

FACTORS INFLUENCING QUALITY OF LIFE AND LIFE SATISFACTION IN HUNGARY

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INTRODUCTION

During my research, my goal is to explore the presence of place marketing, the marketing strategy of cities in rural areas, how marketing activities are presented in Hungarian villages, how they have adjusted to the challenges of the present, what their plans are, and what strategies they use. As consumer awareness comes ever more to the fore in consumer society, I want to focus on it as it pertains to cities, what the reasons and arguments are for the tourists when choosing a settlement for relaxation and recreation, and how travelling influences their life quality. In previous work I have studied the theoretical background of tourist attitudes and decision-making processes. In the present essay I continue on with this psychological line of inquiry while also looking at tourism – as an essential factor of city marketing – and, within that, the happiness-generating effect which can both directly and indirectly influence quality of life.

AIMS AND METHODS

My aim is, based on the secondary information available, to explore how quality of life directly and happiness indirectly are tied to tourism and the journeys tourists take.

In addition to the secondary research, which is based on the results of World Value Survey, and with the help of a Hungarian database I explore the factors which influence happiness and how they can be characterised in Hungary. I also look at the definition of happiness, its influence on quality of life, and how it appears in tourism.

PLACE MARKETING

One of the most dynamically developing branches of marketing is place marketing, which is being used by more and more cities. This is a management and strategic conception which helps promoting the settlement by strengthening its competitive position, addressing the target groups and satisfy their demands. The three main groups place marketing addresses are local residents, tourists and entrepreneurs. In case of the local residents the aim is to form a viable settlement. The job opportunities, the suitable services, and environment could be attractive to a potential people who wants to settle down. In the case of tourist the suitable services, and the attractions also have a big role which can help to make the settlement more attractive. They mostly desire experiences and looking for comfort services. They have a big role, because they can take the settlement's bad or good fame to other places. From the viewpoint of entrepreneurs the suitable business environment is important. For them the good presence of qualified labour force, economical, ecological and social conditions can be attractive. For a settlement the attraction and retention of the target groups can only be done by an adequate marketing strategy. This field of marketing includes the pile of services, products and institutions, which have a complicated and complex system, which together includes the promoted products of the settlement. In case of the place marketing the elasticity is not easily available, because the different products and services could be transformed to consumer demands with difficulty [Szabó and Gergely 2009]¹. Besides being profit-oriented, this type of marketing emphasises both individual and social benefits, and as such is linked to issues of quality of life, happiness and different psychological theories. For a city the primary objectives are ensuring well-being and improving the quality of life it offers. The components linked to that are improving services, constantly providing residents with information in order to guarantee freedom of expression, and providing the opportunity to be a part of the city's life and the development of its infrastructure. This promotes the growth of localism, enhances the city's attractiveness to tourists and helps develop events so the establishment can start up. From these primary goals, secondary goals can be developed, improving the economic performance and competitiveness of the city [Piskóti 2012]. As in case of a settlement's resident, the life quality is also important for the tourists too. Many well-known examinations highlighted that the effects of the tourist's travelling have indirect and direct influence to the life quality. On one hand the traveller's well-being will be positive if he "consumes" a destination, on the other hand, if this traveller is happy, he improves the local residents's and the tourists's life quality too [Michalkó and Rác 2013]. With them we get closer to the service marketing's 7P tool system to recognize the process and people factors and this is why it is necessary to examine what compels a given tourist to visit a given city and how his or her doing so is concerns quality of life and happiness.

QUALITY OF LIFE AND HAPPINESS

Today, thanks to economic growth, consumption is on the rise, and the living standard is improving, though at different rates from society to society and country to country. In addition to economic well-being, overall well-being and welfare are also highlighted as

¹ <http://videkfejlesztes.net>.

important [Tomka 2011]. This generates improvement in the quality of life for both the individual and society. Therefore life quality will be important for a tourist and determine his or her decision essentially (how much of his budget is spent on well-being, the quality of travelling he aspires to have, and welfare). Numerous alternative index-numbers for measuring economic growth, development and well-being are used in economics today [Nagy 2009, Tomka 2011]:

- GDP (Gross Domestic Product);
- GNP (Gross National Product);
- HDI (Human Development Index);
- GPI (Genuine Progress Indicator);
- ISEW (Index of Sustainable Economic Welfare);
- GNH (Gross National Happiness).

Of these, GNH² is the only one which measures well-being and welfare together. This indicator, which is the closest to my research topic, measures real well-being. It is based on four factors (natural resources and preservation of cultural values, sustainable development, sufficient governance), but is difficult to measure because it contains 33 indicators [Kincsei 2015]. Therefore during my research I highlighted another instrument for examining happiness.

