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Bachelor Thesis

Various Approaches to measuring the Quality of Life

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Economics Policy and Administration
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Thesis title

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Objectives of thesis

The bachelor thesis aims to describe the quality of life in Russia using various approaches to measuring quality of life and standard of living.It aims to identify the main problems of economic and social well-being in modern Russia. Quality and standard of living constitute a meaningful characteristic of modern approaches to the problems of economic growth and development of society.Both subjective and objective indicators will be used to evaluate development and differencies among regions.

Methodology

Theoretical part of the bachelor thesis will be worked out based on selected scientific socio-economic literature of various authors. Univariate statistical methods will be used to describe single variable, while multivariate methods will be used to describe relations between two or more variables.To describe the development in time, methods for time series analysis will be applied.

The proposed extent of the thesis
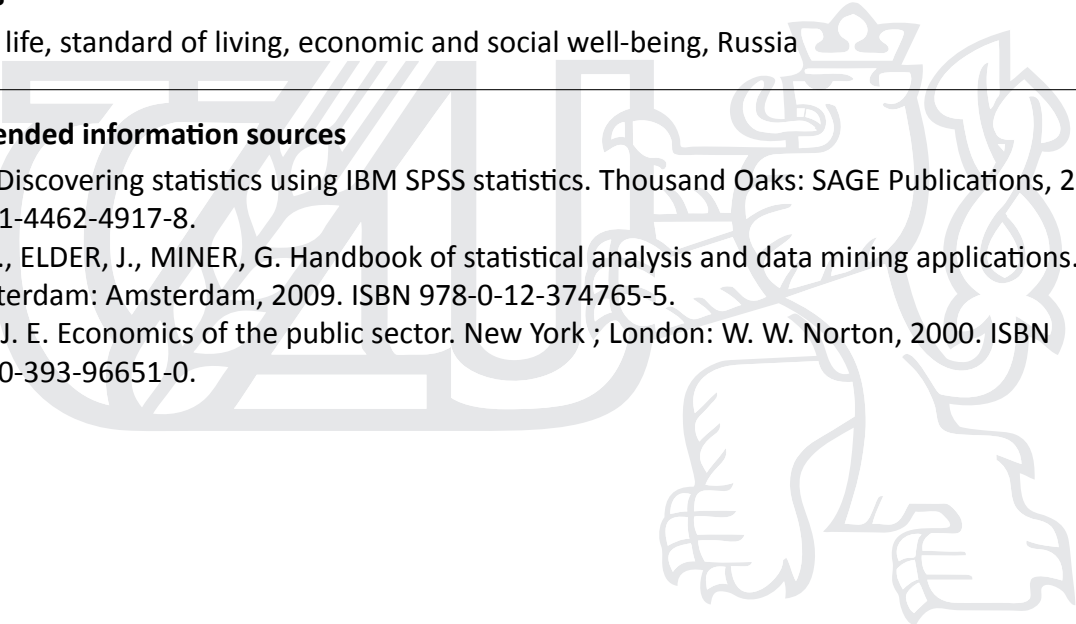
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Declaration

I declare that I have worked on my bachelor thesis titled "Various Approaches to Measuring the Quality of Life Index" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on 30.11.2021   _____

Various Approaches to Measuring the Quality of Life Index

Abstract

Achieving the highest possible quality of life for the population is a priority goal of the social market economy. One of the most important prerequisites for the implementation of this task is the implementation of an effective welfare policy for the population. The central place in the policy of social security is occupied by the incomes of the population, their differentiation and the constant growth of the standard of living of citizens.

A person suffers from low quality and experiences satisfaction from a high quality of life, regardless of the area of work, business and personal life. Consequently, a person needs quality all the time. A person himself seeks to improve the quality of life - he receives an education, works at work, strives to move up the career ladder, makes every effort to achieve recognition in society.

Thus, the depiction and development of various indices in Russia was performed by the author and a relevant conclusion was drawn.

Různé přístupy k měření indexu kvality života

Abstrakt

Dosažení nejvyšší možné kvality života obyvatel je prioritním cílem sociálně tržní ekonomiky. Jedním z nejdůležitějších předpokladů pro realizaci tohoto úkolu je provádění účinné politiky sociálního zabezpečení obyvatelstva. Ústřední místo v politice sociálního zabezpečení zaujímají příjmy obyvatelstva, jejich diferenciace a neustálý růst životní úrovně občanů.

Osoba trpí nízkou kvalitou a zažívá uspokojení z vysoké kvality života bez ohledu na oblast pracovního, obchodního a osobního života. V důsledku toho člověk potřebuje neustále kvalitu. Sám člověk usiluje o zlepšení kvality života - získává vzdělání, pracuje v práci, usiluje o posun na kariérním žebříčku, vynakládá veškeré úsilí, aby dosáhl uznání ve společnosti.

Klíčová slova: kvalita života; účinná politika řízení; sociální péče; životní úroveň; index štěstí, kategorie „kvalita života", institucionální přístup, ukazatele kvality života.

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1. Introduction

The relevance of the work lies in the fact that at the present stage of development of the Russian economy, the problems of the quality of life of the population and the factors determining its dynamics become important. The direction and pace of further transformations in the country, as well as political and economic stability in society, largely depend on their decisions. Quality and standard of living - these concepts constitute a meaningful characteristic of modern approaches to the problems of economic growth and development of society. The standard of living is most often understood as the degree of provision of the population with the necessary material and non-material benefits and services, the achieved level of their consumption and the degree of satisfaction of people's needs for these benefits. The quality of life is a category reflecting the objective conditions of existence and their assessment at the level of society and the individual.

The study of the quality of life allows us to characterize the level of quality of the physical, spiritual and social needs of the population in achieving the goals of the welfare and well-being of the population. The state is obliged to create favorable conditions for a long, safe and prosperous life of people, economic growth and social stability in society. Analysis of trends in changes and the quality of life of the population will help to achieve the effectiveness of the effective socio-economic policy of the state, and to what extent the society copes with the level of the tasks set. According to the principles applied to the modern economy, the principle of the world community is used. The priority of the development of society, the main factor of reproduction is the person himself. In these conditions, the role and importance of forecasting the level and quality of life of the population as the most important state instrument for regulating social processes in the country, aimed at developing human potential, increases. Requirements for the scientific validity and effectiveness of social forecasts for different time periods are increasing.

2. Objectives and Methodology

2.1.   Objectives

To identify the main problems of economic and social well. Description and evaluation of selected indicators of quality of life over time in Russia. Comparison of quantitative and qualitative approach to QofL.

Theoretical research methods, a large role in the effective application of theoretical research methods is played by the formalization process, which provides for the construction of models on the basis of which new knowledge about the research object is formed. Particular attention in the materials of the manual is paid to mathematization and methods of constructing mathematical models, checking their adequacy and modeling tools. Considering that when conducting scientific research in the field of economics and management, one often has to deal with random events, the material of the manual includes a general description of statistical methods and a detailed description of the main methods of statistical analysis widely used in science. study. However, along with positive changes in the quality of life of the population of the Russian Federation, a number of negative factors are also noted. In the country's economy, it is planned to increase the concentration of income in certain groups of wealthy citizens, the problems of housing affordability for certain categories of citizens remain. In the field of public health, there is an increase in the incidence of almost all groups of diseases. Thus, there is an improvement in the material situation of the population, which is expressed in an increase in real money income; reduction in the number of the poor; an increase in the level of employment of the population with a constant decrease in the level of unemployment, etc. The development of higher educational institutions is observed; increase in the population's satisfaction with the quality of education; expanding the availability of individual cultural institutions. In the field of social and personal security, there is a dynamic growth in the quality of social services, as well as a decrease in the growth of crime (in certain areas). In the social sphere, one can note an increase in the area of dwellings per inhabitant on average, and a positive trend in the improvement of the housing stock and home territories.

2.2 Methodology

Based on the goa of the researchl, the following **steps were taken:**

• Study the emergence of the concept of "quality of life" and the standard of living of the population.

• Determine the human development index

• Investigate the current state of the quality of life of the population.

• Define the main directions of social policy

The object of study is the quality and standard of living of the population.

The subject of the research is the management of the processes of improving the level and quality of life of the population of Russia.

In writing the term paper was scientific socio-economic literature of various authors, mass media reports.

Fot the descriptive analysis of graphs and relevant indicators, the following methods were used alongside the ones previously mentioned above:

Fixed base index, based on the comparison of observations from time series with the base year; **Value from the Period / Value from the base Period**;

Chain base index or growth rate, based on the comparison of successive observations between each other, thus deriving the growth rate. Calculations are made according to the following formula: **Value from the Next Period / Value from the Previous Period**;

Trend function created on the basis of OLS, standing for Ordinary Least Squares method according to which, the regressions were derived. Calculations are made according to the following formula: $\mathbf{B = (X^T X)^{-1} X^T Y}$;

R square or also known as coefficient of determination, one of the fundamental indicators shedding the light on the quality of OLS model by showing the variation in the dependent variable explained by the variation in the independent one. Calculations are made according to the following formula: **1 - RSS/TSS**.

3. Literature Review

3.1 The concept of the quality and standard of living of the population

Quality of life is a concept that includes a certain set of necessary parameters and living conditions of an individual in the 2nd sex. 20th century and assessment or degree of satisfaction with their real state of individuals and society; was introduced into scientific circulation in the mid-60s. in the context of the theories of post-industrial or new industrial society. Its appearance corresponded to the general direction of development of social theory in the 60s – 70s. on "greening" thinking, on increasing attention to behavioral, incl. psychological component of socio-political and socio-economic processes, to revise previous ideas about self-sufficiency and the undoubtedly positive effect of high rates of economic development, unlimited growth of industrial production. This new concept filled a significant gap in the categorical apparatus of social science, it was used in their works by researchers of various orientations: from R. Aron, J.K. Galbraith, D. Bell, G. Kahn and other leaders of post-industrialism to representatives of the influential years of radical left sociology.

