

Standard of Living of the Population in Foreign Countries

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Abstract. The conducted research of the standards of living of the population revealed the following: a characteristic feature of modern approaches is a more comprehensive consideration of human needs, which includes both material and spiritual components; as the main markers of the standard of living, the income of the population, the provision of housing, access to educational and medical services, and environmental conditions are mostly considered; the assessment of the main characteristics and indicators of the standard of living of the world's leading countries shows that the countries of the Eurozone demonstrate

primacy in most parameters, however, the coronavirus crisis and Russian military aggression against Ukraine have significantly narrowed the governments' ability to maintain high living standards of the population; it was determined that the basis for maintaining a consistently high standard of living in the leading countries was the income policy pursued by their governments, which consists, first of all, in maintaining a high level of labor costs, and therefore, high wages.

Keywords: standard of living, social guarantees, social protection, poverty level.

Introduction. Research by the United Nations shows that people around the world feel less and less protected. Six out of seven people feel insecure in many aspects of life. Society is constantly forced to solve the problems of food supply, treatment of diseases or housing construction. But growing instability and a critical level of world polarization form new sources of uncertainty [18]. Social transformations carried out by the governments of countries are designed to ease this pressure and ensure a decent standard of living for the population. However, the coronavirus pandemic has shown that even for the strongest countries in the world, it is becoming increasingly difficult to do so. Nowadays, due to the Russian military aggression against Ukraine, which has affected almost all countries, it is especially difficult to fulfill social obligations and maintain high standards of living.

The purpose of the study. Nevertheless, it is important to comprehensively understand the factors of the formation of the living standard in their current quality, which in the future forms the basis for the development and implementation of state social policy measures. Therefore, the purpose of this study was to assess the current state and identify trends in the change in the standard of living of the population of the world's leading countries.

Materials and methods. The empirical basis of the research is data from the statistical service of the European Union, the Organization for Economic Cooperation and Development and other open sources. The assessment of the standard of living of the population was carried out using economic-mathematical and statistical research methods.

Results and discussion. One of the central problems of all economic thought and practice of economic life is the provision of decent conditions for human life. As human civilization develops, its needs constantly grow, and along with them, technologies are improved at a frantic pace, discoveries are made, new materials are created - everything to satisfy human needs for comfort, material, physical and spiritual benefits.

A number of various factors of a social, economic, political, demographic, and cultural nature affect the standard of living. The above-mentioned factors of the standard of living of the population are not an exhaustive list, but rather an attempt to focus on the key aspects that determine the standard of living of a person and are the subject of constant monitoring and analysis. Depending on the investigated

feature, they can be conditionally divided into direct and indirect (mediated), objective and subjective, macro-, meso- and micro-level factors.

In literary sources, for the most part, two basic concepts of studying the standard of living of the population are distinguished. According to the first, the standard of living is determined by a set of material goods that a person consumes, and the main task is to determine rational standards of consumption. According to the second, the standard of living should be considered through the prism of harmonious human development, as a favorable environment as a whole. Acquaintance with the works of this direction showed that the second approach is dominant in modern approaches.

Assessing the standard of living is a difficult, but very important task. After all, on the one hand, it allows you to monitor the dynamics of the parameters of the population's well-being, on the other hand, it is the basis for adopting the state social and economic policy.

The assessment of the standard of living is carried out by well-known international and intergovernmental organizations. The Organization for Economic Cooperation and Development pays considerable attention to the study of human welfare and social progress. In order to measure these parameters, as part of the Better Life initiative, the organization conducts research that allows for the development of effective indicators of well-being, as well as to determine what drives the well-being of individuals and nations and, most importantly, what needs to be done to improve it. In February 2022, the approach to its calculation was updated.

In its assessments, the World Bank focuses on economic indicators, namely on gross national income per capita. Depending on its value, countries are divided into countries with a low, medium, and high level of income per capita. By the way, in September 2022, the World Bank revised the value of the poverty line indicator and currently it is \$2.15 per day [14].

Internationally recognized, the most widespread and researched is definitely the Human Development Index. There are also other indices, studies of private and non-governmental organizations, which allow to evaluate one or another component of the standard of living. Among them are the happiness index, the Legatum Institute's prosperity index, the Ecological Footprint index, and the environmental performance index. The regular Global Liveability Ranking evaluates and reveals the best cities in the world for comfortable living. The rating is based on the following criteria: stability, health care, culture and ecology, education, and infrastructure. According to the results of 2022, the ranking of the top 10 cities is as follows: Vienna (Austria), Copenhagen (Denmark), Zurich (Switzerland), Calgary (Canada), Vancouver (Canada), Geneva (Switzerland), Frankfurt (Germany), Toronto (Canada), Amsterdam (Netherlands), Osaka (Japan) and Melbourne (Australia) [1].

