

Dimitrios Giannias
Yuri Chepurko
Alessandro Figus

QUALITY OF LIFE INDICES AND THE EUROPEAN FUNDING PROGRAMMES

***Abstract:** Quality of life indices get special attention because of their all inclusive nature which focuses on the location specific characteristics. An analysis of consumer's decision making indicates that the weights used for the regional amenities considered and included in the index should not vary across regions. Given this, a quality of life index is computed for various countries assuming that all amenities are equally weighted. All amenities considered are scaled from 0-100 so that the index is independent of units of measurement. Countries were ranked according to the adopted quality of life criterion. A comparison of quality of life values with the per capita European Commission funding programmes indicates that the allocation of funds supports the integration process of the Central and Eastern European Countries.*

***Keywords:** Quality of life indices, isocost, isoutility, microeconomic classifications, regional and environmental policies*

JEL: D 00, Q 56, R 58

1 Introduction

Various studies have investigated the existence of consumer income differentials among regions or countries. An undeniable conclusion is that they exist and have persisted for long periods of time, e.g., Bellante [1], Johnson [13], and Eberts and Stone [4]. Researchers dealing with regional policy in the EU generally assume that income disparities are caused by geographical and economic variables. The concepts of core and periphery have been the most influential geographical explanation of EU regional disparities. The idea is that regions distant from the core of activity in a country fail to develop equally with the areas closer to the core.