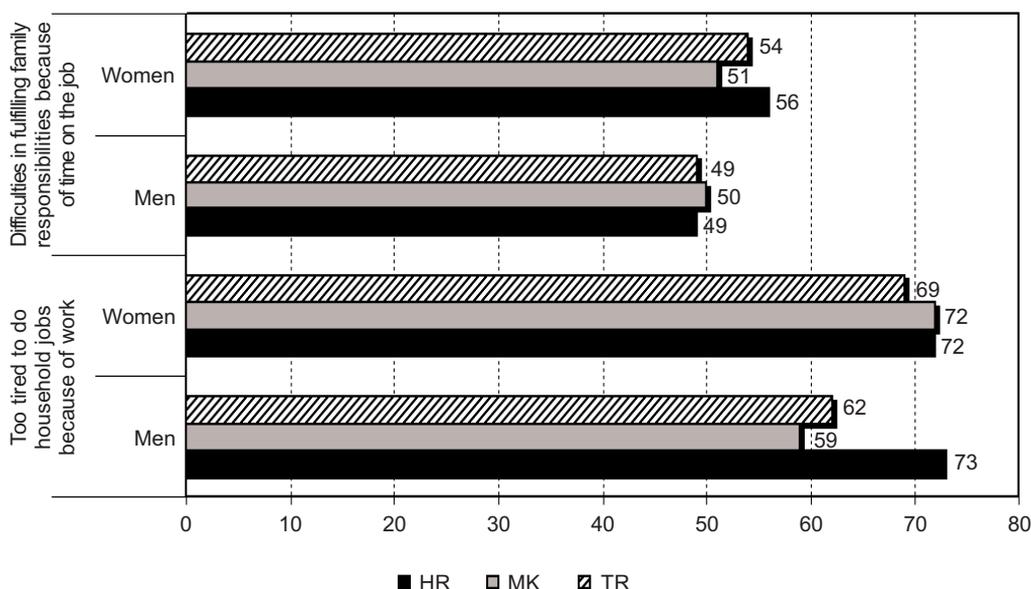
Long working hours, high job intensity, low availability of support, high perceived job uncertainty, poor working conditions and job-related tiredness interfere with work–family balance in all three countries (see also Anderson et al, 2009, p. 23; Kotowska et al, 2010, p. 45f).

Tiredness (‘too tired to do household jobs because of work’), which is reported by one-third to three-quarters of working men and women in the candidate countries, seems to be the main factor disturbing family life. In the former Yugoslav Republic of Macedonia and Turkey, women who work report tiredness much more often than men, while in Croatia – where the highest overall level of tiredness was found – men were a little more affected than women.

A second major source of work–family imbalance is long working hours: around half of working men and women claim an imbalance due to the long time spent at work (that is, ‘difficulties in fulfilling family responsibilities because of the amount of time spent in their job’) (Figure 5). Croatia and Turkey show gender differences, with women being more affected. In the former Yugoslav Republic of Macedonia, gender differences are small. Difficulties related to concentration at work (that is, ‘difficulties in concentrating at work because of family responsibilities’) were often reported in Turkey, especially by Turkish men (32%). In Croatia, women (26%) were more affected than men (21%), while in the former Yugoslav Republic of Macedonia, gender differences were minor.

Taking the analysis one step further to investigate differences in rural and urban areas, it emerges that tiredness and long hours spent at the workplace affect working men and women in urban and rural areas differently: the highest frequency of reported tiredness as well as most frequently reported difficulties resulting from too much time spent on the job were found among urban women in Croatia and Turkey and rural women in the former Yugoslav Republic of Macedonia. Rural women in Turkey and rural men in the former Yugoslav Republic of Macedonia and Turkey feel tired the least often. They also relatively seldom report low levels of work–life imbalance due to time spent on their jobs.

Figure 5: Difficulties in balancing work and family life at least several times a month, by gender (%)



Note: Question 11: How often has each of the following happened to you during the last year? Q11-1: I have come home from work too tired to do some of the household jobs which need to be done; Q11-2: It has been difficult for me to fulfil my family responsibilities because of the amount of time I spend on my job; Q11-3: I have found it difficult to concentrate at work because of my family responsibilities; Categories: several times a week, several times a month, several times a year, less often-rarely, never, don't know.

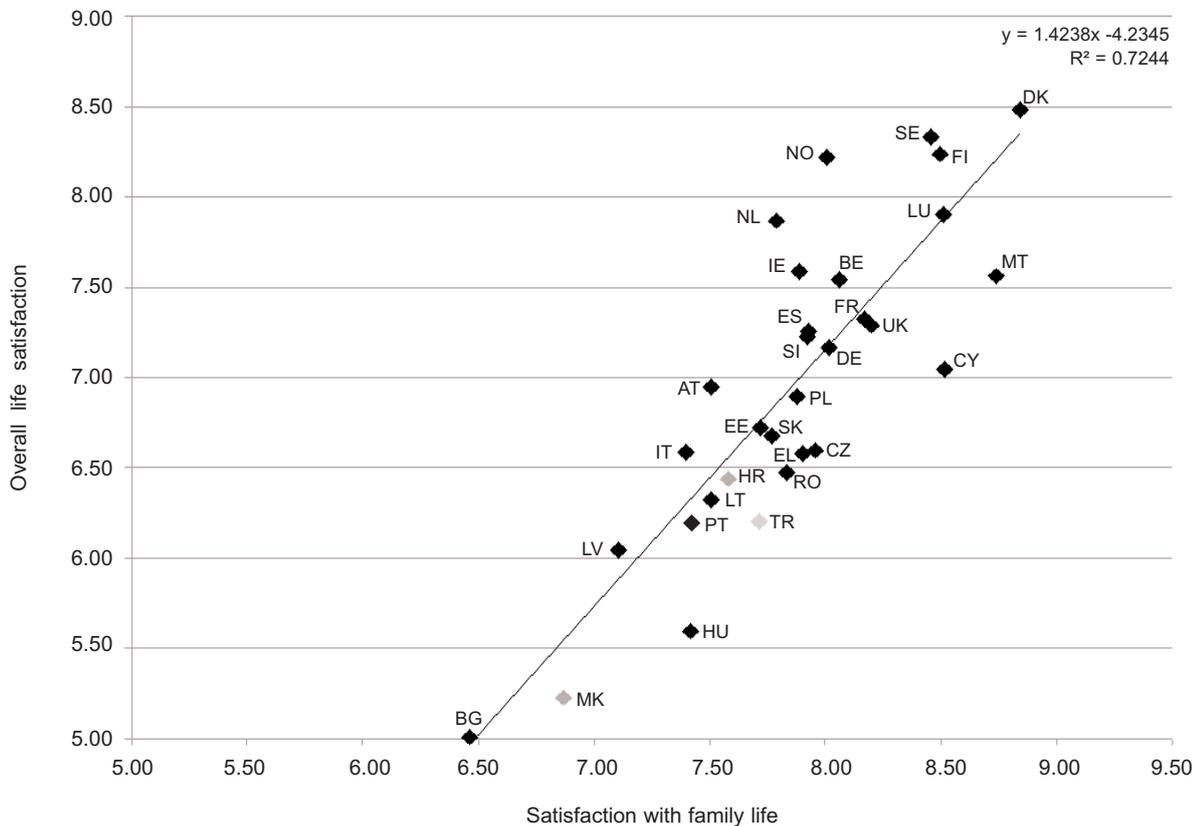
Source: EQLS, 2007

### Satisfaction with family life

Satisfaction with family life is a crucial component of overall life satisfaction. This is confirmed by regression analysis at a country level (EU27, Norway and three candidate countries) where satisfaction with family life is used to explain overall life satisfaction (Figure 6). The results point to a close correlation between the two variables; moreover, at the country level an increase in satisfaction with family life of 1 percentage point leads to an increase in overall life satisfaction of 1.42 percentage points.

It is interesting to note that the observations for all three candidate countries are located below the regression line (Figure 6). This indicates that, compared with other factors influencing overall life satisfaction, satisfaction with family life is regarded as more positive in these countries. This effect is especially visible in the former Yugoslav Republic of Macedonia.

Figure 6: Satisfaction with family life and overall life satisfaction



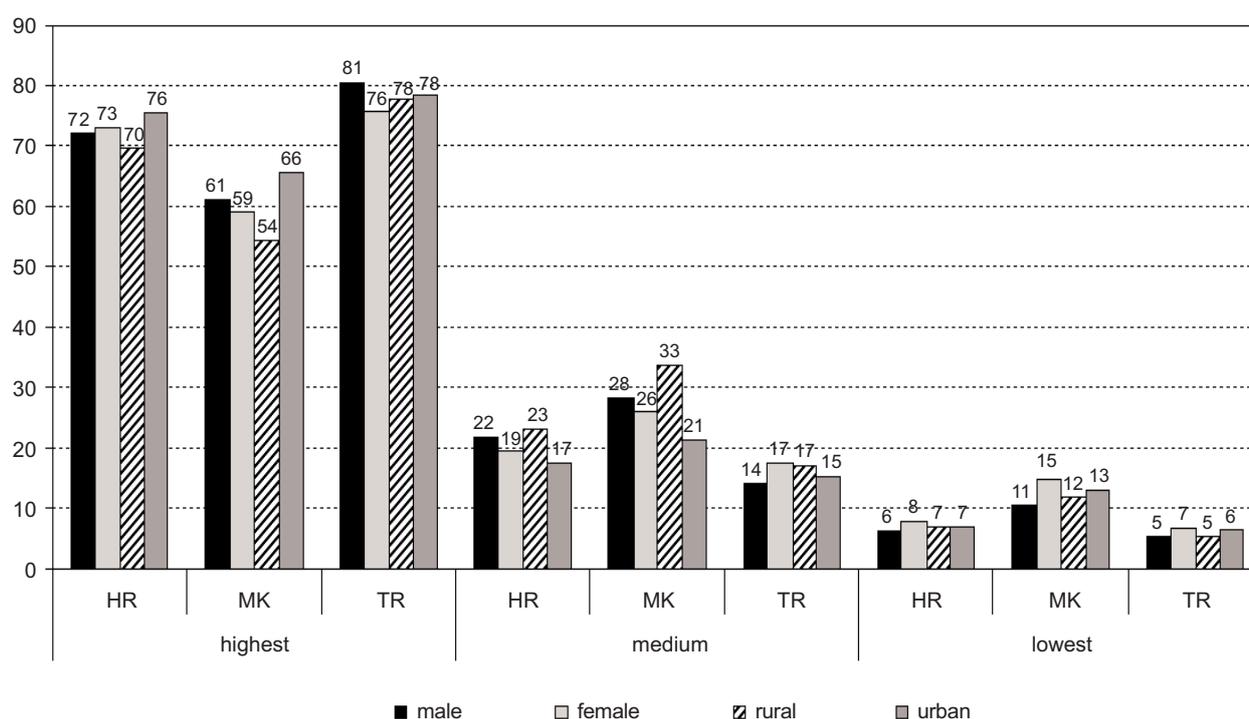
Note: Population weighted country averages of overall life satisfaction: (Q29): Question 29: ‘All things considered, how satisfied would you say you are with your life these days?’ and of satisfaction with family life: Q40-5: ‘Could you please tell me on a scale of 1 to 10 how satisfied you are with family life’; For both variables: 1 means ‘very dissatisfied’ and 10 means ‘very satisfied’.  
Source: *EQLS, 2007*

Mean satisfaction with family life is at a similar level in Turkey (7.7) and Croatia (7.6), but a little lower in the former Yugoslav Republic of Macedonia (6.9). After recoding satisfaction with family life into three categories (high, medium and low), it is found to be highest in Turkey where 78% of the population show high satisfaction with family life. In Croatia, 73% are highly satisfied; only 60% are highly satisfied with family life in the former Yugoslav Republic of Macedonia (Figure 7).

In terms of gender, Croatia and the former Yugoslav Republic of Macedonia show only slight differences in the high satisfaction group while, in Turkey, men were more satisfied in Turkey. Male Turks were the group most often reporting the highest satisfaction with family life. The largest dissatisfaction for women was found in the former Yugoslav Republic of Macedonia, where nearly one-seventh reported very low to low satisfaction levels.

For rural and urban respondents, no clear pattern was found: while high satisfaction with family life was reported more frequently in cities in Croatia and the former Yugoslav Republic of Macedonia, low levels of satisfaction did not vary much across level of urbanisation.

Figure 7: Satisfaction with family life (%)



Note: Q40-5: Could you please tell me on a scale of 1 to 10 how satisfied you are with family life, where 1 means you are very dissatisfied and 10 means you are very satisfied? Recoded into 1–3 as ‘low’, 4–7 as ‘medium’ and 8–10 as ‘high’.

Source: *EQLS, 2007*

What are the factors influencing satisfaction with family life in Croatia, the former Yugoslav Republic of Macedonia and Turkey? Are they the same in the three countries or do they differ a lot? Table 6 gives the results of the regression analysis with satisfaction with family life as the dependent variable.<sup>32</sup> The regression model predicts satisfaction with

<sup>32</sup> Independent variables: age classes (reference group: middle aged); type of settlement (reference group: urban); gender (reference group: male); ability to make ends meet (reference group: making ends meet not easily but without difficulty); education (reference group: at most secondary education); employment status (reference group: (self-)employed); health status (reference group: very good or good health); household type (reference group: couple); accommodation problems (reference group: less than two accommodation problems); contacts with friends (reference group: contacts with friends or neighbours only sometimes or does not have such relatives); support from family when ill (reference group: other people (friends, work colleagues, neighbours, someone else) or nobody for support when ill); financial support from family (reference group: other people (friends, work colleagues, neighbours, someone else) or nobody for financial support); help of money/food (reference group: no help given). Note: Employment status is based on Question HH2d from ‘household grid’ but categories are grouped differently compared to Table 2. Categories 1–3 are grouped to ‘(self-)employed’. Categories 4 and 5 are grouped to ‘unemployed’. Category 7 equals ‘retired’, Category 8 equals ‘homemakers’, Category 9 equals ‘in education’. Categories 6 (unable to work due to long-term illness or disability) and 10 ‘other’ were excluded.

family life for the reference case of 6.6 for Croatia, 6.1 for the former Yugoslav Republic of Macedonia and 7.7 for Turkey.<sup>33</sup>

The regression analysis shows that young people in Croatia but also older people in Turkey are more satisfied with family life. The ability of households to easily 'make ends meet' (proxy for their household income situation) increases satisfaction with family life in Croatia and Turkey. (It is not significant in the former Yugoslav Republic of Macedonia.) On the contrary, if households have difficulty making ends meet, satisfaction with family life is significantly reduced in all candidate countries.

Being unemployed, reduces satisfaction with family life in the former Yugoslav Republic of Macedonia compared to being (self-)employed, but was not significant in the other two countries. Being in education (school, university) increases satisfaction with family life in Croatia and again is not significant in the other two countries.

Being a single parent or (even more so) a single household reduces satisfaction with family life in all three countries, underlining the importance of family ties and intra-family support. In the former Yugoslav Republic of Macedonia, social pressure on single parents is high and living on only one income reduces the quality of life. Living in a couple with children significantly raises satisfaction with family life in Turkey (not significant in the other two countries), while living in rural areas generally decreases satisfaction with family life. This is probably due to better living and working conditions in big cities. As expected, accommodation problems reduce satisfaction with family life in all three candidate countries (especially in the former Yugoslav Republic of Macedonia), as does self-reported fair, bad or very bad health, which generally reduces overall life satisfaction.

Frequent face-to-face contacts with friends have a significant and positive influence on satisfaction with family life in Croatia but are not significant in the other countries. It appears that Croatians have more extensive networks of contacts than those in the other candidate countries.

Expecting to be able to get support from partners and other family members in case of illness significantly increases satisfaction with family life in all three countries. Expecting family support if needing to urgently raise €500 to face an emergency increases satisfaction with family life in the former Yugoslav Republic of Macedonia, but is not significant in the other countries. Regularly giving support in the form of money or food to someone outside one's household is positive and significant in the former Yugoslav Republic of Macedonia and Turkey, with a stronger effect in the former country.

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<sup>33</sup> Reference case: middle-aged man with at most secondary education, who is average at making ends meet, (self-)employed, with good or very good health, living in a couple and in an urban area, who has less than two accommodation problems, who has contacts with friends or neighbours only sometimes or does not have such relatives, who expects support when ill from other people (friends, work colleagues, neighbours, someone else) or has no one for such support, who expects financial support in case of emergencies from other people (friends, work colleagues, neighbours, someone else) or has no one for such support, who does not give help (money or food) outside the household.

Table 6: Regression model for satisfaction with family life

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
Constant	6.627	0.000	6.123	0.000	7.662	0.000
age_young (ref = age_middle)	<i>0.376</i>	<i>0.091</i>	0.343	0.177	0.179	0.145
age_old (ref = age_middle)	-0.408	0.111	-0.269	0.401	<i>0.336</i>	<i>0.097</i>
rural (ref = urban)	<i>-0.262</i>	<i>0.094</i>	<b>-0.427</b>	<b>0.014</b>	<b>-0.241</b>	<b>0.024</b>
female (ref = male)	0.159	0.323	0.160	0.375	-0.078	0.660
makeendsmeet_easily (ref = makeendsmeet_normal)	<b>0.599</b>	<b>0.003</b>	0.341	0.271	<i>0.284</i>	<i>0.081</i>
makeendsmeet_difficult (ref = makeendsmeet_normal)	<b>-0.485</b>	<b>0.007</b>	<b>-0.821</b>	<b>0.000</b>	<b>-0.492</b>	<b>0.000</b>
post-secondary and tertiary education (ref = at most secondary education)	0.314	0.134	0.112	0.668	0.231	0.199
unemployed (ref = (self-)employed)	-0.207	0.418	<b>-0.573</b>	<b>0.015</b>	-0.037	0.899
retired (ref = (self-)employed)	-0.204	0.421	0.130	0.689	0.166	0.381
homemaker (ref = (self-)employed)	-0.291	0.393	-0.500	0.135	-0.037	0.849
in education (ref = (self-)employed)	<b>0.897</b>	<b>0.008</b>	0.468	0.311	-0.036	0.875
fair, bad or very bad health (ref = very good or good health)	<b>-0.414</b>	<b>0.020</b>	<b>-0.406</b>	<b>0.038</b>	<b>-0.619</b>	<b>0.000</b>
single household (ref = couple)	<b>-1.783</b>	<b>0.000</b>	<b>-1.757</b>	<b>0.000</b>	<b>-1.647</b>	<b>0.000</b>
single parent (ref = couple)	<i>-0.586</i>	<i>0.063</i>	<b>-0.827</b>	<b>0.031</b>	<b>-0.565</b>	<b>0.042</b>
couple with children (ref = couple)	0.034	0.877	0.185	0.466	<b>0.420</b>	<b>0.004</b>
other household type (ref = couple)	<b>-1.181</b>	<b>0.000</b>	-0.087	0.807	<i>-0.331</i>	<i>0.066</i>
accommodation problems (ref = less than two accommodation problems)	<b>-0.633</b>	<b>0.001</b>	<b>-1.041</b>	<b>0.000</b>	<b>-0.268</b>	<b>0.017</b>
contact friends often (ref = sometimes/do not have such relatives)	<b>0.984</b>	<b>0.000</b>	0.198	0.313	0.090	0.580
expected support from family when ill (ref = others or nobody for support when ill)	<b>0.874</b>	<b>0.000</b>	<b>1.111</b>	<b>0.000</b>	<b>0.494</b>	<b>0.013</b>
expected financial support from family (ref = others or nobody for financial support)	0.121	0.448	<b>0.451</b>	<b>0.015</b>	-0.077	0.478
give help: money/food (ref = no help given)	0.033	0.837	<b>0.845</b>	<b>0.000</b>	<b>0.341</b>	<b>0.012</b>
R squared adj.	0.255		0.266		0.116	
n	858		829		1,750	

Notes: Data are unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which the satisfaction with family life would change should the variable increase by one unit. ref = reference.

R squared adj. = R-squared adjusted in statistical terms.

Source: *EQLS, 2007*

Again, all three indicators underline the importance of informal social and family networks and support. Especially in the former Yugoslav Republic of Macedonia, where the current economic situation is unfavourable, low average incomes often do not cover the cost of living. Although many people see banks as a proper source of additional funding (Shukarov et al, 2009) and remittances from relatives abroad are relatively high (4.3% of GDP<sup>34</sup>), family support (giving and receiving) is widespread and crucial. In Turkey, the effects are more moderate and financial support not an issue. In Croatia, expected family support when ill has a very positive effect on satisfaction with family life.

### Conclusions and policy pointers

Families provide important social networks in all three countries, not only in terms of emotional support but also practical and financial support: if help is needed, this is where people turn. Leisure time is also spent with the family, especially in the former Yugoslav Republic of Macedonia and Turkey, where people seem to have intensive contacts and support networks with family members. Croatia, however, appears to be more oriented towards friends with regard to social contacts and support.

Social support from family members is therefore among the most important factors positively associated with satisfaction with family life, especially in case of illness and urgent need of money. Being able to give support in the form of money or food also raises satisfaction with family life. With traditional values still prevailing, being a single parent reduces satisfaction with family life, while living in a couple with children has a positive effect. Not unexpectedly, a family's income situation (as measured by their ability to 'make ends meet') also has a significant positive impact.

The division of household work is rather traditional. With a large proportion of women not in paid work, balancing work and family life is an issue only for some families. Yet, for those who work, reconciliation seems to be difficult – for men as well as women. Reasons include unfavourable work arrangements, job intensity and low availability of support, poor working conditions and high perceived job uncertainty. Tiredness seems to interfere with work–family balance, as do long working hours.

The following policy pointers (detailed in Chapter 11 'Policy messages') can be derived.

- When designing family-oriented measures in the candidate countries, policies must take into account the currently huge importance of (extended) family networks and support as well as recent changes in family structures that may erode such networks.
- Policies enhancing a better reconciliation of work and family life – although for the time being only relevant for some parents – should be provided, including (more) family-friendly working conditions and the provision of adequate (child)care services.
- Since the household's income situation (measured by the ability to 'make ends meet') has a significant impact on people's satisfaction with family life, improving the currently difficult socioeconomic conditions in all candidate countries will also help family life.

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<sup>34</sup> World Bank staff estimates based on IMF Balance of Payments Statistics Yearbook 2008 (extracted June 2010).

# Housing and local environment 5

Having a good home is a basic requirement for effective integration into employment and society and an important precondition for a satisfying family life. Hence, analysing people's accommodation situation is of great relevance for the multidimensional quality of life concept, particularly concerning the issue of social exclusion. Housing conditions reveal much about a person's economic situation and influence people's opinion about the social status of others.

Different dimensions have to be considered when investigating housing and local environmental conditions. On the one hand, housing itself is an important aspect of the quality of life. On the other hand, people's satisfaction with their place of residence might be influenced by the local environmental situation as well as the availability of infrastructure facilities. This chapter gives an overview of people's accommodation and local environmental situation in the three candidate countries. The aim is to use socio-demographic indicators to present similarities as well as cross-country differences, and to identify those groups most affected by housing and local environmental difficulties.

The overall picture of the housing structure in Croatia and Turkey and for the CC3 cluster given in previous Eurofound reports (Bejaković and Lipovčan, 2007, p. 23; Rose and Özcan, 2007, p. 44; Anderson et al, 2009, p. 39) revealed a high rate of outright home ownership (that is, ownership without any mortgage or loan) in the candidate countries (Question 16).<sup>35</sup> This is the case for 75% of the inhabitants in Croatia, 77% from the former Yugoslav Republic of Macedonia and 64% of the Turkish population.

A high home ownership rate is characteristic of post-Communist countries: on the one hand, it has been traditional to build homes privately, while on the other hand it results from mass privatisation of formerly socially or state-owned housing stocks in the early years of transition. In Turkey, it reflects the tradition of building homes with the physical help of relatives and friends due to an underdeveloped market for mortgages or loans for housing purposes, as well as unfavourable economic conditions such as high inflation rates (Rose and Özcan, 2007, p. 44). Furthermore, the percentage of people reporting that their accommodation is provided 'rent free' is as high as 15% in the former Yugoslav Republic of Macedonia; the respective shares for Croatia and Turkey are 7% and 10%.

The relatively high number of people living rent free (for example, young people or couples living in parental homes) seems to be not only a question of choice but also to be a necessity, resulting from high unemployment rates, low incomes and an underdeveloped rental market. The latter applies particularly to Croatia and the former Yugoslav Republic of Macedonia; the situation is different in Turkey where 22% of the population lives in privately rented accommodation.<sup>36</sup>

Social, voluntary or municipal housing seems to be underrepresented in all three candidate countries, with a share of 3% at the most. Thus, the situation in all countries is particularly difficult for the lowest income groups, who are less able to buy or rent in the private property sector.

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<sup>35</sup> Question 16: Which of the following best describes your accommodation? 1) Own without mortgage (i.e. without any loans); 2) Own with mortgage; 3) Tenant, paying rent to private landlord; 4) Tenant, paying rent in social/voluntary/municipal housing; 5) Accommodation is provided rent free; 6) Other; 7) Don't know.

<sup>36</sup> As the number of tenants is very low in Croatia and the former Yugoslav Republic of Macedonia, a stratification of data regarding owner and tenant is not possible in the further analysis in this report.

It is important to bear in mind the peculiarities of tenure in this region. Adding together the share of people owning their homes outright and the percentage of inhabitants living rent free gives 92% of the population in the former Yugoslav Republic of Macedonia, 82% of the inhabitants in Croatia and 74% of Turkish people who do not have to pay rent or make mortgage repayments. This could lead to the assumption that housing costs<sup>37</sup> put little pressure on most household budgets. However, this is not the actual experience. In the former Yugoslav Republic of Macedonia, 40% of the population reports that housing costs are a heavy burden (Question 59).<sup>38</sup> The corresponding shares for Croatia and Turkey are 20% and 35% respectively. It is somewhat surprising that the share is not highest in Turkey, as it has greater deprivation and a much higher percentage of people rent their accommodation. One explanation could be that people in the former Yugoslav Republic of Macedonia have to dedicate a bigger share of their income to pay for housing costs, as expenditure on electricity, water and heating is quite high. Furthermore, even though some residential areas are very 'exclusive', they are inhabited by people with rather low incomes who are unable to cover maintenance costs.

Despite these problems over housing costs, the perceived security of accommodation is quite high in all three candidate countries (Question 18).<sup>39</sup> People were asked how likely it was that they would need to leave their accommodation within the next six months because they can no longer afford it. Only 8% of the inhabitants in the former Yugoslav Republic of Macedonia state this is 'quite likely or very likely' compared with 7% in Turkey and 4% in Croatia.

### Adequacy of housing

The standard of accommodation, in terms of subjective perceptions of housing, is important for people's quality of life and in particular for the topic of social exclusion. Not living in a home of adequate standard might have a negative impact on a person's health status. Furthermore, it might hamper people from having good social relationships, for example by inhibiting them from inviting people to their house.

Six accommodation problems are documented in the EQLS data: shortage of space; rot in windows, doors or floors; damp or leaks in walls or roof; lack of indoor flushing toilet; lack of bath or shower and lack of place to sit outside (Table 7). According to previous reports (Anderson et al, 2009, p. 42), Turkey is the candidate country with the highest share of people reporting accommodation problems in five out of the six categories. Croatia's situation is more favourable compared with the former Yugoslav Republic of Macedonia and Turkey. Thus, not surprisingly, 83% of the population in Turkey report good accommodation to be very important for their quality of life compared with 70% in the former Yugoslav Republic of Macedonia and 46% in Croatia (Question 41).<sup>40</sup> Shortage of space, rot and damp are the main issues of concern in the candidate countries. The remaining accommodation problems are reported less frequently in all three countries. The availability of flushing toilets or a shower or bath is even more common in each candidate country than reported on average by the NMS12.

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<sup>37</sup> The term 'housing cost' is not defined in the questionnaire. It is interpreted in this report as regular expenditure (rent, mortgage amortization, taxes, insurance, utility bills for electricity, heating or water, other communal services) and maintenance costs.

<sup>38</sup> Question 59: Is total housing cost a financial burden to the household? 1) Yes, a heavy burden; 2) Yes, somewhat of a burden; 3) Not a burden at all; 4) Don't know. 'Don't knows' ranging from 1.7% in Turkey to 7.7% in the former Yugoslav Republic of Macedonia are included in the basic population.

<sup>39</sup> Question 18: How likely do you think it is that you will need to leave your accommodation within the next six months because you can no longer afford it? Is it ... 1) Very likely; 2) Quite likely; 3) Quite unlikely; 4) Very unlikely; 5) Don't know.

<sup>40</sup> Question 41: I am going to read out a list of things that some people say are important in their quality of life. Please tell me how important each of these is in your quality of life. 41\_4: Good accommodation. (1) Very important; (2) Important; (3) Neither important nor unimportant; (4) Not important; (5) Not at all important; (6) Don't know. 'Don't knows' ranging from 0.5% in Turkey to 10.3% in the former Yugoslav Republic of Macedonia are included in the basic population.

According to previous research (Anderson et al, 2009, p. 42), a high percentage of people in the candidate countries declare they have multiple (at least two) accommodation problems. In Croatia, the reported share is 22%, and in the former Yugoslav Republic of Macedonia and Turkey, the percentages are higher at 33% and 38% respectively (EU27: 15%).

Further analysis of the multiple accommodation problems index affirms the generally strong and statistically significant correlation between ‘adequate incomes’<sup>41</sup> and better accommodation standards, as households with inadequate incomes report multiple accommodation problems up to twice as often in the candidate countries. Rural–urban differences are only significant in the former Yugoslav Republic of Macedonia and multiple accommodation problems are more a matter of concern in urban regions there, which is not the case in Croatia or Turkey. This could be due to the fact that a high percentage of urban citizens in the former Yugoslav Republic of Macedonia (an estimated 15%–25%) live in informal urban settlements of low standard (Donevska et al, 2007, p. 98).

Table 7: Respondents with two or more accommodation problems (%)

	HR	MK	TR
<b>Adequate income</b>	<b>14</b>	<b>23</b>	<b>26</b>
<b>Inadequate income</b>	<b>28</b>	<b>40</b>	<b>47</b>
<b>Rural area</b>	23	<b>30</b>	40
<b>Urban area</b>	21	<b>36</b>	36
<b>Men</b>	23	32	<b>33</b>
<b>Women</b>	21	34	<b>44</b>
<b>Age 18–34</b>	<b>15</b>	35	36
<b>Age 35–64</b>	<b>24</b>	32	40
<b>Age 65+</b>	<b>27</b>	35	38
<b>Household with children</b>	23	35	<b>43</b>
<b>Household without children</b>	21	30	<b>33</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 17: Do you have any of the following problems with your accommodation? a) shortage of space; b) rot in windows, doors or floors; c) damp or leaks in walls or roof; d) lack of indoor flushing toilet; e) lack of bath or shower; f) lack of place to sit outside (for example, garden, balcony terrace). (1) Yes; (2) No; (3) Don’t know.

Index represents respondents who reported to have at least two accommodation problems. ‘Don’t knows’ are excluded.