Thus, at present, a fairly established system of indicators has been formed, which allows you to assess the standard of living in different countries. None of the available methods is universal and does not provide an accurate, unambiguous, and complete assessment of all aspects of the standard of living, and work on their improvement continues all the time. However, they provide a framework for the current situation and allow determining further basic orientations at all levels when making decisions and forming the policy of socio-economic development.

The main concept followed in determining living standards at the state level is the maintenance of a minimum guaranteed income. This means determining the minimum income or living wage per person, and for able-bodied persons – establishing the minimum wage. This approach is basic in the implementation of social and economic policy in many countries of the world, in particular in the Eurozone.

Developed countries and the vast majority of developing countries apply both national and international social standards. The minimum standards of social security were approved by the International Labor Organization back in 1952 in Convention No. 102. One of the most comprehensive documents defining international social standards is the European Social Charter of 1961, which was adopted and subsequently revised by the Council of Europe [3].

In most countries of the world, the subsistence minimum is legally guaranteed by the state and contains norms of the minimum standard of living, which allows you to preserve human health and ensure his livelihood.

The standard of living of the population, depending on the country, varies greatly, as does the understanding of what, in fact, this category should include. Traditionally, the leading member states of the European Union, the United States of America, Canada, and Japan, which have held the leadership in terms of economic development for more than one decade, are a model for other, less developed countries of the world, and in the field of social standards.

According to the latest available data, the highest spending on social protection is shown by the countries of the European Union (data for 2017) – 28.2% of gross domestic product, which is more compared to the United Kingdom and Japan, where this figure was 26.3% and 24.1%, respectively. In the United States of America, Australia, Canada, Turkey and North Korea, the share of spending on social protection in GDP did not exceed 20% (Fig. 1) [10].

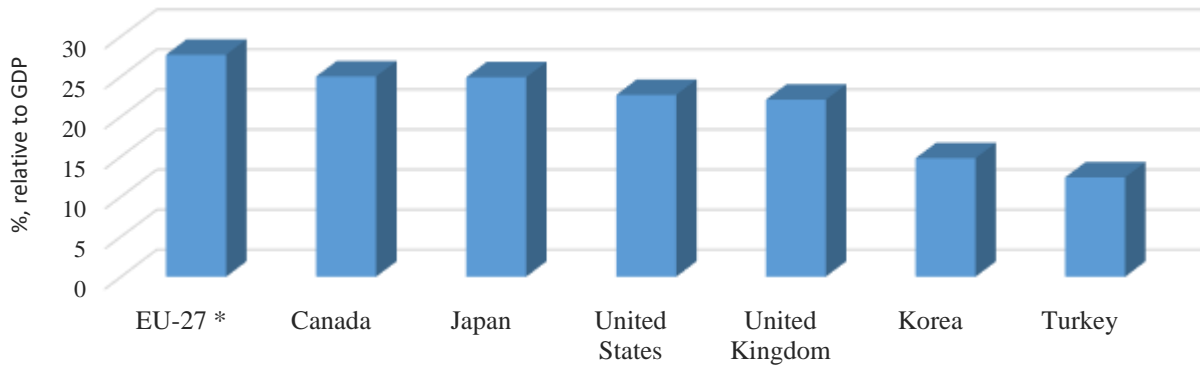
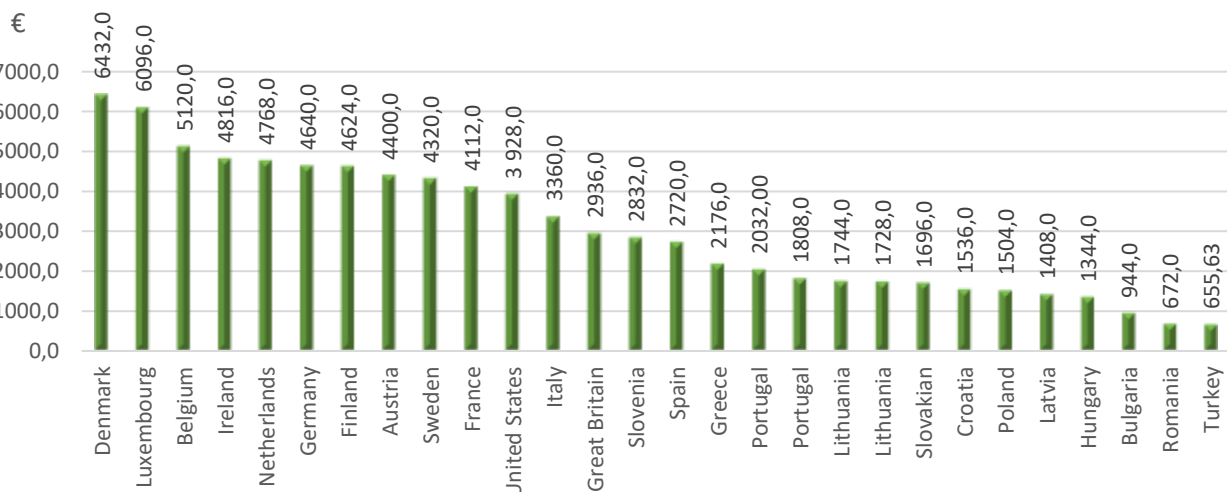


