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STANDARD OF LIVING IN DIFFERENT COUNTRIES

Abstract: this article explains the standard of living in different countries explaining how the standards are being measured, the significance, the drawbacks and how it varies from nation to nation. Standard of living the amount and quality of material goods and services available to a given society or location, rather than to an individual generally assessed using GDP per capita, yet factors, for example, income, life expectancy, and economic opportunity are incorporated.

Key words: standard of living, quality, GDP

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УРОВЕНЬ ЖИЗНИ В РАЗЛИЧНЫХ СТРАНАХ МИРА

Аннотация: данная статья описывает уровень жизни в разных странах, объясняя, как измеряются показатели, их значимость, недостатки и как они варьируются от нации к нации. Уровень жизни - это количество и качество материальных благ и услуг, доступных данному обществу, а не отдельному человеку, обычно оценивается на основе показателя ВВП на душу населения, однако также учитываются такие факторы, как доход, ожидаемая продолжительность жизни и экономические возможности.

Ключевые слова: уровень жизни, измерение, качество,

Standard of living is a term used to describe the social and economic wellbeing of individuals during a specific point of time in a country. Two of the main ways of indicating or measuring economic well-being across nations are real GDP per capita (or GDP per person) and the human development index. In addition, factors that are usually utilized in the calculation of the standard of living are other promptly quantifiable economic factors such as average income, consumer spending, available goods, and services, etc. Factors such as environmental aspects, political freedom, and access to leisure or cultural activities, may likewise be used for assessing, however, such sorts of elements are more frequently used while assessing the quality of life which contrasts from standards of life [1].

The standard of living is measured by things that are handily evaluated, for example, pay, work, cost of goods and services, and neediness. Factors such as life expectancy, the inflation rate, or the number of paid vacation days people receive are additionally included. Other factors commonly used with the standard of living include:

- Class disparity
- Poverty rate
- Quality and affordability of housing
- Hours of work to purchase necessities.
- Gross domestic product (GDP)

- Affordable access to quality healthcare
- Quality and availability of education
- Incidence of disease
- Infrastructure
- National economic growth
- Economic and political stability
- Political and religious freedom
- Environmental quality
- Climate
- Safety

There are three main types of standard of living. The prosperity is using the blessings providing an all-around development of the person. A normal level is a rational consumption of scientifically proved norms that provides to the person restoration of its physical and intellectual forces. Lastly, poverty is the minimal consumption of blessings and services at a level of the biological survival of the person [2].

One thing individual need to think about an economy is whether its total output of goods and services is developing or contracting, and real GDP gives data on how an economy is performing. International institutions like IMF (International Monetary Fund) calculate global and regional real GDP growth. These give an idea of rapidly or slowly the world economy or the economies in a particular region. Real GDP per capita is far better indicator than GDP per capita or real GDP alone. If GDP figures alone are used to measure the standards the size of the population is disregarded. For example, China's GDP is notably larger than that of Luxembourg or Sweden. The larger population of China's means that Sweden and Luxembourg's GDP per head of the population is greater (see table 1 below).

Table 1 - GDP per capita: selected countries, 2017 (source: adapted from CIA, World fact book)

Country	GDP [\$ bn]	GDP per capita [\$]	Population [million]
China	10,730	14,600	1,373.54
Sweden	511.4	49,700	9.88
Luxembourg	60.98	102,000	0.582

Real GDP considers inflation. It excludes the increase in prices and measures the actual increase in goods and services. As a solitary proportion of standards of living, real GDP is perhaps the best indicator, it likewise is moderately simple for economists to ascertain. Therefore, real GDP per capita is used as one of the two fundamental pointers of living standards. Higher real GDP implies that people have more to spend on products and enterprises. At times, GDP may be growing, however not quick enough to create for those seeking them. In any case, real GDP development moves in cycles after some time. Economies are sometimes in times of blast, and some of the time in times of moderate development or downturn. When comparing GDPs of two countries having two different currencies, usually the value of GDP of each country is converted into U.S. dollars using market exchange rates or purchasing power parity (PPP) (the rate at which the currency of one would have to be converted into that of another to purchase the same amount of goods and services in each country) (table 2) [3,4,5].