An adequate quality of life generates happiness, which has an effect on the individual's lifestyle and decisions. According to the results of the World Value Survey, in 1999 80% of the difference in happiness in various countries can be attributed to the following factors [Kopp and Martos 2011: 7]:

1. A lower ratio of divorces, and higher quality relationships.
2. Lower unemployment and greater workplace safety.
3. A higher level of trust.
4. More frequent participation in civil society organisations.
5. The perception of higher quality governance.
6. A higher proportion of believers.

It is important to know this background because, when defining marketing strategy, it is not only microfactors, but also the macroenvironment that must be taken into account to clearly see the current situation of domestic tourists, our target group. On the other hand, the factors that define happiness also basically define the quality of life. Knowing all this, I examine the current situation in Hungary according to the factors that influence happiness in the World Value Survey.

THE DIVORCE RATE

Like in the other countries of Europe at the beginning of the twentieth century, the divorce rate was high in Hungary, and only further intensified after World War II (Fig. 1). The reason for this can be traced to societal processes (the relationship of family and society). The role of the family changed, with new roles forming in families, which in

² GNH Index, retrieved from <http://www.grossnationalhappiness.com/articles/> [accessed: 6.02.2015].

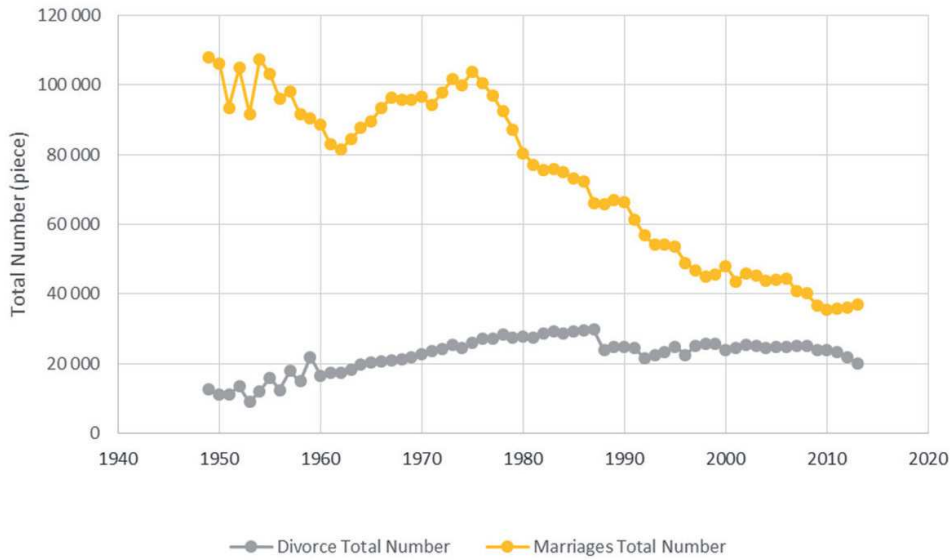


FIG. 1. The number of divorces and marriages in Hungary

Source: the author, based on http://www.ksh.hu/nepszamlalas/tablak_vallas [accessed: 29.12.2014].

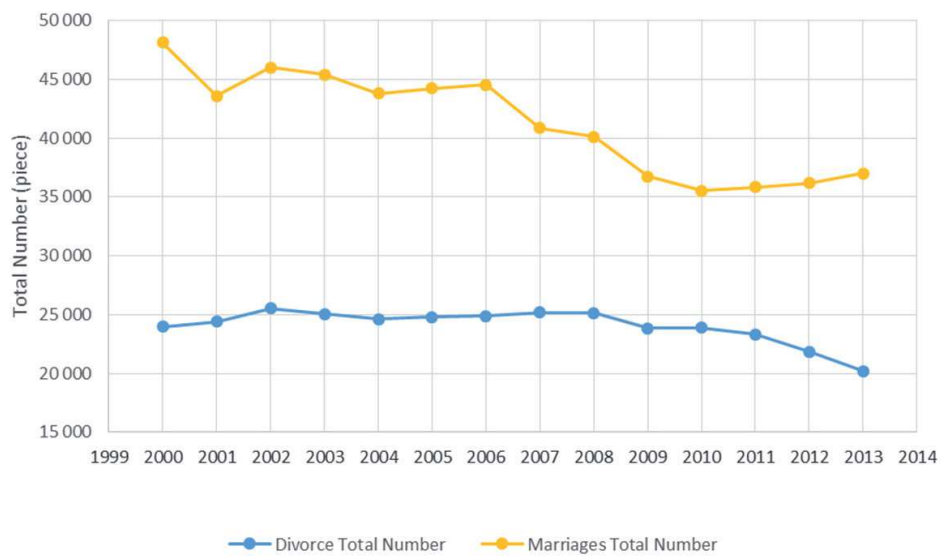


FIG. 2. The number of divorces and marriages in Hungary after 2000

Source: the author, based on http://www.ksh.hu/nepszamlalas/tablak_vallas [accessed: 29.12.2014].