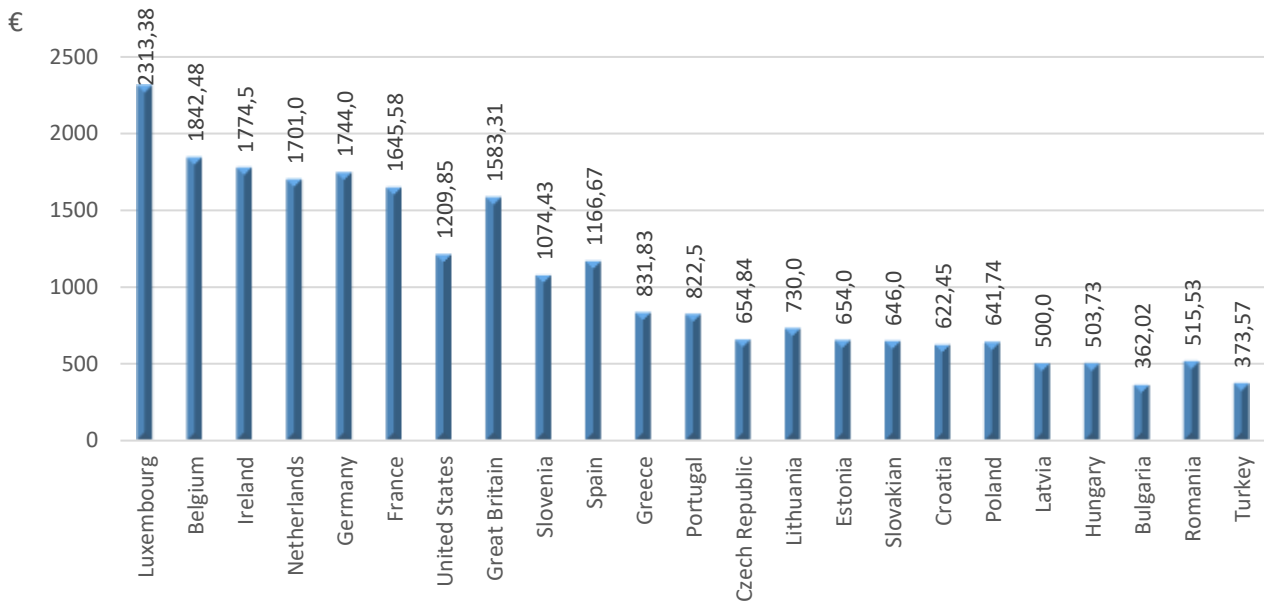
Fig. 1. Public social spending, % of GDP, 2022 (*2021).

In general, European countries are characterized by a socially oriented approach to the adoption of most management decisions, which is based on fairly strict regulatory and legal regulation at the national and intergovernmental levels. Such European countries as Sweden, the Netherlands, Denmark, Germany were able to create a powerful system of social protection, which involves significant obligations of the state to citizens to ensure basic needs, access to medical care, etc. But the countries of Europe are quite heterogeneous in their socio-economic characteristics, and therefore in the level of social standards and guarantees.

The income level of the population remains one of the main indicators of the standard of living due to its uniformity. In terms of the already mentioned European countries, in particular, the member states of the European Union, this indicator shows significant volatility. Thus, at the beginning of 2022, the minimum wage in Bulgaria was €362.02, and in Luxembourg – €2313.38, the average monthly wage according to the results of 2021 was €944.0 and €6096.0, respectively (Fig. 2).



a) minimum salary, 2022



b) average salary, 2021

Fig. 2. Minimum and average monthly wages in certain countries of the world.