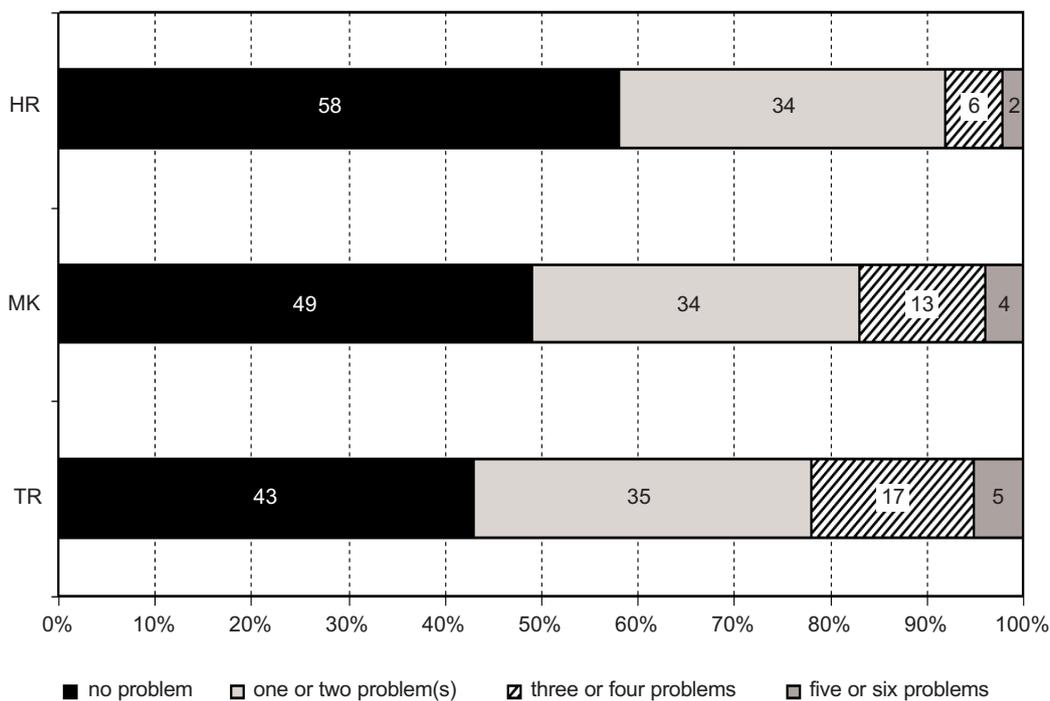
Source: *EQLS, 2007*

Gender differences are only significant in Turkey, with more women reporting that they have multiple accommodation problems. Presumably, this is less a question of gender segregation, but more the effect of women traditionally spending more time at home and thus being more aware of and affected by accommodation standards. Age differences play a significant role only in Croatia, where a higher level of people aged 35 years or more report that they have multiple accommodation problems. Having children seems to be correlated with less favourable housing conditions in all three countries; however, differences are only significant in Turkey.

<sup>41</sup> Question 57: A household has different sources of income and more than one household member may contribute to it. Thinking of your household’s total monthly income: is your household able to make ends meet (1) very easily, (2) easily, (3) fairly easily, (4) with some difficulty, (5) with difficulty, (6) with great difficulty, (7) don’t know? If the household can make ends meet very easily, easily or fairly easily, the household’s income situation is defined as ‘adequate’. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household’s income situation is defined as ‘inadequate’.

A different overall view is given in Figure 8, which shows the percentages of people reporting a certain number of accommodation problems. As expected, Croatia is the country with the highest share of people reporting that they have no accommodation problems at all (58%). Such favourable conditions are reflected by only 49% of respondents in the former Yugoslav Republic of Macedonia and 43% in Turkey. Nearly the same share of people in each country report having one or two accommodation problem(s). Considerable cross-country differences do appear when looking at people with three or four accommodation problems: this is the case for only 6% of Croatians, while it is twice as common in the former Yugoslav Republic of Macedonia and nearly three times more common in Turkey. The share of people having five or six problems, and thus who are living under quite bad accommodation conditions, is twice as high in the former Yugoslav Republic of Macedonia (4%) and Turkey (5%) compared with Croatia (2%).

Figure 8: Number of accommodation problems (%)



Note: Question 17: Do you have any of the following problems with your accommodation? a) shortage of space; b) rot in windows, doors or floors; c) damp or leaks in walls or roof; d) lack of indoor flushing toilet; e) lack of bath or shower; f) lack of place to sit outside (for example, garden, balcony terrace). (1) Yes. (2) No. (3) Don't know. 'Don't knows' are excluded.

Source: *EQLS, 2007*

### Shortage of space

Shortage of space is one of the main reported accommodation problems in the candidate countries (besides rot in windows, doors or floors, and damp or leaks in walls or roof). Looking at this issue separately reveals that lack of space is not significantly correlated with adequate income in Croatia but it is the case in the former Yugoslav Republic of Macedonia and Turkey, where households having inadequate incomes report lack of space significantly more often than those with adequate incomes.<sup>42</sup> Thus, especially in Croatia, lack of space seems to be not only a matter of affordability but also the result of an inadequate housing stock; formerly state-owned buildings are dominated by small dwellings such as one-room and two-room flats (Bejaković and Lipovčan, 2007, p. 23). Shortage of space is an urban phenomenon in all three countries but, surprisingly, differences are not significant in Turkey despite the rapid and widespread urbanisation there.

<sup>42</sup> The exact values for shortage of space are reported in Table A4, see Annex II.

The gender dimension is only relevant in Turkey, with more women reporting a shortage of space.

Age differences are again only significant in Turkey, where the highest proportion of people reporting a lack of space can be found in the middle age group.<sup>43</sup>

Households with children report lack of space at a significantly higher level in all three countries.

## Local environment

In addition to the standard of accommodation, the local conditions around one's place of residence are important for people's well-being and satisfaction with the overall housing situation. Of the three candidate countries, the environmental situation seems to be worst in the former Yugoslav Republic of Macedonia and best in Croatia (Anderson et al, 2009, p. 45).

The former Yugoslav Republic of Macedonia is the most affected country with respect to five out of six environmental problems (Question 54);<sup>44</sup> only with respect to water quality do more Turkish people complain (Table 8). Croatian people seem to have less reason to complain about all six environmental topics than is the case in the EU27. Furthermore, over 75% of the population of the former Yugoslav Republic of Macedonia report having multiple (that is, more than two) environmental problems<sup>45</sup> compared with less than 50% of Croatia's inhabitants. In Turkey, the share is 65%.

Looking at the different social groups and their frequency of reporting two or more environmental problems, significant differences in all candidate countries are found especially with respect to the living area, with more people in urban than in rural regions complaining about multiple problems. This is not very surprising, as problems such as noise, air pollution, lack of recreational areas, and crime and vandalism are typically more problematic in densely inhabited, more industrialised areas.

The income dimension, using deprivation as a proxy variable, plays a significant role only in Turkey, where deprived people report multiple environmental problems at a lower rate (63%) than people not suffering from deprivation (71%). No significant differences appear in Croatia and the former Yugoslav Republic of Macedonia. This finding seems to be quite common for post-Communist countries as housing policy was influenced by family size and not by income during the Communist era, and thus poor and rich people (still) tend to live together in the same neighbourhood (Mărginean et al, 2006, p. 23).

Again, age and gender have a significant influence only in Turkey. Young people aged between 18 and 34 years report having the most multiple environmental problems (72%), followed by people aged between 35 and 64 years (61%), while only 43% within the oldest age group complain about the local environment. This might be related to the fact that a greater share of young Turkish people live in urban areas (for example, because of labour migration), with more

<sup>43</sup> The stratification regarding age is not possible for Croatia because the number of respondents aged 65 years or more is too small.

<sup>44</sup> Question 54: Please think about the area where you live now – I mean the immediate neighbourhood of your home. Do you have very many reasons, many reasons, or no reason at all to complain about each of the following: a) noise; b) air pollution; c) lack of access to recreational or green areas; d) water quality; e) crime, violence or vandalism; f) litter or rubbish in the street. (1) Very many reasons; (2) Many reasons; (3) A few reasons; (4) No reason at all; (5) Don't know.

<sup>45</sup> Categories 1–3 (Question 54) are grouped together. Splitting this index in a binary variable gives 'environproblems' = 0 (less than two problems) and 'environproblems' = 1 (two or more problems).

problems reported there. But it could also be argued that younger people are in general more critical about environmental topics. The gender split reveals Turkish women to be more aware of multiple environmental problems (68%) than men (62%). Having children was expected to have a significant impact on people’s awareness of the environment, but this was not confirmed by the data.

EQLS results further show that Croatia is the country with the biggest spatial differences regarding four out of six environmental issues. Lack of access to recreational or green areas and crime, violence or vandalism are reported 2.7 times as often in urban than in rural areas; the corresponding values for noise and air pollution are 2.4 each, for litter or rubbish in the street the ratio is 2.2 and 1.4 for water quality.

Table 8: *Environmental problems, by type of settlement (%)*

	Noise		Air pollution		Lack of access to recreational or green areas		Water quality		Crime, violence or vandalism		Litter or rubbish in the street	
	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban
HR	18	43	19	45	18	48	23	33	16	43	22	49
MK	37	57	44	73	46	69	52	62	38	54	72	81
TR	27	55	23	60	43	62	41	66	25	52	36	55

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 54: Please think about the area where you live now – I mean the immediate neighbourhood of your home. Do you have very many reasons, many reasons, or no reason at all to complain about each of the following: a) noise, b) air pollution, c) lack of access to recreational or green areas, d) water quality, e) crime, violence or vandalism, f) litter or rubbish in the street. (1) Very many reasons, (2) Many reasons, (3) A few reasons, (4) No reason at all, (5) Don’t know. Results for categories (1) to (3) are grouped together. ‘Don’t knows’ are excluded.

Source: *EQLS, 2007*

Turkey reports the biggest spatial gaps with respect to air pollution and water quality of the three countries with an urban to rural ratio of 2.6 to 1.6. Differences regarding the type of settlement area seem to be less pronounced in the former Yugoslav Republic of Macedonia, as environmental problems are reported at quite a high level in urban as well as in rural areas. Urban to rural ratios range from 1.1 for litter or rubbish in the street to 1.7 for air pollution.

### Availability of facilities

Another aspect of local environmental quality, which has not been analysed at country level so far, is the availability of certain facilities (a food store or post office, for example) in the immediate neighbourhood (Question 55).<sup>46</sup> These facilities help to improve everyday life, enhance the possibility of participating in the labour market or having a social life, and improve environmental conditions.

First results, available only for the CC3 cluster, lead to the hypothesis that the considered infrastructure is less developed in these countries, particularly in rural areas, compared with the NMS12 or the EU27 averages (Anderson et al, 2009, p. 43). However, looking at each country separately reveals considerable cross-country differences (Table 9). The great majority of the population in Croatia and the former Yugoslav Republic of Macedonia report having a food store in the vicinity. According to EQLS data, this seems to be the case for only every second person in Turkey.<sup>47</sup> Having a post office within walking distance is again more common in Croatia and the former Yugoslav Republic of Macedonia. The banking

<sup>46</sup> Question 55: Still thinking about your immediate neighbourhood, are there any of the following facilities available within walking distance? a) a food store or supermarket, b) post office, c) banking facilities, d) cinema, theatre or cultural centre, e) public transport facilities (bus, metro, tram, etc.), f) recycling facilities. (1) Yes, (2) No, (3) Don’t know.

<sup>47</sup> An astonishing result because Turkey is a country with many food stores.

infrastructure seems to be better developed in Croatia compared with the former Yugoslav Republic of Macedonia and Turkey. Country differences are less distinctive regarding cinemas. Public transport is provided at a rather good level in all candidate countries, although EQLS data provide no information about the quality (for example, the frequency) of service. Large cross-country differences become evident when looking at recycling facilities, which are only reachable within walking distance for 11% of the population in the former Yugoslav Republic of Macedonia. This result is not surprising, as recycling facilities were not introduced there until 2008, when the recycling of plastic bottles began.

Table 9: *Availability of facilities within walking distance (%)*

	Food store	Post office	Banking facilities	Cinema, theatre or cultural centre	Public transport facilities	Recycling facilities
HR	91	73	58	30	85	53
MK	96	67	43	25	70	11
TR	50	54	43	25	74	27

Notes: Question 55: Still thinking about your immediate neighbourhood, are there any of the following facilities available within walking distance? a) a food store or supermarket, b) post office, c) banking facilities, d) cinema, theatre or cultural centre, e) public transport facilities (bus, metro, tram, etc.), f) recycling facilities. (1) Yes, (2) No, (3) Don't know.

'Don't knows' range from 2% in Croatia to 11% in the former Yugoslav Republic of Macedonia and 15% in Turkey.

Source: *EQLS, 2007*

Rural–urban disparities appear to be the most relevant in analysing socio-demographic indicators with respect to the availability of facilities within walking distance. Turkey is the country reporting the greatest spatial differences regarding each infrastructural facility; for example, food stores, banking facilities or recycling facilities can be found within walking distance more than four times as often in urban than in rural areas (Figure A5, Annex II).

## Satisfaction with accommodation

In all probability, the perceived overall satisfaction with accommodation (Question 40-4)<sup>48</sup> is influenced by the standard of accommodation and the local environmental situation (besides other variables). Not surprisingly, as Croatia reports fewer problems regarding most aspects of housing and the local environment, it also has the highest mean value regarding satisfaction with accommodation (6.9) in the cross-country comparison, being some distance from Turkey (6.3) and the former Yugoslav Republic of Macedonia (6.1). Previous reports (Anderson et al, 2009, p. 44) point out that overall satisfaction with accommodation is positively correlated with home ownership while, in general, no significant differences are reported between men and women, and variations with respect to age seem to be only small.

Table 10 shows the results of a regression analysis with overall satisfaction with accommodation as the dependent variable.<sup>49</sup> According to the regression model, the satisfaction with accommodation for the 'reference' case<sup>50</sup> is predicted to be 5.9 in Croatia, 7.2 in the former Yugoslav Republic of Macedonia and 6.6 in Turkey.

<sup>48</sup> Could you please tell me on a scale of 1 to 10 how satisfied you are with your accommodation where 1 means you are very dissatisfied and 10 means you are very satisfied?

<sup>49</sup> Independent variables: age classes (reference group: middle aged), type of settlement (reference group: urban), gender (reference group: male), having child(ren) (reference group: having no child(ren)), making ends meet (reference group: making ends meet not easily, but without difficulty), ownership (reference group: tenant or living rent free), multiple accommodation problems (reference group: less than two accommodation problems), not being able to keep home adequately warm (reference group: being able to keep home adequately warm), multiple (at least two) environmental problems (reference group: less than two environmental problems), number of facilities within walking distance, health status (reference group: very good or good health), WHO mental health index, and satisfaction with family life (Question 40, reference group: medium satisfaction with family life).

<sup>50</sup> Reference case: middle-aged man, living in an urban area, having children, living in a household making ends meet not easily, but without difficulty, owning ones home or living rent free, without multiple accommodation or environmental problems, being able to keep the home warm, having a country mean of facilities within walking distance, reporting a very good or good health status, having a country mean mental health index as well as being averagely satisfied with family life.

Table 10: Regression model for overall satisfaction with accommodation

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
Constant	4.748	0.000	6.160	0.000	5.701	0.000
age_young (ref = age_middle)	0.070	0.705	<b>-0.458</b>	<b>0.024</b>	-0.169	0.175
age_old (ref = age_middle)	<b>0.495</b>	<b>0.003</b>	0.153	0.433	<b>0.631</b>	<b>0.001</b>
rural (ref = urban)	-0.177	0.247	-0.176	0.242	-0.018	0.889
female (ref = male)	0.190	0.141	<b>0.504</b>	<b>0.000</b>	-0.053	0.615
children (ref = no child(ren))	-0.272	0.111	<b>-0.782</b>	<b>0.000</b>	0.053	0.692
makeendsmeet_easily (ref = makeendsmeet_normal)	<b>0.478</b>	<b>0.006</b>	<b>0.771</b>	<b>0.002</b>	<b>0.576</b>	<b>0.000</b>
makeendsmeet_difficult (ref = makeendsmeet_normal)	<b>-0.574</b>	<b>0.000</b>	<b>-0.478</b>	<b>0.003</b>	<b>-0.607</b>	<b>0.000</b>
ownership (ref = tenant or living rent free)	<b>0.635</b>	<b>0.000</b>	0.187	0.301	<b>0.424</b>	<b>0.000</b>
accproblems (ref = less than two accommodation problems)	<b>-1.372</b>	<b>0.000</b>	<b>-1.445</b>	<b>0.000</b>	<b>-1.388</b>	<b>0.000</b>
not able to keep home warm (ref = able to keep home warm)	-0.069	0.761	<i>-0.301</i>	<i>0.094</i>	<b>-0.348</b>	<b>0.002</b>
environproblems (ref = less than two environmental problems)	0.108	0.421	<i>-0.303</i>	<i>0.081</i>	<b>-0.356</b>	<b>0.002</b>
number of facilities within walking distance (Eurofound)	<b>0.108</b>	<b>0.014</b>	0.074	0.123	0.024	0.429
fair, bad or very bad health (ref = very good or good health)	<i>-0.261</i>	<i>0.082</i>	0.028	0.869	<b>-0.287</b>	<b>0.014</b>
WHO mental health index (Eurofound)	<b>0.049</b>	<b>0.000</b>	0.019	0.137	<b>0.033</b>	<b>0.000</b>
satisf_familylife_high (ref = satisfaction_familylife_medium)	<b>1.503</b>	<b>0.000</b>	<b>1.785</b>	<b>0.000</b>	<b>1.532</b>	<b>0.000</b>
satisf_familylife_low (ref = satisfaction_familylife_medium)	<b>-0.651</b>	<b>0.009</b>	<b>-1.384</b>	<b>0.000</b>	<b>-1.814</b>	<b>0.000</b>
R squared adj.	0.382		0.451		0.398	
n	873		849		1,715	

Notes: Data unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which the overall satisfaction with accommodation would change should the variable increase by one unit.

R squared adj. = R-squared adjusted in statistical terms.

ref = reference.

Source: *EQLS, 2007*

Comparing the regression models for the three countries, it can be seen that the estimated coefficients for young people are only significant and negative in the former Yugoslav Republic of Macedonia, meaning that the overall satisfaction with accommodation declines if the respondent is aged between 18 and 34 years. The overall satisfaction is significantly higher for people aged 65 years or more in Croatia and Turkey.

Not living in an urban area does not have a significant influence on the overall satisfaction with accommodation in any country. The advantages of living in rural areas (for example, better environmental conditions) and disadvantages (such as having fewer facilities available within walking distance) seem to ‘cancel’ each other out.

Somewhat surprisingly, gender differences are only significant in the former Yugoslav Republic of Macedonia, and not, as might be expected, in Turkey. Being a woman in the former Yugoslav Republic of Macedonia increases the overall satisfaction with accommodation. Having children is, again, only significant in the former Yugoslav Republic of Macedonia, but in this case, it reduces satisfaction (perhaps because lack of space becomes more relevant).

As expected, the proxy variable for income ('making ends meet') has a significant influence on satisfaction with accommodation in all three countries. Satisfaction increases for people making ends meet easily, with the most relevant effect in the former Yugoslav Republic of Macedonia. Owning the home (outright or with a loan or mortgage) significantly increases satisfaction with accommodation only in Croatia and Turkey.

Having two or more accommodation problems has a negative influence in all three countries. Not being able to keep one's home adequately warm or facing multiple environmental problems are significant only in Turkey, reducing overall satisfaction with accommodation. The availability of one more facility within walking distance slightly enhances overall satisfaction with accommodation in Croatia.

A bad health status only significantly decreases overall satisfaction with accommodation in Turkey, while a better mental health status significantly increases overall satisfaction with accommodation in Croatia and Turkey.

Satisfaction with family life plays an important role in all three countries. If people are very satisfied with their family life, the overall satisfaction with accommodation rises; if satisfaction with family life is reported to be low, it falls quite strongly.

The regression does not include the variables educational attainment level and employment status, as both are strongly correlated with income. Good education in general enhances people's employment chances and thus their income prospects. Not surprisingly, people with at least post-secondary or tertiary education do report higher mean values regarding satisfaction with accommodation than people with only secondary education. In Croatia, the mean value is 7.7 for people having at least a post-secondary or tertiary education, and 6.8 for those with secondary education. The mean values for the former Yugoslav Republic of Macedonia are 7.1 vs. 5.9 and for Turkey 6.6 vs. 6.3; thus Turkey is the country with the smallest (and not statistically significant) difference. Regarding employment, results are comparable. Croatians in employment report a mean value for satisfaction with accommodation of 7.2 compared with 6.5 for non-employed persons. The values for the former Yugoslav Republic of Macedonia are 6.3 vs. 5.5 and the values for Turkey 6.6 vs. 5.5.

## Conclusions and policy pointers

A good home is essential for effective integration into employment and society. Inadequate housing standards and poor local environmental and infrastructural conditions present a number of problems, reported particularly by the Turkish population, while Croatians clearly have better housing perspectives. The former Yugoslav Republic of Macedonia appears to be the most affected candidate country in terms of local environmental problems.

Despite the high rate of ownership without mortgages or loans, housing costs seem to be a heavy burden for many people, particularly in the former Yugoslav Republic of Macedonia and Turkey. Thus, maintaining the physical housing stock is problematic, particularly for households with inadequate incomes, who report having multiple (at least two) accommodation problems at significantly high levels in all candidate countries. Urban citizens in the former Yugoslav Republic of Macedonia, women in Turkey and people aged 35 years or more in Croatia form the most affected social groups, reporting at least two accommodation problems. Shortage of space is not correlated with income in Croatia and seems to be the result of the inadequate housing stock there.

Looking at local environmental conditions around people's place of residence reveals the former Yugoslav Republic of Macedonia to be the most affected candidate country. More problems are reported by urban residents in all candidate countries than rural ones. Croatia reveals the biggest spatial differences regarding four out of six environmental problems. Turkey reports the biggest spatial gaps regarding air pollution and water quality. Such differences are less

pronounced in the former Yugoslav Republic of Macedonia, as the environmental situation there is quite problematic in both urban and rural regions.

Analysing the availability of certain infrastructure facilities within walking distance reveals considerable cross-country differences. Turkish people report a lower provision of food stores or post offices in the vicinity, while the availability of recycling facilities seems to be very rare in the former Yugoslav Republic of Macedonia. The biggest differences with respect to type of settlement can be found in Turkey, with a much better provision level in urban than rural areas.

After analysing the reported housing and local environmental problems in the three candidate countries, it is necessary to investigate whether, and to what extent, these and other variables influence people's perceived overall satisfaction with accommodation, which is reported to be highest in Croatia and lowest in the former Yugoslav Republic of Macedonia. Multiple accommodation problems seem to be related to a lower level of perceived overall satisfaction with accommodation in all three countries. In addition, overall satisfaction with family life is interrelated with satisfaction with accommodation.

The following policy pointers (detailed in Chapter 11 'Policy messages') can be derived.

- As adequacy of housing is strongly related to income, income policies should be at the top of the policy agenda. Fiscal instruments and grants for low-income homeowners might be a way of enabling people to improve the standard of their accommodation.
- Social and municipal housing should be enlarged in all three countries to make adequate housing affordable for the lowest income groups.
- Housing policies should help to overcome existing spatial mismatch and inadequate housing stocks.
- The development of a market for rental property seems to be relevant particularly for Croatia and the former Yugoslav Republic of Macedonia.
- With regard to the local environmental situation, policy activities should focus on urban areas as problems are reported more frequently there.

# Health and access to health services 6

Good health has a significant impact on life satisfaction (Anderson et al, 2009). Although the organisation and funding of the health care system is the responsibility of each country, the significance of good health is central to the EU's public health strategy (European Commission, 2007). The universal relation between income and health is well established. With EU enlargement, the diversity in health and access to health services among Member States has increased. Future challenges in Europe will be the ageing of the population and mental health.

Previous Eurofound research focused on health and access to health services in European countries (Anderson et al, 2009), with country studies highlighting the individual situation for Croatia and Turkey (Bejaković and Lipovčan, 2007; Rose and Özcan, 2007). The most important findings about the CC3 country cluster were as follows:

- the CC3, like the NMS12, has higher proportions of people reporting poor health;
- more women report bad health than men;
- poor health and chronic illness is a major problem among older people;
- mental health declines with age and rises with income;
- access to health care is generally very difficult, but depends on the type of settlement.

From the country reports, it is known that the perceived health status of Turkish people is quite high, that rather unhealthy lifestyles<sup>51</sup> have been established in Croatia (UNDP, 2006) and that there are big differences in the public health systems – the latter is important when comparing the countries. In Croatia, 97% of people are covered by the public health system, but combating corruption in health services is one of the major issues in improving accessibility and the adequacy of the health care system (Bejaković and Lipovčan, 2007).<sup>52</sup> In Turkey, the percentage of the population not covered under any kind of health insurance has fallen to less than 20% (Aran-Kazanci and Hentschel, 2008).

This chapter focuses on self-rated health status, chronic illness or disability, mental well-being, people's satisfaction with health, and access to health care. In all three countries, health is seen as a vital contributor to quality of life.<sup>53</sup> Summarising the answers 'important' and 'very important', 94% of the Croatian respondents reported that good health was at least 'important' for their quality of life, whereas 89% said this in the former Yugoslav Republic of Macedonia and 99% in Turkey.

## Health status

Self rating of health status<sup>54</sup> is a good measure for establishing patterns and differences between countries. In Croatia, 46% of the respondents rate their health fair, bad or very bad. This figure is 38% in the former Yugoslav Republic of Macedonia and 35% in Turkey (Figure 9). In the following discussion, a 'fair', 'bad' or 'very bad' health status is grouped to focus on respondents who do not rate their health status as 'very good' or 'good'.

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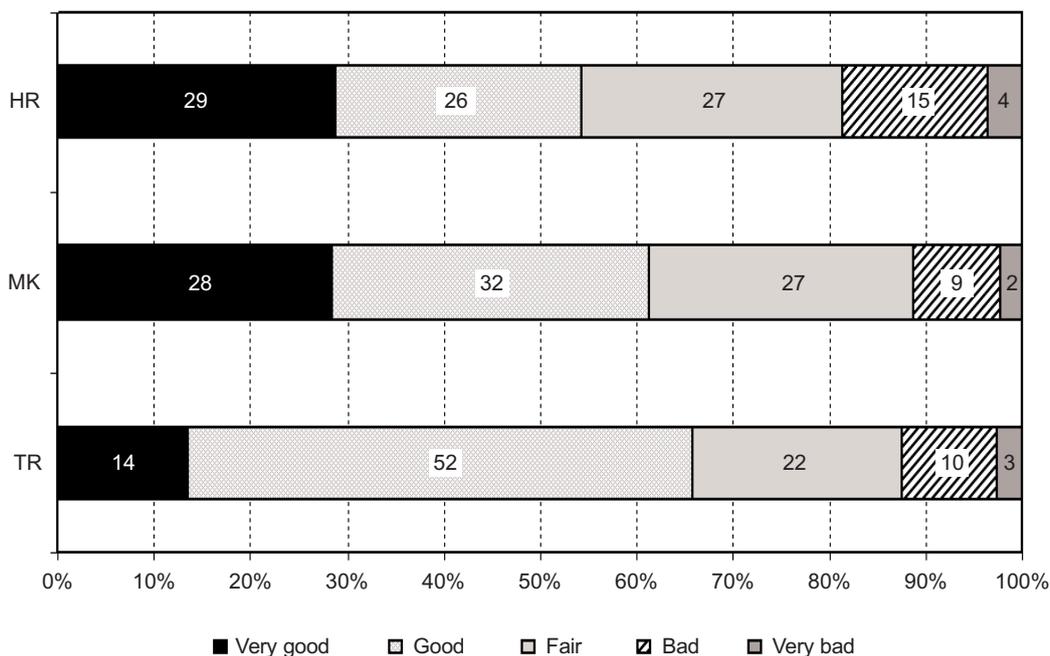
<sup>51</sup> Poor nutrition, smoking, alcohol, abuse of narcotic substances, excessive weight, insufficient physical activity, etc.

<sup>52</sup> Corruption is relatively widespread and deeply rooted in Croatia. There are almost no signs of improvement: In Transparency International's Corruption Perception Index (CPI), Croatia was placed 64th out of 180 countries in 2007 and 62nd out of 168 countries in 2010.

<sup>53</sup> Question 41: Please tell me how important good health is in your quality of life: very important, important, neither important nor unimportant, not important, not at all important, don't know.

<sup>54</sup> Question 43: In general, would you say your health is very good, good, fair, bad, very bad, don't know.

Figure 9: Self-rated health status (%)



Note: Question 43: In general, would you say your health is very good, good, fair, bad, very bad, don't know? 'Don't knows' are not presented.

Source: EQLS, 2007

In all three countries, the risk of reporting a bad health status rises with age. In Turkey, more than a fifth of young people report a fair, bad or very bad health status while notably fewer young people do in Croatia and the former Yugoslav Republic of Macedonia. However, in Croatia and the former Yugoslav Republic of Macedonia, the proportion of old people with a fair, bad or very bad health status is more than 10% higher than in Turkey.

In all three candidate countries, the situation of women is worse than that of men. The biggest gender difference is seen in Turkey.

In Croatia, living in a rural residence raises the risk of reporting a fair, bad or very bad health status significantly. This fact can be associated with the extraordinary regional discrepancies in accessing health care. Bejaković and Lipovčan (2007) pointed out the inadequate territorial spread of medical services in Croatia: despite a relatively high allocation of funds, the provision of health services in Croatia has been concentrated in large urban centres (Zagreb) while rural areas have poorly equipped health institutions (UNDP, 2006). In the former Yugoslav Republic of Macedonia and Turkey, the share is about the same for rural and urban areas. Turkey has made considerable progress in expanding health insurance coverage and has improved access to health services, particularly for those living in rural areas (World Bank, 2010b).

Income situation has a major influence on health in general. As a binary proxy variable for income situation, the question about households 'making ends meet' is used.<sup>55</sup> In all three countries, the risk of reporting a fair, bad or very bad health

<sup>55</sup> Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don't know. If the household can make ends meet very easily, easily or fairly easily, the household's income situation is defined as 'adequate'. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household's income situation is defined as 'inadequate'.

status rises when the household's income is inadequate; the share of people reporting such a status is (nearly) doubled in such cases<sup>56</sup> (Table 11). This is in line with Sucur and Zrinscak (2007, p. 663) who identified that household income is a good predictor of one's health.

Table 11: *Fair, bad or very bad health status (%)*

	<b>HR</b>	<b>MK</b>	<b>TR</b>
Age 18–34	<b>14</b>	<b>12</b>	<b>22</b>
Age 35–64	<b>50</b>	<b>45</b>	<b>41</b>
Age 65+	<b>79</b>	<b>78</b>	<b>68</b>
Men	<b>40</b>	<b>33</b>	<b>25</b>
Women	<b>51</b>	<b>43</b>	<b>43</b>
Rural area	<b>53</b>	37	33
Urban area	<b>38</b>	40	35
Adequate income *	<b>33</b>	<b>20</b>	<b>20</b>
Inadequate income *	<b>54</b>	<b>47</b>	<b>39</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Fair, bad and very bad health status are grouped (Question 43: In general, would you say your health is very good, good, fair, bad, very bad, don't know?)

\* Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don't know? If the household can make ends meet very easily, easily or fairly easily, the household's income situation is defined as 'adequate'. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household's income situation is defined as 'inadequate'.

Source: *EQLS, 2007*

## Chronic (longstanding) illness and disability

Chronic (longstanding) illness and disability is a growing future challenge in Europe because of the ageing of the population. Previous reports suggest that, especially in the NMS12 and CC3, there is a higher prevalence of chronic illness among women (Anderson et al, 2009, p. 48).

The proportion of respondents stating that they suffer from a chronic (longstanding) illness or disability was 32% in Croatia, 17% in the former Yugoslav Republic of Macedonia and 21% in Turkey.<sup>57</sup> In all candidate countries, having a longstanding illness becomes more common with age. Croatia stands out due to the rather high percentage within old and middle-aged people, where one-third of the middle aged and almost two-thirds of old people report that they suffer from a chronic illness (Table 12).

Looking at the situation of women compared with men, a significant gender difference can only be identified for Turkey. Croatia shows a significant difference between living in a rural or urban area. Like self-rated health status, suffering from a longstanding illness is associated with the household's income situation: in all three countries, living in a household without adequate income (nearly) doubles the chance of suffering from a chronic illness (Table 12).

<sup>56</sup> In connection with the household's income, the deprivation situation and the level of educational attainment also have to be mentioned. Households with difficulty in making ends meet usually have problems in affording things too. Following economic theory, deprivation is often a problem among the population with 'at most secondary education'. Being deprived and being educated at most on the secondary level also raises the risk of reporting a fair, bad or very bad health status.

<sup>57</sup> Question 44: Do you have any chronic (longstanding) physical or mental health problem, illness or disability? Yes, no, refusal, don't know. With regard to an outstanding rate of reported disability in Croatia, the post-war syndrome could be among the causes.

Table 12: *Suffering from a chronic illness (%)*

	HR	MK	TR
Age 18–34	8	5	10
Age 35–64	33	19	26
Age 65+	64	39	55
Men	29	15	16
Women	34	18	26
Rural area	35	16	22
Urban area	28	18	20
Adequate income *	24	9	10
Inadequate income *	37	20	25

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 44: Do you have any chronic (longstanding) physical or mental health problem, illness or disability? Yes, no, refusal, don't know.

\* Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don't know? If the household can make ends meet very easily, easily or fairly easily, the household's income situation is defined as 'adequate'. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household's income situation is defined as 'inadequate'.

Source: *EQLS, 2007*

People with a chronic illness were also asked if they are hampered in their daily activities. The percentage of people suffering from longstanding illness without problems in daily life activities was 17% in Croatia, 10% in the former Yugoslav Republic of Macedonia and 12% in Turkey. In Turkey, half of the people report that they are severely hampered in their daily activities by chronic illness; in Croatia and the former Yugoslav Republic of Macedonia, the percentage was much lower (36% and 29% respectively); 46% of the Croatian, 60% of the Macedonian and 38% of the Turkish people are hampered to some extent by chronic illness (Figure A6, Annex II).

Chronic illness often deteriorates one's well-being as measured by the mental health index (MHI). For all three countries, the mean difference is significant (the former Yugoslav Republic of Macedonia 5.1, Turkey 3.0, Croatia 2.6). In the former Yugoslav Republic of Macedonia, being severely hampered by chronic illness nearly halves the mean mental health index (Table A5, Annex II).

## Mental well-being

An initial look at mental well-being in the three countries uses the mental health index (MHI).<sup>58</sup> In Croatia and the former Yugoslav Republic of Macedonia, the overall mean MHI is about 14 (Croatia 14.0; the former Yugoslav Republic of Macedonia 13.6) whereas in Turkey it is significantly lower (11.7). Previous reports point out that the MHI falls with age and rises with income – most clearly in the CC3 and the NMS12 (Anderson et al, 2009); there are more positive responses among men than women in the CC3.

Regression analysis was performed to see how age, income and gender affect mental well-being in the countries concerned. Chronic health problems, environmental problems, type of settlement and satisfaction with family life were

<sup>58</sup> Question 46: Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks. 'I have felt cheerful and in good spirits'. 'I have felt calm and relaxed'. 'I have felt active and vigorous'. 'I woke up feeling fresh and rested'. 'My daily life has been filled with things that interest me' (all the time, most of the time, more than half of the time, less than half of the time, some of the time, at no time). Total on all statements (0–5), amounting to a potential score from zero to 25. A higher score means better mental health.

used as additional explanatory variables. Suffering from a chronic illness or disability was found to affect life quality in general and overall health status in particular. It may hamper daily life activities, or even prevent the person holding down a job, leading step-by-step to social exclusion.

The underlying hypothesis is that suffering from chronic illness is accompanied by mental health problems. The type of settlement may also influence mental health: living in a rural settlement without good future prospects (for example, if the labour market situation is bad) may have an effect on mental health. Otherwise, it is assumed that a rich and fulfilling family life may influence mental health positively. Finally, it is possible that extensive environmental problems (noise, air pollution, crime, litter, etc.) may also affect mental health.

Table 13 contains the results of a regression analysis with the MHI as the dependent variable.<sup>59</sup> According to the regression model, the MHI would have a rather similar predicted value for mental health for the ‘reference case’<sup>60</sup> in Croatia (15.0) and Turkey (14.3), but an explicitly higher predicted value for mental health in the former Yugoslav Republic of Macedonia (17.8).

Table 13: *Regression model for mental health index (MHI)*

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
<b>Constant</b>	14.966	0.000	17.753	0.000	14.295	0.000
<b>age_young (ref = middle aged)</b>	<b>0.850</b>	<b>0.039</b>	<b>1.992</b>	<b>0.000</b>	0.369	0.198
<b>age_old (ref = middle aged)</b>	-0.507	0.256	-0.814	0.128	<i>-0.865</i>	<i>0.098</i>
<b>rural (ref = urban)</b>	<i>0.600</i>	<i>0.098</i>	<b>-0.811</b>	<b>0.041</b>	<b>-0.890</b>	<b>0.002</b>
<b>female (ref = male)</b>	<b>-0.752</b>	<b>0.028</b>	<b>-1.074</b>	<b>0.005</b>	-0.323	0.243
<b>deprived (ref = not deprived)</b>	<b>-1.338</b>	<b>0.001</b>	<b>-1.816</b>	<b>0.000</b>	<b>-1.918</b>	<b>0.000</b>
<b>makeendsmeet_easily (ref = make ends meet normal)</b>	<b>1.654</b>	<b>0.000</b>	<b>0.365</b>	<b>0.613</b>	<b>1.560</b>	<b>0.000</b>
<b>makeendsmeet_difficult (ref = make ends meet normal)</b>	<b>-1.633</b>	<b>0.000</b>	<b>-1.208</b>	<b>0.008</b>	<b>-2.206</b>	<b>0.000</b>
<b>chronic_healthprob (ref = no chronic health problem)</b>	<b>-1.715</b>	<b>0.000</b>	<b>-2.548</b>	<b>0.000</b>	<b>-3.004</b>	<b>0.000</b>
<b>environproblems (ref = less than two environmental problems)</b>	<b>-0.769</b>	<b>0.032</b>	<b>-3.568</b>	<b>0.000</b>	<b>-1.062</b>	<b>0.000</b>
<b>satisf_familylife_low (ref = satisfaction with family medium)</b>	<b>-1.427</b>	<b>0.029</b>	<b>-1.867</b>	<b>0.003</b>	<b>-2.008</b>	<b>0.002</b>
<b>satisf_familylife_high (ref = satisfaction with family medium)</b>	<b>0.221</b>	<b>0.000</b>	<b>1.758</b>	<b>0.000</b>	<b>1.554</b>	<b>0.000</b>
<b>R squared adj.</b>	0.197		0.276		0.210	
<b>n</b>	902		863		1,809	

Notes: Data unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which the MHI would change should the variable increase by one unit.

R squared adj. = R-squared adjusted in statistical terms.

ref = reference.

Source: *EQLS, 2007*

<sup>59</sup> Independent variables: age classes (reference group: middle aged), gender (reference group: male), type of settlement (reference group: urban), deprived (reference group: not deprived) and making ends meet (reference group: making ends meet not easily, but without difficulty), chronic health problems (reference group: no chronic health problems), environmental problems (Question 54, reference group: less than two environmental problems) and satisfaction with family life (Question 40, reference group: medium satisfaction with family life).

<sup>60</sup> Reference case: middle-aged man living in an urban area and in a household making ends meet not easily, but without difficulty, being not deprived, without suffering from a chronic illness, having less than two environmental problems and being averagely satisfied with family life.

The estimated coefficients of the regression models for the three countries indicate that:

- being young raises the MHI in all three candidate countries;
- living in a rural area lowers it in the former Yugoslav Republic of Macedonia and in Turkey, but not in Croatia;
- being a woman lowers it in Croatia and in the former Yugoslav Republic of Macedonia, but not in Turkey.

While traditional household structures dominate in Turkey and women are accustomed to them, in Croatia and the former Yugoslav Republic of Macedonia the proportion of full-time homemakers is lower than in Turkey. The unfavourable labour market situation and work–life balance problems among the employed may explain why the MHI for Croatian and Macedonian women is significantly lower than for women in Turkey.

In all three countries, deprivation and making ends meet as proxy variables for income have a high impact on mental well-being. Being deprived or having difficulty making ends meet lead to an explicitly lower MHI; this is most pronounced in Turkey. Conversely, if a Croatian or a Turkish household can make ends meet easily the MHI rises. Suffering from chronic illness has a significant negative effect; this is worst in Turkey. In all three countries, being exposed to two or more environmental problems (noise, air pollution, litter, crime, etc.) also lowers the MHI, with an extraordinarily large negative effect in the former Yugoslav Republic of Macedonia. High satisfaction with family life raises the MHI and lower satisfaction reduces the MHI. In Turkey, which has the most traditional family structures, the impact of lower satisfaction with family life is the greatest.

Separate analysis was carried out with respect to employment status because it is strongly linked to income situation. In general, the labour markets of all three countries are characterised by a high proportion of ‘inactive’ people who are not part of the official labour market. Indeed, in Croatia the mean MHI for the group ‘inactive other’ is at nearly the same level as that for employed people. Generally, linking the MHI with employment status gives a rather diffuse picture in all three countries (Table A8, Annex II). A clearer picture is given by mean MHI versus educational attainment level.<sup>61</sup> In all three countries, people with a tertiary education report a significantly higher mean value for mental health. The maximum difference of -3.3 is found in the former Yugoslav Republic of Macedonia; the difference in Croatia is -1.1 and in Turkey it is -1.5 (Table A6, Annex II).

### Satisfaction with health

Mean satisfaction with health<sup>62</sup> is similar in all three candidate countries (Croatia 6.9, the former Yugoslav Republic of Macedonia 6.8 and Turkey 7.0). Previous research reveals that people’s satisfaction with health falls with age and rises with income in all European countries. Moreover, a gender difference is apparent among the Mediterranean countries in the EU15, but is most striking in the CC3 (Anderson et al, 2009).

Regression analysis was performed for the three countries to prove whether age, income and gender have an effect on people’s satisfaction with health and what kind of effect they have. Type of settlement, chronic health problems, quality of health services, MHI, having children, difficulties of seeing a doctor in case of need and satisfaction with family life were used as additional variables. It was found that chronic illness or disability affects life quality in general and people’s

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<sup>61</sup> Question 49: What is the highest level of education you completed? ISCED 0 (no education completed) to ISCED 6 (tertiary education advanced level) and don’t know. Lower than ISCED 4 is defined ‘at most secondary educated’; ISCED 4 and more is defined ‘post-secondary and tertiary educated’.

<sup>62</sup> Question 40: Could you please tell me on a scale of 1 to 10 how satisfied you are with your health where 1 means very dissatisfied and 10 very satisfied?

satisfaction with health in particular. The type of settlement may also have an influence. It can be assumed that people with a good health status will rate the quality of health services at a fairly high level. Good mental health is often accompanied by good physical health and vice versa. Having children changes life quality in general and perhaps also people's satisfaction with health. Difficulties in seeing a doctor in case of need (distance to health service, delay, waiting time, cost for doctor) may also influence the overall satisfaction with health. Finally, there is the hypothesis that a rich and fulfilling family life may influence the overall satisfaction with health positively, taking into account the importance of family as a source of social support in the candidate countries.

Table 14 shows the results of a regression analysis with people's satisfaction with health as the dependent variable.<sup>63</sup> According to the regression model, the satisfaction with health for the 'reference' case<sup>64</sup> in Croatia is predicted to be 7.2, in the former Yugoslav Republic of Macedonia 6.8 and in Turkey 6.6.

Table 14: *Regression model for people's satisfaction with health*

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
<b>Constant</b>	5.997	0.000	5.418	0.000	5.903	0.000
<b>age_young (ref = middle aged)</b>	<b>0.886</b>	<b>0.000</b>	<b>0.798</b>	<b>0.000</b>	<b>0.308</b>	<b>0.009</b>
<b>age_old (ref = middle aged)</b>	<b>-0.921</b>	<b>0.000</b>	<b>-1.273</b>	<b>0.000</b>	-0.279	0.135
<b>rural (ref = urban)</b>	<b>-0.427</b>	<b>0.002</b>	-0.115	0.396	0.109	0.288
<b>female (ref = male)</b>	-0.168	0.218	<b>-0.281</b>	<b>0.038</b>	<b>-0.347</b>	<b>0.001</b>
<b>makeendsmeet_easily (ref = make ends meet normal)</b>	-0.027	0.885	-0.157	0.521	<b>0.375</b>	<b>0.017</b>
<b>makeendsmeet_difficult (ref = make ends meet normal)</b>	<b>-0.695</b>	<b>0.000</b>	0.150	0.327	<b>-0.441</b>	<b>0.000</b>
<b>chronic_healthprob (ref = no chronic health problem)</b>	<b>-2.059</b>	<b>0.000</b>	<b>-1.568</b>	<b>0.000</b>	<b>-2.057</b>	<b>0.000</b>
<b>qualityhealthservices</b>	<b>0.071</b>	<b>0.015</b>	<b>0.072</b>	<b>0.015</b>	<b>0.049</b>	<b>0.017</b>
<b>WHO mental health index</b>	<b>0.063</b>	<b>0.000</b>	<b>0.077</b>	<b>0.000</b>	<b>0.037</b>	<b>0.000</b>
<b>child(ren) (ref = no child(ren))</b>	-0.144	0.424	<b>-0.653</b>	<b>0.001</b>	0.037	0.774
<b>difficultdoctor (ref = less than two problems of seeing a doctor)</b>	<b>-0.305</b>	<b>0.033</b>	<b>-0.411</b>	<b>0.004</b>	<b>-0.461</b>	<b>0.000</b>
<b>satisf_familylife_low (ref = satisfaction with family life medium)</b>	<b>-0.852</b>	<b>0.001</b>	<b>-0.859</b>	<b>0.000</b>	<b>-1.606</b>	<b>0.000</b>
<b>satisf_familylife_high (ref = satisfaction with family life medium)</b>	<b>1.259</b>	<b>0.000</b>	<b>1.725</b>	<b>0.000</b>	<b>1.521</b>	<b>0.000</b>
<b>R squared adj.</b>	0.538		0.520		0.400	
<b>n</b>	879		841		1,732	

Notes: Data unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which the overall satisfaction with health would change should the variable increase by one unit.

R squared adj. = R-squared adjusted in statistical terms.

ref = reference.

Source: *EQLS, 2007*

<sup>63</sup> Independent variables: age classes (reference group: middle aged), gender (reference group: male), type of settlement (reference group: urban), making ends meet (reference group: making end meet not easily, but without difficulty), chronic health problems (reference group: no chronic health problem), quality of health services (Question 56), Mental Health Index, having children (reference group: no child(ren)) difficulty of seeing a doctor (Question 47, reference less than two problems in case of doctor's need) and satisfaction with family life (reference group: medium satisfaction with family life).

<sup>64</sup> Reference case: middle-aged man living in an urban area and in a household making ends meet not easily, but without difficulty, without suffering from a chronic illness, having no child(ren), having less than two problems when seeing a doctor in case of need, having a country mean mental health index and a country mean rating for the quality of health services as well as being averagely satisfied with family life.

The estimated coefficients of the regression models for the three countries indicate that:

- young people have a higher satisfaction with health in all three countries;
- old people have a lower satisfaction in Croatia and the former Yugoslav Republic of Macedonia but not in Turkey.
- living in a rural area lowers people's satisfaction with health only in Croatia.

This last finding is in line with that of Sucur and Zrinscak (2007) who also identified a statistically significant difference between rural and urban residents in Croatia.

Women have a lower level of satisfaction with health than men in the former Yugoslav Republic of Macedonia and Turkey. This fits with the relatively high percentage of women with a rather bad self-rated health status in Turkey. In contrast to expectation, the proxy variable for income (making ends meet) does not have a significant impact on people's satisfaction with health in the former Yugoslav Republic of Macedonia. In Croatia and Turkey, the satisfaction falls when the household can make ends meet but with difficulty and rises in the case of Turkey by about the same amount if the household can make ends meet easily.

Having a chronic illness has a negative effect on satisfaction with health in all three candidate countries. Quality of health services has a significant positive effect, meaning a higher rating of the quality of health services is accompanied by a higher satisfaction with health. The same applies for mental health: a higher value of the MHI goes with a higher satisfaction with health. Having children does not influence satisfaction with health in Croatia or Turkey, but plays an important role in the former Yugoslav Republic of Macedonia. Having great difficulty in seeing a doctor reduces people's satisfaction with health. Satisfaction with family life also plays an important role in all three countries: if people are very satisfied with their family life, their satisfaction rises; if not, it falls. In Turkey, with the most traditional family structure, a low satisfaction with family life shows the highest negative impact on a low family satisfaction.

Separate analysis was carried out with respect to level of educational attainment because it is strongly linked to income situation. There are significant differences between people educated to 'at most secondary level' and those with 'post-secondary and tertiary education' in all three countries. People with 'at most secondary education' report a significantly lower mean value of satisfaction with health. The difference between people with 'at most secondary education' and 'post-secondary and tertiary education' is about the same in all countries: Croatia -1.1, the former Yugoslav Republic of Macedonia -1.1, Turkey -0.9 (Table A7, Annex II).

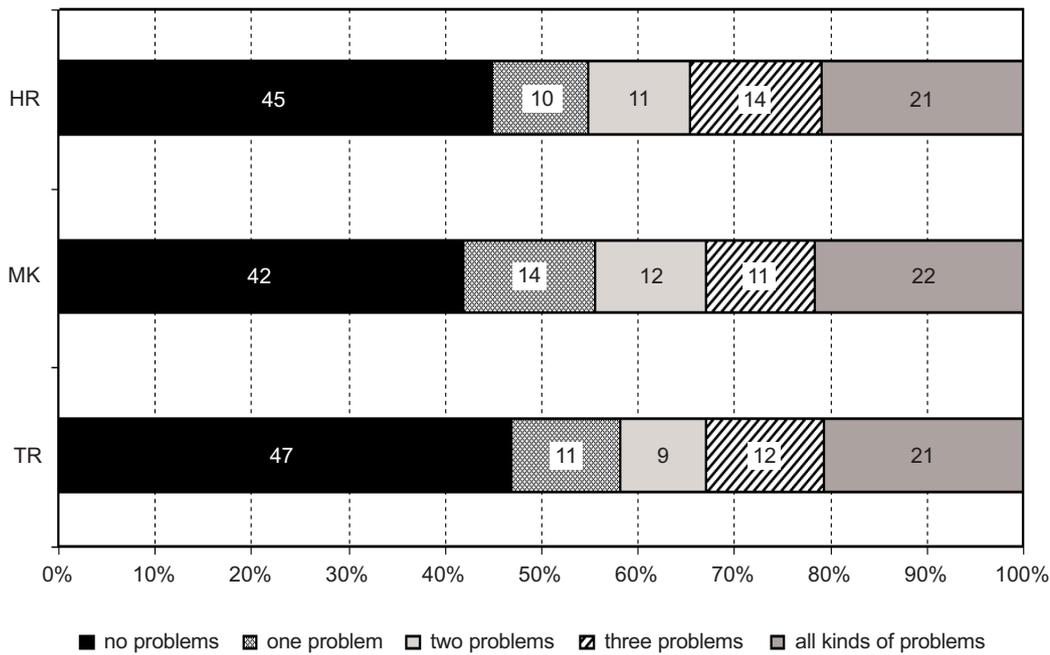
### Access to health care

In general, the quality of health services<sup>65</sup> is rated rather low in all three countries (Croatia 5.0, the former Yugoslav Republic of Macedonia 4.8, Turkey 5.9). Previous research points out that access to health services is a particular problem in the CC3 and NMS12. Low income in particular is a barrier to accessing health care; severe barriers to access are not generally more common in rural than in urban areas (Anderson et al, 2009). In fact, 55% of the Croatian, 58% of the Macedonian and 53% of the Turkish respondents report having at least one problem with seeing a doctor in case of need (Figure 10).

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<sup>65</sup> Question 56: In general, how would you rate the quality of health services where 1 means very dissatisfied and 10 very satisfied?

Figure 10: Problems with seeing a doctor in case of need (%)



Note: Question 47: On the last occasion you needed to see a doctor, to what extent did each of the following factors make it difficult for you to do so? Distance to doctor/hospital/medical centre; delay in getting appointment; waiting time to see doctor on day of appointment; cost of seeing doctor. Very difficult, a little difficult, not difficult at all, not applicable, don't know. Percentages presented include answers 'very difficult' and 'a little difficult'.

Source: *EQLS, 2007*.

Looking at the different kinds of problems, findings for Croatia, the former Yugoslav Republic of Macedonia and Turkey are comparable with respect to the delay of getting an appointment and waiting time at the doctor. In the former Yugoslav Republic of Macedonia, the most frequently reported problems are the costs of seeing a doctor (as a result of the high unemployment rate and low wages) (Table A9, Annex II).

Living in a household without adequate income is strongly related to problems in accessing health care. This applies for all three countries, but the most demanding situation is identified for Croatia. Moreover, in Croatia living in a rural area is associated with a higher likelihood of having more than one problem of seeing a doctor while in the former Yugoslav Republic of Macedonia the same applies to living in an urban area, although the figure is not statistically significant. This finding is in line with the conclusion that people living in urban areas are more dissatisfied with the general conditions in the local hospitals than those in rural areas (Bartlett et al, 2010b).

In Croatia and the former Yugoslav Republic of Macedonia, accessing health care is not associated with gender, but it is in Turkey. Only 38% of Turkish men report having more than one problem of seeing a doctor while 46% of Turkish women do. In Turkey, accessing health care is not age-related. In Croatia and the former Yugoslav Republic of Macedonia, middle-aged and old people are more often confronted with problems in accessing health care than young people (Table 15).

Table 15: *More than one problem with seeing a doctor in case of need (%)*

	HR	MK	TR
Age 18–34	29	29	42
Age 35–64	50	50	41
Age 65+	56	61	44
Men	43	45	<b>38</b>
Women	47	44	<b>46</b>
Rural area	54	43	43
Urban area	36	46	40
Adequate income	30	33	26
Inadequate income	56	50	47

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 47: On the last occasion you needed to see a doctor, to what extent did each of the following factors make it difficult for you to do so? Distance to doctor/hospital/medical centre; delay in getting appointment; waiting time to see doctor on day of appointment; cost of seeing doctor. Very difficult, a little difficult, not difficult at all, not applicable, don't know. Summing up all answers 'very difficult' and 'little difficult' provides an index from 0 (no problems) to 4 (all kind of problems)

Source: *EQLS, 2007*

## Conclusions and policy pointers

Keeping in mind that objective and subjective indicators of health are not always consistent and that subjective health status as a measure of health is associated with response instability,<sup>66</sup> the analysis has underlined the existence of social inequalities in health and access to health services in all three countries but also identified considerable differences between them.

In Turkey, a fifth of young people report a fair, bad or very bad health status, while in Croatia and the former Yugoslav Republic of Macedonia, it is half that amount. In Croatia and the former Yugoslav Republic of Macedonia, about 80% of old people report a fair, bad or very bad health status while in Turkey this figure is much lower.

A significant gender difference is identified in Turkey and there is a significant difference regarding type of settlement in Croatia. Being deprived, not being able to make ends meet or being at most educated to secondary level implies a multiple risk of having a fair, bad or very bad health status in all three candidate countries. Putting it simply, poverty is a significant cause of illness and poor health. In Turkey, the situation of persons severely hampered by chronic illness should be highlighted.

Looking at mental health, it should be taken into consideration that for those suffering from chronic illness, difficulties in making ends meet and a low satisfaction with family life have a strong negative impact in all three candidate countries. Moreover, in the former Yugoslav Republic of Macedonia, having two or more environmental problems has a considerable negative influence too. The most positive impact on mental health is given by making ends meet easily in Croatia, and a high satisfaction of family life in the former Yugoslav Republic of Macedonia and Turkey (in agreement with their still strong traditional family structures).

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<sup>66</sup> Responses differ on what people mean by health (absence of illness, sense of well-being).

Concerning people's satisfaction with health, it has to be pointed out that for all three candidate countries the largest negative effects arise through suffering from a chronic illness, being old and having a low satisfaction with family life. Moreover, in Turkey having at least two problems with seeing a doctor in case of need has a considerable negative influence too. The largest positive impact on overall satisfaction with health is given by a high satisfaction of family life in all three countries, followed by being young.

Concerning access to health care, all three candidate countries show considerable percentages of people with at least one problem of seeing a doctor in case of need. In Croatia and the former Yugoslav Republic of Macedonia, middle-aged and old people in particular are confronted with problems accessing health care. In Turkey this is more associated with women and in Croatia with living in a rural area. Low income multiplies the risk of problems with access to health care in all three candidate countries.

The following policy pointers (detailed in Chapter 11 'Policy messages') can be derived.

- The data reveal the major impact of the household's income situation on perceived health and access to health care in all three candidate countries. Reducing poverty and social exclusion by raising the employment level in the formal labour market in line with the Europe 2020 strategy will also enhance people's health situation.
- Social groups facing problems in relation to health and access to health care differ in the three candidate countries. In Croatia, people living in a rural area are more likely to face such problems than people living in an urban area. In Croatia and the former Yugoslav Republic of Macedonia, old people also face problems in this regard, and in Turkey this applies particularly to women. This should be taken into consideration in shaping health care reforms.
- Being severely hampered in daily life activities by a chronic illness or disability is strongly related to a poor mental (health) situation in all three candidate countries. This highlights the need of programmes for those people.
- Regarding the high impact of the environment on people's mental well-being, programmes for the improvement of air and water quality, noise prevention, the provision of more recreational areas, and crime and litter prevention, should be strengthened.

# Perceived quality of society 7

The dimensions of societal (not only individual) well-being are part of EU social policy. Public policies at different levels are responsible for setting rules, guaranteeing security and even mitigating tensions in society (Rose and Newton, 2010). This chapter analyses the perceived quality of selected public services in the social field, political participation and volunteering, as well as social capital, with an emphasis on trust in people and institutions.

## Perceived quality of public services

Improvement of public services in the candidate countries is a key policy issue promoting social inclusion in line with the renewed EU social policy agenda (European Commission, 2008) and of particular concern for the national authorities of these countries within the EU accession process. This analysis questions whether distinctive patterns of perceived quality of public services (the education system, childcare services, care services for elderly people and the state pension system) can be found for the candidate countries by looking at selected social groups. It aims to highlight specific features of the public services for each country and to reveal possible demands for their improvement.

### Perceived quality of the education system

Education is a crucial factor for efficient integration into the labour market and social inclusion (UNDP, 2006; Rose and Özcan, 2007; Bartlett et al, 2009). In this respect, the quality of the education system is crucial. On average, the perceived quality of education systems in the candidate countries is lower than those in the EU27 (6.3). The lowest mean rating (5.2) is observed in the former Yugoslav Republic of Macedonia, with somewhat higher scores in Turkey (5.8) and Croatia (5.9).

Based on the analysis of the perceived quality of public education systems by various social groups, some significant differences in mean ratings can be established (Table A10, Annex II). The mean score for young people in Croatia is higher than that of people from other age groups. This could be seen as a positive outcome since young people are in general more directly concerned with the education system. In Turkey, the mean rating for older people is higher, which may reflect their approval of the developments in education compared with the past. Turkish women evaluate the education system more highly than men, which could be related to their growing inclusion in society and in education.

Significant urban–rural differences in the mean ratings of the education system are found for all three candidate countries. In Croatia, the average assessment by people in urban areas (6.2) is higher than that of rural residents (5.7). In contrast, those living in Macedonian rural areas evaluate the education system more highly than urban residents (5.4 and 5.0 respectively). Although the recent expansion of new higher education facilities (some of them private) throughout the country has increased the education opportunities available, it has created concerns about the quality of education and requires effective regulation (Bartlett et al, 2009, p. 44).

In Turkey, a similar pattern is observed: the mean rating of the education system in rural areas (6.0) exceeds that of urban residents (5.7). In addition, people with ‘at most secondary education’ evaluate the quality of the education system on average 0.7 points higher than those with higher education. These results could be associated with the extension of primary education to all children and the spread of secondary education, while the competitive entrance to universities is limiting access to higher education and the demand for university places considerably exceeds supply (Rose and Özcan, 2007, pp. 23, 36). With the opening of new universities,<sup>67</sup> however, the shortage of university places is likely to have eased in comparison to 2007.

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<sup>67</sup> The Council of Higher Education (*Yükseköğretim Kurumu*) and the Student Selection and Placement Centre (*Öğrenci Seçme Yerleştirme Merkezi*).

In addition, assessments of the quality of the education system differ significantly by income level.<sup>68</sup> The mean ratings are lower for people living in households with inadequate income, which could be because insufficient income can prevent access to education.

### Perceived quality of care services for children and elderly people

While the average ratings of the perceived quality of public childcare services and care services for elderly people in the candidate countries are lower than those in the EU27 in general, the lowest mean scores for childcare services (4.9) and for care services for elderly people (4.1) are observed in the former Yugoslav Republic of Macedonia.

The analysis of the perceived quality of public care services in Croatia and the former Yugoslav Republic of Macedonia needs to take into account the changes in the socioeconomic context of the countries in the past 20 years and their impact on the quality of services. During the transition period, the old systems of public care underwent reforms, but at a rather slow pace. Recent developments include the process of decentralising responsibilities for public care services from central to regional or local governments, with the aim of bringing them closer to the users' needs. Other trends are related to the emergence of new services provided by private companies or non-profit organisations and the development of non-institutional care provision (Donevska et al, 2007; Bartlett et al, 2010b; World Bank, 2010c).

Given the relatively lower employment rate of women in the candidate countries (see Fact sheets, Annex I) and the traditional family structures (especially in Turkey but also in the former Yugoslav Republic of Macedonia), only some parents deal with childcare services. Insufficient care provision also hinders the inclusion of women in paid work. The enrolment rates in formal childcare are rather low in the candidate countries.