turn generated tension and confrontations in families. As farming faded, women started to work, giving rise to greater social mobility, migration to cities and old habits being left behind. This resulted in the forging of new relationships, rendering the internal unity of families and marriages vulnerable.

A high divorce rate and low marriage rate still prevail today (Fig. 2). Life partnerships are more and more widespread in Hungary. This will entail demographic changes because life partnerships replace or come before marriages. The civil partnership had an important role before the regime change, and was not induced by political change. This form of relationship gives chance to carry on irresponsible life style. Nevertheless, among young people the single lifestyle is more widespread which means they are more mobile and they are and they do not feel compelled to get married [Ruzsicska 2012].

THE UNEMPLOYMENT RATE

Due to the economic crisis the unemployment rate increased in Hungary as well. From 2000 to 2008, average unemployment came in below 8% (Fig. 3). In the period between 2008 and 2013 the rate was about 10%, which fell to 7.1% between August and October 2014³. Public employment, a temporary solution, was one reason for the recent fall. While such employment supports the unemployed to re-enter the labour market, only a small number of individuals have gone back to work because many remain unmotivated. Due to this those kind of workplaces increase which are subsidized by public funds.

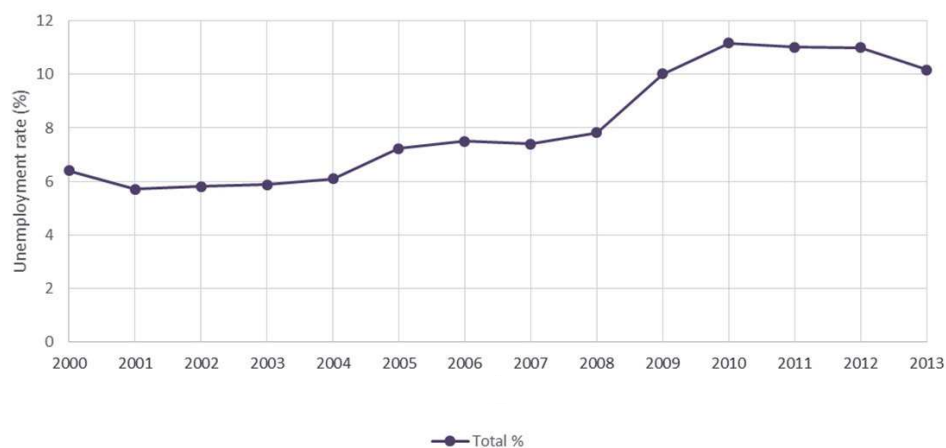


FIG. 3. The unemployment rate in Hungary between 2000–2013

Source: the author, based on <http://www.ksh.hu/docs/hun/xftp/gyor/mun/mun21410.pdf> [accessed: 30.12.2014].

³ <http://www.ksh.hu/docs/hun/xftp/gyor/mun/mun21410.pdf> [accessed: 30.12.2014].

TRUST

According to the results of a survey done by the Tárki Social Research Institute LTD. in 2009, Hungarian society is introverted and closed. This is not due to the society's structure or the economic development of the country. Political and civil freedom is less

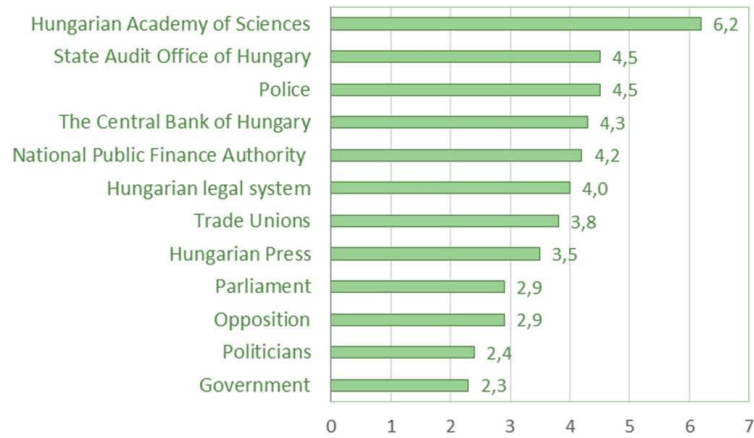


FIG. 4. Trust for institutions and public persons in Hungary in 2009

Source: Tárki Economic Culture 2009 study, reported in Tóth [2009: 25, 2015]

