

Selection of Criteria and Methods for Assessing the Standard of Living of the Population

Erkin Xodjayev¹, Gulshan Nazarova²

Abstract: The article discusses issues related to the choice of criteria and methods for assessing the standard of living of the population. A special place is given to the criteria of living standards of the population. An indicator for determining the standard of living of the population and examples are given according to the UN development programs (UNDP) and the result of research to determine the human development index (HDI) and recommendations for improving methods for assessing the standard of living of the population.

Keywords: standard of living of the population, methods, methods, Swedish model, consumer income, average life expectancy, human potential, human capital, human capital development index.

INTRODUCTION

In the conditions of New Uzbekistan, the process of development of innovative activities of economic entities sets before society the goal of development and improving the standard of living of the population.

In the course of deep economic transformations of the economy, new problems are being put on the innovative path that require innovative approaches to the qualitative assessment of the standard of living of the population, taking into account the actual situation in the domestic economy.

Assessing the quality standard of living of the population is quite difficult for a number of reasons: firstly, it is impossible to numerically determine the material and spiritual satisfaction of needs, and secondly, the assessment of the standard of living changes significantly. Using administrative and economic criteria, it is difficult to quantify such characteristics as health, actual education, safe working conditions and others. Therefore, the choice of methods and criteria for assessing the standard of living of the population is of paramount importance [2, 3].

According to the UN concept, the criteria for living standards are not only the state of health care, the education system, employment and working conditions, respect for human rights and the quality of living standards. In some European countries, the Swedish model is used as a standard of living criterion.

Table-1 Living standards indicators

According to the UN concept Swedish model			
1	Health status	1	Labor and working conditions
2	Food consumption	2	Economic capabilities of a person
3	Education system	3	Political opportunities
4	Employment and working conditions	4	School education
5	Living conditions	5	Population health and level of access to medical services
6	Social Security	6	Social Features
7	Provision of clothing	7	Living space for 1 person

¹ Candidate in Economics, professor

² 2nd year master's student, Specialty "Public Finance and International Finance", Samarkand Institute of Economics and Service



8	Rest and free time	8	Nutritional status of the population
9	Respect for human rights	9	Free time use it

Indicators of living standards can be divided into three groups: cost, natural and average. Cost indicators mainly include macroeconomic indicators, i.e. volume of national income (volume of GDP), consumption fund, income of the population and others. Physical indicators show the production and consumption of food and non-food products, the size of the country's housing stock as a whole or per capita, and others.

In the 80s In the 20th century, the Human Development Index (HDI) began to be used to assess living standards, which was developed in 1990 by the Pakistani economist Mahbub ul-Haq and in 1993 the UN began to use it in its annual report on human development [1]. Here, the main parameters by which the level of human development in a given territory is assessed are life expectancy, level of education and GDP per capita (at purchasing power parity). The maximum possible HDI value is 1, the minimum is 0.

A country with an average life expectancy of 85 years has a Human Development Index of 1. The GDP per capita is US\$40,000, and about 100% of the population is literate, and everyone who has reached the appropriate age attends primary or secondary school, tertiary or secondary education.

A country where the average life expectancy is 25 years has a Human Development Index of 0. GDP per capita is 100 US dollars, and almost 100% of the population is illiterate and national statistics sources.

Every year, a group of independent scientists commissioned by the United Nations Development Program (UNDP) constantly conducts research on the HDI on a global scale, and also publishes a Human Development Report covering this issue for each country. In Russia and Uzbekistan, also, since 1995, the Report on Human Development in the Russian Federation and the Human Development Report have been published, respectively. Many prominent scientists and representatives of the Ministry of Economy and Finance of the Republic of Uzbekistan actively participate in the preparation of this document on Uzbekistan, and every year they have their own topic for the report on human development.

In addition, the UN annually ranks countries by their standard of living using the HDI or HDI (Human Development Index). In 1992, Russia's HDI was 0.849, which corresponded to 52nd place in the world. The highest HDI values were in the 90s. Canada, Japan, the USA, the Netherlands and Finland had them.

If you pay attention to the data from 2006, the UN published a ranking of 177 countries by standard of living. In that ranking, Norway was in first place in terms of HDI, which was equal to 0.944. The average life expectancy in this Scandinavian country is 79.6 years, the entire adult population had secondary or higher education, and the GPP per capita is 38.4 thousand dollars per year. Second and third places with a minimum gap from the leader were taken by Iceland and Australia, the Russian Federation took 65th place, Ukraine 77th place, Kazakhstan 79th, Armenia 80th, Georgia 97th, Azerbaijan 99th, Turkmenistan 105th, Kyrgyzstan 110th, Uzbekistan 113th and Tajikistan 122nd place.

To date, there have been downward changes in these quantitative indicators.

In our opinion, the existing HDI does not fully and truly reflect the standard of living in many countries, since currently in many countries of the world the shadow economy, legal and illegal labor migration, as well as corruption are highly developed.

For example, in countries with transition economies, the share of the shadow economy is estimated at 45-47% of GDP [4]. And in Uzbekistan, this indicator also significantly affects the real volume of GDP in the Republic. Therefore, the volume of GDP of these countries does not really reflect the actual income of the population. In addition, the share of wages in GDP does not exceed 30%,



although in developed countries this figure is higher than 60%. Therefore, linking GDP growth to rising living standards is not a very objective measure.

In addition, the level of education used in the HDI does not provide complete information about the standard of living, i.e. high education provides a high level of material and spiritual values, and vice versa. In many developing countries, as well as in Uzbekistan, numerous studies have not yet revealed significant differences between low-income and wealthy segments of the population in terms of literacy and education. There are segments of the population that have a low level of education and have a high standard of living due to the presence of various official and unofficial sources of income. All this requires improvement of quantitative or acceptable methods for assessing the standard of living of the population in Uzbekistan.

In Uzbekistan, taking into account its national characteristics, such as strong family and kinship relationships, mutual assistance in obtaining various benefits, many people prefer to live in a family rather than alone. But all family members enjoy many common material and non-material benefits. This requires an assessment of the standard of living of the population not individually, but by families, based on an annual comprehensive sociological survey.

To improve quantitative methods for assessing the standard of living of the population in countries with transition economies, the following indicators can be recommended for their use:

- average real income per person;
- health status;
- consumption of food and non-food products per person;
- quality of education in areas of specialist training;
- employment and working conditions of specialists;
- living conditions of the population (or family);
- social security;
- rest and free time;
- protection of human rights;
- electricity supply to the population;
- provision of cold and hot water;
- availability of passenger cars for one family;
- rest in sanatoriums from among vulnerable groups of the population;
- number of tour trips per 10,000 people;
- investments in human capital.

If you use these indicators to assess the standard of living of the population, you can obtain more realistic data on the well-being of the population. At the same time, to assess the required level of assessment of the quality of life of the population, they allocate income for each family member and their education.

References:

1. Горбунова О.Н., Гегамян М.А. Роль индекса развития человеческого потенциала в концепции развития человека // Социально-экономические явления и процессы. 2013. №5 (051). – С. 77-90
2. Зайналов, Д.Р., & Хусанов, Б. (2010). Приоритеты социального обеспечения и развития системы защиты населения. In Саяпинские чтения (pp. 68-74).



3. Зайналов, Д.Р. (2017). Проблемы обеспечения стабилизации финансов в условиях формирования единого экономического пространства. In социально-экономическое развитие России и регионов в цифрах статистики (pp. 332-337).
4. Как не испортить отдых себе и ребенку 16.07.2008. Еженедельник "Аргументы и факты. №29, июль 2008 г.