At the same time, the operability of the initially sufficiently ideologized concept, the ability to carry out measuring the quality of life by means of sociological and economic science, giving heuristically significant results, quickly emerged. Depending on the tendency of researchers to give priority to external, objective conditions or subjective assessments of an individual, social group, society, two extreme positions in defining quality indicators have emerged: objectivist and psychological (Ayvazyan, 2010).

The number of parameters involved in characterizing the objective component of the quality of life varies extremely widely: from 3-4 to almost 1000, which depends on the objectives of the study and the possibility of obtaining the necessary statistical data. In large-scale projects for studying the quality of life, many objective indicators, both natural and social, are taken into account, ranging from climatic living conditions to the state and accessibility of health care systems, social security, education, culture, to the amount of basic food consumption per capita, the unemployment rate and crime, environmental pollution. In UN statistics, the quality of life is determined by about 150 generalized indicators calculated for each country. With all possible

options, objective indicators are currently necessarily present: average life expectancy in the country, GDP per capita (or production of food and industrial goods per capita) and the level of environmental pollution.

In the course of research, sociologists have repeatedly confirmed the existence of a nonlinear relationship between the material living conditions of an individual and society and their subjective assessment. At the level of the individual, subjective satisfaction, the "level of happiness" depends primarily on the state of health, the amount of material income, education, and the strength of family relations. At the same time, the sum of contentment / dissatisfaction with certain aspects of life does not yet give a correct idea of the overall assessment by the individual (society as a whole) of the satisfactory material conditions of existence. Individual satisfaction largely depends on the national, cultural and religious traditions of the population, the depth of social differentiation, the level of education, and many other factors that are both rational and emotional (affective) in nature. When studying the subjective component of the quality of life, it is especially important to identify the share of two groups in the population: people who objectively live in high-quality living conditions and at the same time subjectively assess them as such, and people who express dissatisfaction in the presence of objectively good living conditions for a given society. The size of the first group gives an idea about the general quality of life in the country, the second - about the existence of catalysts for protest potential and, consequently, the prospects for social stability (Alekseev, 2009) .

The concept of "quality of life" is, therefore, the most important integral indicator of the social well-being of society and the individual, measuring the quality of life is a necessary (in analytical and prognostic aspects) component of social monitoring, assessing the state and nature of development of social processes in any country. The history of studying the problem of the level and quality of life begins in the XVIII century. This problem was dealt with by such famous scientists, economists and philosophers as A. Smith, D. Ricardo, K. Marx and modern researchers of the XX century F. Hayek, P. Townsend and others.

In the works of A. Smith revealed the relative nature of poverty through the connection between poverty and social shame, i.e. the gap between social standards and the material ability to adhere to them. In the 19th century, it was proposed to calculate the poverty line on the basis of family budgets and thereby introduce the criterion of absolute poverty, link the criteria for determining poverty with the level of income and meeting the basic needs of an individual

associated with maintaining a certain level of his working capacity and health. Both economists and sociologists made a significant contribution to the study of the problems of the level and quality of life, most of whom recognized the regularity of the existence of different living standards of people in society (Biktimirova, 2009). The first studies of the standard of living of various social groups of the population in Russia were carried out in 1909 by Biktimirova, Z.Z. (Biktimirova, 2009). According to this survey, the lowest-income groups (below 250 rubles) spent more than three-quarters of all income on physiological needs, while the highest-income groups (more than 900 rubles) spent slightly more than half, and the budgets of the unemployed were also specially studied. In 1918 the first minimum budget was drawn up. In 1927, the budgets of urban workers and employees were examined, in 1929, the budgets of collective farmers, but the latter were largely falsified. Subsequently, the survey data were prohibited, because the results differed sharply from those official descriptions of living standards. The most "indecent" fact, from the point of view of the authorities, is the rapid growth of alcohol consumption at the expense of the family's living expenses. Having considered the history of studying the problem of the level and quality of life of the population, let us proceed to clarifying the concept and essence of these definitions. In the author's opinion, the essence of the standard of living is most fully revealed by the following definition. The standard of living is a complex socio-economic category that reflects the level of development of physical, spiritual and social needs, the degree of their satisfaction and the conditions in society for the development and satisfaction of these needs. The standard of living is a multifaceted phenomenon that depends on many different reasons, ranging from the territory where the population lives, that is, geographic factors, and ending with the general socio-economic and environmental situation, as well as the state of political affairs in the country. The standard of living can be influenced to one degree or another by the demographic situation, living and working conditions, the volume and quality of consumer goods. All the most significant factors can be grouped into the following groups:

- political factors;

- economic factors;

- social factors;

- scientific and technical progress.

Determining the standard of living is a complex and controversial process. Since, on the one hand, it depends on the composition and size of the needs of society, and on the other hand, it

is limited by the possibilities to satisfy them, again based on various factors that determine the economic, political and social situation in the country. These include the efficiency of production and the service sector, the state of scientific and technological progress, the cultural and educational level of the population, national characteristics, etc. The standard of living is determined by a system of indicators, each of which gives an idea of any one side of a person's life (Alekseev, 2009), (Ayvazyan, 2010). There is a classification of indicators according to individual characteristics: general and specific; economic and socio-demographic; objective and subjective; cost and natural; quantitative and qualitative; indicators of proportions and structure of consumption; statistical indicators, etc. The general indicators include the size of the national income, the consumption fund of national wealth per capita. They characterize the general achievements of the socio-economic development of society. Private indicators include working conditions, housing provision and improvement of everyday life, level of social and cultural services, etc. Economic indicators characterize the economic side of the life of society, the economic opportunities to meet its needs. This includes indicators characterizing the level of economic development of society and the welfare of the population (nominal and real incomes, employment, etc.). Socio-demographic indicators characterize the age and sex, professional composition of the population, the physical reproduction of the labor force (Gavrilov, 2008).

3.1.2 The concept of the quality and standard of living of the population

The concepts of " standard of living "and" quality of life " are the subject of many disciplines. In modern scientific literature, these concepts are interpreted differently depending on the goals and objectives of the study.

Some researchers, when defining the concept of "quality of life", emphasize the economic aspect, the material security of the population's life. There is also an opposite point of view, according to which the quality of life is considered as the most integrated social indicator. The quality of life of the population is the degree of satisfaction of material, spiritual and social needs of a person. A person suffers from a low and feels satisfaction from a high quality of life, regardless of the field of activity, success in business and personal life. People themselves strive to improve

the quality of life - they get an education, work, strive to move up the career ladder, and make every effort to achieve recognition in society (Evstifeev, 2014). There are integral and private approaches to understanding the quality of life. The integral approach assumes two types of assessments: objective (based on official statistical data, without involving generalizing information based on various types of public opinion polls, etc.) and subjective (based on the opinion of the population). The study of the quality of life of the population involves the addition of criteria-based assessments with a system of scientific justification and systematic, organized observation, data collection and analysis. The diversity of the concept of "quality of life" is due to the variety of indicators that can characterize a single element of quality of life or the whole set:

Health:

ability to lead a healthy lifestyle at all stages of the life cycle;

the impact of health disorders on individuals.

Individual development through training:

children learn the basic knowledge and skills, as well as the values necessary for their individual development and success as members of society;

the ability to continue self-education and the ability to use these skills;

the use and development by individuals of their knowledge, skills and mobility required for the realization of their economic potential and, if desired, enabling their integration with the economic process;

the preservation and promotion of cultural development by the individual in order to contribute to the well-being of members of various social groups (Golub, 2009).

Employment and quality of working life:

having a profitable job for those who want to get it;

nature of work;

individual satisfaction with their working life.

Time and leisure:

the ability to choose a pastime.

Ability to purchase goods and use services:

personal ability to purchase goods and use services; the number of people experiencing material deprivation; the degree of equality in the distribution of goods and services; the quality, choice and availability of goods and services produced in the private and public sectors;

protection of individuals and their families in the event of economic difficulties.

Personal safety:

violence, harassment, inconvenience caused to the individual; justice and humanity of the legal authorities; the degree of trust the individual has in the legal authorities.

Social opportunities and social activity.

The ultimate goal of social development is to increase

living standard.

The standard of living is an economic category and social standard that characterizes the degree to which people's physical and social needs are met. The main components of the standard of living are: health, nutrition and income of the population; housing conditions, household property, paid services; cultural level, working and leisure conditions, as well as social guarantees and social protection of the most vulnerable citizens (Biktimirova, 2009), (Bushuev, 2008).

When calculating the standard of living of the population, private meters are usually used that characterize the degree of achievement of private goals of the "average" member of society. Thus, the degree of achievement of the goal of survival can be estimated by the specific weight of the population deprived of minimal means of subsistence, the value of average life expectancy, etc. The degree of achievement of the goal of material consumption is estimated by the value of average income, GDP per capita, and so on. The degree of achievement of the development goal can be determined by the proportion of the population with a high level of education, the number of students per 1,000 people, etc. Specifically, the analysis of the standard of living is determined by the content of such values as the consumer basket and the subsistence minimum. In General terms, the standard of living of a country or region is determined by the average life expectancy of the population, the amount of unemployment, the structure of personal consumer spending, and the consumption of basic food in calories. It takes into account the level of qualification of employees, the number of students and students per 1,000 people. etc., as well as the level of development of social infrastructure (for example, the number of hospital beds per 1,000 people, the availability of schools, cultural and sports facilities, housing, etc) (Golub, 2009). The standard of living must be considered in conjunction with the General economic indicators as well as

indicators, linking economic and living standards: incomes, consumer demand, trade, prices, state budget, loan. For example, the income of the population is a key factor in determining the standard of living.