According to the Eurostat, as of 2021, the average annual earnings of an average worker without children amounted to €24,947: from €6,952 in Bulgaria to €45,787 in Luxembourg. The average annual earnings of a working couple with two children reached €53,364: from €14,825 in Bulgaria to €101,065 in Luxembourg. Regarding the hourly wage, it was the highest in Denmark – €46.9, and the lowest in Bulgaria – €7.0, which was €29.1 on average in the European Union. The latest data on the share of low-paid workers are given as of 2018. According to them, this figure was the highest in Latvia at 23.5% of the population, and the lowest in Sweden at 3.6%.

Nevertheless, it is in the countries of the European Union that income distribution is one of the fairest. Thus, the Gini coefficient, which shows the extent to which the distribution of income deviates from an absolutely equal distribution, is the lowest for them and, according to the results of 2021, amounted to 30.1%. For example, in the United States and Japan, this indicator was 49.4%, and in Great Britain – 34.3% [12,18].

Another indicative indicator of the standard of living is consumer spending by households by category, namely, the share of spending on food, soft drinks, and tobacco products. According to the results of 2018, it was about 18% in the countries of the European Union. For comparison, this indicator was 11% in Great Britain, 9% in the United States, 12% in Canada, 18.5% in Japan, and 24% in Turkey [4].

We can see that indicators of the level of income of the population of the European Union countries correlate with the indicator of gross domestic product per capita. It is the highest in such countries as Luxembourg, Ireland, Denmark, Sweden, the Netherlands, Austria, Belgium, and Germany. By contrast, Bulgaria and Romania are the only countries in the European Union where the gross domestic product per capita does not exceed €10,000 (Fig. 3).

Life expectancy at birth in Europe is 77 years according to data for 2021. Since 1950, this indicator has shown a steady upward trend and reached its maximum in 2019 – 79.1 years. After 2019, life expectancy at birth in Europe is decreasing. Among other parameters that allow us to judge various aspects of the level and quality of life of the inhabitants of the European Union and are calculated for these countries, it is worth highlighting the costs of education, the share of renewable energy, and the share of people at risk of poverty.

