

EXPLORING LIFE INSURANCE AS A DRIVER OF SOCIO-ECONOMIC DEVELOPMENT: AN EUROPEAN UNION ECONOMETRIC PERSPECTIVE

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Abstract

The heterogeneous nature of the European Union countries provides an analytical framework to assess the development degree of life insurance about economic and social development, which is the main objective of this study. Using Structural Equation Modelling (SEM) as a methodological approach, with latent variables for life insurance dimensions, this article investigates the relationships between key life insurance and socio-economic indicators, over the period 2013-2023. The results of the econometric analysis reveal statistically significant associations between life insurance dimensions, on the one hand, and human development, poverty reduction and employment, on the other hand, which show that insurance markets contribute to socio-economic development through channels beyond direct economic growth. The results contribute to the existing literature, providing aspects of the role of the life insurance sector in promoting economic and social resilience and improving quality of life in the context of the diversified European Union Member States, contributing to the future objectives of sustainable economic development.

Keywords

life insurance, European Union, economic development, poverty, Structural Equation Modelling

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