It is necessary to allocate components of quality of life - certain types of human needs, the satisfaction of which is a major part of quality of life in General (e.g. food, health, education, etc.). A set of components covers the full scope of human needs. They form a system of indicators of living standards. According to the UN recommendation, the standard of living is measured by a system of indicators that characterize health, consumption, employment, education, housing, social security, etc. The level of living depends on the productivity of workers, the price of labor, as well as its implementation in labor, i.e. the production of consumer goods. An increase or decrease in the standard of living of the population and labor productivity inevitably moves the economy forward or backward. The human development index (HDI), calculated as an integral index of three components, is currently used as the main comprehensive characteristic of the population's standard of living: GDP per capita, life expectancy at birth, level of education achieved. To compare the standard of living in different countries, the following indicators are used in world practice:

gross domestic product per capita;

consumer price index;

consumption pattern;

mortality rate;

birth rate;

life expectancy at birth; infant death rate (Evstifeev, 2014).

Quantitative and qualitative indicators are used to characterize the standard of living. Quantitative determine the volume of consumption of specific goods and services, qualitative-the qualitative structure of the population's well-being.

The analysis showed that the concept of "quality of life" is a complex derivative of historical, geographical, economic, social and other factors that determine a person's position in society. In the practical application of the concept of quality of life, it is necessary to distinguish between the concepts of "quality of life", "lifestyle", "conditions"and" standard of living". Quality of life shows the effectiveness of people's lifestyle. The level and conditions of life are structural components of the quality of life (Eliseeva, 2008).

3.2   Objectives and Methodology

3.2.1 Subjective and objective indicators

The quality of life is a systemic concept determined by the unity of its components: the person himself as a biological and spiritual being, his life activity and the conditions in which it takes place. It follows that the nomenclature of life quality indicators should include both the objective characteristics of the person himself (or society), his life and living conditions, and subjective evaluative characteristics reflecting the subject's attitude to the realities of his life. The most justified is the interpretation of the quality of life of the population from the standpoint of understanding the essence of human life as a process aimed in general at the preservation and development of human life in the ever wider boundaries of natural conditions through creative activity and struggle, overcoming natural, personal and social contradictions and difficulties. Specifying this fundamental position in relation to the current state of the population of Russia, the quality of life of Russians should be considered as the quality of life of a collective subject, aggregated from the qualities of life of each citizen. This "general" quality of life requires improvement in all aspects and should be measured and assessed by objective and subjective indicators in relation to the target criterion (standard), focused on the real prospect of the country's socio-economic development. In addition, human life is understood as a process that implements, on the one hand, a genetically specified preservation, development and reproduction of a person, and, on the other hand, a targeted transformation of external objects and oneself generated by a person himself. This process takes place in natural, anthropogenic and social environments through complex, including competitive, interactions with different objects and subjects that "inhabit" these environments (Evstifeev, 2014).

Therefore, the quality of life is determined, first of all, by the inherent in a particular person (or society) internal capabilities to carry out life processes - life potential. The second factor in the quality of life is the procedural and productive characteristics of life in relation to the needs, interests, values and goals of people. The third factor in the quality of life is external opportunities, i.e. properties of environments, objects and subjects. They should be such that the vital functions of the first direction could be carried out unconditionally, and the functions of the second direction would have a significant probability of achieving goals for people who want to do this and are

ready to make the necessary efforts for this. This implies the definition of the concept of "quality of life", which is the basis for the development of a nomenclature of indicators: the quality of life of a person (individual or society) is an estimated category of a person's life, which characterizes the parameters of all components of his life in general: life potential, vital activity and living conditions (tools, resources and environment) in relation to some objective or subjective standard. Thus, the quality of life of the population is determined by the vital potentials of society, its constituent social groups, individual citizens and the correspondence of the characteristics of processes, means, conditions and results of their life to socially positive needs, values and goals. The quality of life is manifested in the subjective satisfaction of people with themselves and their own life, as well as in the objective characteristics inherent in human life as a biological, mental (spiritual) and social phenomenon. Fundamentally new in relation to other interpretations of the quality of life is the introduction of a new component into this concept - the "life potential" of people (an individual or a society). Life potential is the core of life. Subjectively, this potential manifests itself in a person in a sense of his strength, in a desire to actively act, in a sense of joy from the very fact of his life. And this is the basic component of the quality of life, the basis of all needs and values, both biological and spiritual (Osipov, 2008).

The elements of life that should be taken into account when constructing the nomenclature of indicators of the quality of life include, in addition to the very bearer of life - a person, the processes of his life and their results, as well as the environment, tools, resources. A person is a "fusion" of a biological object (organism) and a subject. The properties of the subject are the psychological factors on the basis of which the spiritual and cultural properties of the individual are "built up". All this also applies to the multitude of people who form a society - a collective subject. The environment as a whole consists of three environments - natural, anthropogenic and social (Consultant Plus, 2014). Tools are understood as technical devices, technologies, information means used by people. Resources are elements of the environment that are necessary for the vital activity of the organism and for the creative activity of people. In accordance with this methodology, first of all, a classification of indicators was developed that can be used to measure and assess the quality of life. The classification is multidimensional and built on different grounds.

1. According to the type of area of the world to which the evaluated objects and phenomena belong, the indicators are divided into material, informational and psychological. Material indicators characterize the properties of objects and phenomena related to the physical sphere

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(including a person as a biological object). Information indicators characterize means (including money) and processes that mediate interaction between people. Psychological indicators characterize the properties of objects and phenomena related to the sphere of the psyche. The objects of this sphere include mental formations - value and life-meaning orientations, attitudes, motives, images, concepts, programs of activity and behavior, evaluation criteria, personality as a whole. Phenomena include mental processes (perception, memory, thinking, decision making, imaginary, emotional reactions, experiences) and mental states (status and situational).

2. According to the method of measurement or evaluation, indicators are divided into objective and subjective. Objective indicators are measured or assessed by objective methods, i.e. methods that do not depend on the relation to the measured properties of an object or phenomenon of a person making a measurement or assessment, and providing values in parametric units of measurement.

Subjective indicators are measured or assessed by subjective methods, i.e. methods (procedures, algorithms) developing in the sphere of the psyche of a person making a measurement or assessment of the quality of life, and depending on his accumulated knowledge and criteria for evaluating objects, subjects and phenomena, as well as on his semantic and value attitudes in relation to the environment to the world and to yourself. Depending on the method of definition, subjective indicators are divided into sociological and expert ones. Sociological indicators reflect people's attitudes to the properties of objects or phenomena, measured through sociological (or psychological) surveys. Expert indicators are the judgments of expert experts on the properties of objects or phenomena.

3. According to their location in the hierarchy, indicators are divided into single and complex (Khrapilina, 2008).

Unit indicators refer to the lowest level in the accepted hierarchical system of indicators. Complex indicators are at higher levels than single indicators. They are measured or assessed by folding the indicators of the lower levels. Complex indicators, assessed directly, without their convolution, are holistic indicators. In such a classification of indicators of the quality of life, there are all types of indicators that characterize the material, informational, psychological, and socio-cultural components of the quality of life of the population. Based on the above classification of life quality indicators, two versions of the hierarchical all-Russian nomenclature of life quality indicators of the population of Russia were developed: the first - in 2003, the second - in 2006.

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The structure of the first variant of the nomenclature of indicators (three upper levels) includes the block "Social and personal well-being". The development of the quality of life indicators related to this block was based on the following concepts. Social and personal well-being is a component of the quality of life, which comprehensively characterizes the specifics of the socio-psychological aspect of the quality of life. It includes three particular components: socio-demographic potential, social well-being and self-realization of citizens in different spheres of life. The socio-demographic potential is understood as the totality of the properties of society that determine its ability to productive life in the direction of improving the quality of life of all its members and their own stability in the ever-expanding boundaries of internal and external conditions. This generalized potential consists of four particular potentials:

1) demographic potential - the totality of population properties of society (state and dynamics of the population, its various strata and groups);

2) psychological potential - a systemic property of society, expressed in the aggregation of psychological and psychophysiological properties of the people forming the society;

3) cultural potential - a systemic property of society, expressed in the aggregation of cultural properties of people forming a society (spiritual values and interests, the formation of stereotypes of social behavior);

4) socio-political potential - a set of properties of the social organization of society (type of power, the nature of the interaction of power structures and the rest of the population, stratification of society, etc.) (Rossoshanskiy, 2013). Social well-being is understood as a systemic property of society that arises as an aggregation of the well-being of the people who form this society. It includes two groups of properties: a sense of security, i.e. state of health due to the level of protection of citizens from natural, man-made and social threats, and mood, i.e. well-being due to all other factors. Self-realization of citizens in different spheres of life is understood as a systemic property of society that arises as an aggregation of people's self-realization in personal and family life, in work, in social activities and in various types of unregulated activities (active rest, hobbies). The second version of the nomenclature of life quality indicators is a revision of the first version and can become a unified all-Russian nomenclature of life quality indicators for the population of Russia (Rossoshanskiy, 2013).

3.2.2 Human Development and Index

Human Development Index (HDI) is a combined indicator that characterizes human development in countries and regions of the world. The index is annually calculated by experts from the United Nations Development Program (UNDP) in conjunction with a group of independent international experts who use in their work, along with analytical developments, statistics from national institutions and international organizations. Used in editions of the United Nations (UN) Special Series on Human Development. Human development reports are prepared regionally, nationally and internationally, therefore, in addition to global human development reports, regional and national reports on this issue are regularly published (Anon., 2014).

The Human Development Concept is one of the most well-known intellectual products developed by UNDP. The main program elements of the project are: the concept of human development as such, as well as global, national and regional reports on this topic. In 1990, UNDP published the first report assessing the economic and social progress of the countries of the world, which formulated the concept of human development: "Human development is a process of expanding the range of choice. The most important elements of choice are to live a long and healthy life, get an education and have a decent standard of living. Additional elements of choice include political freedom, guaranteed human rights and self-respect. " This system of views is focused on improving the quality of human life, expanding and improving his capabilities in all areas. The concept of human development replaced the so-called "classical" theories of economic development, which were based on the indicator of the gross national product, considered a person only as a driving force of economic development and proclaimed economic growth as the main goal of social progress.