In 2007–2008, the gross ratios of children aged up to two years in early childcare were 14.7% in Croatia and 6.5% in the former Yugoslav Republic of Macedonia. The net pre-primary education enrolments in Croatia were 59.4% (children aged 3–6 years), while in the former Yugoslav Republic of Macedonia they were markedly lower at 22.8% (children aged 3–5 years). Those attending private institutions in Croatia make up 12.3% of all children in pre-primary education.<sup>69</sup> In the former Yugoslav Republic of Macedonia, the net enrolment rate in public institutions for care and education of children (0–6 years) is 12.8%,<sup>70</sup> but people also use the new private childcare services if they find them available and affordable.<sup>71</sup> In Turkey, the enrolment rate of children (3–5 years) in formal care/early education was only 16% in 2006 but rose to 23.8% in 2008 (OECD family database).<sup>72</sup>

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<sup>68</sup> Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don't know? If the household can make ends meet very easily, easily or fairly easily, the household's income situation is defined as 'adequate'. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household's income situation is defined as 'inadequate'.

<sup>69</sup> TransMONEE 2010 database. Note: Children in early childcare: gross ratios, percentage of children aged 0–2 years; children at age 0–2 years in all types of childcare establishments are considered. Pre-primary education enrolments: net rates, percentage of population aged 3–6 years in Croatia and since 2007 children aged 3–5 years in the former Yugoslav Republic of Macedonia.

<sup>70</sup> The overall number of children taken care of within the kindergarten group at a certain age for children complying with the age defined by law, and divided by the number of the population usually covering that specific age group. According to the amendments of the law for primary and lower secondary education (Official Gazette of the Republic of Macedonia No. 51/2007), since 2007–2008 the preparatory group in primary education (O group), is covered in primary education (State Statistical Office of the former Yugoslav Republic of Macedonia, 2010).

<sup>71</sup> In the former Yugoslav Republic of Macedonia, the modernisation of state-owned childcare services may be an issue. Although there are many new private childcare providers in bigger cities, there are large discrepancies in terms of quality, standards and cost. Family income and how much parents are able and willing to pay determine the quality of childcare they receive.

<sup>72</sup> OECD family database, PF3.2 'Enrolment rates of children under age of 6 in formal care or early education services' (2006 data extracted on August 2010, 2008 data – on 20 June 2011), [http://www.oecd.org/document/4/0,3746,en\\_2649\\_34819\\_37836996\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/4/0,3746,en_2649_34819_37836996_1_1_1_1,00.html).

The analysis based on EQLS 2007 data reveals some significant differences in the mean ratings of the quality of public childcare services by different social groups (Table A11, Annex II). In Croatia and the former Yugoslav Republic of Macedonia, young people give a more positive evaluation of these services than the middle aged. In Croatia, this might be related to the recent developments in this field, for example the opening of new kindergartens in a range of municipalities, cities and towns that had not previously offered (organised) pre-school programmes (Ministry of Science, Education and Sports, 2007). The mean rating of childcare services of urban residents (5.9) is significantly higher than the score of people living in rural areas (5.3), possibly indicating that people in rural areas may not have sufficient access or that the quality of services is comparatively low. In Turkey, old people give higher scores to the childcare services compared with young people – again, the elderly might be acknowledging the improvements in comparison with the past.

A significant difference in the mean ratings of people by adequacy of the household's income is found for all three countries. It is relatively high in the former Yugoslav Republic of Macedonia (0.9 points), but also visible in Croatia (0.4 points) and Turkey (0.5 points), indicating possible problems with affordability of the services.

Institutional care for the elderly in Croatia is supplied by a range of facilities managed by regional or local governments, by private companies and by non-governmental organisations (NGOs). Non-institutional care services are also offered. Although spouses, especially women, are still primarily caregivers for elderly and informal care, which is also provided by friends and neighbours, the needs of formal services are expected to grow due to the large share of old people living alone, mainly women, and the weakening of the traditional social systems (World Bank, 2010c).

In the former Yugoslav Republic of Macedonia, care for old people is traditionally provided by family members at home and relatively few public care services are provided for the elderly (Bartlett et al, 2010b, p. 20). There are private homes for the elderly, but due to their high fees they are not affordable to a big part of the population (Minovski, 2007). Voluntary home care services have been established by NGOs, but they face problems with financial sustainability. Diverse forms of non-institutional care provision are in the process of development (Bartlett et al, 2010b). Thus, the particularly low mean rating of public care services for the elderly as seen in the EQLS 2007 data might be related to the limited availability and quality of institutional care (Minovski, 2007; Donevska et al, 2007, p. 74).

In Turkey, care for the elderly is traditionally and primarily provided by the (extended) family, and formal care services concern a rather small part of the population (State Planning Organisation, 2007).

Looking at the perceived quality of public care services for elderly people based on EQLS 2007 data (Table A12, Annex II), the mean rating of people living in urban areas (4.8) is significantly higher than that for rural residents (4.2) in Croatia. Also, in the former Yugoslav Republic of Macedonia the mean score of urban residents exceeds somewhat that of people living in rural areas. These disparities may reflect the need to extend services in rural areas (see also Minovski, 2007; Bartlett et al, 2010b; World Bank, 2010c).

### **Perceived quality of the pension system**

Among the candidate countries, the mean rating of perceived quality of pension system is lowest in Croatia (3.4); scores for the former Yugoslav Republic of Macedonia (4.6) and Turkey (4.8) are similar to those of the EU27 (4.8).

The very low mean rating for the pension system in Croatia could be related to:

- the lower level of pensions<sup>73</sup> resulting from the system's reforms, economic consequences of the transition and budget constraints;
- the threat to the system's sustainability provoked by the unfavourable ratio of workers supporting one pensioner<sup>74</sup> (Bejaković and Lipovčan, 2007; Puljiz, 2007; Anušić, 2007; Guardiancich, 2010).

The current budget deficit<sup>75</sup> further augments the pressure on the pension system. Moreover, a fifth of the population over 65 years in Croatia does not receive a pension (UNDP, 2006; Census 2001), which increases the risk of poverty among the elderly.

In the former Yugoslav Republic of Macedonia, pension income is also at a low level (a consequence of very low salaries for many years), making pensioners vulnerable to poverty. Pension reforms are addressing this problem, but they will not benefit current pensioners (Bartlett et al, 2009, p. 93). In order to cope with the pension fund deficits based on the 'pay-as-you-go' model, a three-pillar system was adopted in 2002 (Bartlett and Xhumari, 2007).

The Turkish pension system has limited coverage because many people work without making social security contributions. Differences in entitlements from various social security funds still existed in 2007, by which funds for self-employed and manual workers provided lower pension entitlements than the fund for public employees (Rose and Özcan, 2007, p. 33; TurkStat, 2010). However, gross pension replacement rates are relatively high (over 80% in 2006: OECD, 2009). Social security reform lasting several years was enacted in 2008. It includes the merging of social insurance institutions (for workers, civil servants and the self-employed) and measures to reduce the social security deficit such as establishing a minimum number of contribution years before qualifying for a pension, increasing the retirement age and cuts to future pension benefits (OECD, 2007; Duyulmus, 2009; Aktug, 2010). These were not in force at the time EQLS 2007 was conducted.

In Turkey, the average score is higher for rural residents (4.9) than that for people living in urban areas (4.6) (Table A13, Annex II). Even though low pension entitlements could mean more in rural countryside where living costs are lower, this is surprising given that 'almost 90% of the agricultural population are employed in the informal sector and therefore deprived of any chance of ever qualifying for a pension' (Verbeken, 2007, p. 2).

As stated by Anderson et al (2009), people assess a pension system according to their own pension or estimated future pension. However, the mean evaluation of the pension system for people with inadequate household income is significantly lower in all candidate countries, and therefore the evaluation of the pension system may be related not only to the respondents' pension, but also to availability of other sources of income besides pensions.

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<sup>73</sup> According to the Croatian Institute for Health Insurance, the average pension is about 40% of the average wage (in June 2010 it was about €750) for persons who retired before 1999 and 28% for the so-called 'new pensioners'.

<sup>74</sup> According to the Croatian Institute for Health Insurance, the ratio was 1.41 to 1.0 in 2007.

<sup>75</sup> Central Bureau of Statistics of Croatia, Ministry of Finance of Croatia, Croatian National Bank.

## Political participation and volunteering

Social and political participation as well as involvement in voluntary activities are an important aspect of social inclusion and of the quality of society. Participation in political activities<sup>76</sup> in the candidate countries is at a relatively low level compared to the EU27 (11% of people reported having attended a meeting of a trade union or political party; 11% had contacted a politician and 13% had attended a demonstration). The share of people who had attended a meeting with a trade union or a political party was higher in the former Yugoslav Republic of Macedonia (9%) compared with Croatia and Turkey (both 6%). Participation in protest activities was higher in the former Yugoslav Republic of Macedonia (6%) and Turkey (7%) than in Croatia (4%). The proportion who had contacted a politician or public officer was 7% in the former Yugoslav Republic of Macedonia and 5% in Turkey, while the share for Croatia was even lower.

Reported voting levels<sup>77</sup> in the candidate countries are relatively high. The reported shares of voters in elections in Turkey (85%), the former Yugoslav Republic of Macedonia (80%) and Croatia (78%) exceed those of the EU27 (76%). The percentage of voters among young people is lower than that of other age groups, especially in Croatia (58%) compared with the former Yugoslav Republic of Macedonia (71%) and Turkey (76%). This signals greater withdrawal from political participation among the younger generation in Croatia.<sup>78</sup>

Volunteering in the candidate countries is lower in comparison with the EU27 (24%), with the lowest rate reported in Croatia (7%) (Table 16). At the same time, people in the candidate countries are involved to a greater extent in family-related types of unpaid work – housework and cooking or care activities (see Chapter 4 ‘Family life’). When the level of formal social participation in the candidate countries is contrasted with the one in economically advanced EU societies with high specialisation of the public space, the existence and importance of family and informal networks in these countries have to be taken into account.

Table 16: *Voluntary and charitable activities (%)*

	HR	MK	TR
<b>Voluntary and charitable activities, by them:</b>	7	15	16
At least once a week		5	5
Less often than once a week		10	11
Never	91	79	71

Notes: Question 36: ‘How often are you involved in any of the following activities outside of paid work? – d) voluntary and charitable activities. Daily involvement is not presented due to the lower involvement of people from the candidate countries in these activities. ‘Don’t know’ of 2% in Croatia, 5% in the former Yugoslav Republic of Macedonia and 13% in Turkey are included in the basic population but not presented.

Source: *EQLS, 2007*

<sup>76</sup> Question 20: Attendance of a (1) meeting with a trade union, political party or political action group; (2) attended a protest or demonstration, or signed petition; (3) contacted a politician or public official (other than routine contact arising from use of public services); ‘Yes’, ‘No’, ‘Don’t know’; The share of people who responded with ‘Yes’ is reported.

<sup>77</sup> Question 21: Some people don’t vote nowadays for one reason or another. Did you vote in the last (country) national election held in (month/year)? 1. Yes; 2. Yes, but I spoiled my ballot/left my ballot blank; 3. No; 4. Not eligible to vote; 5. Refusal and 6. Don’t know; The share of people who responded with ‘Yes’ is reported.

<sup>78</sup> Some of the young people (18–21 years) did not vote because they were under 18 at the time of the most recent general elections.

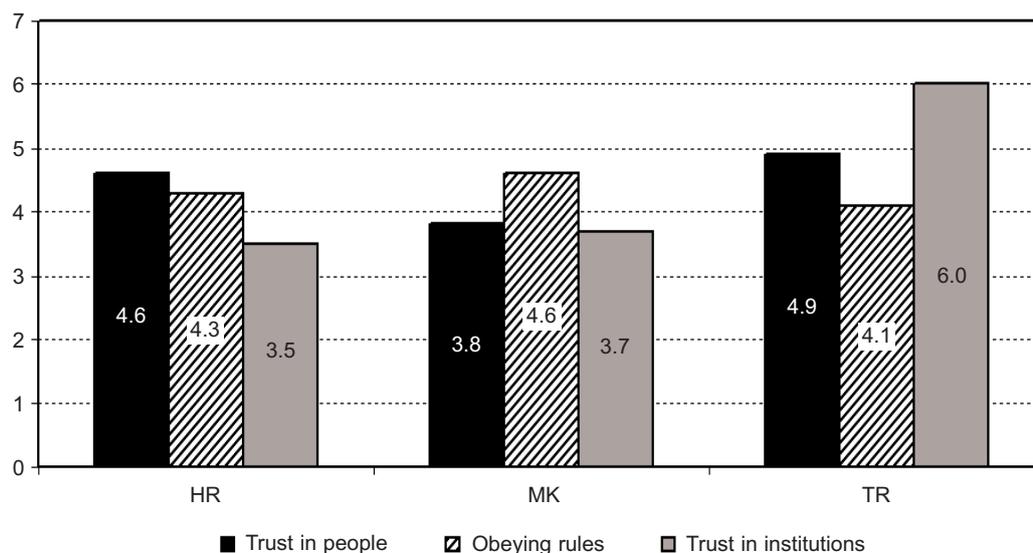
## Social capital

The analyses above give insights into two important aspects of the quality of society: perceived quality of public services and citizens' political participation. This section goes further in the investigation of social quality with a focus on trust as an important aspect of social capital; namely trust and cooperation between individuals and trust in institutions. From a policy point of view, trust in other people relates to their fair behaviour in obeying rules and cooperation and respect to others, while trust in institutions gives important indications about their effective functioning and delivering of services to citizens (see Putnam, 2000; Anderson et al, 2009, cited in Rose and Newton, 2010).

According to Anderson et al (2009), the candidate countries vary in the level of trust in people: the former Yugoslav Republic of Macedonia stands out with the second lowest mean level of trust (3.8) among the observed 31 European countries. The average interpersonal trust in Croatia (4.6) and Turkey (4.9) is near to that of the NMS12 (4.8), but below the EU27 (5.2). The third highest level of trust (6.0) in political institutions (parliament, government and political parties) is found in Turkey, just below the well-developed democratic societies Finland and Denmark. In contrast, the levels of trust in democratic institutions in the former Yugoslav Republic of Macedonia (3.4) and Croatia (3.1) are among the lowest in Europe.

The analysis undertaken here, including trust in all six types of institutions observed in EQLS 2007, confirms the above results for the candidate countries (Figure 11). People in Turkey reported the highest mean level of trust in institutions. Looking at the level of confidence in various types of institutions in Turkey, it is especially high in parliament, the legal system, the police and the government, but somewhat lower in the press and political parties. In Croatia and the former Yugoslav Republic of Macedonia, relatively lower mean levels of trust in institutions are reported. In Croatia, trust is lower in the parliament, the legal system, the government and the political parties, and higher in the press and the police. In the former Yugoslav Republic of Macedonia, confidence is lower regarding parliament, the legal system and political parties, and somewhat higher regarding the press, the government and the police (Table A14, Annex II). In terms of 'obeying rules', the mean score for Turkey is below that for Croatia and the former Yugoslav Republic of Macedonia, indicating a visible discrepancy between trust in institutions and the beliefs that people in the country respect the rules.

Figure 11: Mean level of trust in people, in institutions and of obeying rules



Notes: Question 23: Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people? Scale 1–10, 1 means that you can't be too careful and 10 means that most people can be trusted.

'Trust in institutions' index is the average of trust levels for six institutions asked in Question 27. Please tell me how much you personally trust in institutions: a) parliament; b) the legal system; c) the press; d) the police; e) the government; f) the political parties; continuous variable from 1: 'do not trust at all' to 10: 'trust completely'.

'Obeying rules' index is the average for three types of rules asked in Question 24. To what extent do you think that most people in the country obey the rules when it comes to: a) paying taxes; b) traffic laws; c) showing consideration for others in public places; continuous variable from 1 'do not obey the rules at all' to 10 'obey rules completely'.

Source: EQLS, 2007

Previous research (Anderson et al, 2009; Rose and Newton, 2010) reveals that trust in institutions in the EU27 is related to individual resources such as income and level of educational attainment enabling active social participation. It was found that age differences play a role, where older people indicate higher levels of trust in institutions. Moreover, regular religious service attendance increases trust in institutions. The ethnic composition of the neighbourhood was also found to have an effect on trust.

Regression analysis was applied to the candidate countries in order to examine the effect of a range of factors on trust in institutions. For Croatia and the former Yugoslav Republic of Macedonia, age differences in trust are assumed to reflect the extent of adaptation to new institutional conditions after the transition. In Turkey, differences in trust by social groups are expected in relation to modernisation trends such as the greater involvement of women in society and the increase in educational attainment among younger people. To explore whether diversities in trust exist between urban and rural areas, type of settlement is included in the model. Political participation is assumed to increase trust. Safety of neighbourhood<sup>79</sup> as an outcome of the institutional performance related to the services of security and police is also used in the regression model. According to EQLS 2007 data, 9% of people in Croatia, 18% in the former Yugoslav Republic of Macedonia and 22% in Turkey reported that they live in a ‘highly unsafe’ neighbourhood, that is, they have very many or many reasons to complain about ‘crime, violence and vandalism’. Including also the respondents who reported ‘a few reasons to complain’, the shares of people indicating to live in an ‘unsafe neighbourhood’<sup>80</sup> are 29% in Croatia, 44% in the former Yugoslav Republic of Macedonia and 39% in Turkey.

Indicators on social relations such as perceptions of ‘tensions in society’<sup>81</sup> are expected to reduce the trust in institutions. According to Anderson et al (2009, p. 58), over 50% of respondents in Croatia and the former Yugoslav Republic of Macedonia reported ‘a lot of tension’ between ‘poor and rich people’ and between ‘management and workers’. The respective shares in Turkey are lower (around a third of respondents).

Regarding perceived tensions between ‘ethnic groups’ and between ‘different religious groups’ around a third of respondents in all three countries report ‘a lot of tension’.<sup>82</sup> In addition, perceived ‘social exclusion’ in four domains<sup>83</sup> is included in the analysis and assumed to have a negative effect on trust in institutions.

Table 17 gives the results of the regression analyses with the ‘trust in institutions’ index as the dependent variable.<sup>84</sup>

<sup>79</sup> Question 54: Please think about the area where you live now – I mean the immediate neighbourhood of your home. Do you have (1) very many reasons, (2) many reasons, (3) a few reasons, or (4) no reasons at all to complain about each of the following problems, (5) Don’t know – e. Crime, violence or vandalism. ‘Don’t knows’ are included in the basic population.

<sup>80</sup> ‘Unsafe neighbourhood’ is defined by ‘very many, many and a few reasons’ to complain about ‘crime, violence and vandalism’.

<sup>81</sup> Question 25: In all countries there are sometimes tensions between social groups. In your opinion, how much tension is there between each of the following groups in this country? a) Poor and rich people; b) management and workers; c) men and women; d) old people and young people; e) different racial and ethnic groups; f) different religious groups. Answers: (1) A lot of tension; (2) Some tension; (3) No tension; (4) Don’t know.

<sup>82</sup> In Turkey, ‘a lot of tension’ between ‘different religious groups’ is reported by a lower share of people: 22%.

<sup>83</sup> Question 28: Please tell me whether you strongly agree, agree, neither agree or disagree, disagree or strongly disagree with each statement: d) I feel left out of society, e) Life has become so complicated today that I almost can’t find my way; f) I don’t feel the value of what I do is recognised by others; g) Some people look down on me because of my job situation or income.

<sup>84</sup> Independent variables: age classes (reference group: middle aged), type of settlement (reference group: urban), gender (reference group: male); education (reference group: at most secondary education), income adequacy (reference group: adequate income), attending a meeting with a trade union/political party (reference group: not attended meeting with trade union/political party), attending protest/demonstration (reference group: not attended protest/demonstration); contact politician (reference group: not contacted politician); voting (reference group: not voted, not eligible, spoiled or left ballot blank in the last national election); religious service attendance (reference group: less than twice a week); unsafe neighbourhood/crime, violence, vandalism (reference group: no reason to complain); social tensions: index (0–6) sum of ‘a lot of tension’ for six types of tensions between social groups see Question 25; social exclusion: index (0–4) sum of ‘strongly agree’ and ‘agree’ for four situation of social exclusion see Question 28; ethnic composition of neighbourhood (reference group: nobody/some of different ethnic group).

## Quality of life in Croatia, the former Yugoslav Republic of Macedonia and Turkey

The regression model predicts similar values for the trust in institutions for the 'reference' case<sup>85</sup> in Croatia (3.8) and the former Yugoslav Republic of Macedonia (3.5), with a noticeably higher value in Turkey (5.9).

Table 17: *Regression model for trust in institutions*

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
Constant	3.813	0.000	3.537	0.000	5.882	0.000
age_young (ref = age_middle)	<b>0.370</b>	<b>0.017</b>	0.156	0.306	-0.096	0.377
age_old (ref = age_middle)	<b>0.346</b>	<b>0.020</b>	0.109	0.531	<b>0.579</b>	<b>0.002</b>
rural (ref = urban)	-0.204	0.116	<b>0.376</b>	<b>0.006</b>	<b>0.365</b>	<b>0.001</b>
female (ref = male)	0.197	0.109	-0.080	0.535	<b>0.591</b>	<b>0.000</b>
inadequate income (ref = adequate income)	-0.115	0.380	-0.100	0.506	0.022	0.853
post-secondary and tertiary education (ref = at most secondary education)	0.097	0.576	0.064	0.751	<b>-0.670</b>	<b>0.000</b>
attended meeting with a trade union (ref = not attended meeting with a trade union)	0.215	0.441	<i>0.472</i>	<i>0.078</i>	-0.418	0.126
attended protest/demonstration (ref = not attended protest/demonstration)	-0.322	0.328	-0.297	0.336	<b>-1.062</b>	<b>0.000</b>
contacted politician (ref = not contacted politician)	0.624	0.100	0.079	0.787	-0.290	0.307
voted (ref = no, not eligible, spoiled ballot)	<b>0.310</b>	<i>0.053</i>	<b>0.400</b>	<b>0.020</b>	<i>0.247</i>	<i>0.089</i>
religious (ref = religious service attendance less than twice a week)	-0.585	0.124	-0.147	0.559	<b>0.439</b>	<b>0.002</b>
unsafe neighbourhood - crime, violence and vandalism (ref = no reason to complain)	-0.018	0.897	0.077	0.563	<b>-0.793</b>	<b>0.000</b>
social tensions: index from 0 to 6	<b>-0.187</b>	<b>0.000</b>	<b>-0.113</b>	<b>0.001</b>	<b>-0.125</b>	<b>0.000</b>
social exclusion: index from 0 to 4	<b>-0.224</b>	<b>0.000</b>	<b>-0.183</b>	<b>0.000</b>	<b>-0.141</b>	<b>0.003</b>
mixed area (ref = nobody or some of diff. ethnic group in the neighbourhood)	0.182	0.391	<b>0.694</b>	<b>0.001</b>	0.175	0.304
R squared adj.	0.083		0.052		0.166	
n	937		912		1,850	

Notes: Data are unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which the trust in institutions would change should the variable increase by one unit. Control for 'don't know' answers for 'area by ethnic composition' (people of different ethnic groups) is performed because of the large number of these answers in Turkey (these coefficients are not presented).

R squared adj. = R-squared adjusted in statistical terms.

ref = reference.

Source: *EQLS, 2007*

<sup>85</sup> Reference case: middle-aged man living in an urban area, with at most secondary education, living in a household with an adequate income situation, who has not attended a meeting with a trade union/political party, has not attended a protest/demonstration, has not contacted a politician (over the past year), has not voted, was not eligible to vote or spoiled/left ballot blank in the last national election, who attended religious service less than twice a week, who lives in a safe neighbourhood, who does not experience 'a lot of tension' between social groups and does not feel (strongly agree/agree) social exclusion and who lives in an area with nobody or some of different ethnic group.

In Turkey, trust in institutions is significantly higher for women, rural residents and people with ‘at most secondary education’. In line with previous research (Rose and Newton, 2010), older people also have a higher level of trust. These results could be related to the traditionally high level of trust in institutions in Turkey. Moreover, modernisation means that these social groups are becoming more integrated in society and acquiring greater confidence in institutions. Thus, larger segments of the population have high trust in institutions, which could be associated with the high level of trust in the country.

In Croatia, young people have a higher level of trust compared with the middle aged. In addition to the fact that young people are generally more optimistic, this finding confirms the assumption that young people living in times after the transition are likely to be better adapted to the new institutional conditions. As seen in previous research (Rose and Newton, 2010), older people have higher trust.

In the former Yugoslav Republic of Macedonia, levels of trust in institutions are also higher for rural residents. Moreover, people living in a mixed area in terms of neighbours of different ethnic groups have higher trust in institutions, suggesting that institutional performance is perhaps viewed in a better light by residents in those areas.

Regarding social participation, attending a meeting with a trade union or political party in the former Yugoslav Republic of Macedonia increases trust, while in Turkey, taking part in a demonstration reveals significant distrust in institutions. Voting activity reflects higher trust in institutions, with similar effects in all three countries. In Turkey, frequent religious service attendance, as an important form of social participation, raises trust levels. Living in an ‘unsafe’ neighbourhood significantly reduces the trust in institutions in Turkey. Feeling various social tensions or types of social exclusion are negatively associated with trust in institutions in all countries.

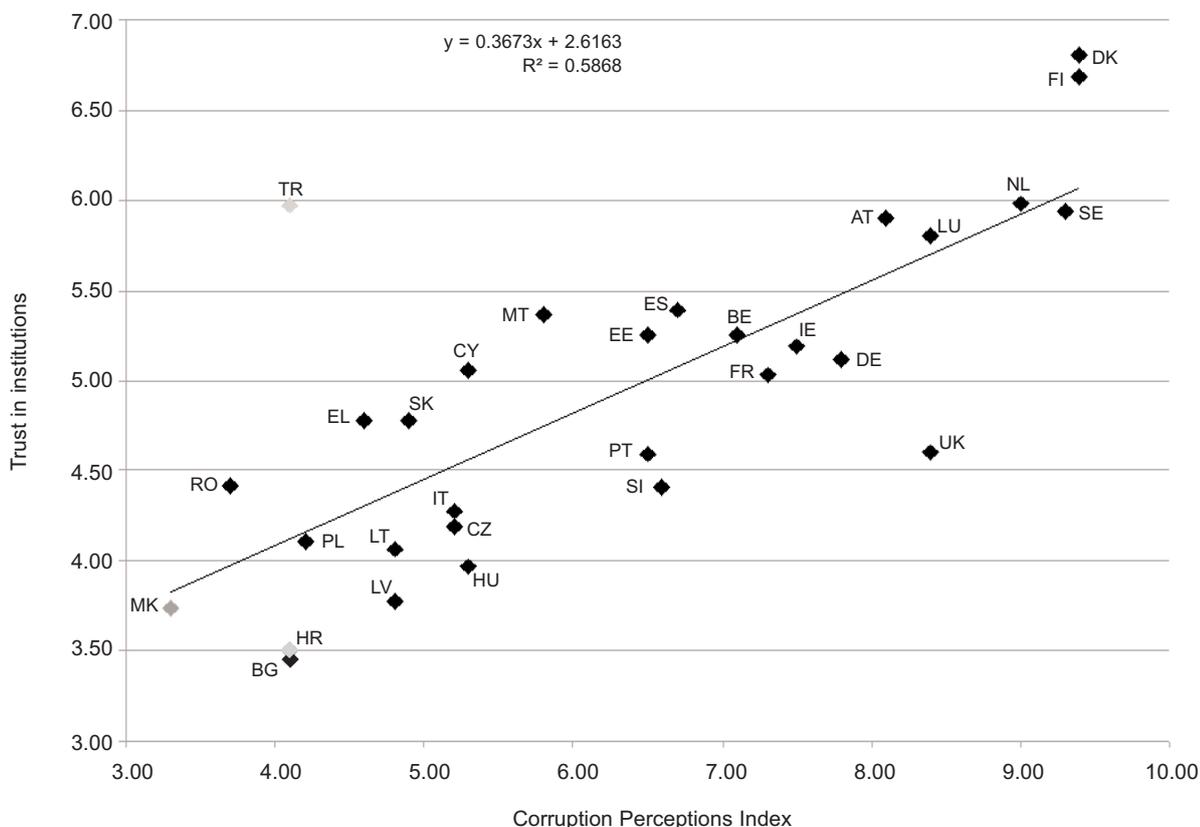
National context indicators, such as perceived public sector corruption, affect the trust in institutions (Rose and Newton, 2010, p. 36). Thus, a further analysis including use of the Corruption Perceptions Index (CPI) prepared by Transparency International was performed for all EU27 and candidate countries. The results show that, at a country level, a one-point rise in the CPI (meaning less corruption) leads to a 0.37 point rise in the trust in institutions (Figure 12). Although in all three countries the CPI is relatively low (HR: 4.1; MK: 3.3; TR: 4.1), trust in institutions is quite high in Turkey. Thus, the high perceived public sector corruption could, among other indicators, explain the lower levels of trust in institutions in Croatia and the former Yugoslav Republic of Macedonia. In Turkey, other factors seem to be of importance regarding the trust in institutions.

The high trust in institutions in Turkey based on EQLS 2007 is in line with other research. Data from the World Values Survey for 1999–2004 and from Eurobarometer 2007 confirm that trust in political institutions in Turkey is close to the EU15 average’ (cited in Watson et al, 2010, p. 45). The politics of structural reforms and economic growth after the economic crisis in 2001 in Turkey (World Bank, 2010a) might also affect the rise of trust in the government and the Prime Minister from 2002 to 2007 (Pew Research Center, 2010). The presidential and general elections<sup>86</sup> in 2007 may have had a positive effect on the trust in institutions. Yet, the Pew Research Center (2010) indicates that there was some decline of the trust in national government, but an increase in trust in the media between 2007 and 2010, which has to be monitored in the future.

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<sup>86</sup> <http://www.euractiv.com/en/enlargement/2007-elections-turkey/article-163039>.

Figure 12: Trust in institutions and Corruption Perceptions Index



Notes: CPI 2007: degree of public sector corruption as perceived by business people and country analysts; 10 (highly clean) – 0 (highly corrupt).

Population weighted country averages for the EQLS 2007 ‘trust in institutions’ index (average of trust levels for six institutions asked in Question 27).

Source: *Transparency International (2010) and EQLS 2007 ‘Trust in institutions’ index*

## Conclusions and policy pointers

In all candidate countries, inadequacy of household income is related to lower ratings of the public services. This could indicate difficulties in accessing education due to insufficient income, the inability to afford childcare services and services for elderly people, or inadequate pension income.

Urban–rural differences were found in rating of the education system: in Croatia the mean score is higher for urban residents, while in the former Yugoslav Republic of Macedonia and Turkey it is higher for rural residents. Due to fewer education options in rural areas, the available public system seems to be sufficient in the former Yugoslav Republic of Macedonia. The positive ratings may also be influenced by a recent expansion of higher education facilities (some of them private), which nevertheless requires regulation to ensure educational quality. In Turkey, higher scores given by rural residents and people with ‘at most secondary education’ may be due to the extension of primary and secondary education, while a lack of university places and difficult access to university education (very competitive entry examination) may influence the lower ratings given by urban residents and university graduates.