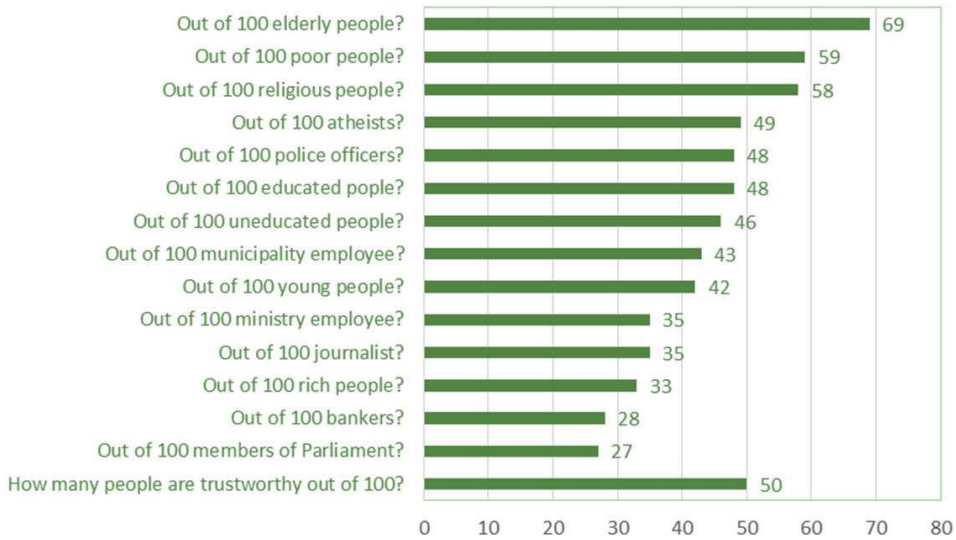


FIG. 5. Whom do we trust and whom do we not?

Source: Tárki Economic Culture 2009 study, reported in Tóth [2009: 22, 2015]

important for Hungarians than it is for people of other countries, Hungarians engage in politics less, self-realisation has less importance, Hungarians have less tolerance for views that differ from the average, and place little trust in each other [Tóth 2009].

The trust for institutions is low, especially for political ones. Figure 4 shows, on a scale from 0 to 10 (with 10 being greater trust), to what extent respondents trust institutions. It turns out that they have the greatest trust for The Hungarian Scientific Academy (6.2) and the lowest trust for the government (2.3). The National Public Finance Authority is a non-existent, fictitious institution [Tóth 2009]. Due to it is a fictive institution, it means that the people do not trust in institutions and they are not aware of existence of some public institutions.

According to the research, 73% of the respondents trust colleagues and distant acquaintances, 70% trust the majority of neighbours and 44% express general trust – they feel people are generally or almost always trustworthy [Tóth 2009]. Figure 5 shows how many people out of 100 are perceived as trustworthy from the groups below. According to the survey, respondents saw the elderly, the poor and religious as the most trustworthy. The least trustworthy comprise bankers and Members of Parliament [Tóth 2009].

PARTICIPATION IN CIVIL SOCIETY ORGANISATIONS

The situation of civil society organisations is not so favourable in Hungary and recent legislative changes have not made it any easier. The reduction in the number of organisations started in 2012. In 2013, compared to the previous year, there were 700 fewer organisations (there were 64.5 thousand in 2013) [HCSO 2014] – see Figure 6. Not only do numerous organisations lack significant financial reserves, but the country's worsening financial conditions have led to greater dependence on public money from the EU and domestic sources. Communication with governmental bodies is weak⁴. The judgement of these organisations by the society is done by the basis of the services what they offer. Entrepreneurs look on organisations as partners, but if civil society organisations want to be real partners they have to be more transparent. The high level of distrust and political division is not favourable for the image of civil society organisations, because in a lot of cases organisations are seen as an ally of one or another political party⁵.

The number of people employed in 2011 decreased 4% by 2012, while there was a 10% decline between 2012 and 2013. The 4% above amounts 4% of the total employment, the 10% amounts more than 3% of the employed people in the national economy. In 2012 the number of volunteers was 504 thousand while in 2013 it fell to 490 thousand people [HCSO 2013, 2014].