Russians living in poverty

— % of Russians living below subsistence levels

2016: 13.4%
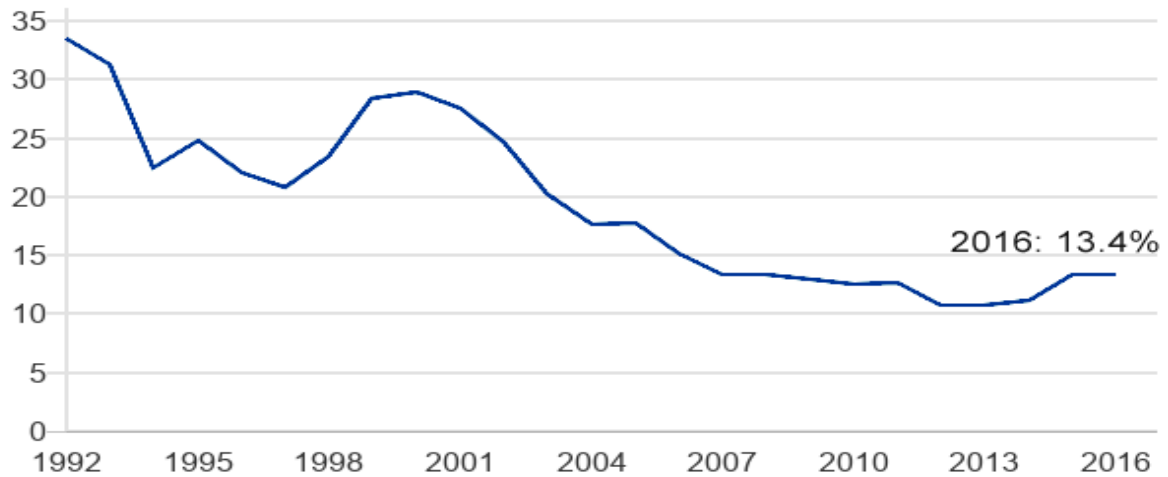
Source: Russian Federal State Statistics Service   BBC

Source: BBC Russian Service

The human development index for Russia in 2020 was 0.824. The country ranks 52nd among 189 countries in the world and remains in the group with a very high level of human development. Since 1990, the HDI value has increased from 0.735 to 0.824, an increase of 12.1% (Vasiliev, 2009).

 With an average life expectancy of 72.6 years, Russians study for more than 15 years, and the gross per capita income adjusted for purchasing power parity is $ 26,157 thousand. Thus, since 1990, life expectancy in the Russian Federation has increased by 4.5 years, training - for 3 years, and GNI - by 21.6%. Despite the fact that the GNI in Russia is higher than in some countries in Europe and Central Asia ($ 17,939), it is significantly lower than in countries with a very high human development index ($ 44,566). This indicator compare Russia with other countries of the post-Soviet space. So, the GNI of Kazakhstan is $ 22,857, Belarus - $ 18,546, Ukraine - $ 13,216. As for the gender development index, here Russia ranks 50th out of 162 countries. In the country, women hold 34.9% of seats in parliament. For comparison, in Kazakhstan - 22.1%, in Ukraine - 20.5%, in Belarus - 34.9%. 87.2% of adult Russian women have at least secondary education

(show by education among men - 95.7%). Now the share of working women in the country does not exceed 55%, while more than 70% of men work (BBC News Russian Service, 2020).

Chart 1. Dynamics of key indicators in Russia. Source: BBC News Russian Service
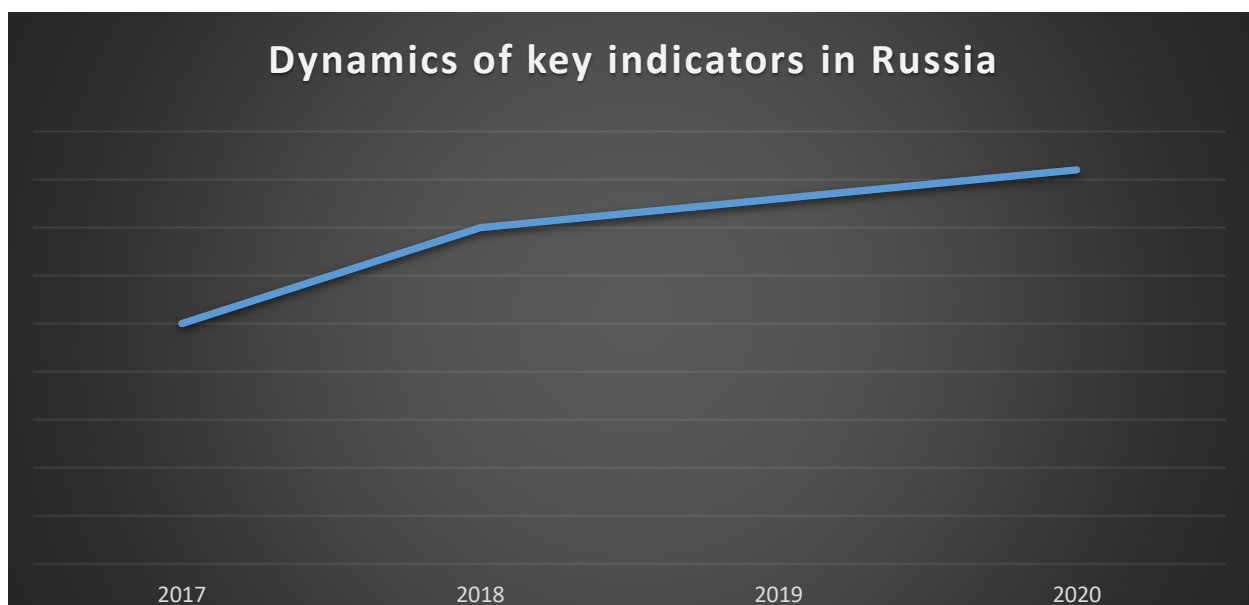
Source: BBC News Russian Service

In addition, this year, two new environmental indicators are used in calculating the HDI: carbon dioxide emissions and the footprint (the amount of natural resources used to produce goods and services). According to the latest data, there are 11.7 tonnes of carbon dioxide emissions per capita for every adult. If we recalculate the HDI for the country, taking into account the negative impact that this development has on the environment, then it will decrease by 5.1% (Zherebin, 2012).

In 2020, the quality of life in most Russian regions remained practically unchanged. The first lines of the rating, as in the previous year, are occupied by Moscow, St. Petersburg and the Moscow region. One newcomer has appeared in the last three - now it is not the Jewish Autonomous Region, but the Trans-Baikal Territory, which neighbors Karachay-Cherkessia and Tuva. The vast territory of the Russian Federation causes significant differences between the regions in terms of various indicators, including those characterizing the quality of life of the population. To determine the quality of life in the regions and assess the prevailing imbalances in this area, commissioned by RIA Novosti, experts of the RIA Rating agency prepared the next, seventh in a row, rating of the quality of life of the population in Russian regions. The rating was

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built on the basis of a comprehensive accounting of 70 indicators that record the actual state of certain aspects of living conditions, the situation in the social sphere. Based on the indicators taken into account, a rating score was calculated, which serves as an assessment of interregional differences and a criterion for ranking regions. The distribution of regions in the ranking has not undergone significant changes compared to last year. The first and last ten regions remained practically unchanged. There were some changes in the middle of the list, but not a single region moved in the ranking by 10 or more places, and only 12 regions changed by more than five places, of which seven improved their positions and five worsened.

The top ten regions where the quality of life is high also includes Tatarstan, Belgorod Region, Krasnodar Territory, Leningrad Region, Voronezh Region, Khanty-Mansi Autonomous Okrug - Yugra and Kaliningrad Region. The rating is compiled on the basis of data from Rosstat, the Ministry of Health of Russia, the Ministry of Finance, the Central Bank, and other open sources for 2019–2020. When compiling, 70 indicators were analyzed, including the level of income of the population, housing conditions, the level of unemployment, the demographic situation, the health of the population and the level of education, the provision of social infrastructure facilities, the level of economic development, development of small business, transport infrastructure, etc.

At the bottom of the list are Kalmykia, Kabardino-Balkaria, Ingushetia, Kurgan Region, Altai Republic, Buryatia, Jewish Autonomous Region, Karachay-Cherkessia, Trans-Baikal Territory, Tuva Republic. Outsider regions are inferior in terms of economic development, incomes and unemployment rates. In July 2020, the rating agency National Credit Ratings (NKR), commissioned by RBC, prepared a rating of Russian regions for 2019 in terms of quality of life. In it, St. Petersburg took first place, overtaking Moscow. The third was the Belgorod region. The top 10 also includes the Moscow Region, the Voronezh Region, the Krasnodar Territory, the Tyumen Region, the Khanty-Mansiysk Autonomous Okrug - Yugra, the Nizhny Novgorod Region and the Sverdlovsk Region. Regions were assessed according to ten criteria - from the well-being of the population to the climate. The human development index for Russia in 2020 was 0.824. The country ranks 52nd among 189 countries in the world and remains in the group with a very high level of human development, the report says. Since 1990, the HDI value has increased from 0.735 to 0.824, an increase of 12.1%. With an average life expectancy of 72.6 years, Russians study for more than 15 years, and the gross per capita income adjusted for purchasing power parity is \$ 26,157 thousand (BBC News Russian Service, 2019). Thus, since 1990, life expectancy in the

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87.2% of adult Russian women have at least secondary education (show by education among men - 95.7%). Now the share of working women in the country does not exceed 55%, while more than 70% of men work. In addition, this year, two new environmental indicators are used in calculating the HDI: carbon dioxide emissions and the footprint (the amount of natural resources used to produce goods and services). According to the latest data, there are 11.7 tonnes of carbon dioxide emissions per capita for every adult. If we recalculate the HDI for the country, taking into account the negative impact that this development has on the environment, then it will decrease by 5.1%.