The significantly lower mean rating of the quality of care services for children and elderly people by rural residents in Croatia indicates possible urban–rural disparities in the coverage and quality of services. This might also be an issue in the former Yugoslav Republic of Macedonia as the mean scores of rural residents for the quality of care services for the elderly is somewhat below that of people living in urban areas.

Participation in political and voluntary activities in the candidate countries is lower than in the EU27 because people in these countries are more oriented to their family and friends than to broader society. Trust in institutions is at a low level in Croatia and the former Yugoslav Republic of Macedonia. In Turkey, where trust in institutions is high, women, older people, rural residents and people with ‘at most secondary education’ have upper levels of trust, indicating that larger parts of the population have higher confidence in institutions. Political participation increases levels of trust in the former Yugoslav Republic of Macedonia (meeting with a trade union/political party) and reveals distrust in Turkey (demonstration/protest). A perceived unsafe neighbourhood reduces trust in institutions in Turkey. In the former Yugoslav Republic of Macedonia, a large share of people also report that their neighbourhood is unsafe, providing signals for policies in this field. Feeling social tensions or social exclusion negatively affects trust in institutions. In addition, perceived public sector corruption could, among other indicators, explain the lower trust in institutions in Croatia and the former Yugoslav Republic of Macedonia. In Turkey, other factors seem to be of importance regarding trust in institutions.

The following policy pointers (detailed in Chapter 11 ‘Policy messages’) can be derived.

- As people living in households with inadequate income give a lower evaluation for the education system, supporting low-income groups in accessing education is important. Issues related to the regulation of the recent expansion of higher education facilities in the former Yugoslav Republic of Macedonia and to the extension of the access to university education in Turkey need to be addressed. Inclusion in education is in line with the Europe 2020 strategy, but it is dependent on the opportunities available in the candidate countries.
- Providing a good territorial coverage of public care services for children and elderly people is advised, including extension to rural areas (especially in Croatia, but also in the former Yugoslav Republic of Macedonia). Enhancing the quality and affordability of care provision in all candidate countries should be promoted.
- Ensuring adequate pension income for retired people in the candidate countries is crucial for their social inclusion. In Turkey, increasing social security coverage and provision of old-age benefits for a larger part of the population is a key policy issue.
- Supporting social and political participation as well as involvement in volunteering activities (for example, through building civil society organisations) is recommended for the candidate countries, especially for Croatia where political activity and volunteering are at a low level. The EU has already invested substantial funds in building a civil society in Croatia, but the effects on the quality of life will be felt in the longer term and would need to be monitored in future rounds of the EQLS.
- Considering that trust in institutions is low in Croatia and the former Yugoslav Republic of Macedonia, measures making government institutions more transparent, accountable and responsive to the public and reducing corruption must be promoted, since the quality of public governance is an explicit concern of the Europe 2020 strategy. Mitigation of tensions between social groups and social exclusion is also related to an increase of the trust in institutions. The strategies for addressing these issues would need to be country-specific.

# Subjective well-being 8

Subjective well-being is a complex concept reflecting the perceptions of individuals about their lives in general and specific life situations such as economic, employment, health, family and housing. Overall life satisfaction is a measure of well-being, closely related to the socioeconomic conditions in a country, which most accurately serves as an indicator for social progress and thus represents a tool for international comparisons and policy advice (Anderson et al, 2009; Halpern, 2010).

The main focus of this chapter is on overall life satisfaction. An introductory review gives insights into other measures of well-being such as the emotionally driven 'happiness' and the expectation oriented 'optimism'. In Croatia and the former Yugoslav Republic of Macedonia, people's subjective well-being and overall life satisfaction has changed considerably during the transition period. This analysis focuses on the recent level of life satisfaction and the main factors contributing to it based on EQLS 2007 data.

## Measures of subjective well-being

The analysis uses three indicators of subjective well-being: life satisfaction, happiness and optimism. Life satisfaction and happiness reflect the subjective assessment of the current situation, while optimism is related to perspectives and expectations about the future. According to recent Eurofound reports (Bejaković and Lipovčan, 2007; Anderson et al, 2009; Watson et al, 2010), the candidate countries show relatively low mean levels of overall life satisfaction compared with the 31 European countries observed in EQLS 2007. However, there are differences between the candidate countries. While the former Yugoslav Republic of Macedonia has the second lowest level of life satisfaction (5.2) when comparing all 31 European countries<sup>87</sup> (Anderson et al, 2009), Croatia (6.4) has a relatively high level, close to the mean of the NMS12 (6.5).

In Croatia and the former Yugoslav Republic of Macedonia, as in other low-income countries, the mean level of happiness is markedly higher than the level of life satisfaction (Table 18). This difference could capture aspects of subjective assessments of quality of life in different domains. According to Bartlett et al (2009, p. 25):

*[in the former Yugoslav Republic of Macedonia] scores for satisfaction with quality of life are lower than the scores for happiness, revealing a greater dissatisfaction with the quality of society and the environment in which people live (satisfaction) than with personal emotional reaction to that environment (happiness). This suggests that people are able to compensate for dissatisfaction with the quality of life in various ways, through family relations and personal adjustments, and enjoy levels of happiness that are somewhat above the reported life satisfaction.*

Around half of all respondents in all the candidate countries reported that they were optimistic about the future at the time when the EQLS 2007 was carried out. In the former Yugoslav Republic of Macedonia, the 'optimism might be explained by positive political developments in the country at the time of the survey, such as the country's candidacy for joining the EU and the North Atlantic Treaty Organization (NATO) and by a lessening of internal political tensions' (Anderson et al, 2009, p. 20). The perspective of EU accession could also contribute to the optimism about the future in Croatia and Turkey.

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<sup>87</sup> Countries observed in EQLS 2007 (that is, EU27, Norway and the three candidate countries).

Table 18: *Subjective well-being*

	HR	MK	TR
<b>Overall life satisfaction, mean (standard deviation)</b>	6.4 (2.2)	5.2 (2.4)	6.2 (2.4)
<b>Happiness, mean (standard deviation)</b>	7.0 (2.1)	6.3 (2.3)	6.6 (2.2)
<b>Optimism (%)</b>	56	56	50

Notes: Question 29: All things considered, how satisfied would you say you are with your life these days? Scale from 1 to 10: 1 means 'very dissatisfied' and 10 means 'very satisfied'.

Question 42: Taking all things together on a scale of 1 to 10, how happy would you say you are? Here 1 means you are very unhappy and 10 means you are very happy.

Question 28: Please tell me whether you 1) strongly agree; 2) agree; 3) neither agree or disagree; 4) disagree; 5) strongly disagree; 6) don't know with the statement 'I am optimistic about the future'. 'Don't know' answers for Question 28 are included in the basic population; 'Optimism' includes 'strongly agree' and 'agree'.

Source: *EQLS, 2007*

An observation of optimistic attitudes among different socioeconomic groups could give additional information on subjective perceptions about the future. The analysis establishes some significant relationships between socio-demographic characteristics and optimism.<sup>88</sup>

A significant relationship between being optimistic and age can be found for the three candidate countries. In general, optimistic attitude declines with age in all three countries, although country differences exist. More than two-thirds of the young population (18–34 years) in Croatia (74%) and in the former Yugoslav Republic of Macedonia (69%) reported that they are optimistic about the future, while only half of all young people in Turkey (52%) reported optimistic attitudes. Within the middle-aged population (35–64 years), around 50% are optimistic about the future in all three candidate countries. The share of optimistic people within older populations (65 years and over) is 50% in the former Yugoslav Republic of Macedonia, but substantially lower in Croatia (44%) and Turkey (42%). Apart from the fact that young people have in principle higher expectations and more positive attitudes about the future, these results are in line with the thesis that in Croatia and the former Yugoslav Republic of Macedonia, as in other transition countries, young people appear to be more adapted to the new socioeconomic conditions (Anderson et al, 2009). The optimistic attitudes decrease for older people, but do not differ substantially for young and middle-aged people in Turkey. Considering the difficulties for young people in getting access to higher education due to the very competitive examination for university entry, which may in turn affect their chances in the labour market (Rose and Özcan, 2007, p. 23ff) as well as the rather high youth unemployment rate,<sup>89</sup> young people appear to be less optimistic than expected.

As in other transition countries, regional discrepancies regarding income per capita, unemployment rate and the general living conditions have increased during the transformation processes in Croatia and the former Yugoslav Republic of Macedonia (Bartlett et al, 2009). The analysis based on EQLS 2007 reveals that the type of settlement is related to optimism. The share of people who are optimistic within the urban population is bigger (HR: 59%; MK: 58%) than within the rural population (HR: 52%; MK: 55%).<sup>90</sup> This could be explained by the expected better living and employment opportunities in bigger cities. In Turkey, the opposite pattern is observed: there are significantly more optimistic people within the rural (53%) than within the urban population (48%). Also, Turkish men (53%) are significantly more optimistic than women (47%).

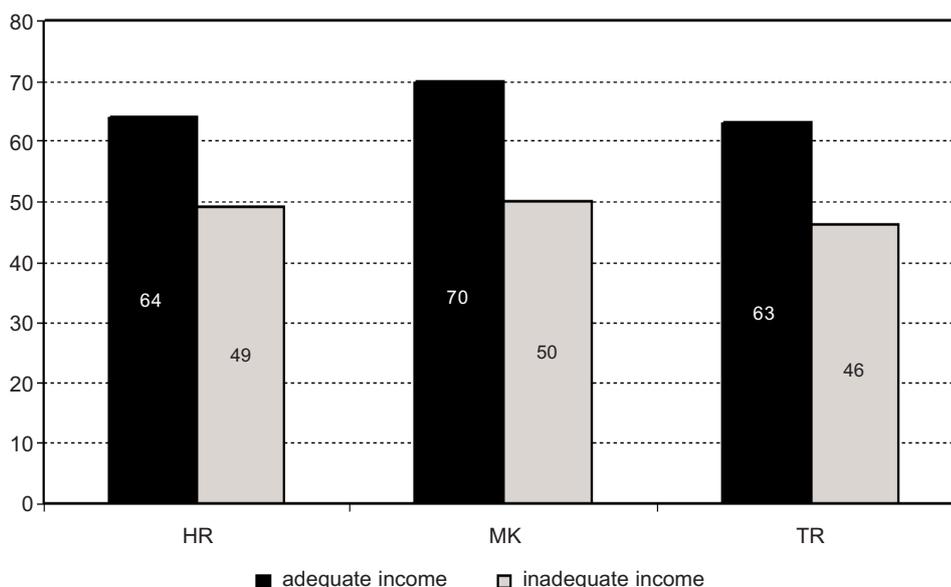
<sup>88</sup> Statistically significant with  $p < 0.05$ .

<sup>89</sup> Within the 15–24 age group unemployment was 19.6% in 2007 (TurkStat, 2008) and 21.2% in April 2010 (TurkStat, 2010, p. 1).

<sup>90</sup> The relationship is significant in Croatia.

The income situation of households is also significantly related to optimistic attitudes of people in all candidate countries: only about half of the respondents living in households with an inadequate income situation report that they are optimistic about the future, while within the population having an adequate household income the share of people with optimistic attitudes is higher (Figure 13).

Figure 13: *Optimism by country and income situation (%)*



Notes: Question 28: Please tell me whether you 1) strongly agree, 2) agree, 3) neither agree or disagree, 4) disagree, 5) strongly disagree, 6) don't know, with the statement 'I am optimistic about the future'. 'Don't know' answers are included in the basic population. 'Optimistic' includes 'strongly agree' and 'agree'.

Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don't know? If the household can make ends meet very easily, easily or fairly easily, the household's income situation is defined as 'adequate'. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household's income situation is defined as 'inadequate'.

Source: *EQLS, 2007*

## Overview of social factors in overall life satisfaction

Life satisfaction is a complex notion affected by a large range of indicators – socio-demographic characteristics, family and other informal social support as well as various institutional factors. Previous research (Anderson et al, 2009; Watson et al, 2010) reveals that income has the highest effect on the level of overall life satisfaction in poorer European countries, among which are Croatia, the former Yugoslav Republic of Macedonia and Turkey. Low income together with material deprivation, unemployment, bad health, a low level of educational attainment, being separated, widowed and single, or being single parents are among the main socioeconomic characteristics having a negative impact on the overall life satisfaction in the candidate countries.

There are also some disparities in life satisfaction by age (Watson et al, 2010, p. 20). Life satisfaction is higher among young people than middle-aged people in the candidate countries. The difference is larger in Croatia and the former Yugoslav Republic of Macedonia. In Turkey, the life satisfaction of both young and old people is somewhat higher than that of the middle aged. Differences in life satisfaction by age group influence the average measured life satisfaction in the candidate countries via the composition of the population. However, the life satisfaction for different age groups is also influenced by other factors such as health, income situation, employment status, etc., and the following regression analysis controls for such effects.

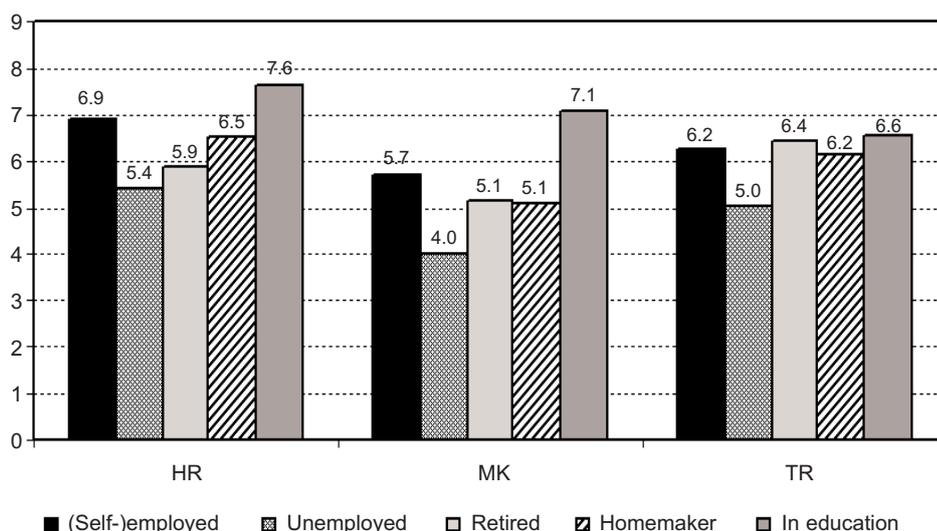
Type of settlement is also associated with life satisfaction: ‘respondents living in rural areas were less satisfied and less happy than the average’ (UNDP, 2006; Bejaković and Lipovčan, 2007).

The impact of religious service attendance on overall life satisfaction has been investigated in previous analyses based on the EQLS 2003 dataset. A significant effect was found for the EU15 region, although not for Turkey (Rose and Özcan, 2007, p. 50f).

Integration into the labour market is a key issue for social inclusion and people’s quality of life in general. A calculation of overall life satisfaction by employment status (Figure 14) shows that in all candidate countries there are visible differences in life satisfaction between (self-)employed and unemployed people, with the largest discrepancies observed in the former Yugoslav Republic of Macedonia. Retired people also have lower overall life satisfaction than the (self-)employed in Croatia and the former Yugoslav Republic of Macedonia. These results could be related to the inadequate level of unemployment benefits in the former Yugoslav Republic of Macedonia. Also, as mentioned previously, pensions in Croatia and the former Yugoslav Republic of Macedonia are very low (Bejaković and Lipovčan, 2007; Puljiz, 2007; Puljiz et al, 2008; Bartlett et al, 2009; ). Thus, being employed is a very important condition for overall life satisfaction in the candidate countries. It is also noticeable that people in Croatia and the former Yugoslav Republic of Macedonia are most satisfied when they are ‘in education’ (at school/university). This might be related to a general assumption that young people (students) are more optimistic about the future while not currently being expected to contribute to household income.

In Turkey, the situation is quite different, as mean life satisfaction does not differ notably according to the employment status of being (self-)employed, retired or a homemaker. This might be related to the specific labour market situation in Turkey where a large proportion of people have precarious jobs with fixed-term and temporary contracts or no written contract, and many feel insecure about keeping their jobs (see Chapter 3 ‘Perceived economic situation of households’). In addition, a large number of people work without social security provisions in their main job (TurkStat, 2010, p. 2).

Figure 14: Mean overall life satisfaction by country and employment status



Notes: Question 29: All things considered, how satisfied would you say you are with your life these days? Scale from 1 to 10: 1 means ‘very dissatisfied’ and 10 means ‘very satisfied’;

Economic status (HH2d): (self-)employed (incl. employed on child care leave/other leave and people at work as relative assisting on family farm or business); Unemployed (incl. less than 12 months and 12+ months); ‘unable to work due to long-term illness or disability’ and ‘other’ economic status are not presented: observations <30.

Source: EQLS, 2007

In addition, various factors relating to the social context play a role in overall life satisfaction. Previous research (Rose and Özcan, 2007; Watson et al, 2010) reveals that informal social support (from family, friends or other people), as well as institutional factors (that is, the perceived quality of public services and trust in institutions) are related to overall life satisfaction.

## Overall life satisfaction

Since overall life satisfaction is affected by a range of socioeconomic factors (as shown in previous research), regression analysis for the three candidate countries was performed to provide evidence of the impact of each factor. The variables were chosen to cover various individual, social and institutional factors: social characteristics, health status, accommodation situation, family-related indicators, social contacts and factors on social quality such as trust in institutions and quality of health services. Table 19 gives the results of a regression analysis with overall life satisfaction as the dependent variable.<sup>91</sup>

The regression model predicts overall life satisfaction for the ‘reference’ case<sup>92</sup> of 7.2 for Croatia, 6.8 for the former Yugoslav Republic of Macedonia and 6.5 for Turkey. The result shows that young people have a significantly higher life satisfaction than the middle aged in Croatia and the former Yugoslav Republic of Macedonia. In general, young people are more optimistic about the future and have fewer responsibilities at this stage of life. In addition, living in times after the transition they may be better adapted to the new socioeconomic conditions. Moreover, the life satisfaction of middle and old aged people does not differ significantly in both countries.

For Turkey, the regression analysis reveals that the levels of life satisfaction for young and middle aged people do not differ significantly. Taking into account the difficulties young people face in gaining access to higher education (due to the very competitive examination for university entry), which may reduce their chances of finding an adequate job (Rose and Özcan, 2007, pp. 23ff), their expectations for the future and levels of life satisfaction are not as high as perhaps might be thought. However, older people in Turkey have a significantly higher overall life satisfaction compared with the middle aged. This could be related to their appreciation of the steadily rising living standards and economic performance in the country in comparison with the past. Regression results indicate that the composition of the population matters a lot for the interpretation of the results. For the reference case presented in the regression, overall life satisfaction in Croatia and the former Yugoslav Republic of Macedonia is substantially higher compared to mean values for the whole population.

<sup>91</sup> Independent variables: age classes (reference group: middle aged); type of settlement (reference group: urban); gender (reference group: male); deprived (reference group: not deprived); income adequacy (reference group: adequate income); education (reference group: at most secondary education); employment status (reference group: (self-)employed); health status (reference group: very good or good health); household size (reference group: living alone); accommodation problems (reference group: less than two accommodation problems); social contacts (reference group: not extensive social contacts (at most two frequent contacts with children, parents, siblings, friends or neighbours living outside household)); financial support from family (reference group: other people (friends, work colleagues, neighbours, someone else) or nobody for financial support); help of money/food (reference group: no help given); religious service attendance (reference group: less than twice a week); trust in institutions (‘trust in institutions’ index: continuous variable from 1: ‘do not trust at all’ to 10: ‘trust completely’ based on Question 27, reference group: medium trust in institutions (higher than 3 and lower than 7); quality of health services (Question 56-1, reference group: medium quality of health services (4 to 6) on a scale from 1 to 10, where 1: ‘very poor quality’ and 10: ‘very high quality’). Note: Employment status is based on Question HH2d from ‘household grid’ but categories are grouped differently compared to the evaluations in Table 2. Categories 1–3 are grouped to ‘(self)employed’. Categories 4 and 5 are grouped to ‘unemployed’. Categories 7 equals ‘retired’ and Categories 6, 8, 9, and 10 are grouped to ‘inactive/other’.

<sup>92</sup> Reference case: middle-aged man with at most secondary education, living in a household with an adequate income situation and not deprived, (self)employed, with good or very good health, living alone and in an urban area, has less than two accommodation problems, does not have extensive social contacts, who expects financial support in case of urgency from other people (friends, work colleagues, neighbours, someone else) or has no one for such support, who does not give help (money or food) outside household, who goes to religious service less than twice a week, who has medium level of trust in institutions and gives medium evaluation on the quality of health services.

Table 19: Regression model for overall life satisfaction

	HR		MK		TR	
	Coefficient	p-value	Coefficient	p-value	Coefficient	p-value
Constant	7.208	0.000	6.849	0.000	6.526	0.000
age_young (ref = age_middle)	<i>0.308</i>	<i>0.067</i>	<b>0.429</b>	<b>0.017</b>	0.168	0.149
age_old (ref = age_middle)	0.124	0.556	-0.181	0.491	<i>0.366</i>	<i>0.072</i>
rural (ref = urban)	-0.186	0.149	-0.038	0.793	0.114	0.292
female (ref = male)	0.212	0.110	-0.010	0.945	0.124	0.429
deprived (ref = not deprived)	<b>-0.948</b>	<b>0.000</b>	<b>-1.197</b>	<b>0.000</b>	<b>-0.568</b>	<b>0.000</b>
inadequate income (ref = adequate income)	<b>-0.781</b>	<b>0.000</b>	<b>-0.422</b>	<b>0.018</b>	<b>-0.699</b>	<b>0.000</b>
post-secondary and tertiary education (ref = at most secondary education)	-0.166	0.366	0.166	0.459	-0.015	0.935
unemployed (ref = (self)-employed)	<b>-0.582</b>	<b>0.006</b>	<b>-0.960</b>	<b>0.000</b>	<b>-0.786</b>	<b>0.007</b>
retired (ref = (self)-employed)	-0.135	0.517	0.421	0.105	<b>0.501</b>	<b>0.009</b>
inactive_other (ref = (self)-employed)	0.099	0.634	-0.101	0.654	0.205	0.213
fair, bad or very bad health (ref = very good or good health)	<b>-0.485</b>	<b>0.001</b>	<b>-0.574</b>	<b>0.000</b>	<b>-0.816</b>	<b>0.000</b>
living with others (ref = living alone)	<i>0.298</i>	<i>0.074</i>	-0.093	0.732	<b>0.455</b>	<b>0.045</b>
accommodation problems (ref = less than two accommodation problems)	<b>-0.689</b>	<b>0.000</b>	<b>-0.704</b>	<b>0.000</b>	<b>-0.801</b>	<b>0.000</b>
extensive social contacts (ref = not extensive social contacts)	<b>0.313</b>	<b>0.023</b>	-0.117	0.442	0.100	0.369
expected financial support from family (ref = others or nobody for financial support)	0.171	0.187	<b>0.399</b>	<b>0.009</b>	0.168	0.121
give help: money/food (ref = no help given)	0.213	0.115	<b>0.631</b>	<b>0.000</b>	<b>0.283</b>	<b>0.042</b>
religious (ref = religious service attendance less than twice a week)	0.222	0.577	-0.241	0.372	<b>0.328</b>	<b>0.025</b>
trust_in_institutions_high (ref = trust_in_institution_medium)	0.442	0.102	0.021	0.943	<b>0.611</b>	<b>0.000</b>
trust_in_institutions_low (ref = trust_in_institution_medium)	<b>-0.498</b>	<b>0.000</b>	<b>-0.666</b>	<b>0.000</b>	<b>-0.354</b>	<b>0.031</b>
quality_health_services_high (ref = quality_health_services_medium)	<b>0.763</b>	<b>0.000</b>	<b>0.451</b>	<b>0.011</b>	<b>0.237</b>	<b>0.045</b>
quality_health_services_low (ref = quality_health_services_medium)	<b>-0.327</b>	<b>0.036</b>	-0.265	0.109	<b>-0.405</b>	<b>0.007</b>
R squared adj.	0.341		0.318		0.191	
n	909		863		1,751	

Notes: Data are unweighted for all three countries.

The table shows the unstandardised OLS regression coefficients (bold:  $p < 0.05$ ; italic:  $p < 0.1$ ). Coefficients are interpreted as the amount by which the overall life satisfaction would change should the variable increase by one unit.

R squared adj. = R-squared adjusted in statistical terms

ref = reference

Source: *EQLS, 2007*

Inadequacy of household income and material deprivation reduce people's overall life satisfaction in the three candidate countries, although there are country differences. As a large number of households are suffering from multiple material deprivation or face various economic difficulties (see section on 'Perceived economic situation of households' in Chapter 9), these results are a signal for policies to target the economically disadvantaged groups. In addition, the existence of accommodation problems significantly lowers life satisfaction in all three countries.

Being unemployed decreases life satisfaction in all three countries since unemployment status raises the risk of an unfavourable income situation and social exclusion. The strongest negative effect is observed in the former Yugoslav Republic of Macedonia, where the level of unemployment is extremely high.

The life satisfaction of retired people in Croatia and the former Yugoslav Republic of Macedonia does not differ from the life satisfaction of the (self-)employed. In contrast, in Turkey the status of being retired increases people's satisfaction compared to being (self-)employed. This could be explained by the fact that, although the pension coverage is restricted, those who are retired receive old-age benefits with relatively high gross pension replacement rates from the public system (over 80% as of 2006; OECD, 2009), while a large number of employed people are in disadvantageous positions on the labour market (precarious jobs, high job insecurity and informal employment) which affects the level of their life satisfaction.

As expected, self-rated fair, bad and very bad health status has a strong negative impact on life satisfaction in all three candidate countries, being strongest in Turkey. In addition, the quality of health services plays a significant role for life satisfaction. Perceived high quality of health services (compared to a medium level) is associated with a significantly higher life satisfaction in all three countries, while perceived low quality of health services decreases satisfaction in Croatia and Turkey. This is a signal for policies regarding improvements in health care provisions (see Chapter 6 'Health and access to health services').

With respect to family, 'living with others' (as a proxy for household situation) significantly increases life satisfaction in Croatia and Turkey. Moreover, the analysis reveals that frequent social contacts as well as family or other informal social support are positively associated with the overall life satisfaction. In particular, financial support from family members has a strong positive effect on life satisfaction in the former Yugoslav Republic of Macedonia. People who expect support from their families if they urgently needed raise €500 to face an emergency are satisfied to a greater extent than people who expect support from others (friends, work colleagues, neighbours or someone else) or who have no one for such support. Moreover, giving support in the form of money or food to someone outside one's household (parents, grown-up children, other relatives or someone not related) significantly increases life satisfaction in the former Yugoslav Republic of Macedonia and Turkey, with the effect stronger in the former Yugoslav Republic of Macedonia. Family and other informal social support is positively associated with personal life satisfaction in these countries, taking into account that it provides security and compensates for low income. Extensive frequent social contacts with relatives and other people outside the household significantly increase life satisfaction in Croatia. As indicated in Chapter 4 'Family life', it seems that people in Croatia have more extensive networks of contacts than those in the other candidate countries.

In Turkey, frequent religious service attendance is an important form of social participation and integration and contributes to increasing overall life satisfaction. This result is in line with studies by Putnam (2000), revealing that belonging to a religious institution raises social capital and therefore possibly life satisfaction in other contexts.

Trust in institutions, as an important measure of the quality of society, is also associated with overall life satisfaction. The analysis reveals that only in Turkey do higher levels of trust (compared with a medium level) increase life satisfaction, while in all three candidate countries lower levels of trust reduce life satisfaction. These negative effects are stronger in Croatia and the former Yugoslav Republic of Macedonia.

## Conclusions and policy pointers

The analysis reveals some of particular features of the main well-being indicators in the candidate countries. At the time of conducting the EQLS 2007 survey, around half of the people in all three candidate countries reported being optimistic about the future. However, apart from the larger income inequalities in life satisfaction in comparison with the wealthier European countries, the candidate countries show differences in optimism by adequacy of income. In addition, urban citizens in Croatia and the former Yugoslav Republic of Macedonia are more optimistic about the future than rural citizens, revealing the prospects of better living and working conditions in the big cities. In general, optimism falls with age although there are some differences between countries.

The regression analysis reveals that living in a household with inadequate income, being deprived or unemployed, having accommodation problems and having fair, bad or very bad health significantly reduce overall life satisfaction in all three candidate countries.

The overall life satisfaction of retired people in Croatia and the former Yugoslav Republic of Macedonia does not differ significantly compared with the life satisfaction of the (self-)employed in the multivariate setting of the regression analysis. But looking at the descriptive analysis (Figure 14), retired people seem to be less satisfied than the (self-)employed. This implies that a range of factors (for which the regression analysis controls) such as inadequate household income due to the low level of pensions, accommodation problems or a fair, bad or very bad health status might contribute to the lower satisfaction of the retired.

In contrast, in Turkey being retired significantly increases life satisfaction compared with being (self-)employed. This could indicate that retired people who are insured and receive a pension with relatively high replacement rates feel more 'secure' than the (self-)employed who are confronted with difficulties on the labour market such as having insecure and precarious jobs. However, pension coverage in Turkey is quite restricted because a large number of people work without social security contributions. Thus, measures to formalise the employment sector in Turkey are needed. According to Verbeke (2007), pension reforms must be an important part of the formalisation of the labour market.

Family and other informal social support, especially in the former Yugoslav Republic of Macedonia and Turkey, are very important factors for overall life satisfaction. It is likely that this kind of support still substitutes for the more developed welfare institutions found elsewhere in Europe.

Indicators of the quality of society are also related to overall life satisfaction. Perceived good quality of health services increases life satisfaction, accounting for the importance of health care for ensuring citizens' health. Having low trust in institutions, revealing dissatisfaction with the functioning of public institutions, decreases overall life satisfaction. These negative effects are stronger in Croatia and the former Yugoslav Republic of Macedonia.

The following policy pointers (detailed in Chapter 11 'Policy messages') can be derived.

- Because overall life satisfaction is affected by a range of factors, policies issues in various fields have to be addressed. Inadequacy of income, material deprivation and being unemployed are among the strongest factors depressing life satisfaction in all three candidate countries and so measures to increase labour market participation and to ensure adequate income for older age groups are necessary and are in line with the Europe 2020 strategy.
- The improvement of working conditions, including increasing job security and the provision of long-term jobs in formal employment should also be addressed. This is of special concern in Turkey, together with the need to enlarge social insurance coverage and to guarantee pension benefits for large parts of the population.
- The quality of society is another important condition for overall life satisfaction. Therefore, ensuring good quality public health services is particularly needed and improving health care provision must be addressed.
- In addition, because having lower than average trust in institutions reduces overall life satisfaction (especially in Croatia and the former Yugoslav Republic of Macedonia), measures for strengthening the institutions of governance in line with the Europe 2020 strategy, improving the transparency of institutional operations and reducing corruption should be promoted.

