THE QUALITY OF LIFE OF FORMER THE SOVIET BLOC COUNTRIES

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The purpose of this article is to analyse quality of life before and after the economic crisis of the former Soviet Bloc countries or other new EU Member States from Central and Eastern Europe (CEE-8) and the Baltic States, and to compare them on the level of the old Europe (EU-15) and CIS countries. We see wages and salaries of Europe. The literature review shows the quality of life in previous publications of author. Based on this and previous publications, we will offer a number of generalized suggestions.

Keywords: former Soviet Bloc countries, wages and salaries, quality of life.

Conf. Conference participant, National championship in scientific analytics, Open European and Asian research analytics championship

H ere was the power the former Soviet Union, freedom – former Soviet Bloc countries.

For an introduction, let us look at the background of Eastern European countries that were part of the Soviet Bloc, the economy. It is more detail in the works of other authors [1–3] and in previous earlier publications of autor [4].

Here analyzed at the quality of life. The situations before the economic crisis, during the crisis and after the crisis will be viewed. How ex-post-socialist countries have been the crisis?

Let us attempt to draw comparisons with EU countries, particularly in the developed economies, the old EU-15, Baltic and also the CIS countries.

Definitions used from Eurostat [5]. The theoretical bases have been brought in more detail in the authors' earlier works [4, 6–11]. All figures are the authors’ illustration.

A comparative analysis of average gross earnings is important. Slovenia and Bulgaria differed by 3.9 times. However, the economies of the two countries with the highest wages, Slovenia and Croatia, have declined in recent years, but nevertheless, Slovenia had the highest GDP per capita among the post-socialist countries.

Estonia had the highest average gross earnings of the Baltic countries (1140), followed by Latvia (879) and Lithuania (790); only Romania and Bulgaria had higher gross wages. By comparison, the post-socialist country with the lowest total gross wages was Ukraine (379). In Russia (857), gross wages were only slightly below the Baltic states of Lithuania and the CEE-8 countries.

Romania and Bulgaria. The gross wages of Slovenia and Estonia were 2.28 times and 1.33 times greater than Russia's, respectively.

The average wage alone is not enough to assess the quality of life. Consideration should be given to taxes, prices and other direct and indirect factors. [13]

The wages in all post-socialist countries have increased expeditiously in the analysed period, as a rule, by more than three times. The increase of the wages has also been constant, as a rule, but the crisis of 2009 led to a decline. In 2009, the wages only continued to increase in Bulgaria and Slovakia.

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The differences between the wages in post-socialist countries were very high. For example, the wages in Slovenia were 4.37 times higher than in Bulgaria, the CEE-8 country with the lowest wages, 2.65 times higher than in Russia, and 6.43 times higher than in Ukraine. In the period from 1996 to 2011, the wages grew by 6.15 times in Bulgaria, 3.68 times in Czech Republic, 4.11 times in Slovakia, and only 2.22 times in Slovenia. The

Fig. 1. Average gross earnings for selected Europe countries, USD, 2012 [12]

| Country    | 1996 | 1998 | 2000 | 2002 | 2004 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------|------|------|------|------|------|------|------|------|------|------|------|
| Bulgaria   | 79   | 104  | 106  | 124  | 185  | 231  | 302  | 408  | 433  | 439  | 486  |
| Croatia    | 597  | 649  | 588  | 682  | 992  | 1136 | 1313 | 1529 | 1460 | 1396 | 1459 |
| Czech Rep. | 374  | 363  | 343  | 474  | 680  | 865  | 1032 | 1238 | 1225 | 1245 | 1375 |
| Estonia    | 248  | 293  | 289  | 370  | 579  | 755  | 991  | 1208 | 1090 | 1049 | 1156 |
| Hungary    | 307  | 316  | 311  | 475  | 719  | 813  | 1006 | 1158 | 988  | 973  | 1060 |
| Latvia     | 180  | 225  | 248  | 280  | 391  | 539  | 775  | 998  | 912  | 839  | 918  |
| Lithuania  | 155  | 233  | 243  | 276  | 413  | 544  | 714  | 913  | 828  | 763  | 823  |
| Poland     | 324  | 355  | 443  | 523  | 627  | 798  | 973  | 1222 | 996  | 1069 | 1147 |
| Romania    | 138  | 149  | 131  | 161  | 253  | 408  | 573  | 699  | 605  | 599  | 667  |
| Russia     | 154  | 108  | 79   | 139  | 234  | 391  | 532  | 697  | 593  | 695  | 802  |
| Slovakia   | 266  | 284  | 247  | 298  | 491  | 632  | 814  | 1020 | 1039 | 1019 | 1094 |
| Slovenia   | 954  | 951  | 861  | 980  | 1375 | 1521 | 1761 | 2046 | 2007 | 1982 | 2122 |
| Ukraine    | 69   | 62   | 42   | 71   | 111  | 206  | 268  | 343  | 245  | 282  | 330  |

Tab. 1. Average monthly gross earnings US$ of former Soviet Bloc countries [14]
basis of Slovenia in 1996 was also high compared to the other countries, in 2011, 6 countries remained below that level. In the period from 1996 to 2008, the wages in Poland increased 3.77, in Estonia 4.87, in Latvia 5.54, in Lithuania 5.89, and in Romania 5.06 times. The highest wages in the Baltic states were in Estonia, which were, however, exceeded by three CEE-8 countries: Slovenia, Croatia, and Czech Republic. The wages in the CIS countries Russia and Ukraine increased 5.2 and 4.78 times, respectively, in the period from 1996 to 2011. In the crisis year of 2009, the wages were only USD 62 in Russia and USD 43 in Ukraine.