Rosstat publishes statistics on poverty among children with a two-year delay. Thus, by the end of 2019, the proportion of children living in low-income families will become known only in 2021, and the data for 2020 will only be known in 2022. However, experts expect that by the end of 2020, child poverty may rise again due to the crisis caused by the pandemic. Lilia Ovcharova, director of the Institute for Social Policy at the Higher School of Economics, told the BBC that at the end of March 2020, the poverty level among families with children in Russia was estimated at 23%, but due to the coronavirus pandemic, it rose to 32%.

After the government supported families with children with cash payments, this figure dropped to 24%. According to HSE analysts, due to payments, incomes in families with children under 3 years old have recovered to 93.9%, with children 3-7 years old - up to 93.7%, with children aged 7 years and older - up to 90.4%. These measures fulfill the function of compensating for lost income, but do not allow such families to return to pre-crisis living standards, explains Ovcharova (BBC News Russian Service, 2020).

"Therefore, the conclusion is this: families with children continue to remain rather poor, poorer than everyone else. Support measures compensated for the loss of income, but not in full.

1% of families with children, according to our estimates, did not receive the support that would allow them compensate for the loss of income, "she said. Tatiana Maleva, director of the Institute for Social Analysis and Forecasting of the Russian Presidential Academy of National Economy and Public Administration, said in an interview with RBC that in 2020 the child poverty rate will inevitably increase following the nationwide one. Anti-crisis measures, in her opinion, will avoid an avalanche-like increase in the number of children living below the poverty line (BBC News Russian Service, 2020).

3.2.3 Social Progress Index

The prevailing idea and general concept of the SPI is that quality of life and social progress is not necessarily influenced by country's economic development. Undoubtedly, higher income gives one an access to the medical treatment, food and water access, education and etc. However, other aspects, such as Personal freedom, health and well-being, personal safety and rights, inclusiveness are considered by the Social Progress Index, regardless of the income. (Social Progress Imperative, 2020). All the individual indeces of SPI are described in the practical part. Goal of the SPI is to inform governments and international businesses about the different aspects of country's social development, in order for them to review, plan and priotirize their social and economic activities. The total score of the SPI varies from 0 to 100, 0 meaning the worst possible result, 100 meaning the best. From the information above and the SPI report, we can conclude some main principles of the mentioned index.

1. **Social over economic indicators**. As said before, SPI does not consider economic indces listed, like, for example, in HDI.
2. **Practical and applicable.** The results of SPI - points scored in different factors provide information about "weak points" of different social development factors. The information, standardized in a points system serves as a practical framework for priotirizing and organizing government social programs.
3. **Broad international application and standardization.** Due to the great number of components and indicators (12 and 50 respectively), SPI covers many factors of the life quality, areas of social development. Moreover, due to the reason that SPI comprises large number of countries – from poorest countries to ones with the highest income, the

results of the SPI – report consisting of numerous indexes, is widescale and provides great framework for a comparison. For example, 2020 SPI was calculated in 149 countries around the world (Social Progress Imperative, 2020).

As said above, SPI consists of 12 aggregate components and their 50 constituent indexes. In the tables below, the framework for SPI 2019 is shown. Futher description and comparison of the indexes is provided in the practical part of the thesis. However, we can see that three main dimensions that SPI considers are:

1) Basic Human Needs
2) Foundations of Well-Being
3) Opportunity

Figure 2-Framework of SPI 2019.

OPPORTUNITY

Personal Rights
Are people's rights as individuals protected?

Personal Freedom & Choice
Are people free to make their own life choices?

Inclusiveness
Is no one excluded from the opportunity to be a contributing member of society?

Access to Advanced Education
Do people have access to the world's most advanced knowledge?

BASIC HUMAN NEEDS

Nutrition & Basic Medical Care
Do people have enough food to eat and are they receiving basic medical care?

Water & Sanitation
Can people drink water and keep themselves clean without getting sick?

Shelter
Do people have adequate housing with basic utilities?

Personal Safety
Do people feel safe?

FOUNDATIONS OF WELLBEING

Access to Basic Knowledge
Do people have access to an educational foundation?

Access to Information & Communications
Can people freely access ideas and information from anywhere in the world?

Health & Wellness
Do people live long and healthy lives?

Environmental Quality
Is this society using its resources so they will be available for future generations?

3.2.4. Happiness Index

It should be noted that the term "happiness" is used in the title of the theory rather conditionally, since in scientific research they use terms such as "subjective well-being" or "subjective self-feeling of satisfaction with life". Economic researchers use the category "life satisfaction" as an estimate of the standard of living, just as they use the category "utility" in consumer theory as a measure of satisfaction from the consumption of a good. "Subjective well-being" reflects the inner perception and state of a person, consists of three parts: "affect" (that is, the totality of feelings and moods of a person), happiness and satisfaction with life. Happiness is understood as a state when positive emotions are stronger than negative ones. Life satisfaction is an individual's assessment of their economic and social status. The direction "economics of happiness" brings together economists who investigate the relationship between changes in income levels and changes in subjective life satisfaction. Basically, the main questions in the study are:

- what does life satisfaction depend on and whether it depends on income;

- how much GDP is the very value that politicians should take care of;

- how much satisfaction with life depends on macroeconomic policy;

- how to allocate limited resources of society so that the subjective sense of life satisfaction increases?

One of the main issues in the economy of happiness is the question of the correlation between income and subjective well-being. Despite the fact that many different statistical data have been collected, the question is still open. Its ambiguity was stated by the American economist Jeffrey Sachs, director of the Earth Institute at Columbia University. D Sachs resorted to such a phenomenon as the "Easterlin's paradox": in the same country at a particular point in time there are more happy people among the rich than among the poor, the growth of GDP per capita does not lead to a proportional increase among indicators of satisfaction with life in the country. Several psychological and economic effects are recognized as the cause of the Easterlin paradox. First, when a person's needs are satisfied, an adaptation or saturation point occurs. Preferences are changing, the role of non-economic needs is increasing, demands are being made on various components of the quality of life. Material needs also grow, but the goal is not survival, but free development and self-realization. The continuous growth of certain needs makes society constantly strive to satisfy them, remaining at about the same level. This movement is commonly

called "hedonistic treadmill" (Consultant Plus, 2014). People are forced to flee while remaining in place. Second, the feeling of happiness is influenced by comparing your own success with the success of others. If income grows for everyone approximately the same and the position of the individual relative to others does not change, then subjective well-being remains at the same level. The Easterlin paradox does not mean that there is no relationship between income and subjective well-being. This connection is superimposed on many other influences that can smooth out the indicated tendency: diverse ethnocultural, individual psychological characteristics (BBC News Russian Service, 2020).

Diagram 1. The index of happiness in Russia compared to the world 2017 to 2020
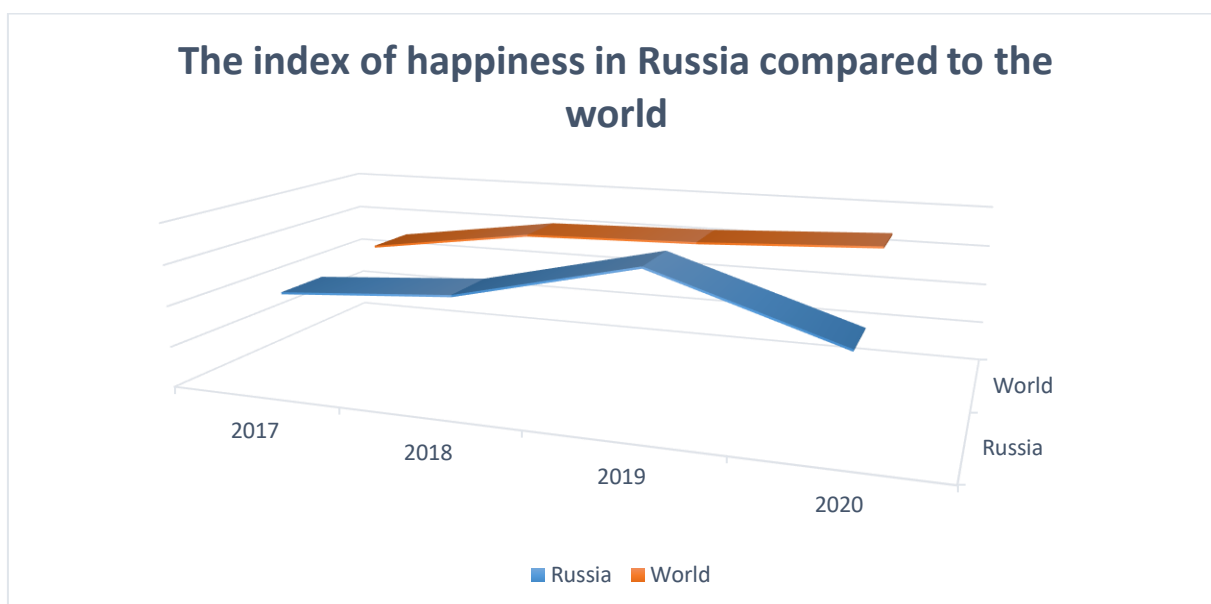
Source: Federal State Statistics Service

The book by Vasiliev A.L. (Vasiliev, 2009), a leading professor at the Russian Academy of Public Administration under the President of the Russian Federation, can be considered a definite contribution to the development of research on the achievement of general welfare. According to Rumyantseva, a happy person is a person who:

- takes care of his health, which increases life expectancy.
- creates a family, ensures its well-being.
- works in a well-paid job that also brings happiness and satisfaction.
- strives to achieve a high level of spiritual and moral development.

