

# The Concept of Standard of Living and the Compilation of Its Indicators

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**Abstract:** The set of goods necessary for people's life activities includes such diverse needs as working conditions, education, health, food and housing quality. The level of satisfaction of people's needs depends on the level of individual and family income of society members. Living standards can be measured at the country level (for the entire population) and at the stratified micro level (for a specific group of the population). The first approach makes it possible to determine the standard of living of the population in different countries according to the gross domestic product per capita and make a comparative analysis.

**Key words:** Living standards, education, health, working condition, population, people's need, family income, demand.

Comparison of the dynamics of income distribution by population groups is carried out on the basis of the consumer budget. There are several types of consumer budgets: average family budget, high income budget, minimum income budget, pensioners and other social groups budget.

The lower limit of well-being can be defined by the family income limit, below which the reproduction of the labor force cannot be ensured. This level comes out as the minimum level of material security or subsistence level (the beginning of poverty). In a market economy, the average income is determined by the income of the so-called "middle class". Such a group's consumer basket includes a house, a car, a backyard, modern home furnishings, opportunities to travel and educate their children, securities, and jewelry. The United Nations made a significant contribution to the development of the concept of "living standard" and the system of socio-economic indicators. In 1960, a UN task force prepared a report on the principles of determining and measuring the standard of living on a global scale. This was the first step towards creating a comprehensive system. The last version of the UN standard of living indicators in the field of international statistics was developed in 1978 and covers 12 main areas.

Even today, this international organization is carrying out a number of activities in order to improve the living standards of the world's population and help countries suffering from poverty. In particular, the "Millennium Development Program" adopted by the UN General Assembly in 2000 and the "Sustainable Development Goals Program until 2030" approved in 2015 directly provide economic and social support to the population of the countries of the world, as well as preventing environmental degradation. It is one of the important measures aimed at protecting the health of the population. In Uzbekistan, the term "standard of living" is more widely used, which represents indicators of material, spiritual and social needs of the population. If we give it a full scientific definition, it is a complex socio-economic category that reflects the level of development of physical, spiritual and social needs, the scale of their satisfaction and the opportunities created for their satisfaction.

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It is known that we are all used to estimate the standard of living of the population by the increase or decrease in the amount of income and consumption per capita. In fact, it is a much broader concept. But at the moment there is no effective way to bring these concepts to a single indicator that comprehensively characterizes the quality of life of the population. According to the recommendations of the United Nations, birth rate, death rate, life expectancy, availability of sanitary and hygienic conditions, consumption level of food products, housing, educational and cultural opportunities, working conditions and level of employment, income and expenditure balance, consumer prices, provision of means of transport, recreation and leisure, social security, guarantee of human rights and freedoms are part of indicators representing the standard of living.

However, since it is not possible to evaluate all of these indicators in terms of value, the standard of living is estimated by covering several of these parameters. The most important of them is the volume of income per capita, and this indicator makes it possible to evaluate the standard of living of the country's population, as well as to use it in international comparisons. It should be noted that the improvement of the standard of living of the population, the extent of the efficiency of the direct production and service sectors, scientific and technical development, the cultural and educational level and structure of the population, national characteristics, will definitely depend on the results of the measures and practical actions taken by the government. .

According to Article 3 of the Law "On State Statistics", the State Statistics Committee performs the tasks of collecting, processing, collecting, storing, summarizing, analyzing, and publishing statistical data on socio-economic events and processes and their results. It also stipulates that the committee has the right to collect statistical data on the indicators of the population's standard of living from legal entities and individuals in the prescribed manner through statistical report forms or various observations. From this point of view, in accordance with the annual statistical work program, based on the data of the relevant ministries and agencies and selective observations conducted in households, the general and per capita incomes of the population reflecting the standard of living of the population, expenses, level of education, use of health services, consumption of food products, a number of indicators such as provision of durable goods, housing conditions are formed.

Sample observations conducted in households cover all regions of our republic and are conducted in a total of 10,000 households per year. More than 120 experts (interviewers) will collect information by directly talking to family members. The analysis of the level of well-being allows to determine the level of ownership of economic resources of households, their ability to consume or save, as well as to choose one of them.

If we pay attention to the numbers, according to the preliminary estimates of 2020, the share of income from production in the total income of the population is 71.5%, of which 69.3% is received from labor activities, 2.1% is received from personal services produced for personal consumption generated income.