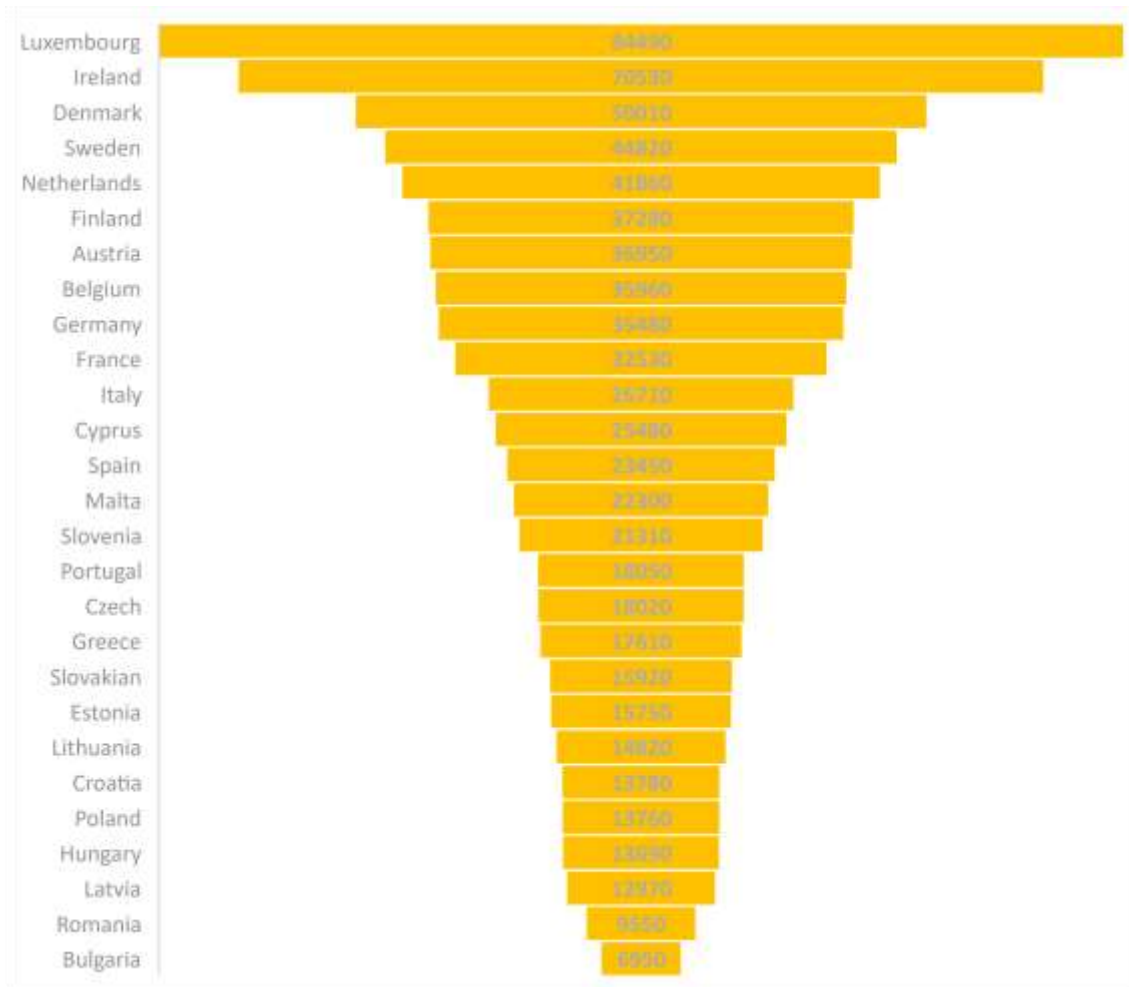


Fig. 3. GDP per capita in the EU countries, 2021 (Euro).

In 2020, public spending on education in the European Union amounted to 5% of GDP, which in absolute terms equals €761 billion. The highest share of expenses in the structure of the gross domestic product takes place in Sweden, Belgium, Estonia, Denmark, and Iceland – more than 5%. In the European Union, the Erasmus student exchange program is quite successfully implemented, which helps to study and do internships abroad. In the period from 2014 to 2020, more than 4 million people took part in it. The absolute leader in terms of this indicator is Germany, which spent €132,584,000 on this program in 2021 alone, which is almost 23% of all funds spent by EU member states for these purposes. Austria, Poland, France, and the Czech Republic are also in the top five. Also, in the countries of the Union, young people are actively encouraged to learn foreign languages in order to increase their level of mobility.

Much attention is paid to issues of the green economy [4, p. 17]. In recent years, the European Union has been moving increasingly actively in this direction. In particular, the European Green Agreement was proposed, which is an initiative and a call to apply all possible mechanisms to protect the environment and combat climate change. This course covers a wide range of issues: climate, environmental changes, improving people's health and quality of life [6]. As for renewable energy, Sweden confidently holds the lead in this direction - 60.1% of the gross final energy consumption is energy from renewable sources, which include: wind energy, solar energy, hydropower, tidal energy, geothermal energy, biofuel, renewable part of waste. Finland – 43.8%, Latvia – 42.1%, Austria – 36.5% [16] (Fig. 4) also demonstrate high indicators. By the way, transport policy in the EU is also aimed at stimulating the development of more ecologically safe transport. The global goal is to reduce greenhouse gas emissions from transport by 90% by 2050.

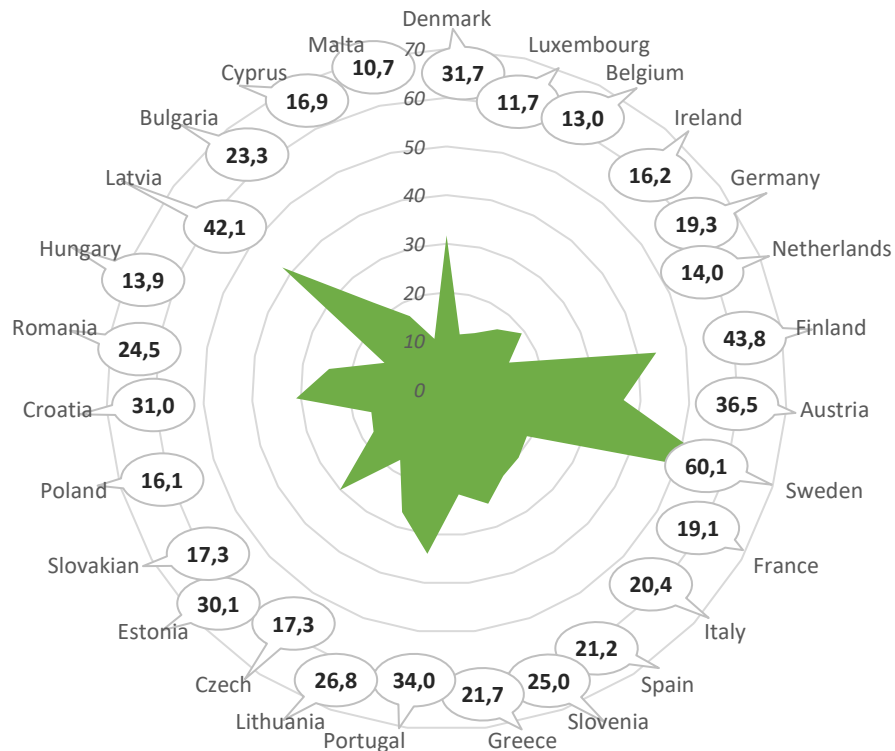


Fig. 4. Renewable energy in EU countries (% of gross final energy consumption), 2020.