The book also substantiates the relationship between the problem of the economy of happiness and the problem of moral attitudes towards wealth and poverty. Consideration of happiness as a state of spiritual and moral self-realization is contrasted with the widespread position that happiness is only a monetary component. However, material well-being is only one of the components of human life, which highly developed spiritual people do not give the dominant meaning of true happiness. HER. Rumyantsev formulate ten laws of the economy of happiness:

1. Creation and maintenance of the sphere of pure spiritual and moral relations in society;

2. Conscience, impartiality and objectivity of everyone who seeks to take a place in the hierarchy of economic relations;

3. The dominant role of labor in society;

4. Increase your well-being and increase property relations only on the basis of earning honest money;

5. Reasonableness and high level of spiritual and moral culture of laws that determine the behavior of all members of society, equality of all before the law;

6. Achieving and maintaining a high level of economic culture;

7. Wealth as a result of labor, conscience, pure spiritual and moral relations, culture of economic account and honest money is a natural law, the knowledge of which requires the disclosure and observance of the culture of wealth;

8. Freedom, equality and justice;

9. Formation of a peaceful, conflict-free relationship to time;

10. Active life position of everyone and respect for time (Rossoshanskiy, 2013).

According to the resolution, the calculation of happiness is not mandatory, but voluntary, giving countries the freedom to choose methods when calculating the index. But despite the established resolution, not a single country gives official calculations of the happiness index; the level of happiness is determined by the method of sociological surveys, which are carried out not by the authorities, but by various research centers. In Russia, however, there is no such method for calculating the index, and the indicator itself is calculated as a conditional one. One of the institutes that calculated the happiness index in Russia was the All-Russian Center for the Study of Public Opinion. Today, 78% of Russians feel happy, and 14% feel infrequent. Those who feel happy associate this condition with well-being in the family, good health, having an interesting study or job, and material well-being is also an important factor. The results of such studies are not

considered by the authorities as official. In the Chinese province of Henan, the index of happiness is used to measure the performance of officials, by determining how happy citizens are under the control of a particular government official. The index is calculated on the basis of 16 indicators - both traditional economic indicators and very unusual ones. The calculation of the index of happiness is practiced by the international research center New Economic Foundation, which, since 2015, annually publishes the calculations of the index on the website. If we compare countries in terms of happiness and GDP, we will see that: the "happiest" countries are not the richest, and the richest are not the "happiest".

Histogram 1. Happiness Index in Russia poll
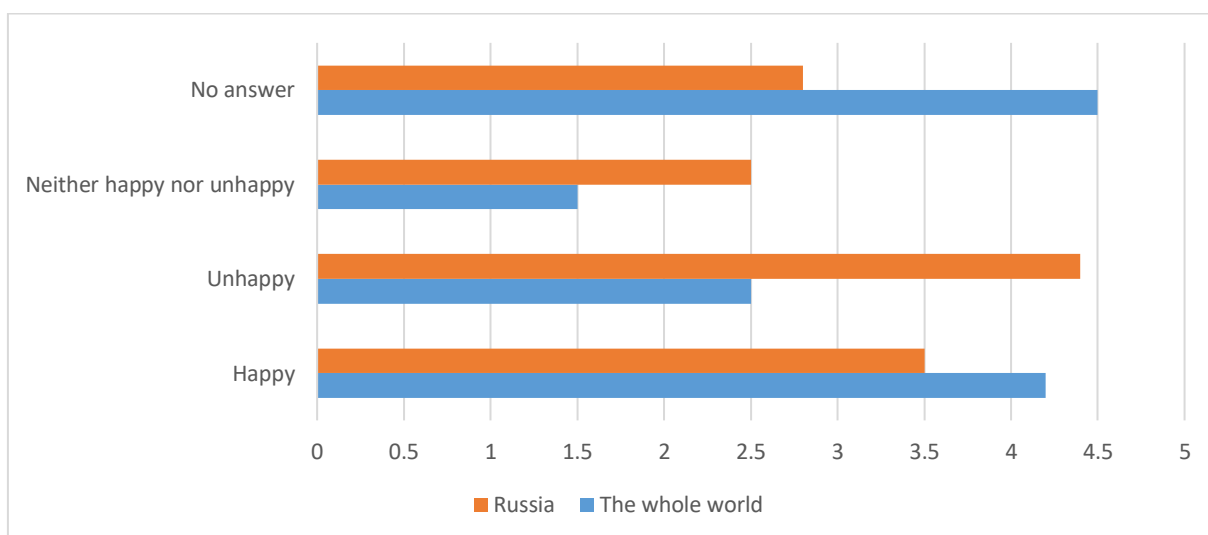
Source: BBC News Russian Service

This is due to the fact that when calculating the index, it is not the happiest states that are taken, but its ability to provide its citizens with a happy life, based on the available factors. So I'm listening to another index of happiness - the index of a better life, presented by the Organization for Economic Cooperation and Development (OECD). The rating of a better life is compiled on the basis of government statistics and surveys on 11 main indicators: housing conditions, income, work, ecology, education, health, safety, civil rights, balance between work and rest. The index of each country is determined by weighted averages (Consultant Plus, 2014).

As you can see, Russia ranks last in such aspects as civil rights, ecology and health. According to the balance between work and leisure, Russia is in second place. These indicators

show that Russia needs to improve indicators that currently have a negative impact on well-being, namely: housing conditions, the environment, civil rights, life satisfaction, health and safety. The most favorable situation is in the USA and Germany, where all indicators are quite high. Japan, on the other hand, is not at such a high level due to civil rights and low levels of satisfaction.

The welfare index is based on the following factors:

- target factor - you do what you like;

- the financial factor - you have enough money to do what you like;

- the social factor - you have enough motivation from others and personally within you;

- the physical factor - you are in good shape and happy with yourself;

- the social factor - you like the place where you live (BBC News Russian Service, 2020).

Diagram 2. Happiness Index in Russia
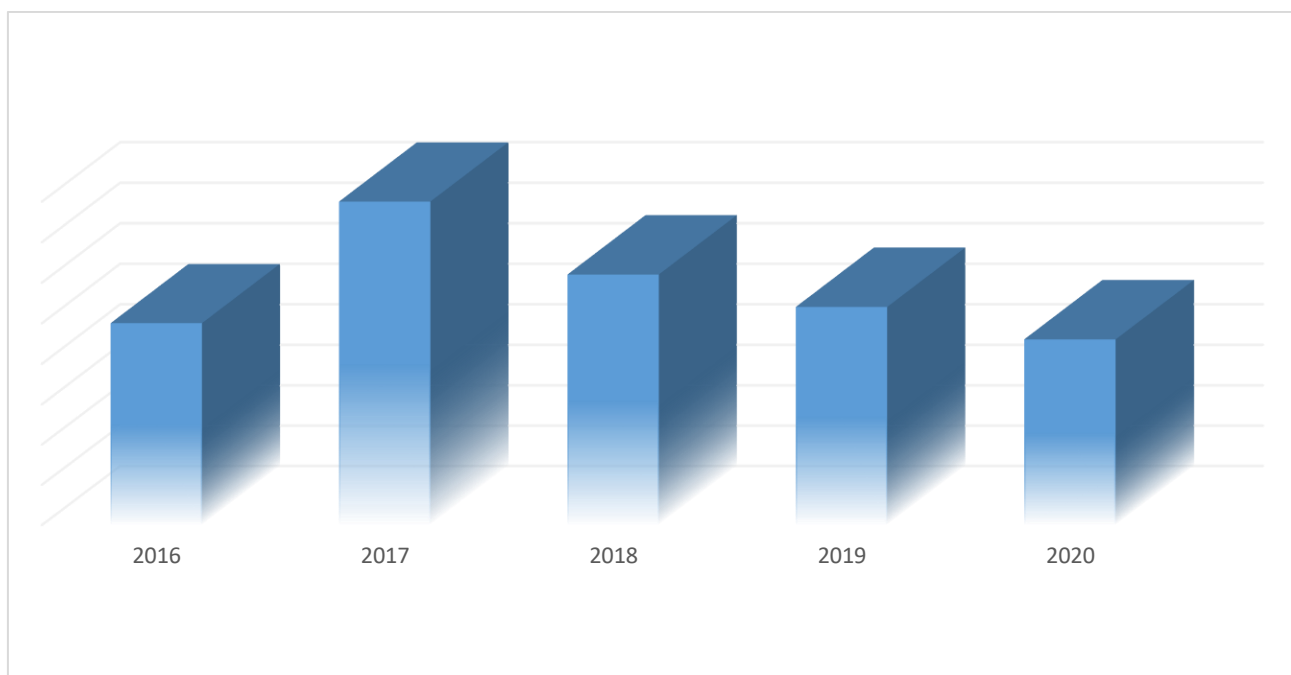
Source: Federal State Statistic Service

Scientists, conducting all kinds of research, come to the conclusion that the level of material well-being is not the main factor affecting the well-being of the state. Undoubtedly, the material aspect played an important role in determining the most developed countries, but without taking into account the components, one cannot speak of the absolute objectivity of the data. As the world experience shows, such components influencing the self-awareness of citizens are family, ecology,

accessibility of education, health, safety level and "confidence in the future". The very fact that in recent years there have been attempts to study happiness suggests that this problem has interest and significance for society. The idea is that economic growth does not automatically lead to an increase in people's satisfaction with life. Economic progress must be made slowly and accompanied by measures to preserve values. The world needs to develop a unified methodology for calculating the happiness index in order to use these calculations together with GDP, because it is impossible to completely abandon the calculation of GDP. When these indicators are calculated together, the most objective assessment of the level of development of the state will be formed, since the objective level of state development is the balance between material and spiritual (REJ, 2007), (Consultant Plus, 2014), (Zherebin, 2012).