In market conditions, the salary from the main job is the leading source of income for the majority of the population. Otherwise, it cannot fulfill its functional role. In developed countries, wages make up 60-80% of the total income of the population, that is, it serves as the basis for ensuring their standard life activities. If we look at the composition of the income of the population of the CIS countries, the income received by hired workers as wages is from 55 to 69 percent in Armenia, Belarus, Kazakhstan, and the Russian Federation, it is about 40 percent in Kyrgyzstan, and 28.8 percent in Uzbekistan. Income from property was equal to 3.0 percent, income from transfers was equal to 25.5 percent that targeted measures aimed at supporting small business and entrepreneurial entities are being implemented in the following years. As a result, the share of the population's income from business increased year by year



and reached 58% in January-December 2020. Considering that this indicator was around 50% in 2010, it means an increase of 8%.

Although incomes from property are small, the interest coming into the hands of the population due to the increase of trust of the population in commercial banks, the development of innovative developments, in addition, the increase in the income of joint-stock enterprises, the rental of housing and other real estate objects, and the improvement of similar market mechanisms, dividends, royalties and similar property incomes are also increasing year by year. For example, in 2010, the share of property income in the total income of the population was 2.3 %, and in 2020, this indicator increased by 0.7%.

Per capita income is calculated by dividing the total gross income of the population by the average annual number of permanent residents. According to preliminary data, the average annual number of permanent residents in our country in January-December 2020 was 34,232.1 thousand people. In the same period, the total income of the population increased by 401.5 trillion soums and real growth by 2.6% compared to the corresponding period of the previous year. Average total income per capita was 11.7 million soums, real growth equaled 0.7%.

Targeted social support measures are an important factor in increasing the average income of all segments of the population. In this case, the Gini coefficient, which reflects the difference in the level of income of different groups of the population, decreased from 0.39 to 0.26 in 2000-2020.

According to the monitoring results, as a result of the increase in the population's income and the improvement of the standard of living, the share of non-food products and services is increasing, along with the stabilization of the share of food purchases in the total consumption expenditure. If we compare the indicators of January-November 2020 with the data of 2000, we can see that spending on food products decreased from 61.4 percent to 48.1 percent, on non-food products - from 25.8 to 32.8 percent, on services - by 12 We can see that it has increased from 8 to 19.1 percent. that the expenditure on food products has stabilized, and the share of non-food and services expenses is increasing in the structure of consumer spending.

During 2000-2020, the population's supply of durable goods is also increasing. It is important to note that most of these products are produced in our country. In particular, by the end of 2020, the level of providing the population with private cars reached 48 per 100 households. The number of televisions per 100 households is 161, which is 1.8 times higher than in 2000. Air conditioners are equal to 34 units (increase compared to 2000 - 3.1 times), electric vacuum cleaners - 59 units (increase - 2 times), washing machines - 80 units (increase 1.2 times).

In addition, ICT devices (personal computers, i.e., desktop computers, portable computers (laptops, netbooks), tablets and other portable computers and mobile phones) are rapidly entering the lives of the population and the possibilities of these tools are expanding day by day. creates an opportunity to actively participate in social life through communication, information exchange and quick awareness of world news. According to the end of 2020, the number of personal computers per 100 households was 56 (in 2000, this figure was 0.2), while between 2000 and 2020, the number of mobile phones increased by 15.8 times (2020- by the end of the year, there were 285 mobile phones per 100 households, i.e. 2.9 per household).

From these data, it can be concluded that today there is still a need for household appliances such as electric vacuum cleaners, washing machines, computers and air conditioners among the goods needed in the daily life of the population. In turn, these data indicate that there is a large consumer market in our republic for enterprises producing such goods and for entities importing goods from foreign countries.

Today, cooperation with a number of foreign organizations is being carried out in order to improve the sample monitoring of households and increase the quality of data. In particular, in



cooperation with representatives of the World Bank, it is planned to improve the methodology, adapt the questionnaires to international standards, introduce modern information and communication technologies in the field, i.e. abandon the paper questionnaires used in the monitoring process until 2020, and from 2021, it is planned to conduct monitoring in all households using tablets. According to this modern system, which is widely used in developed countries, observational questionnaires are installed on tablets and interviews are conducted using them. Answers given by the respondent to the interview questions are recorded on this tablet and transferred to a single database online. This, in turn, allows monitoring of observations, quality control. Together with the qualified experts of the World Bank, a national strategy project for improving the statistical system in 2020-2025 was developed. This project prepares the ground for a fundamental improvement of our system.

Standard of living is a complex socio-economic category that reflects the level of development of physical, spiritual and social needs, the level of satisfaction and the opportunities created for their satisfaction.

In order to get more complete information about the standard of living, it is necessary to study the income and needs of the population, the level and composition of consumption, the level of provision with housing, property, cultural and household items, etc. in depth.

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