The next indicator is the share of people at risk of poverty or social isolation. The largest number of such people are in Romania – 34.4%, Bulgaria – 31.7%, Greece – 28.3%, Spain – 27.8%, Latvia – 26.1%, Italy – 25.2%. According to the calculations of The Organization for Economic Cooperation and Development (OECD), in 2021 the poverty level (which is calculated as the ratio of the number of people in a given age group whose income is below the poverty line) was the lowest in Finland, the Czech Republic, Denmark and Slovenia, and the highest in Romania, Latvia and Bulgaria (Fig. 5) [13].

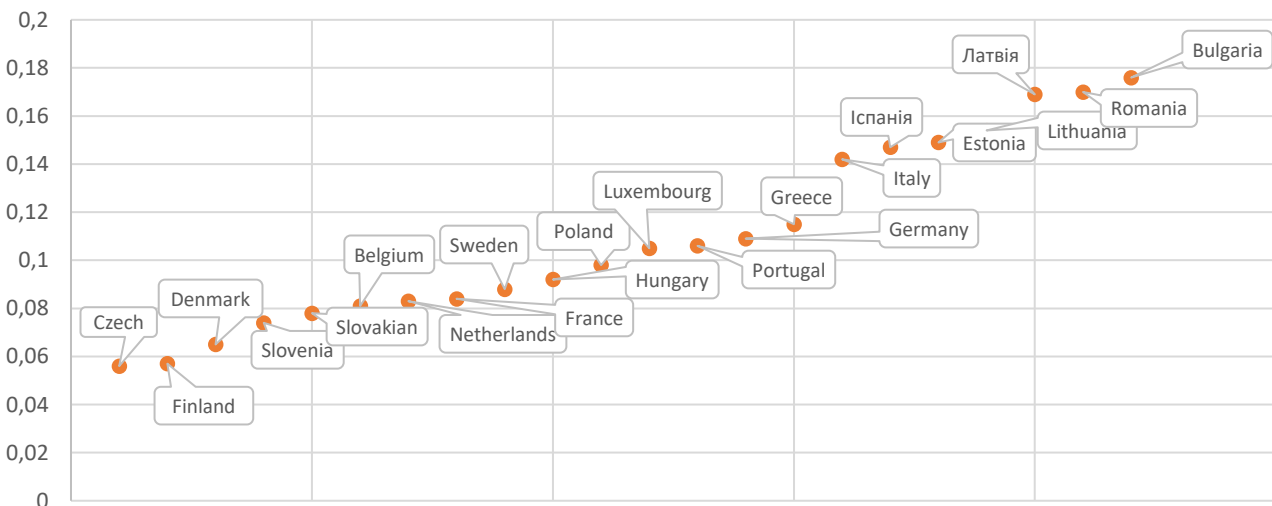


Fig. 5. Poverty level in the European Union (according to OECD), 2021.

When it comes about the cost of living in European countries, some information sources, for example, provide the following data [2]. Yes, monthly living expenses, which include apartment rent, a ticket for public transport, and basic goods and food for daily consumption as of 2021 were: €400 in Poland, €800 in France, €900 in Germany, €1000 in the Netherlands and Denmark.

The housing situation is as follows. In 2020, 70.1% of people lived in their own homes. At the same time, 43.5% of homeowners were not burdened with housing loans or mortgage loans. A third of the population lived in rented housing, and 17.5% lived in overcrowded households [10].

Eurostat calculates the integral indicator of the standard of living of the population by measuring the price of certain goods and services in each country in relation to the income in that country. This is done using the common national currency and is a standard of purchasing power. A comparison of gross domestic product per capita with the standard of purchasing power gives a general idea of the standard of living in the European Union (Fig. 6).

