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Descriptive Analysis of the Value of the Human Capital from the Perspective of the Quality of Life

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Abstract: *In the context of globalization, the field of quality of life has become one of major official interest, both at the nationally level, as well as internationally. The evolution of human thinking attributes to the notion of quality of life, definitions focused on certain objective aspects (that are related to political, economic, social factors), but also taking into account subjective indicators, highly dependent on human quality, in general and on human capital, in particular. Undoubtedly, the analysis of human capital is not possible, without analyzing the global context regarding its manifestation and without referring to the quality of life, especially from the perspective of the technical-scientific progress vectors. From this perspective, through this paper, we intend to highlight the connection between the improvement of human capital and increasing the quality of life, emphasizing notions as: level of living, living standard and lifestyle, concepts intensely conveyed in today's society.*

Keywords: *human capital, job satisfaction, general welfare*

Introduction

In its current development, all of humanity is experiencing many changes, some of these, even unpredictable and which undoubtedly affect the quality of life. In recent years, most specialists consider that the new society corresponds to the "homo intelligens" paradigm, given the establishment of the information society. The knowledge society has brought great changes to both the whole society and human capital, in particular, and will continue to influence in the coming years (especially since artificial intelligence is already paying special attention, and intelligent robots can already replace the human factor, even successfully, in some areas of activity).

The notion of "general welfare" is considered obsolete and outdated by current mentalities and, therefore, replaced in recent years with the notion of "quality of life". Achieving a high level of quality of life is closely linked to the increase of individual professional performance.

As the employees are nicknamed "the heart of the company", the people are not considered "the heart of the society", without its considerable contribution the globalization of the contemporary society, nor the computerization and robotization, nor are the globalization and sustainable development possible. Currently, of all the existing resources, the only resource that has immense growth and development potential is the human resource. From the point of view of the managerial act, the latter can sometimes be "the ace of the sleeve" and another time it can be "an inexhaustible source of risk and organizational uncertainty".

However, by assuming that the interest is on both sides (the individual wants a high standard of living and a high quality of life –depending of the involvement of each, and the managers / leaders want the highest performance), then we can express ourselves in the sense that capital human quality is influenced by the quality of life, and the quality of life can only increase as long as the growth of human capital performance is recorded.

Analyzing the aspects related to the concept of human capital, we appreciate that, in general, it consists of the abilities of individuals who, to the extent that they want, can capitalize on the labor market, obtaining in return multiple satisfactions (material, financial, psychological, social etc.). At the same time, we can consider that human capital is, in fact, the engine of social development and the locomotive of increasing the quality of life.

No matter from what perspective we look at things, we get the same certainty: human capital and quality of life are the links of the same chain, without which society could not function optimally.

1. New Approaches on the Issue of Human Capital from the Perspective of the Quality of Life

Even today, analyzing the concept of human capital is still controversial and the operationalization of its exact definition still raises serious problems. However, the specialists in the field unanimously agree on the component elements of human capital, respectively: the area of educational capital (skills and acquisitions acquired through school and complementary training), as well as the area of so-called biological capital (which refer to the health status of individuals and the skills and capabilities they have in this context).

In other words, in our opinion, in the professional life (but also in the personal life), the decisions that an individual (either manager or execution personnel) are determined by their ability to process the information from the social environment in which they operate, as well as their physical and intellectual capacities. Thus, any decision is influenced by the individual education (it includes the vocational training and training courses accessed throughout the life), the health status and the abilities of the person and, last not least, by the social environment and the economic situation.

The aspects set out in the two paragraphs above are complemented and simplified by the conceptual definition of human capital, from an economic point of view: "estimating a person's ability to generate income through work" [1] Or, in other words, from an economic perspective, the human being is treated as capital. Looking to the whole problem from this perspective, undoubtedly, we definitely think of investments in education, capital as a power factor of a nation, the preservation of the population's health, the general well-being and the increase of the standard of living and the quality of life.