⁴ <http://www.levego.hu/hirek/2014/10/jelentosen-romlott-a-civil-szervezetek-helyzete-magyarorszagon> [accessed: 30.12.2014].

⁵ http://okotars.hu/sites/default/files/downloads/hungary_usaid_jelentes2013.pdf [accessed: 30.12.2014].

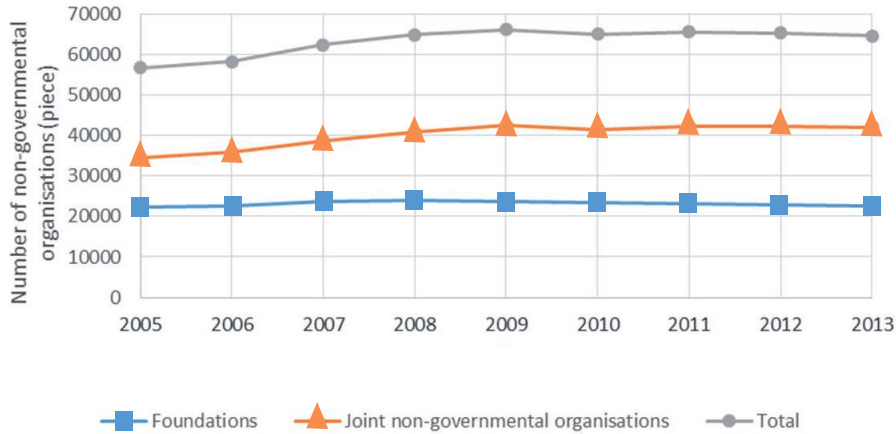


FIG. 6. The number of non-governmental organisations in Hungary

Source: the author, based on http://www.ksh.hu/nepszamlalas/tablak_vallas [accessed: 29.12.2014].

THE PERCEIVED REGULATORY QUALITY

According to a survey conducted by the global anticorruption civil society organisation Transparency International, which operates as an independent trade association, from the viewpoint of regulatory quality Hungary ranks among the first five members of the Baltic and Eastern European countries (Fig. 7). The survey focused on the period between 1996 and 2006 in 212 countries with indicators associated by the Wordbank.

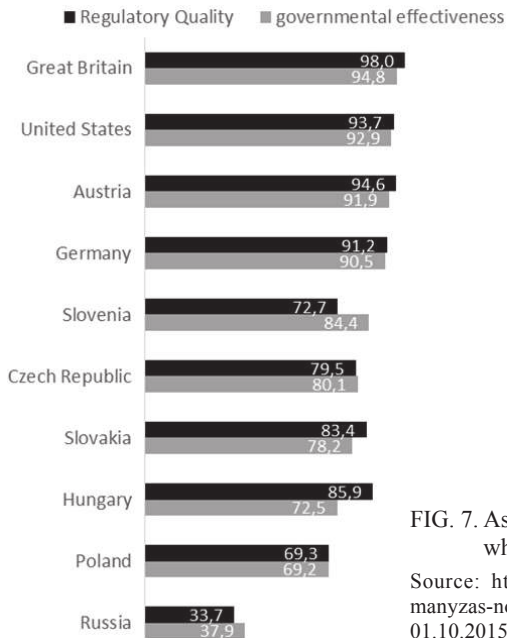


FIG. 7. Assessment of Governments (between 0 and 100, where 100 is the best performance in 2006)

Source: <http://www.vg.hu/gazdasag/romlik-a-magyar-kormanyzas-no-a-korrupcio-es-az-instabilitas-180397> [accessed: 01.10.2015].

In recent years the indicators dropped⁶. They include freedom of expression, government effectiveness, accountability, implementation of anti-corruption strategy, rule of law, regulatory quality and political stability⁷. In Hungary, regulatory quality and government effectiveness decreased continuously until 2011 (Fig. 8).

