

## BASIC APPROACHES TO THE DEFINITION OF LIFE QUALITY

© 2009 S.S. Chebykin\*

**Keywords:** poverty, level and quality of life, the minimum wage, social and economic development of the country, social specifications, living minimum wage, social guarantees.

Different positions in the definition of quality of life are considered, the attention to the factors is paid, the substantiation of the estimation of the degree of influence of the factors on the indicator of the standard of living is given.

The first inspection of quality of life was carried out in Russia at the initiative of S.T. Strumilin in June, 1918. He developed the index of cost of living based on the analysis of the working budget, consumption, and current price level. In 1918 the first attempts of calculating the living minimum wage were made. The minimum wages were equated to the living minimum wage. In the 1930s all the research in the field of quality of life stopped. Works in this direction were started in a number of scientific research institutes only in the 1960s.

The indicators of a standard of living are subdivided into cost and natural. Cost indexes are: GNP, the national income (NI), the consumption fund, the cumulative income of the population. Natural indicators measure the volume of consumption of particular material benefits and services. Quantitative indicators characterize the volume of consumption of particular material benefits and services. Qualitative indicators characterize the qualitative part of the well-being of the population, such as the structure of consumption, the educational level, etc.

Other basic social specifications concern: the minimum wage and the temporary disablement allowance, the unemployment benefit for the able-bodied persons, the minimum labor and social pensions for the elderly and the disabled citizens, the minimum student grants and scholarship, regular or single target grants for the most financially vulnerable groups of population.

Together, they form a system of minimum social guarantees as it is the state duty to provide the following benefits to the citizens: the minimum wage rates and labor pension, the right to receive social insurance grants, the minimum set of free services in the spheres of education, public health services and culture. All social standards and guarantees should be coordinated with the living minimum wage.

In the approaches to the living minimum wage formation in the international practice various methods are used:

◆ Statistical (the living minimum wage is established on the basis of the level of income of 10-20 % of the most needy categories of the population);

◆ Combined, or standard-statistical (based on the food basket and other consumer expenses);

◆ Subjective (based on sociological polls of the population about the size of the necessary minimum income);

◆ Resource (based on real economic possibilities).

There are also other methods of defining the living minimum wage. In particular, the European statistical commission estimates poverty level in the countries of the European Community as follows: the income poverty line equals the half of the income of the population of the country.

In the social and economic literature there are integrated and private approaches to the quality of life. The integrated approach assumes carrying out two types of estimation: objective (on the basis of the official statistical data, without the attraction of the generalized information based on any polls, etc.) and subjective, i.e. using the polling method.

According to many authors, subjective and objective indicators should not just co-exist in one system as they reflect the same spheres of the life of people from different angles, but be compared.

Thus it is possible to notice that the authors are unanimous enough that it is necessary to compare the subjective and objective estimations (or simply to apply both methods). So, it is necessary to estimate either living conditions, or the qualities of the environment, or the standard of living, etc.

<http://www.forecast.ru>.

*Dobrynin A.I.* The economic theory / A.I. Dobrynin, H.P. Tarasevich. SPb., 2004.

*Received for publication on 09.10.2009*

\* Stanislav S. Chebykin, post-graduate student of Kuban State University. E-mail: chebykinst@mail.ru.