# Comparison of the candidate countries with the EU27 and NMS12 9

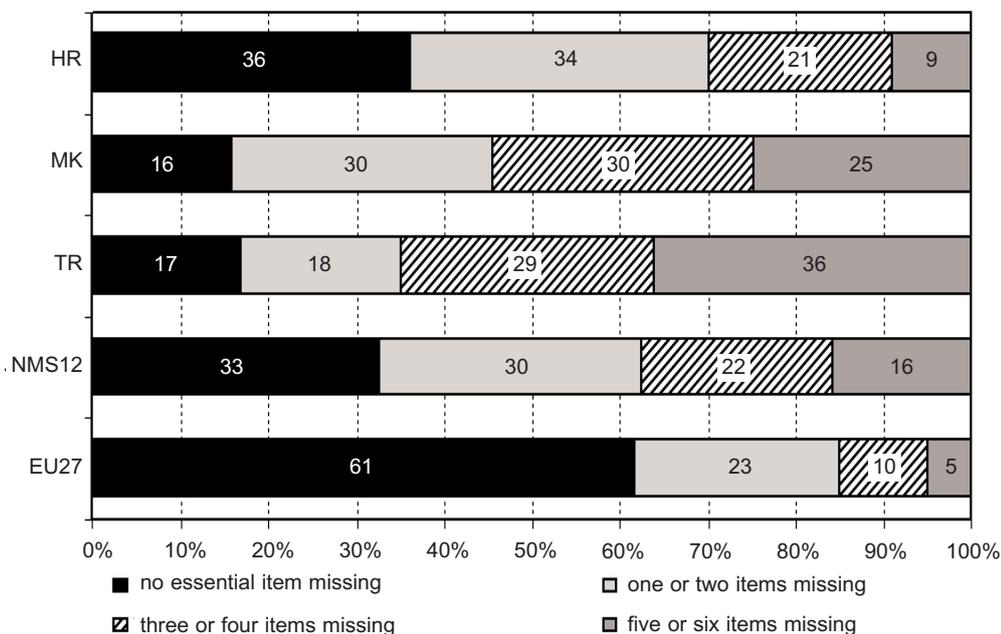
This chapter uses selected indicators to provide an additional comparison of the candidate countries with the EU27 and NMS12. It also considers the results of analyses within the reform context for candidate countries in the process of EU integration.

## Perceived economic situation of households

Information on the levels of income alone (even when compared with other countries or regions) is not sufficient to provide a full understanding of the economic situation of households and levels of poverty or well-being. This analysis therefore focuses on the extent to which households can meet commonly recognised needs.

On average, the ‘deprivation index’ (indicating how many of six items considered as basic necessities cannot be afforded) is 1.7 in Croatia, 2.8 in the former Yugoslav Republic of Macedonia and 3.3 in Turkey. Large cross-country differences within the candidate countries are identified. Moreover, compared to the EU27 and NMS12 countries, the economic situation of households is less favourable (deprivation index: 1.0 in the EU27 and 2.0 in the NMS12). A more distinctive picture is shown if the median is used, which ranges from 0 in the EU27 to 1 in Croatia, 2 in the NMS12, 3 in the former Yugoslav Republic of Macedonia and 4 in Turkey. Being highest in the former Yugoslav Republic of Macedonia and Turkey, the median means that half of the households lack at least three items in the former Yugoslav Republic of Macedonia, and at least four items in Turkey. Figure 15 offers a detailed comparison of the three candidate countries with the country clusters of the NMS12 and EU27 with respect to the extent of material deprivation.

Figure 15: *Extent of deprivation of essential items (%)*



Note: Question 19: There are some things that many people cannot afford, even if they would like them. For each of the following things on this card, can I just check whether your household can afford it if you want it? 1) keeping your home adequately warm; 2) paying for a week's annual holiday away from home (not staying with relatives); 3) replacing any worn-out furniture; 4) meals with meat, chicken or fish every second day if wanted; 5) buying new, rather than second-hand, clothes; 6) having friends or family for a drink or meal at least once a month.

Source: *EQLS, 2007*

The perceived economic situation of households in Croatia is more similar to some EU countries and especially the NMS12: the extent of households facing multiple deprivations and the proportion of households that can afford all six items considered is about the same as in the NMS12. In the former Yugoslav Republic of Macedonia and Turkey, the proportion of households facing multiple deprivations is above that in the NMS12 and considerably above EU27 country averages. At the same time, the share of households reporting no lack of basic necessities is notably below those in EU27 and NMS12 countries.

When comparing the employment/job situation in the three candidate countries with EU27 and NMS12 countries, it again emerges that the situation in Croatia is comparable with that in EU countries while the situation in the former Yugoslav Republic of Macedonia and Turkey is worse (Table 20).

Table 20: *Employment situation (%)*

Country	Precarious contract	No job security
HR	14	13
MK	24	34
TR	35	15
NMS12	14	11
EU27	17	9

Notes: Question 4: In your job are/were you...? 1) on an unlimited permanent contract; 2) on a fixed contract of less than 12 months; 3) on a fixed contract of 12 months or more; 4) on a temporary employment agency contract; 5) on apprenticeship or other training scheme; 6) without a written contract; 7) other; 8) don't know. Categories 2, 4 and 6 were grouped to 'precarious contract situation'. 'Don't knows' ranging from 2% in the former Yugoslav Republic of Macedonia to 20% in Turkey are included in the basic population, but not presented.

Question 9: Using this card, how likely do you think it is that you might lose your (main) job in the next 6 months? 1) very likely; 2) quite likely; 3) neither likely, nor unlikely; 4) quite unlikely; 5) very unlikely; 6) don't know. Categories 1 and 2 were grouped to 'no job security'. 'Don't knows' ranging from 7% in Croatia to 15% in Turkey are included in the basic population, but not presented. Source: *EQLS, 2007*

A comparatively large proportion of respondents in the former Yugoslav Republic of Macedonia and Turkey face a precarious job situation as they have temporary contracts of less than 12 months or no written contract at all. In addition, a large proportion of respondents in the former Yugoslav Republic of Macedonia and Turkey have no job security: they indicate that it is (very) likely they will lose their job within the next six months. According to these two indicators, the job situation is less favourable in the former Yugoslav Republic of Macedonia and Turkey, while in Croatia the situation is similar to that in EU27 or NMS12 countries (or even better).

Given these findings, labour market policies should focus on the creation of attractive and well-paid jobs and an increase of employment rates combined with efforts to decrease unemployment. Active labour market participation secures (higher) income and can prevent households from being deprived and socially excluded.

## **Family life**

The analysis of family life reveals the existence of a strong correlation between satisfaction with family life and overall life satisfaction. In all three countries, families provide important social networks, not only in terms of emotional support but also for practical and financial support: if help is needed, this is where people turn. Leisure time is also spent within the family, especially in the former Yugoslav Republic of Macedonia and Turkey, where people seem to have intensive contacts and support networks with family members. People in Croatia, however, appear to be more oriented towards friends when it comes to social contact and support.

In all three countries, families are expected to help as a first source of support, followed by friends, neighbours and work colleagues (Table 21). A regression analysis for satisfaction with family life shows that in case of illness, expecting family support has a significant and positive effect in all three candidate countries, as has being able to give support (money, food) to someone outside one's household in the former Yugoslav Republic of Macedonia and Turkey. Also, expecting financial support from families has a significant and positive effect in the former Yugoslav Republic of Macedonia, where the economically unfavourable situation means that sources of additional cash appear to be tight. Interestingly, expectations about financial support from families are higher in the EU27, while people in the candidate countries rely more heavily on friends or work colleagues. When looking for a job, more people in the former Yugoslav Republic of Macedonia and Turkey than in the EU27 expect family support while in Croatia, friends, neighbours and work colleagues are expected to help even more than in the EU27.

Table 21: *Expectations about support when looking for a job or in urgent need of money (%)*

Support in the form of money					
	HR	MK	TR	NMS12	EU27
Family	62	67	59	63	71
Other	31	21	23	22	17
Nobody	7	11	18	15	12
Support in looking for a job					
	HR	MK	TR	NMS12	EU27
Family	38	45	42	40	37
Other	43	39	41	41	38
Nobody	19	16	17	18	24

Note: Question 35: From whom would you get support in each of the following situations? Q35-3 If you needed help when looking for a job / Q35-5 If you needed to urgently raise an amount of around €500 for CC3 to face an emergency. For each situation, choose the most important person: partner/ spouse, other family member, work colleague, friend, neighbour, someone else, nobody, [don't know]. Responses were grouped into 'Family members' (= partner/spouse or other family member), 'other' (= friends, neighbours, work colleagues or someone else) and 'nobody'. 'Don't knows' are excluded.

Source: *EQLS, 2007*

The responses to questions about giving and receiving support add to this picture of extended informal social support. Regularly giving support in the form of money or food to people outside one's household is more common in Croatia (32%) and the former Yugoslav Republic of Macedonia (30%) than in the EU27 (21%) and NMS (27%), which reflects a generally higher degree of informal social networks in those two countries. In Turkey, although fewer people (17%) give such support, the share of people receiving such support is larger than in the EU27 (11%): in Croatia and Turkey, more than a seventh of the population admits to receiving such support. The reported receipt of frequent informal support was even larger in the former Yugoslav Republic of Macedonia (17%) and the NMS12 (18%).

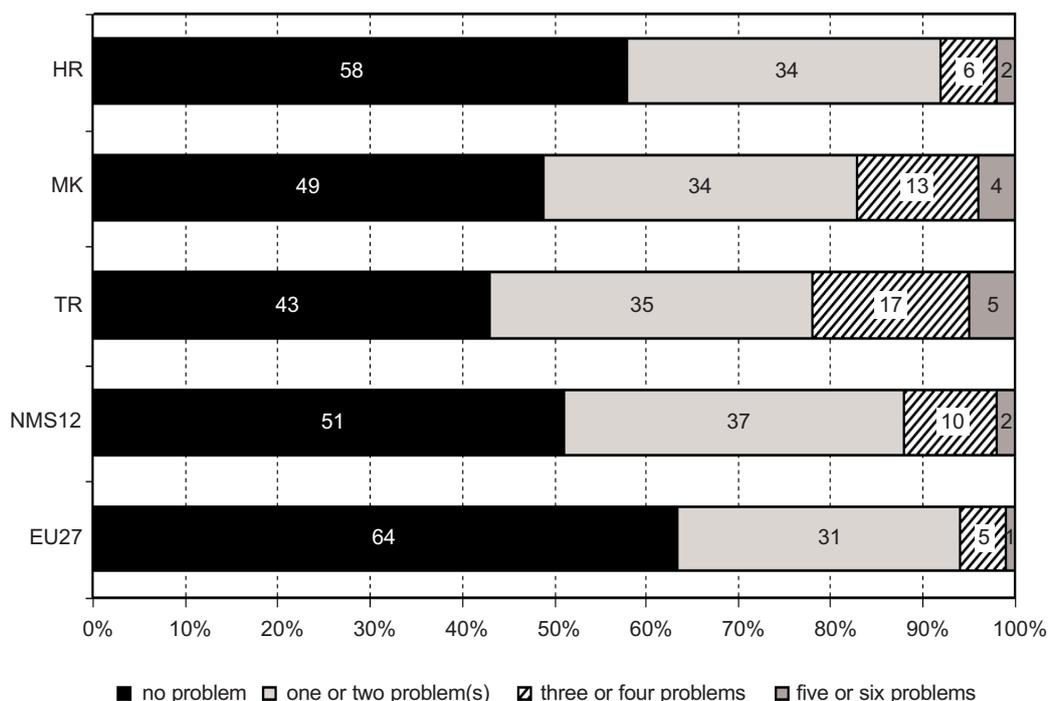
## Housing and local environment

The standard of accommodation in terms of subjective perceptions of housing conditions is important for people's quality of life and the topic of social exclusion. Six accommodation problems are documented in the EQLS data ('shortage of space', 'rot in windows, doors or floors', 'damp or leaks in walls or roof', 'lack of indoor flushing toilet', 'lack of bath or shower', and 'lack of place to sit outside'). Having 'multiple accommodation problems' (at least two out of the six) has a significant and negative influence on people's perceived overall satisfaction with accommodation in all three candidate countries (as indicated by the regression model presented in Chapter 5 'Housing and local environment'). Previous reports (Anderson et al, 2009, p. 42) revealed that people in the former Yugoslav Republic of Macedonia (33%)

and Turkey (38%) report higher shares of multiple accommodation problems compared with the NMS12 (26%) and EU27 (15%) averages, while Croatia (22%) is ranked second best when comparing the three candidate countries and the NMS12 and EU27.

Looking at the number of accommodation problems in more detail (Figure 16), Croatia again presents the highest level of similarity with the EU27 average: it reveals the second highest share of people without any accommodation problems (58%), and comparable values for people reporting one or two (34%), three or four (6%) and five or six (2%) problems. The situation in the former Yugoslav Republic of Macedonia is less favourable: only 49% report that they have no accommodation problems at all, comparable with 51% in the NMS12. However, the share of people with five or six problems is twice as high in the former Yugoslav Republic of Macedonia (4%) than in the NMS12 (2%). Turkey's situation seems to be the least favourable, as it reports the lowest share of people without accommodation problems (43%) and the highest proportion of respondents having five or six problems (5%) in the cross-country/region comparison.

Figure 16: Accommodation problems (%)



Notes: Question 17: Do you have any of the following problems with your accommodation? a) shortage of space; b) rot in windows, doors or floors; c) damp or leaks in walls or roof; d) lack of indoor flushing toilet; e) lack of bath or shower; f) lack of place to sit outside (for example, garden, balcony, terrace). (1) Yes; (2) No; (3) Don't know. 'Don't knows' are excluded.  
Source: *EQLS, 2007*

### Health and access to health services

The mean satisfaction with health in the candidate countries does not differ much from that in the NMS12 and EU27.<sup>93</sup> In Croatia and the former Yugoslav Republic of Macedonia, the mean satisfaction with health services is considerably lower than in the EU27 and slightly lower than in the NMS12, whereas the mean satisfaction in Turkey nearly reaches

<sup>93</sup> The associated standard deviations are in fact larger, indicating a broader variety in people's answers.

the EU27 level. Turkey shows the smallest mean MHI while Croatia and the former Yugoslav Republic of Macedonia are in the range of that of the NMS12<sup>94</sup> (Table 22).

Table 22: Mean satisfaction of people with health, health services and MHI

	HR	MK	TR	NMS12	EU27
<b>Overall satisfaction with health</b>	6.9 (2.7)	6.8 (2.8)	7.0 (2.6)	7.0 (2.4)	7.3 (2.2)
<b>Satisfaction health services</b>	5.0 (2.2)	4.8 (2.3)	5.9 (2.5)	5.3 (2.2)	6.1 (2.1)
<b>MHI</b>	14.0 (5.6)	13.6 (6.5)	11.7 (6.4)	14.6 (5.5)	15.6 (5.5)

Notes: Question 40: Could you please tell me on a scale of 1 to 10 how satisfied you are with your health where 1 means very dissatisfied and 10 very satisfied?

Question 56: In general, how would you rate the quality of health services where 1 means very dissatisfied and 10 very satisfied?

Question 46: Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks. 'I have felt cheerful and in good spirits.' 'I have felt calm and relaxed.' 'I have felt active and vigorous.' 'I woke up feeling fresh and rested.' 'My daily life has been filled with things that interest me' (all the time, most of the time, more than half of the time, less than half of the time, some of the time, at no time. Total on all statements (0–5), amounting to a potential score from 0 to 25. A higher score means better mental health.

Standard deviation is given in brackets.

Source: *EQLS, 2007*

Croatia shows the highest percentage of people with a self-reported fair, bad or very bad health status, while in former Yugoslav Republic of Macedonia and Turkey it is lower than for the NMS12. The highest share of people suffering from a chronic illness is also found in Croatia;<sup>95</sup> in the other two countries examined it is lower than in the NMS12 and EU27. In Turkey, half of people are severely hampered in their daily life activities by chronic illness, compared with only a quarter in the EU27, and about a third in Croatia, the former Yugoslav Republic of Macedonia and the NMS12. The proportion of Croatian, Macedonian and Turkish people who encounter more than one problem on needing to seeing a doctor is higher than in the EU27 and at about the same level as in the NMS12 (Table 23).

Table 23: Health status, chronic illness, hampered by chronic illness and numerous problems with seeing a doctor (%)

	HR	MK	TR	NMS12	EU27
<b>Fair, bad or very bad self-rated health status</b>	46	39	34	43	32
<b>Suffering from chronic illness</b>	32	17	21	24	24
<b>Severely hampered in daily life by chronic illness</b>	36	29	50	32	24
<b>Having more than one problem with seeing a doctor in case of need</b>	45	45	42	43	40

Notes: Rather bad health includes fair, bad and very bad health status (Question 43: In general, would you say your health is very good, good, fair, bad, very bad, don't know?).

Question 44: Do you have any chronic (longstanding) physical or mental health problem, illness or disability? Yes, no, refusal, don't know.

Question 45: Are you hampered in your daily activities by this physical or mental health problem, illness or disability? Yes, severely, yes, to some extent, no, don't know.

Question 47: On the last occasion you needed to see a doctor, to what extent did each of the following factors make it difficult for you to do so? Distance to doctor/hospital/medical centre; delay in getting appointment; waiting time to see doctor on day of appointment; cost of seeing doctor. Very difficult, a little difficult, not difficult at all, not applicable, don't know. Summing up all answers 'very difficult' and 'a little difficult' provides an index from 0 (no problems) to 4 (all kinds of problems).

Source: *EQLS, 2007*

<sup>94</sup> The corresponding standard deviations of the former Yugoslav Republic of Macedonia and Turkey are explicitly larger than they are in Croatia, the NMS12 and EU27, meaning that the ratings are less homogenous.

<sup>95</sup> The rather high percentage of chronic illness could be a matter of translation. In the Croatian questionnaire, 'disability' was translated as 'difficulty', which has a different meaning.

In all countries and regions, a fair, bad or very bad self-rated health status is related to increasing age. Being a woman is the most demanding situation in Turkey. Croatia and the former Yugoslav Republic of Macedonia show comparable gender differences with the NMS12. Croatia stands out because of a significant difference between living in a rural or urban area. Living in a household without adequate income considerably raises the risk of a fair, bad or very bad health situation in all countries and regions. Turkey is in the range of the EU27, while Croatia and the former Yugoslav Republic of Macedonia are in the range of the NMS12 (Table 24).

Table 24: *Difference of a fair, bad or very bad health status (%)*

	HR	MK	TR	NMS12	EU27
Age (young/middle aged)	-37	-34	-19	-30	-17
Age (old/middle aged)	29	32	27	32	28
Gender (man/woman)	11	10	18	10	7
Area (rural/urban)	15	-3	-2	5	2
Income (inadequate/adequate)	21	27	18	24	18

Notes: Question 43: In general, would you say your health is very good, good, fair, bad, very bad, don't know?  
Source: *EQLS, 2007*

In the EU27 and Turkey, accessing health services is not age-related while in Croatia, the former Yugoslav Republic of Macedonia and the NMS12 older people are more likely to have problems. In Turkey and the NMS12, women are much more likely than men to have more than one problem with seeing a doctor in case of need. Again, Croatia stands out because of a significant difference in access to health care according to type of settlement. For all three candidate countries, large differences in access to health care with respect to household income are found; these are largest in Croatia and Turkey (Table 25).

Table 25: *Difference of more than one problem with seeing a doctor in case of need (%)*

	HR	MK	TR	NMS12	EU27
Age (young/middle aged)	-22	-21	1	-4	0
Age (old/middle aged)	5	11	3	11	3
Gender (man/woman)	3	-1	8	8	5
Area (rural/urban)	18	-2	3	1	-1
Income (inadequate/adequate)	26	17	22	14	15

Notes: Question 40: On the last occasion you needed to see a doctor, to what extent did each of the following factors make it difficult for you to do so? Distance to doctor/hospital/medical centre; delay in getting appointment; waiting time to see doctor on day of appointment; cost of seeing doctor. Very difficult, a little difficult, not difficult at all, not applicable, don't know. Summing up all answers 'very difficult' provides an index from 0 (no problems) to 4 (all kinds of problems).  
Source: *EQLS, 2007*

## Perceived quality of society

The improvement of public services in the candidate countries is a key policy issue within the process of EU accession. The aim is to promote social inclusion in line with the renewed EU social policy agenda (European Commission, 2008).

Security in old age is crucial to guarantee an adequate income and the inclusion of older people in society. In all three countries, the pension systems are in the process of reform. In Croatia and the former Yugoslav Republic of Macedonia, the reforms include introducing second and third pillars aiming at ensuring the system's sustainability as well as measures to tackle the problem of low pension benefits (Anušić, 2007; Bartlett and Xhumari, 2007; Puljiz, 2007; Bartlett

et al, 2009; Guardiancich, 2010). In the case of Turkey, a specific issue is the unification of the system components as well as regulations for reducing the social security deficit (OECD, 2007; Rose and Özcan, 2007; Verbeken, 2007; Duyulmus, 2009; Aktug, 2010).

As reported previously (Anderson et al, 2009), Croatia shows the lowest mean rating (3.4) for the perceived quality of the pension system among the candidate countries, while scores for the former Yugoslav Republic of Macedonia (4.6) and Turkey (4.8) are similar to the EU27 (4.8) and even exceed the rate for the NMS12 (4.2). In all three candidate countries, people living in households with inadequate income give significantly lower ratings to the pension system (Table 26). In Croatia, all reported ratings are noticeably below those of the other candidate countries, the NMS12 and EU27, which indicates that large numbers of older people give a lower evaluation of the pension system. In the former Yugoslav Republic of Macedonia and Turkey, there is a rather large divergence between the mean ratings of people living in households with adequate and inadequate income situations. This is likely to be due to existing differences in pension entitlements in Turkey or to the low level of pensions in the former Yugoslav Republic of Macedonia (Rose and Özcan, 2007; Bartlett et al, 2009)

Table 26: Mean level of perceived quality of pension systems by income situation

	HR	MK	TR	NMS12	EU27
<b>Adequate income</b>	3.7 (2.2)	5.2 (2.4)	5.5 (2.3)	4.6 (2.3)	5.2 (2.1)
<b>Inadequate income</b>	3.1 (2.1)	4.2 (2.8)	4.5 (2.6)	3.9 (2.3)	4.2 (2.2)

Notes: Question 56-6: In general, how would you rate the quality of public services (in our countries)? f) Pension system; Scale from 1 to 10, where 1 means 'very poor quality' and 10 means 'very high quality'.

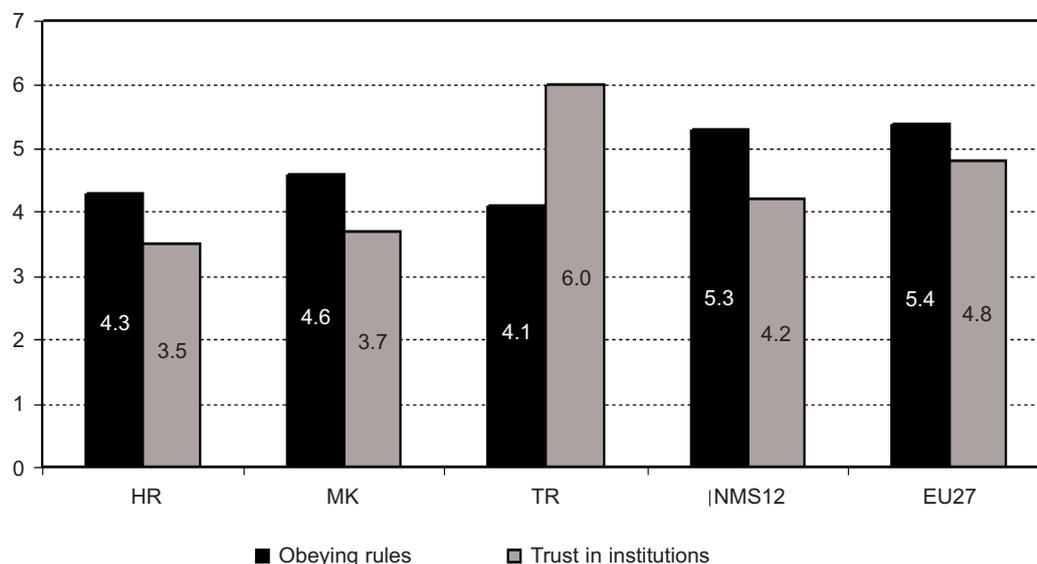
Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don't know? If the household can make ends meet very easily, easily or fairly easily, the household's income situation is defined as 'adequate'. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household's income situation is defined as 'inadequate'.

Standard deviation is given in brackets.

Source: *EQLS, 2007*

The mean level of trust in institutions gives important indications about the quality of their work, while obeying rules and laws tells us about the fair behaviour of people towards the state and other people. In Croatia and the former Yugoslav Republic of Macedonia, both trust in institutions and obeying rules are lower than in the NMS12 and EU27. People in Turkey show higher ratings for trust in institutions, but the lowest ratings for obeying rules in comparison with the other two candidate countries, the NMS12 and EU27 (Figure 17). Increasing trust in institutions, especially in Croatia and the former Yugoslav Republic of Macedonia, seems to be needed in all three candidate countries as well as regulations ensuring that people obey rules.

Figure 17: Mean level of trust in institutions and obeying rules



Notes: ‘Obeying rules’ index is the average for three types of rules asked in Question 24: To what extent do you think that most people in the country obey the rules when it comes to a) paying taxes; b) traffic laws; c) showing consideration for others in public places?; continuous variable from 1 ‘do not obey the rules at all’ to 10 ‘obey rules completely’;

‘Trust in institutions’ index is the average of trust levels for six institutions asked in Question 27: Please tell me how much you personally trust in institutions: a) parliament; b) the legal system; c) the press; d) the police; e) the government; f) the political parties; continuous variable from 1 ‘do not trust at all’ to 10 ‘trust completely’.

Source: *EQLS, 2007*

## Subjective well-being

The candidate countries show lower levels for overall life satisfaction than the EU27, with Croatia indicating a level close to that of the NMS12. The difference between the mean scores of life satisfaction (an indicator more directly related to socioeconomic conditions) and the mean scores of happiness is especially high in the former Yugoslav Republic of Macedonia; in Croatia it is closer to the NMS12 level and in Turkey to the EU27 level (Table 27). With regard to optimistic attitudes, the candidate countries show similar patterns to the NMS12 and EU27: about half or more of all respondents are optimistic about the future, which could be related to the lessening of ethnic conflicts in the former Yugoslav Republic of Macedonia (Anderson et al, 2009), the improvement of economic conditions especially in Croatia and the perspective of EU enlargement.

Table 27: *Well-being indicators*

	HR	MK	TR	NMS12	EU27
<b>Overall life satisfaction, mean (standard deviation)</b>	6.4 (2.2)	5.2 (2.4)	6.2 (2.4)	6.5 (2.1)	7.0 (2.0)
<b>Happiness, mean (standard deviation)</b>	7.0 (2.1)	6.3 (2.3)	6.6 (2.2)	7.2 (1.9)	7.5 (1.8)
<b>Optimism (%)</b>	56	56	50	54	54

Notes: Question 29: ‘All things considered, how satisfied would you say you are with your life these days? Scale from 1 to 10: 1 means ‘very dissatisfied’ and 10 means ‘very satisfied’.

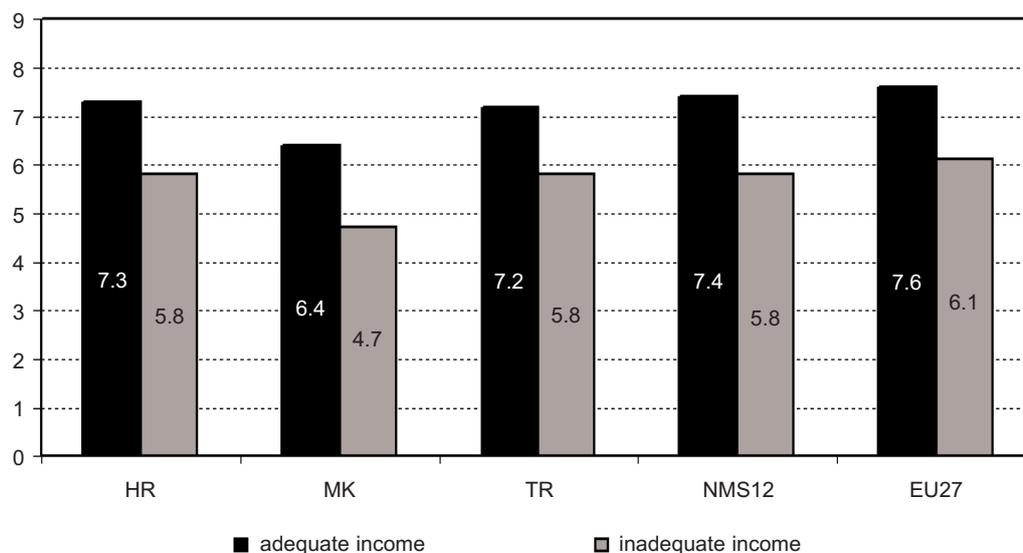
Question 42: Taking all things together on a scale of 1 to 10, how happy would you say you are? Here 1 means you are very unhappy and 10 means you are very happy.

Question 28: Please tell me whether you 1) strongly agree, 2) agree, 3) neither agree or disagree, 4) disagree, 5) strongly disagree or 6) don’t know with the statement ‘I am optimistic about the future?’ ‘Don’t know’ answers are included in the basic population, but not presented. ‘Optimistic’ includes ‘strongly agree’ and ‘agree’.

Source: *EQLS, 2007*

Adequacy of household income and material deprivation strongly affect people’s overall life satisfaction in the candidate countries, as shown in the regression analysis. The ratings for the mean life satisfaction of people living in households with adequate and inadequate income in Croatia and Turkey are close to those of the NMS12, but below those of the EU27. In the former Yugoslav Republic of Macedonia, both scores are lower compared with those of the other two candidate countries, the NMS12 and EU27, and the difference in mean life satisfaction by income adequacy is the largest (Figure 18). Both results are signals for policies targeting low-income groups in the country.

Figure 18: Mean level of overall life satisfaction by income situation



Notes: Question 29: ‘All things considered, how satisfied would you say you are with your life these days? Scale from 1 to 10: 1 means ‘very dissatisfied’ and 10 means ‘very satisfied’.

Question 57: Is your household able to make ends meet very easily, easily, fairly easily, with some difficulty, with difficulty, with great difficulty, don’t know? If the household can make ends meet very easily, easily or fairly easily, the household’s income situation is defined as ‘adequate’. If the household can make ends meet with some difficulty, with difficulty or with great difficulty, the household’s income situation is defined as ‘inadequate’.

Source: *EQLS, 2007*

# Conclusions 10

This report analyses the quality of life in the EU candidate countries – Croatia, the former Yugoslav Republic of Macedonia and Turkey – in line with the broad and complex understanding of this concept used by Eurofound. Although the three countries are all candidate countries for European Union membership, they have different profiles and trajectories and therefore need to be viewed separately. Cluster analysis and comparisons with EU27 and NMS12 countries suggest that the CC3 is a diverse group and not necessarily a single cluster.

The report analysed the following life domains and the interrelations between them:

- perceived economic situation of households;
- family life;
- housing and local environment;
- health and access to health services;
- perceived quality of society;
- subjective well-being.

