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## **Theoretical approaches to the formation of living standards and services of the population**

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**Annotation** - The article provides an analysis of theoretical approaches to improving the living standards of the population. Therefore, in the process of reforms carried out since the early years of independent development, great creative work has been done to improve the welfare and quality of life of the population.

**Keywords:** living standards, quality of life, demand, consumption, population savings, wages, incomes and the level of housing, employment.

### **Introduction**

Improving the living standards and quality of life of the population in Uzbekistan during the period of independent development is becoming the most important end result of socio-economic development. The formation of a socially oriented market economy in the country and, on this basis, raising the living standards of the population has been identified as an important direction and the main goal of socio-economic reforms. In the Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis on January 24, 2020, the program and target tasks to be implemented in the economic sphere in 2020 and subsequent years were identified. One of the first tasks mentioned in the petition was that "ensuring macroeconomic stability and curbing inflation in 2020 is our main task in the process of economic reforms" [1]. To perform this task, it is necessary to perform

the parameters set by the macroeconomic indicators. The main basis of macroeconomics is the national economy. The basis of the national economy is the living standards of the population.

### **Literature review**

Consequently, in the process of reforms implemented since the early years of independent development, great creative work has been done to improve the welfare and quality of life of the population. Today, about 60% of the state budget is directed to the development of the social sphere. This serves to improve the quality of life of the population [1].

It is no coincidence that as one of the five principles of the transition to a market economy, a strong social policy, in other words, aimed at maintaining a certain standard of living of low-income families [2].

The standard of living of the population is a complex socio-economic category that includes many aspects of people's lives and is a measure of the satisfaction of their vital needs [3].

How much and what quality of goods and services each person consumes is defined as his or her standard of living. Also, the living standards of the population is the most important criterion for assessing the effectiveness of state socio-economic policy. There are a number of terms that are closely related to the living standards of the population, including the concepts of living conditions, quality of life, lifestyle, occupational safety, quality of work, welfare of the population. Although the various terms given above seem to mean the same content, in some cases the difference between them takes on a certain character, the content of which differs considerably from one another. From the point of view of the purpose of our research, the concept of "living standards" is important in these terms.

Among economists there are different views on the concept of "living standards", the role of goods and services in its formation. While the vast majority of domestic and foreign scholars recognize that the standard of living of the population is a complex socio-economic category, they interpret its content differently.

In our view, at the current stage of human development, more than half of the country's GDP is accounted for by the services sector, 45-50% of the employed population in this sector, its share in consumer spending has reached about 30-35%, and its Although it has become a major factor in shaping the standard of living, it has not found its bright expression in the definitions of the concept of "standard of living of the population". It is not surprising that the definitions of this important concept have not yet played a significant role in shaping the living standards of the population. As proof of our point, we cite a number of definitions given to it. The textbook "Economic Theory" explains the standard of living (welfare) of the population as follows: This comment is about the needs of the people in general. However, the level of satisfaction of his need for services is not reflected separately. In the definitions of living standards in the literature, it is often considered as an economic category. For example, some researchers have described the "standard of living of the population as the degree to which they are provided with the material and spiritual goods they need to live, and the level of satisfaction of people's needs with these goods" [5].

A similar definition is found in the textbook published by VI Gurev [6], in the textbook prepared by AV Sidenko, MV Matveeva [7]. A number of scholars have clarified this definition to some extent, saying, "The standard of living is a socio-economic concept that describes the level of satisfaction of material and spiritual needs of people and the improvement of living conditions" [8], "Living standard - a socio-economic concept It includes the satisfaction of the material and cultural needs of the people and the improvement of their social conditions. " In terms of content, the theoretical views of our compatriot BK Goyibnazarov are very close to these definitions: receives "[9].

Among the definitions of living standards is the definition given by MG Nazarov, ie "The living standards of the population is a complex and multifaceted category of human life, first of all, a set of real socio-economic conditions, an important characteristic of social development" [10] we consider the idea that In this

and other definitions above, while recognizing that the standard of living is broad and closely interrelated with all other indicators, it is shown that it is not only an economic but also an important social category.

Based on these circumstances and as a result of theoretical research, we found it appropriate to give the following description of the living standards of the population. The standard of living of the population is a broad socio-economic category, which is measured by the material and spiritual well-being of the population, the level of provision of various services (consumption) and the availability of the necessary conditions for a comfortable and safe life. The standard of living of the population, like all other important indicators, has its own quantitative and qualitative aspects. Thus, from the definitions of the concept of "standard of living", we are convinced that this category has a very complex and multifaceted meaning [11].

There is every reason to conclude that it should be characterized not by a single evaluation criterion, indicator and factor, but by a system of several indicators and factors representing different aspects of people's lives, among which various services have a special place. At the current stage of world civilization, a high standard of living cannot be imagined without the provision of a variety of high-quality services to a person anytime, anywhere. Today, the range of these services is expanding, and along with traditional types of services, new, modern types of them are emerging and evolving. Computer services, the Internet, consulting services, social services, insurance, banking services and other new types of services have become an important factor in shaping the living standards and quality of life. At the same time, traditional types of services (trade, catering, transport, communications, medicine, etc.) are also expanding and improving.