"As a concept, the "quality of life" was launched in the 1960s by the US information society, starting from the fact that any economic growth does not have to be a goal in itself, but, first of all, it has to be a means to create better living conditions, to meet the needs of a community. After the concept was launched by the Americans, the Europeans, without doing too much analysis, have taken over this term, in a very short time due to its activity, as a phrase with evaluative value on human life, at individual, community, group, societal level and planetary". [2]

The paradigm of quality of life has concerned specialists in many fields, such as: economists, philosophers, sociologists, psychologists, each of them contributing their own and developing multiple theories, many of them with scientifically proven truth. In this regard, we mention some of the approaches in the sphere of quality of life: the personal satisfaction of individuals (from the point of view of access to material goods and services needed for frequent consumption), utilitarianism (equal opportunities between people, regarding the degree of satisfaction of regarding the goods and services they have access to at a given moment, in the market), the personal performance of individuals (the degree to which individuals achieve their goals in life), economic utility (the satisfaction that is supposed to be registered by one individual, consuming a certain amount of a good or using a certain service, in certain space-time conditions), the standard of living (in relation to the degree of development of each nation, but also individually, in comparison with other citizens within a state/within the European Union/international), lifestyle, standard of living and the way of life (the last three notions being closely related).

Analyzing the component of the quality of life, we made a very important finding, namely: the quality of life cannot be studied without referring to another component, mainly of economic nature: the needs of the individual and of society.

"Needs are dynamic in the sense that, from one period to another of the progress of the society, new needs or needs arise, changes in the structure and the qualitative level of the consumption requirements take place; at the same time, the material means of satisfying the needs are being developed. Thus, in the structure of today's needs, people include, besides food, clothing, footwear,

housing, health, and many other needs for transportation, communications, trade, tourism, instruction, education, culture, art, environmental protection, information, social organization, social protection, or travel, television, electronic computer, etc. There is a tendency to increase the share of "higher" services or goods, as they are sometimes called". [3]

Taking into account the principles satisfying the individual needs and the necessity to move to a social evolution, a lot of scientific papers consider that the education and health leads to increasing the level of improvement of human capital and, consequently, the economic establishment and the growth of a standard of living. In this sense, categorically, the studies in the European Union demonstrate this theory. Thus, the Spanish economy was not modernized until the decades ranging from 1960 to 2000, when investments in education increased and had a high impact on economic growth. This period coincides with the second wave of globalization, and the similarity of the results for Spain and those of the other OECD countries is proof of the high degree of economic integration achieved.

Even if most of the specialists agree with the above mentioned aspects about human capital, there are also criticisms of these theories, meaning that investments in education and health do not always guarantee the expected results, respectively the increase of the general welfare, and of the standard of living.

Thus, one of the theoretical critics mentions that, „according to all the reports on the Costa Rican state program indicate that despite the fact that, since the late 1990s, 7% of GDP is directed towards strengthening education, poverty in the country has not been reduced at all, including at present, reaching 20% of the population.

This result shows that additional education investments do not automatically benefit the poorest sectors of the population. For this reason, it is necessary to identify the educational needs of the regions, in order to provide an adequate and controlled response to the problems that each society faces. [4]

Certainly, in recent years, efforts to explain how to achieve general well-being or to improve the quality of life have intensified. The explosion of interest in this regard was not only national or European, but also international. Therefore, researchers are not at all strangers to a number of essential elements regarding the relevance of the contribution of human and social capital to increasing the quality of life.

Although initially, some psychologists supported the "point theory", whose hypothesis related that each individual has a happiness point determined exclusively by genetics and personality, discussing a "subjective well-being", later they discover another conclusion. Thus, at the community level, it seems that subjective well-being would be affected by factors such as: income, health, education, environmental planning and so on. Thus was born the "more is better" theory.

In this context, „people make decisions assuming that more income, comfort, and positional goods will make them happier, failing to recognize that hedonic adaptation and social comparison will come into play, raise their aspirations to about the same extent as their actual gains, and leave them feeling no happier than before. As a result, most individuals spend a disproportionate amount of their lives working to make money, and sacrifice family life and health, domains in which aspirations remain fairly constant as actual circumstances change, and where the attainment of one's goals has a more lasting impact on happiness. Hence, a reallocation of time in favor of family life and health would, on average, increase individual happiness". [5]

In other ideas, the specialists consider that the quality of our life is influenced not only by human capital, but also by social capital (which refers to the importance of social interactions or a community, including the working environment, surroundings, friends and family), the built capital (important investments, goods purchased or rented, other incomes obtained), as well as natural capital (the importance of natural areas and of environment).

However, in order to achieve satisfactory levels of desires, personal happiness and desired standard of living, we must ensure the necessary balance for human, social, built and natural capital, and last but not least, in order to ensure sustainability to this balance.