The quality of life in terms of subjective well-being is lower in the three countries under review than in the EU27 generally. The major factor is widespread poverty, measured in this report by material deprivation and the ability to make ends meet. Poverty is associated with unemployment and lower levels of educational attainment ('at most secondary education'), poor health and low standards of accommodation. Thus, it is possible to identify multiple factors in social exclusion. People facing financial problems (in other words, having inadequate income) are most likely to be critical of public services, perhaps because they cannot afford them.

The lack of access to full-time and secure employment in the formal economy is a major factor in depressing the quality of life in all three countries and leading to poverty. The levels of official unemployment are generally high, but account also needs to be taken of the large numbers of people of working age who are not in the official labour force, either because they have retired early (as in Croatia), because they are young people who have not yet been able to find a job, or, more commonly, because they are women classified as homemakers not in paid work. A further category of people are in insecure and precarious jobs (especially in Turkey), which lowers their standard of living and reduces their satisfaction with life.

In all three countries, family life is of a traditional kind, with large families providing important social support, not only in terms of emotional help but also practical and financial help, compensating for the lack of extensive public welfare services. However, family networks proved stronger in the former Yugoslav Republic of Macedonia and Turkey, while Croatians are in general more 'friends oriented'.

Strong gender inequalities are a major factor in all three countries. In Croatia, the lack of employment opportunities for women is aggravated by insufficient childcare provision. In the former Yugoslav Republic of Macedonia and Turkey (particularly in Muslim communities), traditional family structures restrict many women to being homemakers, with low access to employment. For those in work, problems balancing work and family life persist:

- working hours are long;
- there is little childcare support;
- there is a high perceived job uncertainty;
- working conditions are poor, resulting in tiredness.

This implies that the problem is not just getting more people into work, but also improving the quality of work and working conditions.

In analysing housing standards, one has to bear in mind the peculiarities of tenure in the three candidate countries. The great majority of people in these regions own their homes outright and a notable number live rent free. Nevertheless, housing costs seem to be a heavy burden for many people, particularly in the former Yugoslav Republic of Macedonia and Turkey, and people have difficulty in enhancing the quality of the housing stock. Households with inadequate incomes in all three countries, people aged 35 years or more in Croatia, urban citizens in the former Yugoslav Republic of Macedonia and women in Turkey are most likely to report multiple (at least two out of six documented) accommodation problems.

The former Yugoslav Republic of Macedonia is the candidate country most affected by local environmental conditions around people's place of residence, with a higher share of urban citizens reporting environmental problems. This is true of all three candidate countries, with Croatia reporting the biggest and the former Yugoslav Republic of Macedonia the smallest urban-rural differences.

Analysing the availability of infrastructure facilities within walking distance reveals considerable cross-country and urban-rural differences. Recycling facilities are very rare in the former Yugoslav Republic of Macedonia, while Turkey reports a lower provision of food stores in the vicinity of people's homes. People living in rural regions report a lower availability of facilities within walking distance, especially in Turkey.

The analysis of health and access to health services underlined considerable social differences between the candidate countries. In terms of having a fair, bad or very bad health status and having a chronic illness, the biggest gender difference is found in Turkey and the biggest difference by type of settlement is in Croatia. Being deprived, not being able to make ends meet or having 'at most secondary education' multiplies the risk of having a fair, bad or very bad health status or suffering from a chronic illness in all three candidate countries.

The most prominent negative factors for mental well-being are low satisfaction with family life in all candidate countries, environmental problems (the former Yugoslav Republic of Macedonia) and chronic illness (Croatia, Turkey), as well as living in a household that has difficulties making ends meet.

Concerning people's satisfaction with health, the largest negative effect is caused by having a chronic illness. Low satisfaction with family life in Croatia and the former Yugoslav Republic of Macedonia and having more than one problem with seeing a doctor in Turkey further lower health satisfaction. Low income multiplies the risk of problems with access to health care in all three countries, but there are also differences by social criteria. There are no large differences between the candidate countries and the NMS12 or EU27 in people's satisfaction with health, although the candidate countries are more in the range of the NMS12 with respect to satisfaction with health services and having more than one problem in seeing a doctor.

The investigation of the perceived quality of society highlights the diversity between social groups with regard to the assessment of a range of public services (education system, care services, pension system). Those living in households with inadequate income give a lower evaluation to public services, perhaps because they cannot afford the services or because of low pension levels. Urban-rural differences in the mean rating of care services might indicate some divide in care provision in these areas (especially in Croatia but also in the former Yugoslav Republic of Macedonia). However, in general, it must be pointed out that urban-rural differences are not clear cut, being overlaid with different kinds of regional development or ethnic divisions.

The political participation and involvement in voluntary activities in the candidate countries is at a lower level than in the EU27. People in these countries are oriented to a greater extent towards their own family and informal networks than towards the broader society.

Levels of trust in institutions are low in Croatia and the former Yugoslav Republic of Macedonia, but quite high in Turkey, although generalised trust is low, which may also be an effect of inequality and corruption. The high levels of perceived public sector corruption could, among other indicators, explain the lower levels of trust in institutions in Croatia and the former Yugoslav Republic of Macedonia. In Turkey, other factors seem to be important in explaining the greater trust in institutions.

Among the strongest negative factors of overall life satisfaction are inadequacy of income, material deprivation, being unemployed, accommodation problems, negatively self-assessed health and having low trust in institutions. Conversely, good health services contribute positively to life satisfaction. Informal family and other social support, especially in the former Yugoslav Republic of Macedonia and Turkey, is very important not only for satisfaction with family life but also for overall life satisfaction. It seems that this kind of support substitutes for the more developed welfare institutions found elsewhere in Europe.

The three candidate countries have developed a range of policies to address the requirements of harmonisation with the EU and this is monitored annually in progress reports. However, it may take some time for these policies to have an impact on the underlying quality of life measures analysed in this report.

## **Poverty and social exclusion**

Poverty and multiple social exclusion (social exclusion in various fields) are among the main reasons for low quality of life in the candidate countries and should therefore be addressed on several levels.

One factor leading to poverty is the lack of formal employment, so a key field of policy interventions should be directed at raising levels of labour market participation. While this is important for achieving other policy goals, such as extending welfare provision to wider population groups, it is particularly challenging in view of the Europe 2020 strategy to raise employment levels to 75% for those aged 20–64 and to reduce poverty defined by the at-risk-of-poverty rate, severe material deprivation and number of people living in jobless households. The candidate countries face particular problems in each of these areas and many of those in poverty in the future will be found in the candidate countries.

Policies should take into account not only the officially registered unemployed but also those who are not in work for other reasons, such as the early retired (mainly in Croatia), young people who have not yet entered the workforce and women. Programmes to tackle the employment of 55–64-year-olds are already part of the policy strategies for Croatia (Ministry of Health and Social Welfare, 2010) and the former Yugoslav Republic of Macedonia (Ministry of Labour and Social Policy, 2010). Policy interventions should focus on developing training and educational programmes that can help to bring these people into the labour force. Vocational training is identified as something requiring reform or further development. For example, vocational education should be reformed to match labour market needs and to increase students' employability. These vocational programmes need to be directed not only at young people but also at other age groups. The active labour market programmes (ALMPs) favoured in other Member States are already being adopted in Croatia, but could also be a good model for the other two candidate countries.

Within the training and educational development programmes (lifelong learning), particular programmes directed at women are needed. Raising the labour market participation of women will help to change traditional structures of authority and to accelerate modernisation. It may be necessary to target particular groups of women in this respect. Gender equality and the inclusion of women are recognised as a strategy to alleviate poverty in Croatia and the former Yugoslav Republic of Macedonia, as well as crucial for complying with EU requirements. There have been some improvements in this respect since this survey was carried out (Ministry of Health and Social Welfare, 2010; Ministry of Labour and Social Policy, 2010).

## **Employment and education**

Since much employment takes place in the informal rather than the formal economy, one strategy could be to help turn informal jobs and enterprises into formal ones. This would help to generate tax revenue and bring more people into social security systems. It would also help to better protect workers from unfair and exploitative employment practices (such as non-payment of wages), which would improve the quality of work (and therefore job satisfaction) more generally. Enabling flexible employment arrangements could help to turn some of this informal work into formal work and here issues surrounding part-time work, casual work and occasional work might be important in order to generate jobs. However, since poor quality of work is also a problem, it will be necessary to look at the regulation of working conditions and to consider ways of improving work quality. This is particularly an issue because the data indicate there are large numbers of people in the candidate countries on short-term or no contracts, which lowers satisfaction with work and would need monitoring in future surveys.

Extending the social security systems to include more people in all countries, especially in Turkey, would improve the situation of older people, since the elderly in the countries concerned have lower life satisfaction and are disadvantaged in many respects.

Since it is assumed here that a strong causal relationship exists between low education ('at most secondary education') and low income, there should be efforts to raise the educational attainment levels of all groups, while bearing in mind the issue of regulating education and ensuring suitable quality. The Europe 2020 strategy explicitly targets the raising of educational enrolment. This will be a challenge particularly in the former Yugoslav Republic of Macedonia and Turkey where provision is more limited.

In each of the three countries under consideration, there are issues relating to the inclusion of ethnic minority groups. A strategy for the social inclusion of the Roma in each country is called for by the Europe 2020 strategy and this will be a challenge for Croatia and the former Yugoslav Republic of Macedonia in particular. These countries have developed programmes for the inclusion of Roma in employment, education and public life and there are some signs that their situation is improving (Ministry of Health and Social Welfare, 2010; Ministry of Labour and Social Policy, 2010). But given the deprived condition of the Roma, this will be a longer-term process.

### **Families**

Policies need to take into account the current importance of family and the fact that emerging changes in family structures might erode the various support networks. Policies with a special focus on family-friendly working conditions and adequate provisions of (child)care services could help both those parents who work and those who cannot take part in the labour market due to a lack of proper childcare arrangements. In Croatia, the promotion of flexible forms of employment aims to enhance the employment of parents with younger dependent children because reduced working hours are combined with childcare, which is particularly important for single mothers and single parents. The proposed introduction of child benefits as well as the strategy of targeting older people without pensions may help to improve the situation of families in poverty. In Croatia, a network of social welfare and social care institutions is being further developed (Ministry of Health and Social Welfare, 2010). In the former Yugoslav Republic of Macedonia, it is recognised that these services also need to be improved (Ministry of Labour and Social Policy, 2010).

### **Housing**

The issue of affordable housing for lower income groups should be addressed. Given high rates of home ownership, the main challenge is affordability of maintenance: using fiscal instruments and grants to upgrade poor accommodation might be a way to help low-income homeowners improve their housing conditions.

In Croatia and the former Yugoslav Republic of Macedonia, it is now recognised that a new model of social housing needs to be created, perhaps building on public-private partnerships and co-financing of housing costs, or non-profit building; in the former Yugoslav Republic of Macedonia, there is a strategy in place to improve the traffic and utilities infrastructure which also recognises the legal existence of self-built housing (Ministry of Health and Social Welfare, 2010; Ministry of Labour and Social Policy, 2010). Housing policies should further help to overcome spatial mismatch and inadequate housing stocks. The development of a market for renting seems to be particularly relevant in Croatia and the former Yugoslav Republic of Macedonia. The improvement of environmental conditions seems to be particularly relevant in the former Yugoslav Republic of Macedonia and should focus on urban areas in all countries.

## Health

Another key aspect of social exclusion is that of health. Regional differences in health and access to health services need to be addressed. These discrepancies are recognised in Croatia where the welfare strategy includes efforts to supply comprehensive health services to all regions and the promotion of family medical services (Dobrotić et al, 2007; Ministry of Health and Social Welfare, 2010). Improved health insurance systems are also envisaged. The improvement of the health situation of the elderly should be a subject of discussion, especially in Croatia and the former Yugoslav Republic of Macedonia, while in Turkey the situation of women having bad health and suffering from chronic illness should be addressed. In Croatia, spending on the health service and investment in health-related prevention programmes are of high importance.

In all candidate countries there is a need for programmes to help people with a chronic illness or disability. Given the high impact of environment on health, programmes for the improvement of air and water quality, preventing noise, allocation of recreational areas, preventing crime and litter should also be strengthened.

## Public services

There is a need to improve public services provided by the education system, the pension system as well as the care services for children and elderly people to ensure social inclusion. Since people living in households with inadequate income give lower ratings to the education system in all candidate countries, special measures helping low-income groups to access education are vital. Moreover, the rapid expansion of higher education facilities (some of them private) in the former Yugoslav Republic of Macedonia has brought its own problems of regulation which need to be addressed. Also, attention should be paid to extending access to university education in Turkey.

Providing a good territorial coverage, including the expansion of public care services for children and elderly people to rural areas (an issue especially in Croatia, but to some extent also in the former Yugoslav Republic of Macedonia) and enhancing the quality and affordability of care provisions in all candidate countries should be promoted.

In Croatia, the social welfare and social care services are in the process of further development, including the improvement of conditions in homes for the elderly, the recognition of the need to extend non-institutional services to new (especially isolated) areas, and the promotion of voluntary work in caring for the elderly. Moreover, the coverage of children by pre-school education has been increased in the past years through the building of new kindergartens.

Further decentralisation and deinstitutionalisation of social services is also planned in Croatia (Ministry of Health and Social Welfare, 2010). In the former Yugoslav Republic of Macedonia, a decentralisation process aims to match public care services for children and elderly people more closely to users' needs. It is also intended to expand provision, including in rural regions, as well as to diversify public services by outsourcing parts of them to NGOs and private companies. The development of non-institutional services is also being promoted (Ministry of Education and Science, 2006; Donevska et al, 2007; Bartlett et al, 2010b; Ministry of Labour and Social Policy, 2010). However, since the impact of these initiatives is not yet apparent, access to services will need to be monitored through future waves of the EQLS.

Ensuring adequate pension incomes for retired people in all three countries is of key importance for their social inclusion. In Croatia and the former Yugoslav Republic of Macedonia, pension reforms include the introduction of second and third pillars to ensure the sustainability of the system as well as measures to tackle the problem of low levels of pension benefits (Anušić, 2007; Bartlett and Xhumari, 2007; Puljiz, 2007; Bartlett et al, 2009; Guardiancich, 2010). There are also strategies to improve the pension systems to make them more inclusive (Ministry of Health and Social

Welfare, 2010; Ministry of Labour and Social Policy, 2010). In Turkey, pension reform is focused on the unification of the system components and the introduction of a range of measures to reduce the social security deficit. Moreover, increasing social security coverage to ensure old-age benefits for a larger part of the population should be promoted (OECD, 2007; Rose and Özcan, 2007; Verbeken, 2007; Duyulmus, 2009; Aktug, 2010).

### **Social and political participation**

Support of social and political participation (for example, through building civil society organisations) is recommended for all the candidate countries, but especially for Croatia where political activity is low. The EU has already invested substantial funds in building civil society in Croatia, but the effects on the quality of life will be longer-term and so need to be monitored in the future.

Given the distrust in institutions in Croatia and the former Yugoslav Republic of Macedonia (this is not the case in Turkey), it is important to make government institutions more transparent, accountable and responsive to the public, for example by addressing the fairness of recruitment practices. Some improvements have been made by appointing members of ethnic minorities to key positions and recent reports show some good results in this respect (Ministry of Health and Social Welfare, 2010; Ministry of Labour and Social Policy, 2010), but this needs to be addressed over the longer term. The need for transparency measures has been identified (for example, see Bartlett et al, 2010b), and will have to stay on the agenda since the quality of public governance is an explicit concern of the Europe 2020 strategy. Efforts to tackle corruption (for example, in Croatia) will need continual monitoring (European Commission, 2010b; Ministry of Health and Social Welfare, 2010). A strategy for achieving transparency of institutions and addressing corruption in Turkey is also necessary and should take the country-specific circumstances into account.

### **Summary**

Policy efforts in various life domains ensuring social inclusion and the strengthening of institutions of governance, and increasing the efficiency of institutional performance should contribute to better living conditions and increase life satisfaction in the three candidate countries. The economic crisis that took place after the latest wave of the EQLS was carried out will have exacerbated social exclusion and unemployment, and squeezed government expenditure. Therefore, the policy messages raised here remain particularly acute.

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## Other data sources

Body	Website
Central Bureau of Statistics of Republic of Croatia	<a href="http://www.dzs.hr/default_e.htm">http://www.dzs.hr/default_e.htm</a>
Croatian Institute for Health Insurance	<a href="http://www.mirovinsko.hr">http://www.mirovinsko.hr</a>
Eurobarometer	<a href="http://ec.europa.eu/public_opinion/index_en.htm">http://ec.europa.eu/public_opinion/index_en.htm</a>
Eurostat database	<a href="http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/">http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/</a>
OECD Statistics, extracted 8 February 2011	<a href="http://stats.oecd.org/Index.aspx">http://stats.oecd.org/Index.aspx</a>
Student Centre and Placement Centre ( <i>Öğrenci Seçme Yerleştirme Merkezi, ÖSYM</i> )	<a href="http://www.osym.gov.tr">http://www.osym.gov.tr</a>
The Council of Higher Education, Turkey ( <i>Yükseköğretim Kurumu</i> )	<a href="http://www.yok.gov.tr">http://www.yok.gov.tr</a>
TransMONEE 2010 database, UNICEF Regional Office for CEE/CIS	<a href="http://www.transmonee.org/">http://www.transmonee.org/</a>
World Values Survey	<a href="http://www.worldvaluessurvey.org/">http://www.worldvaluessurvey.org/</a>

## Annex I: Country profiles

## Fact sheet: Croatia

Indicator	2007	2009	
Population 1 January	4,441,238	4,435,056	
Age structure, persons <15 years in % of total	15.5	15.3	
Age structure, persons 15–64 years in % of total	67.1	67.0	
Age structure, persons 65+ years in % of total	17.0	17.3	
Women per 100 men	107.5	107.4	
Ethnic composition (Census 2001; Bejaković and Lipovčan, 2007, p.12): Croats: 89.6%; Serbs 4.5%; Bosniaks 0.5%; Italians 0.4%; Hungarians 0.4%; Albanians 0.3%; Slovenes 0.3%; Roma 0.21%			
Life expectancy at birth, male (WHO)	73		
Life expectancy at birth, female (WHO)	79		
Graduates in ISCED 3, total	48,701	47,626*	
Graduates in ISCED 3, male	24,155	24,073*	
Graduates in ISCED 3, female	24,546	23,533*	
Graduates in ISCED 5 and 6, total	22,228	26,938*	
Graduates in ISCED 5 and 6, male	9,395	11,202*	
Graduates in ISCED 5 and 6, female	12,833	15,736*	
Graduates, upper secondary education (ISCED 3) per 1,000 of population aged 15–20 years			
	total	149.1	148.9*
	male	144.9	147.3*
	female	153.6	150.6*
Graduates, tertiary education (ISCED 5–6) per 1,000 of population aged 20–29 years			
	total	36.2	44.2*
	male	30.1	36.1*
	female	42.6	52.7*
GINI coefficient, %	29		
Inequality of income distribution S80/S20	4.5		
GDP per capita in PPS; index: EU27 = 100	60.2	62.6*	
Inactive population as a % of the total population (15–64 years), total	36.6	37.6	
Inactive population as a % of the total population (15–64 years), male	29.6	32.0	
Inactive population as a % of the total population (15–64 years), female	43.6	43.0	
Employment rate, % (15–64 years), total	57.1	56.6	
Employment rate, % (15–64 years), male	64.4	62.4	
Employment rate, % (15–64 years), female	50.0	51.0	
Unemployment rate, % (15–64 years), total	9.8	9.3	
Unemployment rate, % (15–64 years), male	8.5	8.2	
Unemployment rate, % (15–64 years), female	11.4	10.6	

Notes: \* Year = 2008.

Source: Eurostat unless otherwise stated. Data extracted June and August 2010 (shares of population aged 15–64 years and 65+ years and of graduates by ISCED level per 1,000 of population of relevant age group: own calculations). Data for GDP per capita in PPS, available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsieb010&plugin=1>.

WHO (2007) Croatia: health profile, <http://www.who.int/gho/countries/hrv.pdf> (extracted August 2010)

## Fact sheet: The former Yugoslav Republic of Macedonia

Indicator	2007	2009	
Population 1 January	2,041,941	2,048,619	
Age structure, persons <15 years in % of total	18.9	18.1	
Age structure, persons 15–64 years in % of total	69.9	70.4	
Age structure, persons 65+ years in % of total	11.2	11.5	
Women per 100 men	99.5	99.5	
Ethnic composition:** Macedonians: 64.2%; Albanians: 25.2%; Turks: 3.9%; Roma: 2.7%; Vlachs: 0.5%; Serbs: 1.8%; Bosniaks: 0.84%; Other: 1.04%			
Life expectancy at birth, male (WHO)	72		
Life expectancy at birth, female (WHO)	76		
Graduates, upper secondary education (ISCED 3) per 1,000 of population aged 15–20 years	total male female	132.7 139.8 125.3	128.9* 134.4* 123.0*
Graduates, post-secondary non-tertiary education (ISCED 4) per 1,000 of population aged 19–24 years	total male female	2.2 3.9 0.4	2.5* 4.3* 0.6*
Graduates, tertiary education (ISCED 5–6) per 1,000 of population aged 20–29 years	total male female	26.9 20.2 33.9	34.3* 26.9* 42.1*
GINI coefficient, % (TransMONEE 2010 database)	38.5		
GDP per capita in PPS; index: EU27 = 100	31.8	33.6	
Consumer price index annual change (%), previous year = 100 (State Statistical Office of the former Yugoslav Republic of Macedonia, 2009b)		8.3*	
Inactive population as a % of the total population (15–64 years), total	37.2	36.0	
Inactive population as a % of the total population (15–64 years), male	25.2	22.4	
Inactive population as a % of the total population (15–64 years), female	49.6	50.0	
Employment rate, % (15–64 years), total	40.7	43.3	
Employment rate, % (15–64 years), male	48.8	52.8	
Employment rate, % (15–64 years), female	32.3	33.5	
Unemployment rate, % (15–64 years), total	35.2	32.3	
Unemployment rate, % (15–64 years), male	34.8	32.0	
Unemployment rate, % (15–64 years), female	35.8	32.9	

Note: \* Year = 2008; \*\* State Statistical Office of the former Yugoslav Republic of Macedonia, Census 2002, online database (extracted June 2010; proportions: own calculations).

Source: Eurostat unless otherwise stated. Data extracted June and August 2010 (shares of population of 15–64 years and 65+ years and of graduates by ISCED level per 1,000 of population of relevant age group: own calculations). Data for GDP per capita in PPS, available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsieb010&plugin=1>.

WHO (2007) Health profile, <http://www.who.int/gho/countries/mkd.pdf> (extracted August 2010)

TransMONEE 2010 database (estimate based on interpolated distributions from grouped data from household budget surveys (HBS) reported to the MONEE project; data refer to the distribution of population by per capita household net income).

**Fact sheet: Turkey**

Indicator	2007	2009	
Population 1 January	69,689,256	71,517,100	
Age structure, persons <15 years in % of total		26.3	
Age structure, persons 15–64 years in % of total		66.9	
Age structure, persons 65+ years in % of total		7.1*	
Women per 100 men	99.5	99.2	
Ethnic composition:*** Turks: 80%–88%; Kurds: 10%–20%; Arabs: 1.5%; Others: 0.3%			
Life expectancy at birth, male (WHO)	71		
Life expectancy at birth, female (WHO)	76		
Graduates, upper secondary education (ISCED 3) per 1,000 of population aged 15–20 years	total	96.6**	43.5*
	male	104.1**	48.0*
	female	88.8**	38.7*
Graduates, tertiary education (ISCED 5–6) per 1,000 of population aged 20–29 years	total	31.2**	34.9*
	male	33.3**	37.1*
	female	29.0**	32.6*
GINI Coefficient % (Turkish Statistical Institute, 2009)	41		
GDP per capita in PPS (Eurostat); index: EU27 = 100	44.6	45.5*	
Inactive population as a % of the total population (15–64 years), total	50.9	49.2	
Inactive population as a % of the total population (15–64 years), male	26.6	26.0	
Inactive population as a % of the total population (15–64 years), female	74.8	72.2	
Employment rate, % (15–64 years), total	44.6	44.3	
Employment rate, % (15–64 years), male	66.8	64.5	
Employment rate, % (15–64 years), female	22.8	24.2	
Unemployment rate, % (15–64 years), total	9.1	12.8	
Unemployment rate, % (15–64 years), male	8.9	12.8	
Unemployment rate, % (15–64 years), female	9.4	12.9	

Notes: \* Year = 2008; \*\* Year = 2006; \*\*\* US English Foundation, <http://www.usefoundation.org/view/865>, data July 1999, updated October 2004.

Source: Eurostat unless otherwise stated. Data extracted June and August 2010 (shares of population of 15–64 years and 65+ years and of graduates by ISCED level per 1,000 of population of relevant age group: own calculations). Data for GDP per capita in PPS, available at <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsieb010&plugin=1>.

WHO (2007) Health profile, <http://www.who.int/gho/countries/tur.pdf> (extracted August 2010)

**EU27 (selected indicators)**

Indicator	2007	2009
GINI coefficient, %	31	31*
Inactive population as a % of the total population (15–64 years), total	29.5	28.9
Inactive population as a % of the total population (15–64 years), male	22.3	22.2
Inactive population as a % of the total population (15–64 years), female	36.7	35.7
Employment rate, % (15–64 years), total	65.4	64.6
Employment rate, % (15–64 years), male	72.5	70.7
Employment rate, % (15–64 years), female	58.3	58.6
Unemployment rate, % (15–64 years), total	7.2	9.0
Unemployment rate, % (15–64 years), male	6.7	9.1
Unemployment rate, % (15–64 years), female	7.9	8.9

Note: \* Year = 2008.

Source: Eurostat (data extracted June 2010)

## Annex II: Additional tables and graphs

Table A1: *Unweighted means (with standard deviation)*

	HR	MK	TR	NMS12	EU27
Quality public services	5.0 (1.8)	4.8 (1.9)	5.6 (2.1)	5.7 (1.7)	6.0 (1.7)
Satisfaction economic situation	6.2 (2.4)	5.2 (2.7)	4.7 (2.7)	6.7 (2.3)	7.0 (2.2)
Satisfaction standard of living	5.6 (2.5)	4.3 (2.5)	5.1 (2.5)	6.2 (2.3)	6.8 (2.2)
Satisfaction housing	6.9 (2.3)	6.1 (2.7)	6.2 (2.7)	7.2 (2.3)	7.5 (2.1)
Satisfaction social life	6.8 (2.2)	6.1 (2.4)	6.7 (2.0)	7.1 (2.0)	7.4 (1.9)
Trust in institutions	3.6 (1.9)	3.8 (2.0)	6.0 (2.3)	4.4 (2.0)	4.9 (2.0)
Satisfaction with health	6.5 (2.9)	6.5 (2.8)	6.9 (2.6)	6.8 (2.5)	7.2 (2.3)
Life satisfaction	6.3 (2.3)	5.3 (2.4)	6.2 (2.4)	6.5 (2.2)	7.0 (2.1)
Happiness	6.8 (2.2)	6.1 (2.3)	6.6 (2.3)	7.1 (2.0)	7.4 (1.9)
Trust in people	4.6 (2.3)	3.7 (2.5)	4.9 (2.5)	4.6 (2.4)	5.1 (2.4)

Notes: Based on unweighted means for happiness: question 42, life satisfaction: question 29, satisfaction with public services: mean of questions 56-1 to 56-6, satisfaction with job and education (economic situation): mean of questions 40-1 and 40-2, satisfaction with present standard of living: question 40-3, satisfaction with accommodation: question 40-4, satisfaction with social life: mean of satisfaction with family life (question 40-5) and satisfaction with social life (question 40-7), satisfaction with health: question 40-6, trust in people: question 23, trust in institutions: mean of questions 27-1 to 27-6.

Source: *EQLS, 2007*

Table A2: *Mean overall satisfaction with living standards by 'working conditions'*

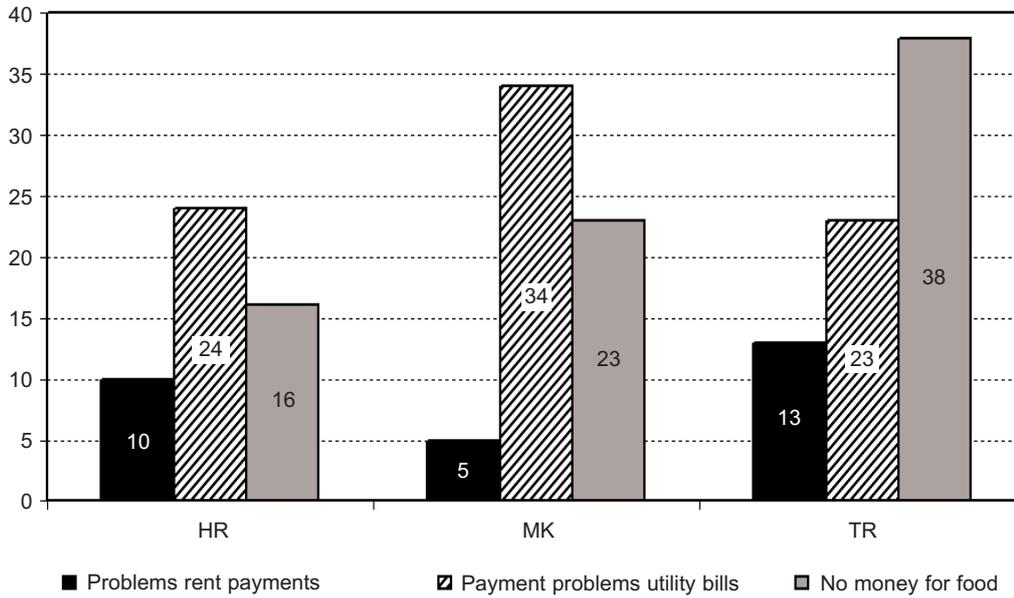
Working conditions	HR	MK	TR
Normal (0)	5.4 (2.4)	4.0 (2.4)	5.0 (2.5)
Fairly good (1)	6.3 (2.1)	4.6 (2.4)	5.2 (2.2)
Good (2)	7.4 (2.0)	6.0 (2.0)	5.7 (2.1)
Very good (3)	7.8 (1.7)	6.1 (2.7)	6.7 (2.4)

Notes: Based on Question 10.

Standard deviation given in brackets.

