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## SOCIO-ECONOMIC DEVELOPMENT OF THE EU COUNTRIES

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#### **Abstract**

European Union's concern over reducing socio-economic development gaps between member states has been translated into implemention of the following strategies: "Lisabon Strategy" and "Europe 2020 Strategy". The article presents the evolution and the analysis of several chosen indicators, as to reflect the socio-economic development status: life expectancy, development and research gross domestic expenditure, number of persons per household.

**Key words:** development, gap, needs, socio-economic

Lisbon strategy proposed as main action pillar, for its mission of improving the competitiveness of the EU member states, the pillar called "Inovation and development". Here we are at 10 years after the Lisbon Strategy release, the European Commission begins the new strategic program Europe 2020 with "Innovation Union" as the main strategic pillar of action for the next 10 years. The leaning over this domain isn't random, through this, the European Commission chalenging this need in order to improve the main conditions and the financing acces for research and development, as to assure that innovative actions would be transformed in product/services, with additional value added and extension of the labour market.

The most frequent indicator for measuring the innovation and development of a country is represented by the gross domestic expenditure with research and development, as % per GDP. By the of 2009, there have been member states that were leaning over this domain, domain that has a long term direct impact into the socioeconomic development of a country. In example, Finland, Sweden and Denmark are spending over 3% of GDP for research and development, while EU 27 average is approx 2% of the GDP. On the opposite, there are member states into whose budget allocation, research and development does not seem to appear as a priority. Latvia, Cyprus, Romania, Slovakia, Bulgaria or Macedonia are spending 0.5% of the GDP for research and development.

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Chart no. 1 - Gross domestic expenditure with research and development (%of GDP)

Source: Eurostat

The average life expectancy at birth has major differencies between member states, but between gender. Thereby, as per year end 2009, the countries with the highest life expectancy were Lichtenstein (85.5 years for women and 80 years for men), France (84.8 years for women and 77.8 years for men), while countries as Romania, Bulgaria, Macedonia have an average life expectancy of 77 years. Furthermore, for men only, the countries with the lowest life expectancy are Lithuania, Latvia and Estonia, with average life expectancy between 60 and 80 years.

The regional disparities are completed, as present in the above mentioned paragraph, by the disparities by gender, regarding life expectancy. So, the EU 27 averege life expectancy is up to 9% higher for women than to men. There are countries in which this disparity is even higher: Sweden, Norway or Switzerland.

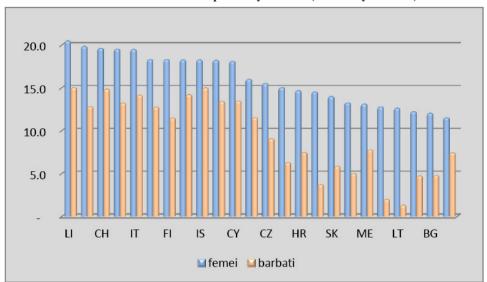


Chart no. 2 – 2009 life expectancy at birth(after 65 years old)

Source: Eurostat

Regarding, the number of persons per household, indicator with large implications in measuring the education and wellness degree of the population, we can observe that the EU 27 medium is 2.4 persons per household. The countries with the highest number of persons per household are present in Chart no. 3 and although we should have expected that the number would be greater in 'young' member states, there are countries that invalidate this logic. Thus, Spain, Portugal, Irland are countries where this indicator is situated between 2.5 and 2.8 persons per household.

Furthermore, in member states with larger number of persons per household, the real estate sector is expected to develop faster than the countires below the EU 27 medium, only if others economical sectors would develop in a healthy manner.

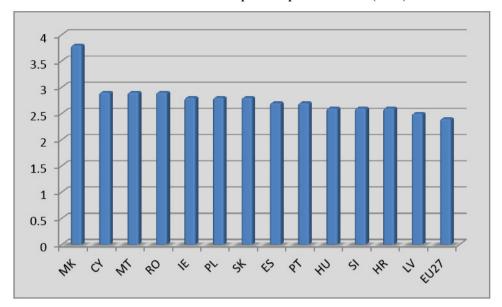


Chart no. 3 – Number of persons per household (2009)

Source: Eurostat

Abraham Maslow, a humanistic psyhologistic known for discovering the needs pyramid, classified the needs as following:

- physiological needs, essential to survival needs;
- safety needs, needs to feel protected from any threats in life;
- love and belonging needs represented by the need for family friendly;
- self-esteem needs, each person needing to respect herself;
- the needs of self accomplishment, need to self-improvement<sup>1</sup>.

Maslow explained his concept based by saying that human beings are motivated of several unsatisfied needs and of that needs situated on the inferior levels of the pyramid must be satisfied before the ones on the superior levels. These human beings are attracted not only by mechanical forces, but for stimuli, habbits or unknown impluses. These needs have in common the fact that are instinctive and are different through their intensity, being more stronger than the first ones. These principle needs are the pyramid's base and as higher in the pyramid, the importance and their primordiality is lower<sup>2</sup>.

<sup>1</sup> http://ro.wikipedia.org/wiki/Abraham Maslow accesat in 12 Martie 2011

<sup>2</sup> http://www.leadershipcenter.ro/piramida-lui-maslow.html accesat in 12 Martie 2011

## **CONCLUSIONS**

The RD gross domestic expenditure, calculated as % from GDP, highlights a different approach between member states. Practically, the 3% objective as per Europe 2020 Strategy can be the main driver of the innovation and of value added in economy, in member states that neglected this sector.

The average life expectancy registers high differences, as per member states, but as per gender (life expectancy for women is up to 9% higher than for men).

Regarding the number of persons per household, we can observe a high eterogenity as per EU member states. Thus, the real estate sector potential in countries high rated through this indicator, can be capitalized and obatined economical growth.

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