Living standards vary to some extent between strata of the population and their social groups across countries and within each country as a result of all socio-economic processes taking place at the community level and in individual households. For example, the living standards of the population of economically



developed countries and the resulting countries (USA, Denmark, Japan, UK, etc.) several times higher than the level. The economic development of all countries, including GDP growth and living standards, is shaped by certain factors. The influence of these factors depends on the natural-climatic conditions and the presence or absence of resources (human, labor, production, financial, information, spiritual resources). In some developed countries (Japan, Switzerland), despite the scarcity of natural resources, they are the richest and most populous countries. We can observe high levels of well-being both in countries with large populations (USA, Germany, Japan) and in countries with small populations (Switzerland, Finland, Luxembourg).

In a market economy, a person (population) also acts as a producer, consumer and seller of all goods and services. The economic activity of economic entities of different ownership serves the interests of the population, the satisfaction of its needs.

During the transition to market relations, Uzbekistan has created a concept of living standards that meet the new socio-economic conditions and meet the needs of society. In formulating this concept, some provisions of the concept of quality of life, which are widely used in world practice today, were reflected. Historically, this concept has emerged on the basis of the development of concepts such as labor, working conditions and quality, employment, living standards, which reflect the socio-economic parameters of human life.

We are talking not only about the objective factors that assess the level of nutrition, housing, employment, education, but also all the conditions for comprehensive and effective social protection of the population, its dark and prosperous, peaceful and secure life -creation of conditions, a wide range of conveniences for the enjoyment of material well-being (material, social, cultural and spiritual wealth necessary for human life, ie all the elements, services and conditions that meet human needs), happiness, joy, satisfaction, enjoyment, material benefits and we are talking about a subjective sense of concepts such as high quality service and attention.

Thus, a person's level of health, family relationships, occupation, financial status, abilities, and other aspects of satisfaction are an important component of life satisfaction. Therefore, the concept of quality of life also includes the types of activities of an individual, the composition of their needs and the level of their satisfaction, the living conditions of a person in society and his interaction with the environment. These relationships represent the degree to which needs are met and the availability of available capacity is in line with expected opportunities.

We believe that the level of education, high level of professionalism, economic activity, entrepreneurship, as well as the perfection of relations in society should be taken into account as factors that ensure a high standard of living in the country. Evidence of our view is the economic development achieved in Japan. The achievements of this country are, first of all, the result of the education system, economic activity of the population, diligence, rational organization of labor in enterprises.

It is also possible to cite factors that affect the decline in living standards. These include low wages, incomplete employment in enterprises, rising formal and informal unemployment, increasing long-term unemployment trends, and more.

The standard of living of the population is a measure of the level of economic growth and social development of each country. Therefore, every country strives to improve the living standards of the population and sees it as the main goal of public policy.

The extremely complex and multifaceted standard of living of the population determines the need for its comprehensive characterization on the basis of a detailed subsystem of indicators. A single statistic is capable of reflecting only one of many aspects of reality. Since all the elements of the standard of living are objectively interconnected, the structural indicators that represent it must also be interconnected. The principle of interdependence of indicators is crucial when forming sections and subsystems of statistical indicators of living standards of the population. As mentioned above, the concept of "standard of living" is a very complex,



comprehensive concept. Therefore, it is not limited to a single indicator, but is characterized by a system of several indicators: employment, income, leisure, utilization of services, industrial and scientific and technological progress, protection of the population, material and spiritual level, health, mood, national characteristics, indicators representing different aspects of life, and so on.

Due to the fact that the living standards of the population is a complex socio-economic category and the number of indicators that represent it is enormous, there are different approaches to its assessment in the literature on economics and world practice. It is important to study the views of our economists in this area from a scientific and theoretical point of view.

Each group is made up of individual indicators, and their total number is growing. These indicators are widely used in determining the socio-economic development of the state, comparing them with each other.

It is known that one of the peculiarities of a market economy is that the material stratification of the population, as mentioned above, can create several social strata in terms of material security. In any system, it is possible to classify the population based on the average income level. The purpose of this is to introduce benefits based on the income of the population, including the provision of preferential services. It should also be noted that in describing the living standards of the population, acting only on the basis of average indicators does not give a positive result.

Academician KH Abdurahmanov made a comprehensive analysis of the living standards of the population, distinguishing them into separate factors and indicators, however, it provided only paid services, not free services. As mentioned above, in solving the problems of improving the living standards of the population in society, it is necessary to pay attention to the provision of free services (assistance) to the needy. Therefore, we consider it appropriate to include paid and free services in the living standards of the population.

Because free services are mainly provided on the basis of different levels of budget expenditures [12]. However, such services may also include charitable activities carried out by businesses and the general public.

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