Source: *EQLS, 2007*

Figure A1: Extent of 'payment problems' (%)

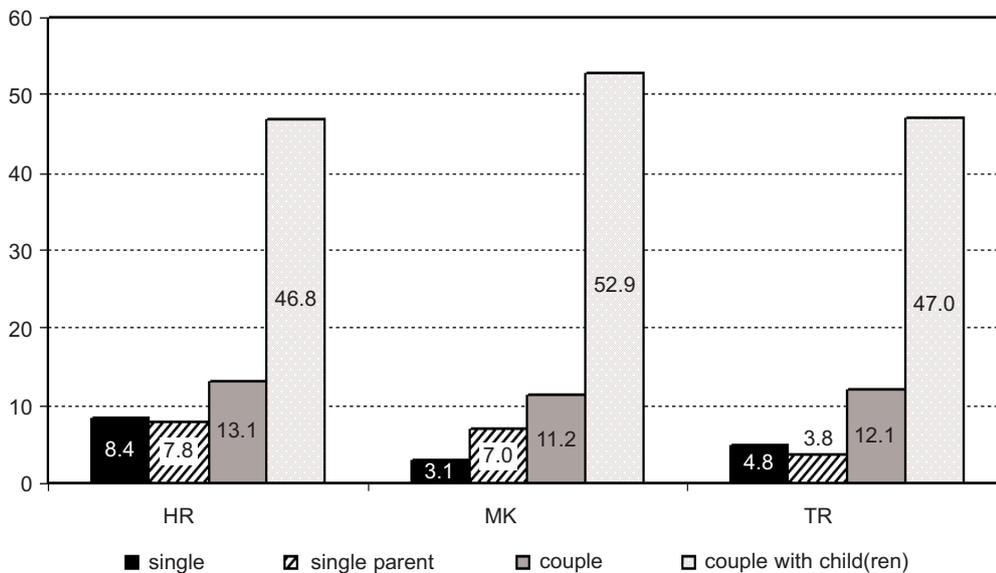


Notes: Question 58: Has your household been in arrears at any time during the past 12 months, that is, unable to pay as scheduled any of the following? a) rent or mortgage payments for accommodation; b) utility bills, such as electricity, water, gas. 1) Yes; 2) No; 3) Don't know. 'Don't knows' are included in the basic population but not presented.

Question 60: Has your household at any time during the past 12 months run out of money to pay for food? 1) Yes; 2) No; 3) Don't know. 'Don't knows' are included in the basic population but not presented.

Source: EQLS, 2007

Figure A2: Living arrangements (%)

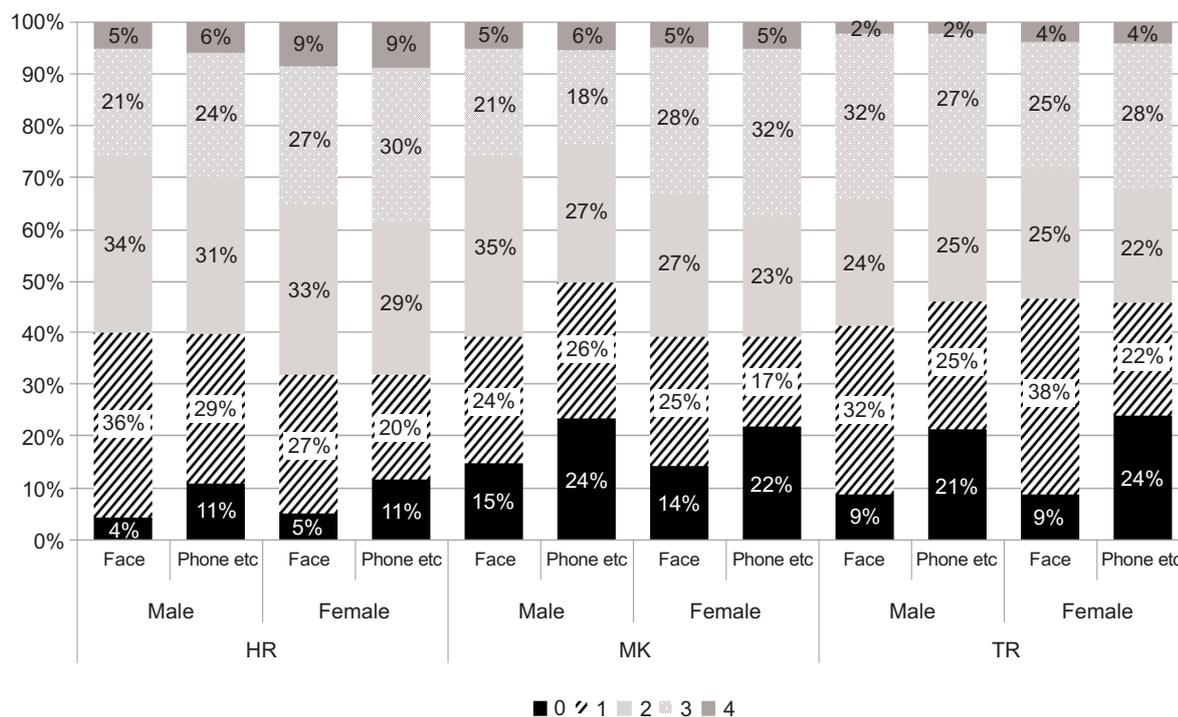


Notes: Household type (Household type-Eurofound: hhtypeEF, household grid).

Categories: single, single parent, couple (without children), couple with children, other (not shown).

Source: EQLS, 2007

Figure A3: Frequent contact index with persons outside household (%)



Notes: Index counts the number of frequent contacts with different persons outside household ranging from 0 (no frequent contacts) to 4 (frequent contact with all of the following: non-household children/parents/siblings/friends).

Frequent contact includes the categories (1) more than once a day, (2) every day or almost every day, (3) at least once a week based on Q32 and Q33. The data show the shares of respondents by number of frequent contacts.

Q32: On average, thinking of people LIVING OUTSIDE YOUR HOUSEHOLD how often do you have direct (face-to-face) contact with: any of your children; your mother and father; any brother, sister or other relative; any of your friends or neighbours. Categories: (1) more than once a day; (2) every day or almost every day, (3) at least once a week, (4) once or twice a month, (5) several times a year, (6) less often, (7) don't have such relatives, (8) don't know. The responses 'don't know' and 'don't have such relatives' were excluded. The data show the share of the first three categories.

Q33: similar for contact by phone, email or post.

Source: EQLS, 2007

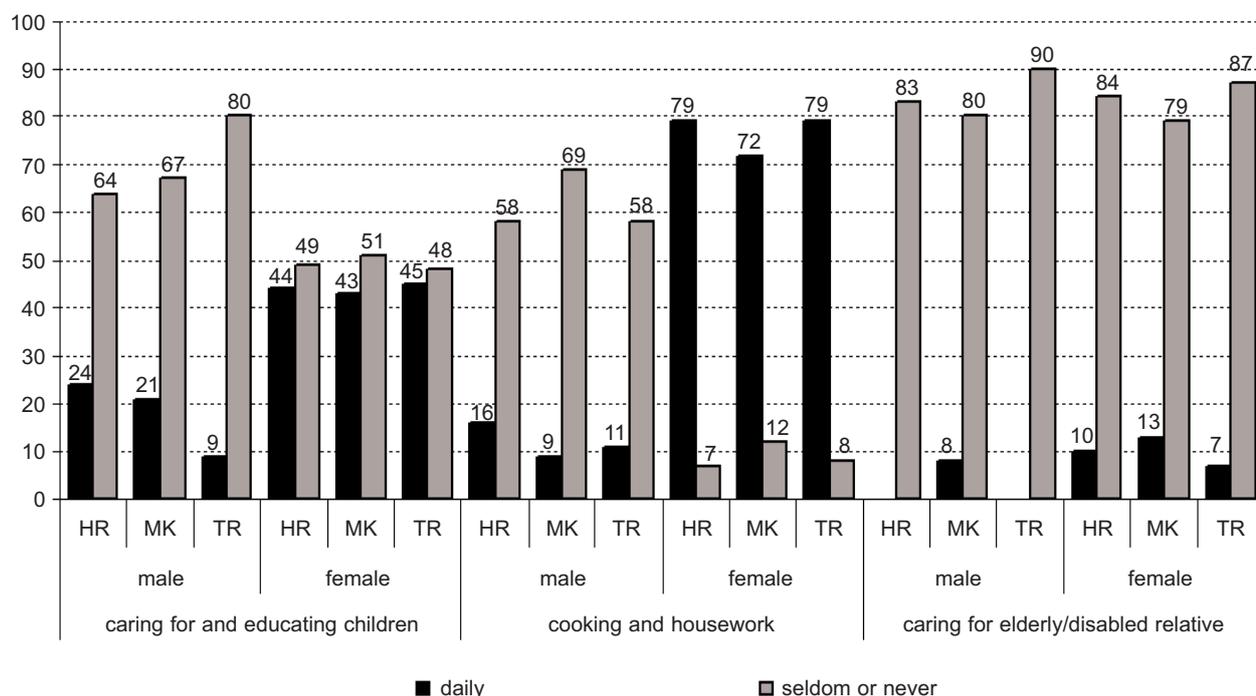
Table A3: Sources of support (%)

	HR		MK		TR	
	Family member	Other	Family member	Other	Family member	Other
If you needed help around the house when ill	90	9	92	6	92	5
If you needed advice about a serious personal or family matter	80	19	88	10	78	16
If you needed help when looking for a job	38	43	45	39	42	41
If you were feeling a bit depressed and wanting someone to talk to	65	32	73	25	66	30
If you needed to urgently raise an amount of about €500 to face an emergency	62	31	67	21	59	23

Notes: Question 35: From whom would you get support in each of the following situations? Q35-1 If you needed help around the house when ill / Q35-2 If you needed advice about a serious personal or family matter / Q35-3 If you needed help when looking for a job / Q35-4 If you were feeling a bit depressed and wanting someone to talk to / Q35-5 If you needed to urgently raise an amount of around €500 (for CC3 and NMS12; otherwise €1,000) to face an emergency. For each situation, choose the most important person: Partner/spouse, other family member, work colleague, friend, neighbour, someone else, nobody [don't know]. Responses were grouped into 'family members' (= partner/spouse or other family member), 'other' (= friends, neighbours, work colleagues or someone else) and 'nobody'. The category 'nobody' is not shown in the table (cases <30 for part of the categories). 'Don't knows' are excluded.

Source: EQLS, 2007

Figure A4: Involvement in household activities (outside paid work, %)



Notes: Q36: How often are you involved in any of the following activities outside paid work? (a) caring for and educating children, (b) cooking and housework, (c) caring for elderly/disabled relatives, [(d) voluntary and charitable activities]. Responses were grouped into 'daily' (=daily), 'often' (= several times a week + once or twice a week) and 'seldom or never' (= less often than once a week + never). 'Don't knows' are excluded.

Source: *EQLS, 2007*

Table A4: 'Yes' to question on shortage of space (%)

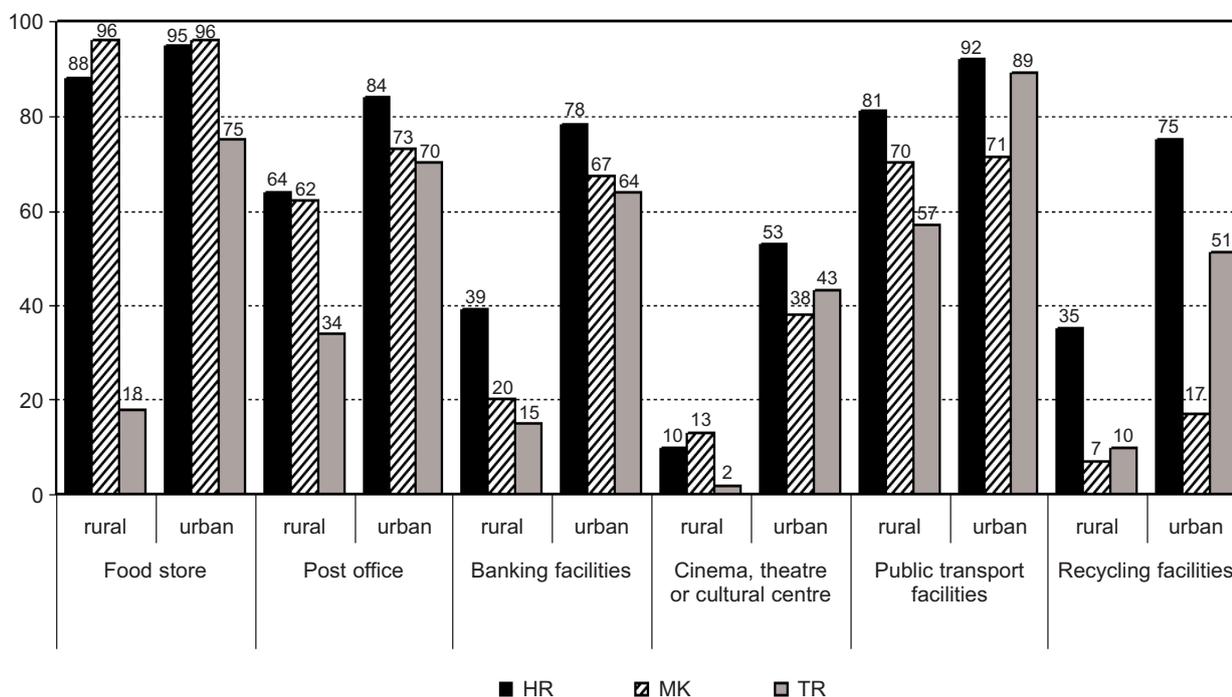
	HR	MK	TR
<b>Adequate income</b>	16	<b>21</b>	<b>24</b>
<b>Inadequate income</b>	22	<b>34</b>	<b>41</b>
<b>Rural area</b>	<b>15</b>	<b>22</b>	31
<b>Urban area</b>	<b>25</b>	<b>36</b>	34
<b>Men</b>	19	28	<b>28</b>
<b>Women</b>	20	30	<b>39</b>
<b>Age 18–34</b>	No. too small	33	<b>32</b>
<b>Age 35–64</b>	No. too small	28	<b>35</b>
<b>Age 65+</b>	No. too small	22	<b>27</b>
<b>Household with children</b>	<b>25</b>	<b>33</b>	<b>37</b>
<b>Household without children</b>	<b>13</b>	<b>23</b>	<b>29</b>

Notes: Question 17: Do you have any of the following problems with your accommodation? a) shortage of space; b) rot in windows, doors or floors; c) damp or leaks in walls or roof; d) lack of indoor flushing toilet; e) lack of bath or shower; f) lack of place to sit outside (e.g. garden, balcony terrace). (1) Yes. (2) No. (3) Don't know.

Bold means statistically significant with  $p < 0.05$ .

Source: *EQLS, 2007*

Figure A5: Availability of facilities within walking distance (%)



Notes: Question 55: Still thinking about your immediate neighbourhood, are there any of the following facilities available within walking distance? a) a food store or supermarket, b) post office, c) banking facilities, d) cinema, theatre or cultural centre, e) public transport facilities (bus, metro, tram, etc.), f) recycling facilities. (1) Yes, (2) No, (3) Don't know. 'Don't knows' are excluded.  
Source: EQLS, 2007

Table A5: Mean MHI by severely hampered in daily life

	HR	MK	TR
Not severely hampered	12.9 (5.5)	10.8 (6.4)	9.6 (6.1)
Severely hampered	10.3 (6.3)	5.7 (6.1)	6.6 (5.6)

Notes: **Bold** means statistically significant with  $p < 0.05$ .  
Question 46: Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks. 'I have felt cheerful and in good spirits.' 'I have felt calm and relaxed.' 'I have felt active and vigorous.' 'I woke up feeling fresh and rested.' 'My daily life has been filled with things that interest me.' (All the time, most of the time, more than half of the time, less than half of the time, some of the time, at no time.) Total on all statements (0-5), amounting to a potential score from zero to 25. A higher score means a better mental health.  
Question 45: Are you hampered in your daily activities by this physical or mental health problem, illness or disability? Yes, severely, yes, to some extent, no. 'Don't knows' are excluded.  
Standard deviation is given in brackets.  
Source: EQLS, 2007

Table A6: Mean MHI by level of educational attainment

	HR	MK	TR
At most secondary education	13.9 (5.7)	13.2 (6.5)	11.5 (6.4)
Post-secondary and tertiary education	15.0 (4.9)	16.6 (5.0)	13.0 (6.1)

Notes: **Bold** means statistically significant with  $p < 0.05$ .  
Question 46: Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks. 'I have felt cheerful and in good spirits.' 'I have felt calm and relaxed.' 'I have felt active and vigorous.' 'I woke up feeling fresh and rested.' 'My daily life has been filled with things that interest me.' (All the time, most of the time, more than half of the time, less than half of the time, some of the time, at no time.) Total on all statements (0-5), amounting to a potential score from zero to 25. A higher score means a better mental health.  
Standard deviation is given in brackets.  
Source: EQLS, 2007

Table A7: Satisfaction with health by education

	HR	MK	TR
<b>At most secondary education</b>	<b>6.7 (2.8)</b>	<b>6.6 (2.8)</b>	<b>6.9 (2.6)</b>
<b>Post-secondary and tertiary education</b>	<b>7.8 (2.3)</b>	<b>7.7 (2.3)</b>	<b>7.8 (2.2)</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 40: Could you please tell me on a scale of 1 to 10 how satisfied you are with your health where 1 means very dissatisfied and 10 very satisfied?

Standard deviation is given in brackets.

Source: *EQLS, 2007*

Table A8: Mean MHI by country and employment

	HR	MK	TR
<b>Self-employed</b>	14.6 (5.1)	14.8 (5.7)	12.6 (6.2)
<b>Unemployed</b>	13.0 (5.7)	13.3 (6.5)	9.5 (5.9)
<b>Retired</b>	12.7 (6.1)	11.7 (7.2)	11.8 (6.3)
<b>Inactive, other</b>	14.0 (5.6)	13.6 (6.5)	11.2 (6.4)

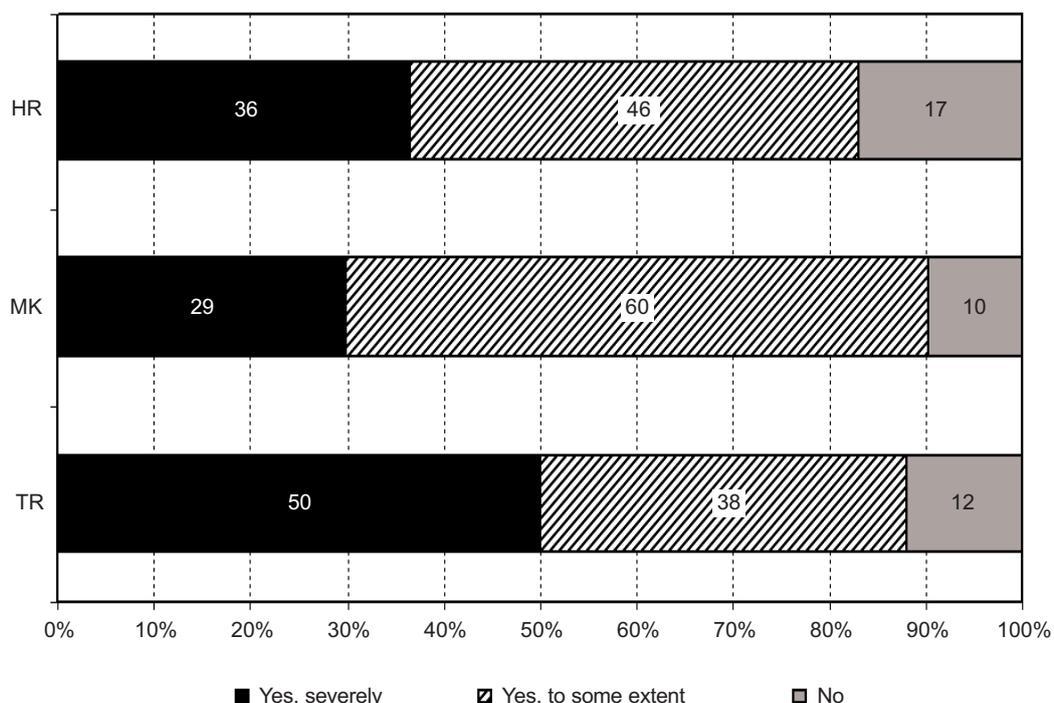
Notes: Question 46: Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks. 'I have felt cheerful and in good spirits.' 'I have felt calm and relaxed.' 'I have felt active and vigorous.' 'I woke up feeling fresh and rested.' 'My daily life has been filled with things that interest me.' (All the time, most of the time, more than half of the time, less than half of the time, some of the time, at no time.) Total on all statements (0–5), amounting to a potential score from zero to 25.

Employment from household grid economic status codes.

Standard deviation is given in brackets.

Source: *EQLS, 2007*

Figure A6: Hampered in daily life by chronic illness (%)



Note: Question 45: Are you hampered in your daily activities by this physical or mental health problem, illness or disability? Yes, severely, yes, to some extent, no. 'Don't knows' are excluded.

Source: *EQLS, 2007*

Table A9: *Problems with seeing a doctor (%)*

Country	Distance	Appointment delay	Waiting time	Cost
HR	35	48	52	39
MK	48	44	51	59
TR	38	40	43	36

Note: Question 47: On the last occasion you needed to see a doctor, to what extent did each of the following factors make it difficult for you to do so? Distance to doctor/hospital/medical centre; delay in getting appointment; waiting time to see doctor on day of appointment; cost of seeing doctor. Very difficult, a little difficult, not difficult at all, not applicable, don't know. Percentages presented include answers 'very difficult' and 'a little difficult'.

Source: *EQLS, 2007*.

Table A10: *Mean level of perceived quality of education system*

	HR	MK	TR
<b>Men</b>	5.9 (2.1)	5.2 (2.4)	<b>5.6 (2.2)</b>
<b>Women</b>	5.9 (2.1)	5.3 (2.2)	<b>6.1 (2.4)</b>
<b>Age 18–34</b>	<b>6.2 (2.1)</b>	5.3 (2.3)	<b>5.7 (2.4)</b>
<b>Age 35–64</b>	<b>5.8 (2.0)</b>	5.1 (2.4)	<b>5.8 (2.3)</b>
<b>Age 65+</b>	<b>5.7 (2.2)</b>	5.4 (2.3)	<b>6.6 (2.2)</b>
<b>At most secondary education</b>	5.9 (2.1)	5.2 (2.3)	<b>5.9 (2.3)</b>
<b>Post-secondary and tertiary education</b>	6.2 (2.2)	5.3 (2.5)	<b>5.2 (2.2)</b>
<b>Rural area</b>	<b>5.7 (2.0)</b>	<b>5.4 (2.3)</b>	<b>6.0 (2.3)</b>
<b>Urban area</b>	<b>6.2 (2.2)</b>	<b>5.0 (2.3)</b>	<b>5.7 (2.3)</b>
<b>Adequate income</b>	<b>6.2 (2.1)</b>	<b>5.6 (2.4)</b>	<b>6.1 (2.2)</b>
<b>Inadequate income</b>	<b>5.7 (2.1)</b>	<b>5.1 (2.3)</b>	<b>5.7 (2.3)</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 56-2: In general, how would you rate the quality of public services (in our country)? b) Education system: scale from 1 to 10, where 1 means 'very poor quality' and 10 means 'very high quality'.

Standard deviation is given in brackets.

Source: *EQLS, 2007*

Table A11: *Mean level of perceived quality of childcare services*

	HR	MK	TR
<b>Age 18–34</b>	<b>5.9 (2.1)</b>	<b>5.2 (2.5)</b>	<b>5.0 (2.3)</b>
<b>Age 35–64</b>	<b>5.4 (2.1)</b>	<b>4.7 (2.5)</b>	<b>5.2 (2.3)</b>
<b>Age 65+</b>	<b>5.5 (2.3)</b>	<b>4.8 (2.4)</b>	<b>5.7 (2.4)</b>
<b>Rural area</b>	<b>5.3 (2.2)</b>	4.8 (2.5)	5.2 (2.4)
<b>Urban area</b>	<b>5.9 (2.1)</b>	4.9 (2.4)	5.1 (2.3)
<b>Adequate income</b>	<b>5.8 (2.2)</b>	<b>5.5 (2.3)</b>	<b>5.5 (2.2)</b>
<b>Inadequate income</b>	<b>5.4 (2.2)</b>	<b>4.6 (2.5)</b>	<b>5.0 (2.4)</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .

Question 56-4: In general, how would you rate the quality of public services (in our country)? d) Childcare services: scale from 1 to 10, where 1 means 'very poor quality' and 10 means 'very high quality'.

Standard deviation is given in brackets.

Source: *EQLS, 2007*

Table A12: Mean level of perceived quality of care services for elderly people

	HR	MK	TR
Rural area	<b>4.2 (2.1)</b>	4.0 (2.4)	4.9 (2.5)
Urban area	<b>4.8 (2.3)</b>	4.3 (2.4)	4.9 (2.4)
Adequate income	<b>4.8 (2.2)</b>	<b>4.7 (2.4)</b>	<b>5.4 (2.2)</b>
Inadequate income	<b>4.3 (2.2)</b>	<b>3.8 (2.4)</b>	<b>4.7 (2.5)</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .; Urban–rural difference in MK: close to the significance level ( $p = 0.052$ ).  
 Question 56-5: In general, how would you rate the quality of public services (in our country)? d) Care services for elderly people: scale from 1 to 10, where 1 means ‘very poor quality’ and 10 means ‘very high quality’.  
 Standard deviation is given in brackets.  
 Source: *EQLS, 2007*

Table A13: Mean level of perceived quality of pension system

	HR	MK	TR
Rural area	3.3 (2.1)	4.5 (2.8)	<b>4.9 (2.5)</b>
Urban area	3.4 (2.2)	4.6 (2.6)	<b>4.6 (2.5)</b>
Adequate income	<b>3.7 (2.2)</b>	<b>5.2 (2.4)</b>	<b>5.5 (2.3)</b>
Inadequate income	<b>3.1 (2.1)</b>	<b>4.2 (2.8)</b>	<b>4.5 (2.6)</b>

Notes: **Bold** means statistically significant with  $p < 0.05$ .  
 Question 56-6: In general, how would you rate the quality of public services (in our country)? f) Pension system; Scale from 1 to 10, where 1 means ‘very poor quality’ and 10 means ‘very high quality’.  
 Standard deviation is given in brackets.  
 Source: *EQLS, 2007*.

Table A14: Mean level of trust in different types of institutions

Country	Parliament	Legal system	Press	Police	Government	Political parties
HR	3.2 (2.3)	3.1 (2.1)	3.8 (2.1)	4.5 (2.5)	3.3 (2.3)	2.7 (1.9)
MK	3.1 (2.3)	3.3 (2.3)	4.1 (2.4)	4.6 (2.8)	4.0 (2.8)	3.0 (2.2)
TR	6.7 (3.0)	6.4 (2.9)	4.3 (2.8)	6.7 (2.8)	6.7 (3.0)	4.6 (2.8)

Notes: Question 27: Please tell me how much you personally trust in institutions: a) parliament; b) the legal system; c) the press; d) the police; e) the government; f) the political parties: 1: ‘do not trust at all’ and 10: ‘trust completely’.  
 Standard deviation is given in brackets.  
 Source: *EQLS, 2007*

## Annex III: Methodological notes

The main data source used in the analysis is the second European Quality of Life Survey (EQLS 2007) carried out by the European Foundation for the Improvement of Living and Working Conditions from September 2007 to February 2008 in 31 countries, that is the EU27, the three candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and Norway. The number of EQLS 2007 interviews was 1,000 in Croatia, 1,008 in the former Yugoslav Republic of Macedonia and 2,000 in Turkey (Eurofound, 2007, pp. 3–4).

### Descriptive analysis

A basic descriptive analysis shows the situation in each of the candidate countries through various quality of life indicators as well as the differences between the three countries by selected social groups. As in previous Eurofound reports, figures in the descriptive analysis are population-weighted and presented only if the sample contains at least 30 cases.

The descriptive analysis is completed by contingency analysis to prove a statistical relationship between ordinal scaled variables (requiring the creation of new indices due to the small number of observations) and analysis of variance (ANOVA) to prove differences between cardinal scaled variables.

### Regression analysis

Separate multiple regression analysis is used in the report to examine the interrelation of factors associated with the overall life or domain satisfaction for each country. It is a useful approach to identify factors influencing overall satisfaction and to investigate the extent of country differences. The multiple regression models predict overall satisfaction per domain (perceived economic situation, accommodation, health, family life, etc.) and enable a comparison of the three countries with the help of the estimated coefficients. Equal prefixes and equal size of the estimated coefficients reveal that the three countries behave in a similar way. Different prefixes and different size of estimated coefficients highlight country differences.

Unlike descriptive analysis where the data are population weighted, the multiple regression analysis uses unweighted data in order to obtain the correct standard errors. Because, proxy variables for the household's income situation are used instead of the household's income, the cases available for analysis are not substantially reduced and so missing values are excluded. The adjusted R-squared statistic describes the amount of the total variance in overall satisfaction explained by the variables included.<sup>96</sup>

### Factor analysis

Factor analysis is a method for investigating whether a number of variables of interest are linearly related to a smaller number of unobservable ('virtual') factors. The parameters of these linear functions are referred to as 'loadings'. Under certain conditions the theoretical variance of each variable and the covariance of each pair of variables can be expressed in terms of the loadings and the variance of the error terms. The total variance is composed of two parts:

- the commonality of a variable is the part of its variance that is explained by the common factors;
- the specific variance is the part of the variance of the variable that is not accounted.

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<sup>96</sup> The closer the adjusted R-squared is to 1, the more of the total variation in the data is explained by the model.

An infinite number of sets of loadings exist yielding the same theoretical variances and covariances. Factor analysis is usually carried out in two stages: in the first, one set of loadings is calculated which yields theoretical variances and covariances that fit the observed ones as closely as possible. As these loadings may not lend themselves to a reasonable interpretation, the first loadings are rotated to obtain another set of loadings that fit equally well but are more easily interpretable. It has to be noted that there is considerable subjectivity in determining the number of factors and the interpretation of these factors. There are several methods for rotating factor (for example, varimax), and each such solution may lead to different interpretation. In this study, varimax rotation was used because it discourages the detection of factors influencing all variables.

### **Cluster analysis**

Cluster analysis is a method to assign observations to groups ('clusters') so that observations within each group are similar to one another with respect to variables of interest and the groups themselves stand apart from one another. The objective is to divide the observations into homogeneous and distinct groups. For groupings based on variables, frequently used measures of the similarity of observations are the Euclidean, squared, or city block distance, applied to the original, standardised, or weighted variables. Examples for hierarchical agglomerative clustering are the nearest neighbour (single linkage), furthest neighbour (complete linkage) and average linkage methods. These methods begin with as many clusters as there are observations and end with a single cluster containing all observations. Other types of clustering methods are the hierarchical divisive clustering beginning with a single cluster and ending with as many clusters as there are observations or non-hierarchical clustering. This study used the hierarchical agglomerative clustering with average linkage based on squared Euclidean distance.



*Perceived quality of life is lower in the candidate countries of Croatia, the former Yugoslav Republic of Macedonia and Turkey than in the EU27, largely due to poverty. Women's labour force participation is low and jobs in general are characterised by long hours and poor work–life balance. Families are important for subjective well-being, but the rates of approval for public services and trust in institutions vary. Based on Eurofound's second European Quality of Life Survey (EQLS) held in 2007, this report looks at progress towards reducing poverty, increasing employment and improving public services. It offers policy pointers on where reform efforts should be targeted, such as increasing access to employment, investing more in education and lifelong learning, and reforming spending in health services.*

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite EU body, whose role is to provide key actors in social policymaking with findings, knowledge and advice drawn from comparative research. Eurofound was established in 1975 by Council Regulation EEC No 1365/75 of 26 May 1975.