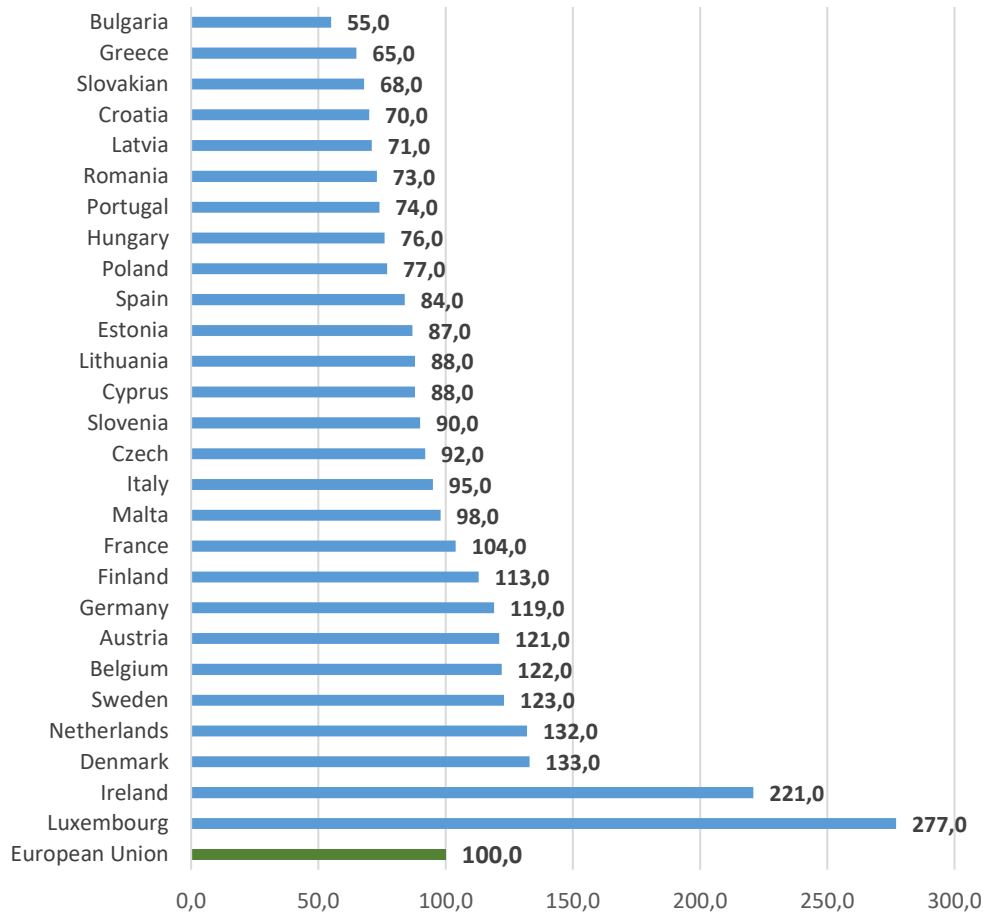


Fig. 6. Standard of living in the countries of the European Union, 2021.

The conducted assessment allows us to conclude that the countries of the European Union hold the lead in many indicators of the level of social protection and social guarantees. However, according to the UN Report, the economy has suffered significant losses due to the coronavirus pandemic, and it is obvious that such shocks negatively affect opportunities and resources in the context of providing social guarantees. So, if in 2016-2018 relative poverty related to insufficient income in Europe decreased, then in 2019 and 2020 it increased. Moreover, in 2019, almost one in ten workers faced poverty at work (that is, having a job did not provide a decent standard of living) [7].

Also, due to the full-scale Russian military aggression against Ukraine, the European Union itself, due to its territorial proximity and significant energy dependence of some countries on the aggressor, will experience a significant negative impact.

The study of the European Foundation (Eurofaund) "The cost-of-living crisis and energy poverty in the EU: Social impact and policy responses" emphasizes the following consequences [5]:

- massive influx of refugees and the emergence of a humanitarian crisis;

- blocking vital flows of capital and foreign trade into the country; problems in the gas and oil markets;
- rising prices for energy and food products;
- disruption of supply chains;
- inflation, which continues to grow.

These circumstances significantly affected the sphere of work and quality of life. The analysis carried out as part of the study and the conducted survey revealed the following:

- in July, energy costs increased by almost 42%, and more than 35 million people have difficulty paying their electricity bills;
- 53% of those interviewed during the study said that in the spring of 2022 they could barely make ends meet and have delays in paying for utility services; at the same time, for example, 7% of respondents from Denmark and Sweden and 50% from Greece reported problems with payments.

Undoubtedly, both at the national and intergovernmental level, a number of measures were taken to mitigate the socio-economic consequences of the war started by Russia for the population, in particular, the provision of subsidies, targeted one-time payments, reduction of certain taxes, cancellation of fees related to energy.

But in the near future, maintaining high social standards will be an extremely difficult task for EU members, so it is likely that its position as a leader in the field of social protection will be in question.