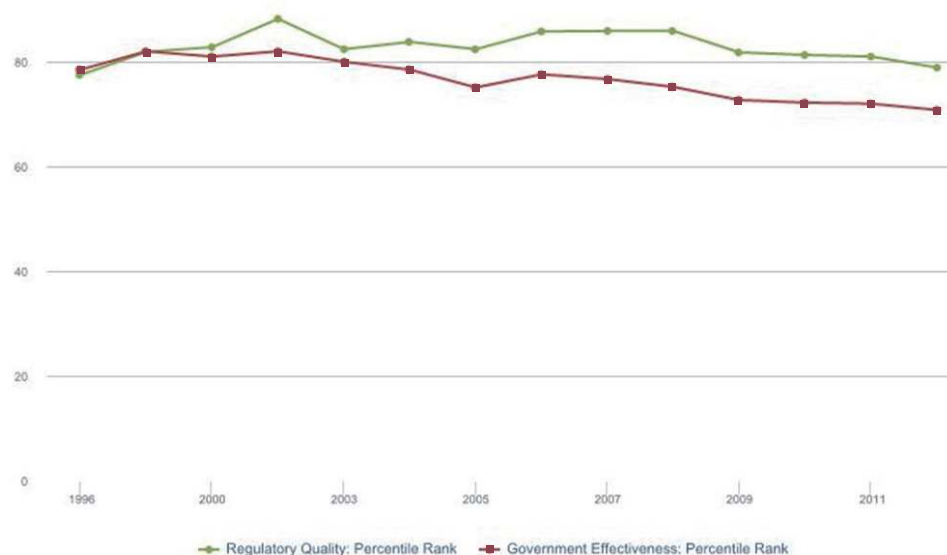


FIG. 8. The quality of regulations and government efficiency

Source: World Bank DataBank (<http://databank.worldbank.org/data/views/reports/chart.aspx> [accessed: 10.01.2015]).

THE NUMBER OF RELIGIOUS PEOPLE

In Hungary, Catholic, particularly Roman-Catholic, is the dominant religion, followed by the Hungarian Reformed Church. The census data can be used to provide a good overview of the ratio of religious people, because the numbers on religion are collected at the national level (Fig. 9). I focused on the last two censuses (2001 and 2011), which did not result in any significant conclusions, because in 2011 compared to 2001 around 1.6 million respondents marked their religious affiliation. The comparative results show that the number of religious people decreased across all denominations. The exception is the “other religion” category, where the number of respondents increased by 70%. On a related note, the most important development between the two censuses is that the number of those who do not belong to a religious denomination rose by 6.6%. Overall, it isn't practical to compare the data of the two censuses but other opinion polls can

⁶ <http://www.transparency.hu/ORSZAGPROFIL> [accessed: 10.01.2015].

⁷ <http://www.transparency.hu/ORSZAGPROFIL> [accessed: 10.01.2015]; <http://www.vg.hu/gazdasag/romlik-a-magyar-kormanyzas-no-a-korruptcio-es-az-instabilitas-180397> [accessed: 10.01.2015].

also be taken into consideration alongside them. Based on those, the number of Roman-Catholics, Reformed believers and Evangelists fell slightly. To sum up, religion is losing its importance in Hungary, probably because of the effects of modernisation. Further, the lack of communities is also a big problem which has appeared –also the result of the modernisation and continuously accelerating and changing world [Máté-Tóth and Nagy 2013].

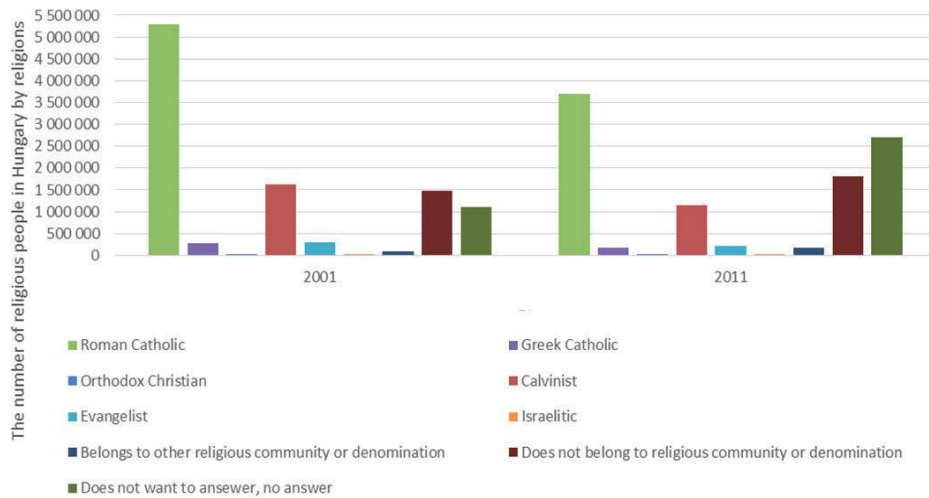


FIG. 9. The number of religious people in Hungary

Source: the author, based on http://www.ksh.hu/nepszamlalas/tablak_vallas [accessed: 29.12.2014].