Chart 2. The dynamics of the happiness index in the world and in Russia.
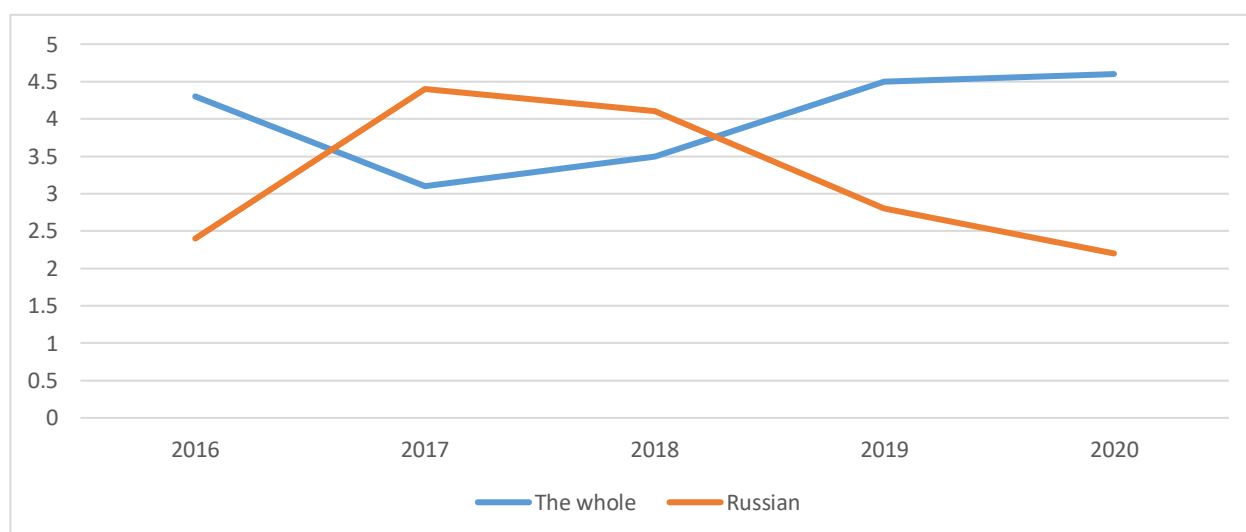
Source: BBC News Russian Service.

In Russia, the level of happiness of residents after a stable situation in previous years has dropped sharply. Over the past two years, the number of happy Russians has decreased - from 55%

in 2017 to 42% in 2020. The share of unhappy Russians, on the contrary, has increased - from 11% to 18%. Such changes in the feelings of Russians have led to a decrease in the value of the index over two years by more than 2 times: from +50 pp to in 2017 to +24 p.p. in 2020 (BBC News Russian Service, 2020) .

4. Practical Part

4.1. Indicators of Human development index

The following table depicts the development of the HDI index in Russia on the time frame covering 20 years – from 2000 to 2019.

Figure 3, table with annual development of HDI index.

YEARS	HDI
2000	0,722
2001	0,728
2002	0,734
2003	0,742
2004	0,748
2005	0,753
2006	0,760
2007	0,769
2008	0,775
2009	0,773
2010	0,781
2011	0,790
2012	0,798
2013	0,802
2014	0,807
2015	0,809
2016	0,815
2017	0,820
2018	0,823
2019	0,824

Source: Country Economy

The table above contains the information about the annual development of HDI index.

Figure 4. Russia - Human Development Index – HDI.
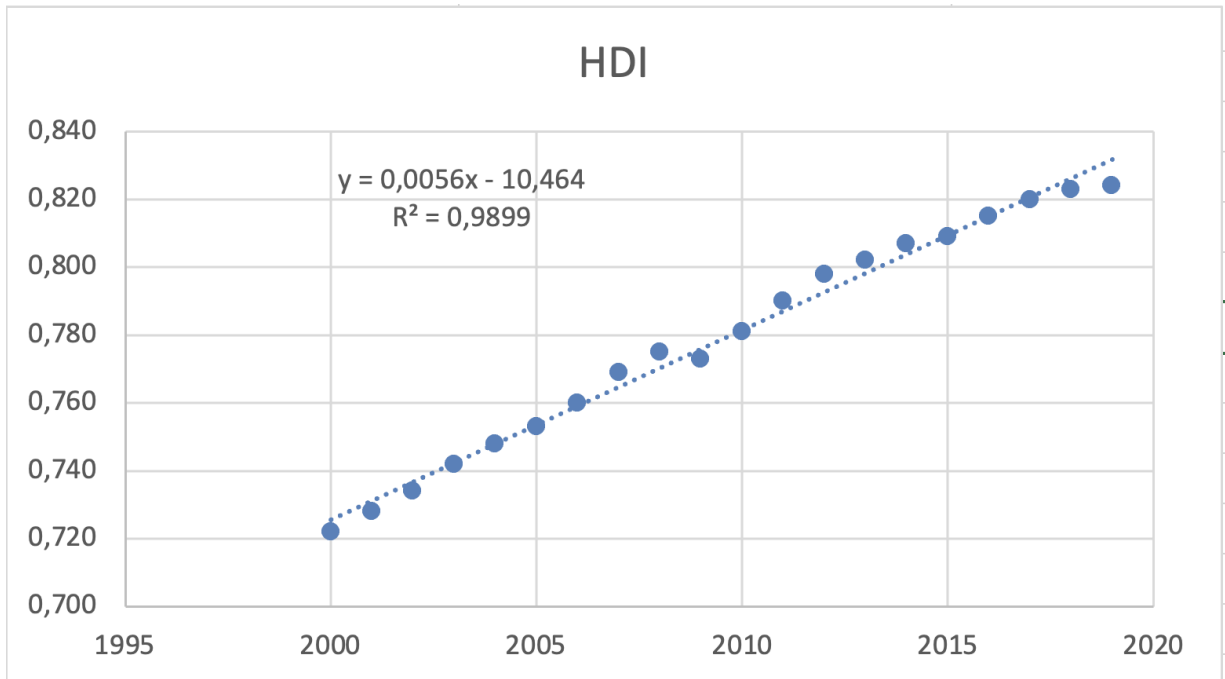
Source: Country Economy

As it is seen on the graph above, human development index in Russia was slowly rising during the period of 19 years. From the lowest index number – 0,722, HDI has been increasing ever since but only carefully, by decimals and centesimals. (E.g., 2001 - 0,728; 2002- 0,734; 2003 – 0,742). In 2008 and 2009, human development index has lowered to 0,775 and 0,773 respectively. One of the reasons for such a decline can be a Great Recession that took place in Russia in the periods of 2008-2009. However, from 2010, HDI started increasing again. HDI in Russia has reached its maximum in the year 2019 and was 0,824.

In addition to the analysis of observed values and their development, it is also possible to create the projection, thus being a trend expressed in the form of a linear regression based on the OLS method. The presence of relatively high coefficient of determination (R square) of 0,9899 serves as evidence that the constructed model is relatively good for understanding the main tendency of development.

Concluding information above, we can see that HDI was minimum (0,722) in 2000, and maximum (0,824) in 2019. The average rate (mean) was 0,778.

4.1.1 HDI Development over the years

To sbow the statistical deleopment of HDI over the period of 2000-2019, I have calculated the Fixed Base Index. I took year 2000 as a base year, which has base index – 100 and calculated Fixed Base Index for the years 2001-2019, HDI relative of the current year to the year 2000. As we can see from the table, index of HDI is steady and monotonously increasing over the whole period of time, relatively to year 2000. Therefore, maximum index is achieved in final year 2019 and is 114,127 points.

Table 1. HDI Fixed Base Index 2000-2019.

YEARS	Fixed based index	Chain index
2000	100	100
2001	100,831	99,176
2002	101,662	99,183
2003	102,770	98,992
2004	103,601	99,198
2005	104,294	99,336
2006	105,263	99,079
2007	106,510	98,830
2008	107,341	99,226
2009	107,064	100,259
2010	108,172	98,976
2011	109,418	98,861
2012	110,526	98,997
2013	111,080	99,501
2014	111,773	99,380
2015	112,050	99,753
2016	112,881	99,264
2017	113,573	99,390
2018	113,989	99,635
2019	114,127	99,879

Source: Country Economy

Due to the reason that HDI development, Fixed base index is monotonous and to show the HDI development throughout the years, I have calculated Average Growth Rate for the period of 2000-2019, as well as the Annual Average Growth Rate (AAGR). The Average growth rate is the average increase of HDI over a period of time, relative to the previous year. As we can see from the rable and the graph, Average Growth rate remains positive throughout the whole period. However, the only exceptation is year 2009, which has a negative Average Growth rate, - 0,26% compared to the year 2008. As said before, one of the reasons for such a decline can be a

Great Recession in years 2008-2009. Moreover, Annual Average Growth Rate or AAGR throughout the whole period is 0,70%.

Figure 5. HDI Yearly Growth rate, 2000-2019.
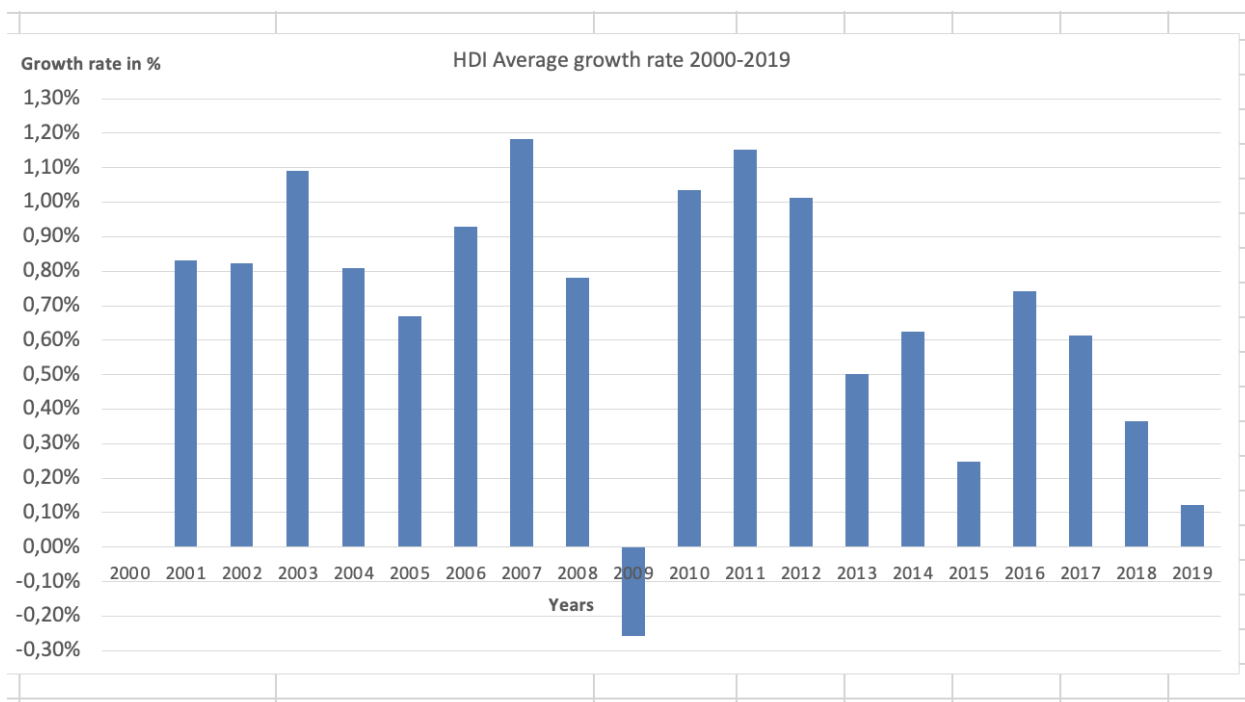
Source: Country Economy