The United States of America is a country with high social standards. According to the most recent data available, the median adjusted net household income after taxes is \$51,147 per year. At the same time, about 67% of the population is provided with paid work. 92% of the population aged 25-64 have completed secondary education. According to the OECD, 88% of Americans are satisfied with the quality of water, 94% of Americans believe that they know who they can rely on in a difficult moment, the participation of Americans in political life (turnout at the polls) is estimated at 64%, which is also a good indicator. The general level of satisfaction with life on a 10-point scale is estimated by the residents themselves at 7 points. Life expectancy at birth is high – 79 years. Although, some researchers indicate a weak relationship between the level of health care costs and the life expectancy of the population compared to other countries [17]. The United States of America does not feel the consequences of the war in Ukraine as painfully as the countries of Europe. The consequences of the COVID pandemic have become quite tangible for the States. According to available estimates, the direct costs of the pandemic amounted to \$7 trillion due to lost opportunities in the industrial sector and \$16.9 trillion due to implemented fiscal measures [13].

Japan demonstrates high indicators of the welfare of the population. In dollar terms, the average annual family income after taxes is \$28,872, 77% of the population aged 15-64 have a paid job, 79% of the adult population has completed secondary education, 87% are satisfied with the quality of drinking water, 89% know who to turn to because of difficulties in life. And life expectancy at birth is 84 years [13].

Canada shows high indicators of the standard of living of the population. Specifically, the average annual adjusted net family income (after all taxes) per capita is \$34,421; life expectancy is 82 years; 70% of Canadians aged 15-64 are in paid employment; 90% are satisfied with the quality of water; 93% are sure that they have someone to rely on in a difficult moment. In general, on a 10-point scale, Canadians are satisfied with their lives by 7 points.

A universal indicator of the standard of living that covers the absolute majority of countries in the world, and therefore allows them to be compared and to monitor the dynamics of their development, is the human development index, which has been calculated by the UN since 1990. The rating divides countries depending on the value of the indicator into countries with a very high-level human development; countries with a high level of human development; countries with an average level of human development; countries with a low level of human development. The data show that the countries of the European Union are the constant leaders in terms of this indicator, and according to the results of 2021, all the members of the European Union, with the exception of Bulgaria, which

belongs to the group of countries with a high level of human development, entered the first group with the highest values of the indicator [14].

Maintaining a decent standard of living of the population is an extremely important and at the same time extremely difficult task for the state. Different countries demonstrate different effectiveness in matters of social protection, compliance with social standards, improvement of the level and quality of life. But in the vast majority of them, the basic indicators in the specified areas are increasing and the dynamics of the main economic indicators of the standard of living is upward. In the conditions of the war in Ukraine and general political instability in the world, it is very important, at least, to preserve what has been achieved and to support, first of all, those groups of the population that really need it the most.

Conclusions. It is obvious that society increasingly considers the standard of living in connection with its spiritual component. However, this component remains insufficiently developed and is taken into account to a lesser extent compared to economic indicators. It is much more difficult to find objective criteria for the spiritual component of the standard of living, because it rests on ethical principles, religious norms, traditions, and culture of one or another region. At the same time, due to globalization processes, this sphere is also becoming universal.

The social protection system is directly related to the standard of living: it is its indicator (the higher the level of development of the country, the higher it is) and the basis (determines the minimum parameters beyond which the standard of living is either low or satisfactory).

The analysis of the main indicators of the standard of living in leading foreign countries showed that, despite the differences in approaches to the formation of the system of social protection and support in such countries as the United States of America, Japan, Canada, the old countries of the European Union, social standards are maintained at a very high level, and the state assumes the lion's share of their financial support. It can be seen that the basis for maintaining a consistently high standard of living in these countries was the income policy pursued by their governments, which consists, first of all, in maintaining a high level of labor costs, and therefore, high wages. This allows the population to maintain an appropriate level of consumption.

The leadership in the level of social security and support is held by the countries of the European Union, which demonstrate high indicators in the medical and educational spheres, have the greatest achievements in the implementation of the green course and the lowest indicators of population inequality in terms of income. However, recent studies by the United Nations show that due to the coronavirus pandemic and Russian military aggression against Ukraine, it is increasingly difficult for the European Union to fulfill its social obligations. Difficulties with maintaining a high standard of living occur in all, including the leading countries, but due to their territorial remoteness, they do not feel the consequences of the war so acutely.

Thus, the standard of living of the population is a multifaceted category that reflects the level of satisfaction with everything necessary for a full life and development, both of an individual and of the population as a whole, taking into account objective regional differences.

Conflict of interests. The authors confirm that they are the authors of this work and have approved it for publication. The authors also certify that the obtained clinical data and research were conducted in compliance with the requirements of moral and ethical principles based on medical and pharmaceutical law, and in the absence of any commercial or financial relationships that could be interpreted as a potential conflict of interest.

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