The following section looks at the effect of happiness and the quality of life. “It is not enough to measure the quality of life through economic indicators, for the true view we have to know what is inside the soul of people connected to their own fate” [Michalkó 2010: 11]. It is with this thought it mind that I now turn to factors related to quality of life and which play a role in tourism, how they effect the happiness of the tourist and the life quality of the tourist target destination. To measure the quality of life, Tauhidur Rahman used the following factors: relationship with family and friends, emotional well-being, financial well-being, health, work and productive activity, personal safety, belonging to the local community, quality of environment [Rahman et al. 2005]. Happiness is the factor which effects emotional well-being, the fate of humans and has an influence on the quality of one’s life. A definition of happiness, based on the scientific literature, can be seen in the Figure 10.

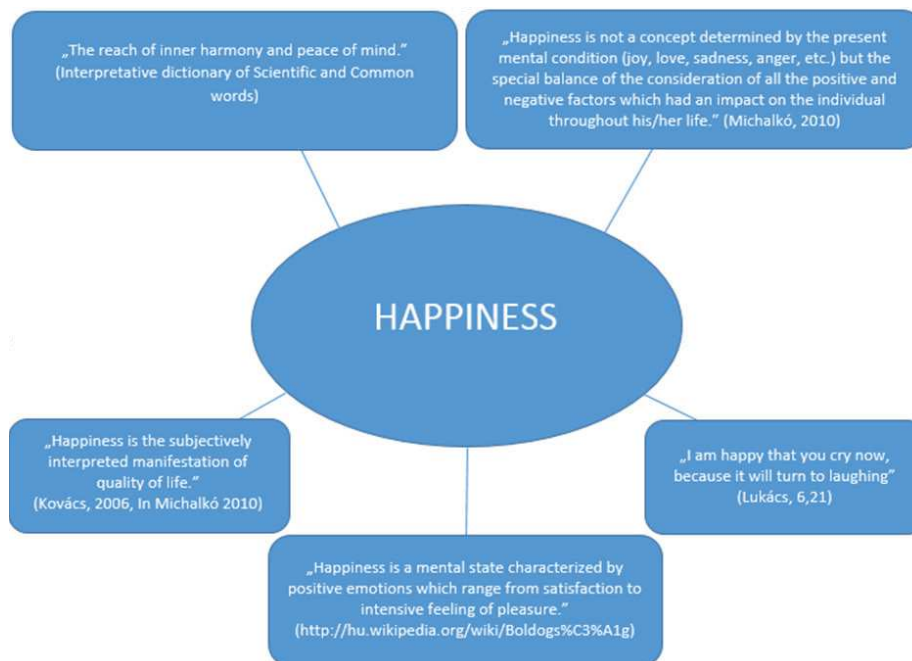


FIG. 10. A definition of happiness in different contexts

Source: the author.

The definition of happiness means different things in different contexts; whether it is a momentary or continuous state, in nearly all interpretations it means get in peaceful state, and in all there is joy. The satisfaction derived from joy generates calm. In economic terms, if the individual needs something, he has to satisfy his need, causing an inner tension. When the need has been satisfied, the consumer can enter into a calm and joyful state. This is also true for tourists because the journey itself generates this calm and joyful state. It is a state without tension, in which the traveller can leave his troubles behind.

Martin Seligman created the PERMA model⁸, which, according to American psychologists, represents the factors that lead to happiness. The components of the model include [Seligman 2011]:

- Positive emotion: convenience, joy, happiness. To experience well-being, positive emotions are needed;
- Engagement in an enjoyable activity. As with the emotion element, this engagement is absolutely subjective;
- Relationships: Those people who have positive and meaningful relationships are happier than those who do not;
- meaning (of life): the achievement of a specified purpose. Those theories, coherence logical connections which are subjective but nonetheless significant in a human's life;

⁸ <http://www.mindtools.com/pages/article/perma.htm> [accessed: 25.01.2015].

- accomplishments: achieving tangible successful results. People try to develop their own skills, describe their goals or win a competition. Therefore their goal is to achieve a result.

In the case of tourism, the positive emotion can be the travelling itself, the destination or the person one goes with. The engagement can be the relaxation or recreation one enjoys or the exploration of an attraction. Again, these are subjective factors, so only a few examples show the possibilities. There can be no doubt that one's relationship with another person or people is of the utmost importance when they are going on vacation together. The meaning of life is connected to travelling, relaxation and collecting experience, because basic physiological needs require regeneration. There are numerous active or passive possibilities in tourism. The result is the enlargement of convenience and satisfaction, and thus enhanced well-being.