2. Quality of Life Experienced by Human Capital. Quality of Life in Romania, in European and International Context

Currently, in the specialized literature, there is no agreement that can be established on the qualitative definition of life, not exist unanimously accepted definitions. However, a number of dimensions are accepted by most specialists, which can be defined - in the sense that they categorically influence the quality of life, such as: society, natural environment, the entourage of the person, family, investments, income, accumulated capital, personal development, desired health status, safety etc. (all aspects related to the perception of each individual).

There is still another certainty: the concept of life quality includes a subjective component, determined by feelings and perceptions, in the context of its own culture and its own value, but also considering the objectives, expectations, standards and concerns of each individual, in a certain conjunctural situation.

Or, in other words we can consider the quality of life as the extent to which the standard of living of a person reaches the level of his expectations, considering the external factors (that do not depend on the person) and the financial possibilities of the person concerned. If we were to express it in a more general way, it can be said about the quality of his life that is defined as the general level of well-being and fulfilment that an individual enjoys, at a moment T, within his existence.

„When exploring quality of life (QoL) as an empirical concept that can be operationalized in the urban context, the studies have used different dimensions and indicators, a diversity explained by the different focus of the analysis, as well as the differences in the understanding on what constitutes quality of life. Despite the differences in the indicators used for the characterization of QoL, several studies of cities from different regions of the world showed that the effort to measure it is viable”. [6]

2.1 Collection of Data

Thus, many countries have done research and set out to define the concept. Although the indicators used to define the concept of quality of life were sometimes different, the results were somewhat similar.

Table no. 1 The quality of life from the perspective of highly educated people

Country / Region	The perception about the quality of life (dimensions)
New Zealand	demography, knowledge and skills, health, safety, housing, social connectedness, civil and political rights, standard of living, personal development, natural and built environment
Spain	social services, housing, education, health, culture, ways to spend free time
Canada	individual well-being, urban environment, human pride, community leadership
Florida	outdoor activities, very mobile and creative jobs, entertainment opportunities, multiple choices of education, tolerant attitudes

Source: Author's own interpretation, taking into account the results of the research presented by Morais, P., Migueis, V., Camanho, in the work Quality of Life Experienced by Human Capital: An Assesment of European Cities

Considering all the aspects revealed by the previous table, we highlight that it can be easily observed that the more basic needs are met, the more individuals have different and more relaxed perceptions of the quality of life. In this context, all we have to do is find out together how the situation in our country is regarding the quality of life.

From this perspective, we mention the data provided through the European Quality of Life Survey (EQLS) - a research that is carried out in all the countries of the European Union and which aims to analyze and explain the quality of life, taking into account all its dimensions.

From this perspective, the report made by the Institute for Research on Quality of Life (Institutul, 2018), published in 2018, and measuring the quality of life in Romania, during 2003-2016, emphasizing the specific socio-demographic aspects of Romania and the vulnerable groups or different groups affected by precariousness.

The aforementioned report addresses analytically and descriptively a number of dimensions of quality of life in Romania, comparing them with the same dimensions of EU Member States, respectively: standard of living, health services, ability to maintain the balance between private and professional life, quality society, trust in people and public / political institutions, social participation, subjective well-being and so on.

As we mentioned in the previous paragraphs, the study was conducted over many years, starting in 2003 and continuing with the years 2007, 2011, 2016, a temporary interval in which approximately 4500 respondents were interviewed. This monitoring instrument applied in all the Member States of the European Union, was developed by the European Foundation for Improvement of Living and Working Conditions - Eurofound.

The study captures different moments from the trend of Romania's economic evolution and explains why people's well-being depends fundamentally on the economic potential of a country, on the level of national income generated (at macro levels), but also on the individual financial resources per household - the available income (the micro level). Paradoxically, in Romania, even though the macro-level evolution was positive, the disposable incomes of the population remained in the gap compared to the trend of the economy. If we are to make a comparison between Romania and Bulgaria, we notice that although our country has a higher GDP (gross domestic product), the population has a lower disposable income. Thus, we consider that the distribution mechanisms of the national income are applicable more favourably in Bulgaria, than in Romania.