Table 2 - GDP per capita (PPP): Top 10 countries with highest GDP per capita (source: International Monetary Fund-2020 estimates)

Rank	Country/Territory	Int \$
1	Luxembourg	112,875
2	Singapore	95,603
3	Qatar	91,897
4	Ireland	89,383
5	Switzerland	68,340

6	Norway	64,856
7	United states	63,051
8	Brunei	61,816
9	Macau	58,931
10	United Arab Emirates	58,466
11	Hing Kong	58,165
12	Denmark	57,781

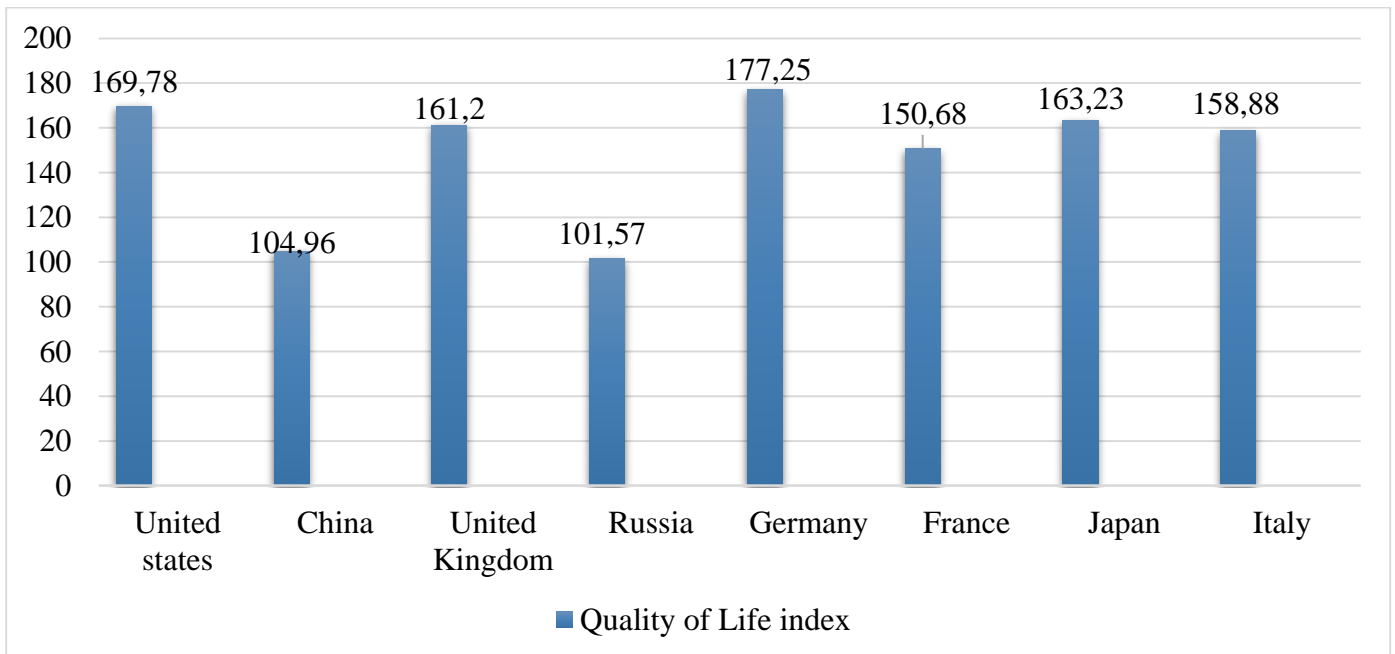
It is additionally imperative to comprehend that GDP does not capture things that might be considered essential to general prosperity. For instance, expanded yield may come at the expense of ecological harm or include reduction of leisure time. The quality of life may likewise rely upon the distribution of GDP among the residents of a country. To attempt to represent such factors, the United Nations processes a Human Development Index, which ranks nations dependent on GDP per capita, yet on different elements, for example, future, education, and school enrollment. It is an ultimate criterion for assessing the development of a country, not only the economic growth. The human development index comprises three different dimensions-Health care indicator which measures life expectancy at birth, the better the healthcare in a country, the better the medical services in a country, the more prominent its social and financial prosperity will in general be. Education indicator which measures the mean years of schooling and the expected years of schooling in the country. In general, the higher the average years of schooling, the greater the degree of human development and income level. Lastly, the higher the national income (or GDP) of a country, the greater human development tends to be. Subsequently, poor countries such as Mozambique, Afghanistan, Sudan have a low HDI, and rich countries like Norway, New Zealand, and Canada has a higher HDI. The main advantage of using the HDI rather than real GDP is that the HDI is a composite index considering several key indicators of standards of living, rather than one. Enhancements in schooling and medical care are almost certain than real GDP to indicate a country's level of social

wellbeing, particularly if income is not disseminated equally in the economy. However, there are some limitations to using HDI as a measure of living standards. HDI overlooks Cultural variations, qualitative factors affecting living standards, such as gender inequalities and human rights. HDI does not take account of the inequitable distribution of income in the economy and lacks accuracy for the ‘average’ person. Environmental and resource depletion resulting from economic growth because of monetary development is likewise being overlooked (table 3) [3,6,7].