As a comparison, the GDP per capita in PPS was highest among EU-28 in 2012 in Luxembourg (67 100), Austria (33 100) and Ireland (32 900); the largest median incomes in PPS were in Luxembourg (26 660), Austria (20 499) and Sweden (19 696).

Of the CEE-8 countries, the leaders were Slovenia, Czech Republic and Slovakia. The median income in PPS of Romania was 4.0 times lower than Slovenia’s and 7.6 times lower than Luxembourg’s. The ratio of GDP per capita / median income was 3.65 in Romania and 1.51 in Slovenia. Therefore, GDP per capita does not only depend on median income.

There is a very high difference between the quality of life in the EU and in the CEE countries. Why? There are objective and subjective reasons. One group of reasons argues that poverty is their own fault. The second, however, argues that poverty has been caused by the exploitation of developing countries and their dependence on developed industrial countries. This, in turn, results in conflicts between rich and poor countries. [4, 6–11, 13]

### Tab. 2.
#### Median equivalized net income of the EU countries. Total. Euro [15]

| Country                          | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------------|------|------|------|------|------|------|------|------|
| European Union (28)              |      |      |      |      | 14,638 | 14,775 | 15,206 | 15,206 |
| European Union (15)              | 15,448 | 15,668 | 16,666 | 17,216 | 17,139 | 17,395 | 17,469 | 18,002 |
| New Member States (12)           | 2,284 | 2,782 | 3,462 | 4,069 | 4,787 | 4,419 | 4,741 | 4,872 |
| Bulgaria                         | 1,384 | 1,481 | 1,841 | 2,171 | 2,828 | 3,017 | 2,914 | 2,860 |
| Czech Republic                   | 4,233 | 4,802 | 5,423 | 6,068 | 7,295 | 7,058 | 7,451 | 7,791 |
| Croatia                          |      |      |      | 5,768 | 5,593 | 5,404 |
| Hungary                          | 3,447 | 3,849 | 3,936 | 4,400 | 4,739 | 4,241 | 4,535 | 4,753 |
| Poland                           | 2,533 | 3,111 | 3,502 | 4,155 | 5,097 | 4,405 | 5,025 | 5,060 |
| Romania                          |      | 1,658 | 1,953 | 2,162 | 2,037 | 2,116 |
| Slovenia                         | 8,797 | 9,317 | 9,907 | 10,893 | 11,864 | 11,736 | 11,999 | 12,122 |
| Slovakia                         | 2,830 | 3,133 | 3,972 | 4,792 | 5,671 | 6,117 | 6,306 | 6,927 |

### Fig. 2. Median income and GDP per capita in PPS in the CEE countries. 2012 [16]

### Tab. 3.
#### Annual net earnings. Single person without children, 50% of AW. Euro. Total [17]

| Country      | 2004 | 2006 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------|------|------|------|------|------|------|------|------|
| European Union (27) | 16,406 | 17,235 | 17,971 | 17,721 | 18,462 | 18,925 | 19,711 | : |
| Germany      | 23,021 | 23,597 | 24,739 | 24,552 | 25,296 | 26,252 | 26,485 | 26,938 |
| United Kingdom | 23,464 | 25,046 | 22,766 | 20,316 | 21,696 | 21,354 | 23,905 | : |
| Norway       | 24,724 | 28,001 | 30,240 | 29,206 | 33,064 | 35,360 | 38,637 | : |
| United States | 15,942 | 16,924 | 16,088 | 17,751 | 19,209 | 18,724 | 20,910 | : |
In the period from 2010 to 2013, i.e. within three years, the *two-earner married couple* of Estonia increased 5506 EUR, i.e. by 21.4%. The growth in Latvia and Lithuania in two years was also larger in Slovenia, Slovakia, and Bulgaria there was continuous increase in annual net earnings. The remaining CEE countries experienced a decline in 2009 compared to the year before. The decline was the biggest in Poland. However, its GDP (PPP) continued to grow in 2009 as well. In Slovenia, on the contrary, there was continuous growth of the annual net earnings, their GDP per capita was the highest among post-socialist countries, after the crisis, however, their GDP has been continuously declining.

The annual net earnings of Slovenia were the highest among post-socialist countries, but still twice lower than the average of the EU-27 and the USA; 2.3 times lower than the average of the EU-15; 2.9 times lower than in Belgium, Luxembourg, and Sweden; 3.8 times lower than in Norway and Switzerland. Yet, the annual net earnings of Slovenia were four times higher than in Bulgaria. The annual net earnings of Estonia, the highest in the Baltic states, were also 1.4 times lower than in Slovenia. The difference between the two countries with the extreme annual net earnings in the EU, Belgium and Bulgaria, was 11 times (!).

These four countries wages have grown strongly over the last 13 years.

**Discussion & conclusions**

- The economic indicators of Central and Eastern Europe countries are very different, both in absolute and in relative terms.
- The highest average gross earnings of CEE countries were in Slovenia. Slovenia and Bulgaria differed by 3.9 and 2.4 times. The highest median income in PPS in the CEE countries was in Slovenia. Romania's median income in PPS was 4.0 times lower than Slovenia's and 7.6 times lower than the median income of Luxembourg.
- The quality of life is the highest in Slovenia of the CEE-8 countries and in Estonia of the Baltic states. The level of most of these countries is considerably higher than the wages and other indicators of quality of life in Russia. However, the level of the CEE-8 and the Baltic countries lags far behind the levels of the EU-15 and the USA.
- The wages of these four CIS countries have grown strongly over the last decade.
- The difference between the quality of life in the EU and the CEE countries is high.
- A more detailed analysis of different types the quality of life would also provide a more accurate picture.
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