2.2 Data Analysis and Results

Going through all the chapters of the report that we talked about earlier, in our work, we made a synthetic picture of its results, which we present in the figure below:

Table no. 2 The complex model of the different aspects that shape the image of the quality of life in Romania, in a European context

Direction investigated by the report / thematic	The result of the study applied in Romania in 2016	Romania's position relative to EU member states
Average annual income available	2747 euros	-last position in the EU ranking, -Bulgaria : 3855 euros
Difficulties insatisfaction the basic needs of people	66% of the population	Croatia- 71% Grecia -86%
The proportion of people who have postponed or have given up going to the doctor	40% of the population	-the last position, followed by Greece -35% of the population
Satisfaction with the standard of living	Note given: 6.4	-position 18 in the EU standings - the same level with the Czech Republic and Estonia
The total number of hours worked per week	47 hours / weekly average	- the last position in the EU ranking, on the same level with Greece - Holland:35 hours / week -European average :44 hours / weekday
Proportion of people who take care every day of the education of their own	70% of the population	Romania ranks among the countries with a smaller proportion of this

Direction investigated by the report / thematic	The result of the study applied in Romania in 2016	Romania's position relative to EU member states
children or grandchildren Evaluation of the quality of health services	Awarded note: 5.9	activity -European media is 77% Average of European countries: 6.7 Greece: 4.6 Austria: 8
The existence of corruption in the health service	56%	European average: 32% Denmark 13% Greece 58%
Confidence in public institutions Participation in social activities (clubs, associations, societies) at least once a week	The average of the grades given to the institutions: 4.9 3% are volunteers 2% participate in professional, cultural or sports associations 3% belong to political parties or trade unions	European average: 5.3 EU: 7% are volunteers 9% participate in professional, cultural or sports associations 2% belong to political parties or trade unions
Practicing sports activities at least once a week	- about 26%	-European media is 48%
Participation in religious life at least once a week Lifelong learning Subjective well-being. The mood of the population	16% 13% declare that they have taken part in training courses in the last year Average life satisfaction: 6.5	- at the level of the European average -in the EU: about 30% - Sweden: 50% - Greece: below 10% Greece: 5.3 Denmark: 8.2

Source: Author's own interpretation, taking into account the results of the research presented by the Institute for Research on Quality of Life

Taking into account the considerations related to the above table, there is no doubt that in the Romanian society a series of tensions were born (revealed even in the studied report): tensions between the rich and the poor population, tensions between managers and executives, tensions in the field of equality of chances between women and men, tensions between generations (young and old with different mentalities), tensions between ethnic groups and tensions between different religious groups (less so) and so on.

However, the Report emphasizes that in Romania, as in the other European countries, social inclusion is dominant, but there is also a part of the population that experiences feelings of alienation, disorientation or even social exclusion. "In 2016, 8% of Romanians stated that they feel excluded from society, 20% of the respondents think that their life has become complicated and that they can hardly find their way (meaning in life), 24% feel that the value of what they do is not recognized by others, and 27% think they are viewed superiorly by other people because of the job they hold or the income they make". [7]

Therefore, in our opinion, the position held by Romania in the ranking of Social Progress Index 2019 (SPI) (Deloitte, 2019) - position 45, out of a total of 149 countries, is not at all coincidental, our country being surpassed by all the other member countries of the European Union.

The Social Progress Imperative (SPI) organization with the support of Deloitte, evaluated the quality of life and social well-being, calculating the Social Progress Index based on 3 main components:

- ✓ Basic material needs (food and nutrition, sanitation, medical care and health services, personal safety and shelter);

- ✓ Fundamental aspects of well-being (access to basic knowledge, access to information and communication, environmental quality, health and general well-being);
- ✓ Opportunities (access to advanced education, rights and freedoms, tolerance and social inclusion).

Thus, according to this instrument, Romania records the worst results in the following directions: tolerance and inclusion, access to advanced education, health and well-being and environmental quality.

Conclusions

Undoubtedly, studying both, the specialized literature and the reports and case studies analyzed, we consider we have emphasized that the quality of life, both in Romania and in the other countries, means the perception that individuals have about their social welfare at a certain moment of their existence, considering their own value systems and in close connection with their own needs, standards and aspirations, on the one hand and depending on the incomes available to them, on the other hand.

The value of human capital increases with investments in its improvement, and the performance and competitiveness obtained in a company it is mostly due to investments in the human factor.

In the contemporary society that presents so many opportunities and benefits, the high standard of living, the subjective well-being and the positive mood of the population (happiness) should not be considered "a luxury". At the same time, the existence of difficulties in obtaining and satisfying the basic existential needs should not persist.

In order to fulfill the desideratum of the previous paragraph, we believe that policy makers, governors, leaders and managers should be fully aware that macro conditions affect the micro area, in the sense that the public system, the characteristics of the employment, education and health, influence the quality of life and the concrete situation at the individual level (including personal perceptions, values, expectations and standards).

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