Table 3 – Human Development Index (HDI) Top 10 countries rating (source: From the 2020 Human Development Report, United Nations Development program)

Rank	Country	HDI value (2019)	Life expectancy at birth (years) SDG3	Expected years of schooling (years) SDG 4.3	Mean years of schooling (years) SDG 4.6	Gross national income (GNI) per capita (PPP) SDG 8.5
1	Norway	0.957	82.4	18.1	12.9	66,494
2	Ireland	0.955	82.3	18.7	12.7	68,371
3	Switzerland	0.955	83.8	16.3	13.4	69,394
4	Hong Kong, china (SAR)	0.949	84.9	16.9	12.3	62,985
5	Iceland	0.949	83.0	19.1	12.8	54,682
6	Germany	0.947	81.3	17.0	14.2	55,314
7	Sweden	0.945	82.8	19.5	12.5	54,508
8	Australia	0.944	83.4	22.0	12.7	48,085
9	Netherlands	0.944	82.3	18.5	12.4	57,707
10	Denmark	0.940	80.9	18.9	12.6	58,662

The standard of living is firmly identified with quality of life. However, it is a more subjective and theoretical term than the standard of living. In that capacity, it can frequently be difficult to evaluate. This measure has a significant influence on the financial decisions in everyone's lives and can influence a person's quality of life which includes conditions in the workplace, healthcare, education, etc. Moreover, quality of life incorporates different elements like wealth and employment, physical and emotional well-being, entertainment and relaxation time, safety, and so on. Concepts such as freedom and human rights are also incorporated. Quality of life includes both financial and non-financial components while the standard of living is related to finances only. In addition, the standard of living is a standard measurement that does not change as per singular inclinations while personal satisfaction may differ as indicated by singular inclinations. Taking everything into account, way of life and personal satisfaction are two firmly related ideas (graph 1)[8,9].



Graph 1 –Quality of index of some major countries as of 2020 Mid- year

Table 4 – Ranking Quality of index of country 2020 Mid- year (top 5 with highest life index)

Rank	Country	Quality of life index
1	Denmark	192.53
2	Switzerland	190.92
3	Finland	186.40
4	Australia	185.03
5	Netherlands	184.18

Table 5 –Ranking of Quality of index of country 2020 Mid- year (top 5 with lowest life index)

Rank	Country	Quality of life index
78	Philippines	79.18
79	Iran	70.32
80	Kenya	66.60
81	Bangladesh	66.29
82	Nigeria	54.91

Countries with low quality of life index (table 5) fall into the classification of poverty. Poverty involves more than the lack of income and resources to ensure sustainable livelihoods. It includes limited access to education, hunger and malnutrition, social discrimination and exclusion, and other basic services. According to the latest data from the world bank, the global extreme poverty rate tumbled to 9.2% in 2017, from 10.1% in 2015. At higher poverty lines, 24.1% of the world lived on less than \$3.20 a day and 43.6 % on less than \$5.50 a day in 2017. In 2018, four out of five individuals below the international poverty line lived in rural areas. But numerous individuals who had scarcely gotten away from outrageous poverty could be constrained once again into it by the convergence of COVID-19 and climate change as of today [10].

As we all know countries all around the world provide various degrees of living standards. Indeed, there are marked inequalities in the standards of living and it relies upon numerous things. Principal factors like Level of National Income or Output which depends upon the total volume of production in a country. The higher the national income or output higher the standard of living, but why do you think some countries produce more than others? This carries us to the subject of levels of productivity - the aggregate sum of goods and services which a country can produce from different branches of economic activity such as industry, agriculture, transport, etc. The higher the efficiency per individual the higher the standard living of the people, because in developed economies not only capital per head is greater, but the techniques of production used are much utilized and make use of advanced technology in the production of goods and services. Another factor represents the distinctions in the levels of living between different countries is the rate of exchange between goods exported and imported also known as the terms of trade. On the off chance that the terms of exchange are more ideal for a country, it can import similarly bigger measure of merchandise for a given number of exports, and subsequently, standard of living will be higher. The distribution of national income among the population plays a role as well, if there is large inequality in the distribution of income, then the standard of living of a few rich people will be very high, while the standard of living of most of the individuals will be incredibly low. Different price levels prevail in different countries. This also accounts for the differences in standards between different countries. and lastly one of the most important factors responsible for the differences in standards of living is the difference in the level of education. You cannot anticipate a higher expectation for everyday comforts from the unskilled and uninformed individuals. Regardless of whether the individuals end up having enormous livelihoods, they would either accumulate them or waste them in pointless social services or by enjoying things like drinking, betting, etc. Considering these variables is imperative to improve the conditions for everyday comforts of countries that are out of luck [11].

This paper has tried to broaden the economic concept of ‘standard-of-living’ to include a more extensive scope of focuses than the 'normal'. Measures of living standards can show differences within nations and across nations for various factors that are particularly not mentioned as well. we find that rankings of countries and living standards can be unique relying upon what is the real core interest. From an economic viewpoint, we know that living conditions can be improved, poverty rates can decline, connections can be built between not only employees and firms but governments as well. To ensure that opportunities reach all corners of the world applying policies, to differentiated needs - highlighting the importance and improving the factors causing it and relationships between the different governments are vital. Facing the problems, providing better education, beating the politics for a better future all around the world.

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