For the objective examination of happiness, the Happy Planet Index may be used. The index is calculated by the factors of experienced well-being, life expectancy and one's ecological footprint. According to the The new economics foundation's report in 2012, in Hungary, life expectancy is high, but the values of the other two components are low (Fig. 11). On a scale from 0 to 10, Hungarians, on average, value their happiness at 4.7. Relative to other countries, Hungary comes in between Hong Kong (HPI = 37.5) and the US (HPI = 37.4), and is on a par with Belarus (HPI = 37.4). It ranks 104th of the 151 countries examined. Hungary has a relatively low value – while higher than the lowest on the list, Botswana, at 22.6, it is well below Costa Rica, the highest scoring country, with a score of 64⁹. These numbers prove that the the well-being generated by economic growth is not equal to welfare, which in the case of Hungarians needs to be improved. A negative quality of life characterises the poorer segments of society, where the uncertainty and chronic stress is permanent [Kopp and Martos 2011].

To get an overall picture of quality of life it is necessary to go beyond economic indicators and to know the individuals satisfaction with their perceived fate, to know their state of mind. Happiness is one point at which quality of life and tourism intersect.



FIG. 11. Happy Planet Index of Hungary

Source: <http://www.happyplanetindex.org/countries/hungary/> [accessed: 02.07.2015].

⁹ <http://www.happyplanetindex.org/countries/hungary/> [accessed: 02.07.2015]; Beöthy [2007].

One of the main drivers of tourism is travelling, which generates happiness, and so the travelling may be said to generate happiness [Michalkó 2010]. As self-realisation, which can be found at the top of the Maslow pyramid, is the final goal of the consumer, who is influenced by images and brand names, so tourists will also be influenced by these factors, and therefore try to pursue the most convenient solutions (the most convenient accommodation which assures smooth rest while avoiding possible unpleasantness). Tourists try to achieve the biggest utility during their recreation. Entrepreneurs benefit from this by making a profit; happiness for tourists will be realised by their having a positive experience, while the entrepreneur achieves the largest profit and the tourist gets the best destination [Michalkó 2010, 2012]. The level of quality of life can differ by region. There are places where going on holiday is considered “luxury” and others where vacationing in and of itself does not cause satisfaction. The factors of life quality include personal efficiency, sense of coherence, personal goals and self regulation, co-operation, struggling, and activity [Kopp and Martos 2011].

Research was done in Hungary in 2013 by the GKI Economic Research Co., which focused on the life-satisfaction of Hungarians. The research revealed that the majority of respondents are only slightly satisfied with their lives (on a scale from 0 to 10). These results correlate with those of the HPI index – both show that Hungarians generally evaluate their well-being at a low level. In the case of young people, dissatisfaction may be tied to the difficulty of starting out in life and of finding a job, while the elderly may blame their dissatisfaction on health problems and healthcare. The process of ageing may also cause feelings of dissatisfaction. In regional terms, people are more satisfied in the western part of Hungary while in economic terms, according to the survey, satisfaction does not correlate closely with income. This is evidenced by the fact that people who live in Baranya county, where incomes and the employment level are both under the national average, are in the group of the most satisfied respondents. So, according to the survey, income does not correspond closely with satisfaction; however, its importance is not marginal. Finally, having a secure livelihood and a high level of education both correlate with satisfaction.

The survey assessed the correlation between travelling and satisfaction. Those respondents who went on a holiday once or more were much more satisfied than those who could not go at all. From a sample of 1000, three-fourths of the respondents fell within the latter group [Horváth 2014]. Here we can see the happiness generating and satisfaction correlated effect of travelling. The tourist can be happy and satisfied if the change of environment helps him or her to find inner harmony, realised in joyful experiences. The utility gained from travelling includes building relationships and getting to know another culture. The mobility is the foundation of tourism that generates variability, which is necessary for good mental and physical condition to maintain one's well-being.

CONCLUSIONS

Overall, it is clear that well-being and welfare are indispensably important to having a high standard of living. Happiness is an essential criterion. Tourists will be happy when they receive the utility they expect at the place they are visiting. The well-being they perceive must be at an adequate level. Welfare and tourism come together in the act of

travelling-travelling is the essential element of tourism, while the happiness it generates helps improve the quality of life.

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Summary. I take a good look at the happiness and the the factors that influence quality of life, such as the divorce rate, unemployment, trust, participation in civil society organisations, assessments of the quality of governance, and religion. I examine these factors in the Hungarian population, as a potential domestic tourist-target group. I also look at how happiness is defined and the happiness-generating characteristics of traveling in tourism. Overall, by means of my work I gain an overview of the psychological factors behind the decision-making of one target group doing place marketing.

Key words: place marketing, tourism, happiness, quality of life, society

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