Table 2. HDI Yearly growth rate, 2000-2019

YEARS	Early growth rate, %
2000	BASE

2001	0,83%
2002	0,82%
2003	1,09%
2004	0,81%
2005	0,67%
2006	0,93%
2007	1,18%
2008	0,78%
2009	-0,26%
2010	1,03%
2011	1,15%
2012	1,01%
2013	0,50%
2014	0,62%
2015	0,25%
2016	0,74%
2017	0,61%
2018	0,37%
2019	0,12%

Source: Country Economy

As I have said before, human development index consists of four main indicators: **life expectancy, education index which consists of mean education time and expected education time, and gross national income per capita**.

4.1.2 Life expectancy at birth (years)

Life expectancy at birth means number of years a newborn is expected to live when death rates at the birth year stay the same throughout one's whole life.

As seen on the graph below, life expectancy has increased steadily over the period of 19 years. 65,1 years of life is the lowest point in the whole period and it stayed at that level from the year 2000 till 2002. Then, life expectancy has been steadily increasing and it has reached its maximum of 72,6 years in the year 2019.

Concluding this information, we can see that the minimum life expectancy was 65,1 years in 2000, while maximum was 72,6 in 2019. During the 2000-2019 period, the average rate or mean is 68,4 years.

Figure 6. Life expectancy (2000-2019).
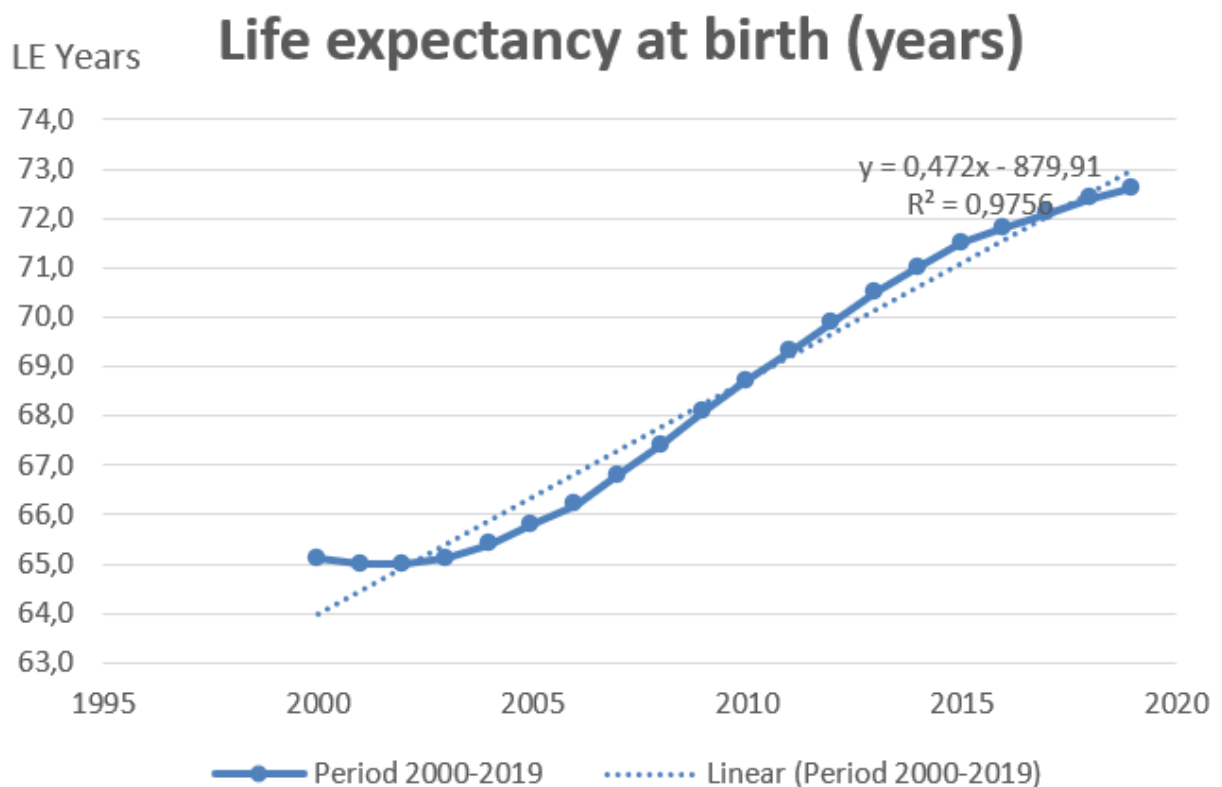
Source: United Nations Development Programme

As it is observed on Figure 6 above, there is a strong tendency of growth from one decade to another. By using the OLS method once again, it becomes possible to see the trajectory of movement of the following index. Finally, the model is relatively suitable for making assumptions based on it, as long as the coefficient of determination returns a high value of 0,9756 which serves as a piece of crucial evidence that the model is relatively good.

Table 3. Life expectancy at birth (years).

Life expectancy at birth (years)			
Year	LE YEARS	Fix Base Index	Chain Index
2000	65,1	100,0	100,0
2001	65,0	100,2	100,2
2002	65,0	100,2	100,0
2003	65,1	100,0	99,8
2004	65,4	99,5	99,5
2005	65,8	98,9	99,4
2006	66,2	98,3	99,4
2007	66,8	97,5	99,1
2008	67,4	96,6	99,1
2009	68,1	95,6	99,0
2010	68,7	94,8	99,1
2011	69,3	93,9	99,1
2012	69,9	93,1	99,1
2013	70,5	92,3	99,1
2014	71,0	91,7	99,3
2015	71,5	91,0	99,3
2016	71,8	90,7	99,6
2017	72,1	90,3	99,6
2018	72,4	89,9	99,6
2019	72,6	89,7	99,7

Source: United Nations Development Programme

4.1.3 Education Index development over the years

Values of education index in Russia as a measurement of life quality can be seen below:

Figure 7. Education index 2000-2019
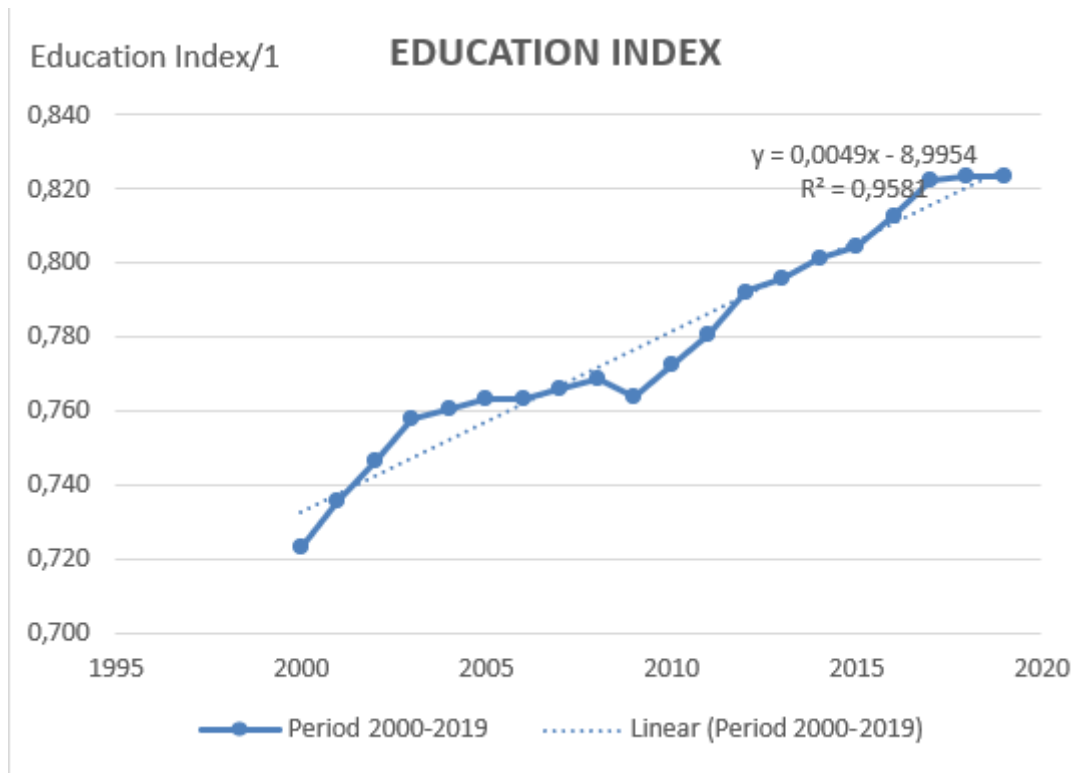
Source: United Nations Development Programme

The following trend function visible on the graph was created using the OLS method with the coefficient of determination equal to 0,958, which proves ones again that the model created is a suitable one for making assumptions.
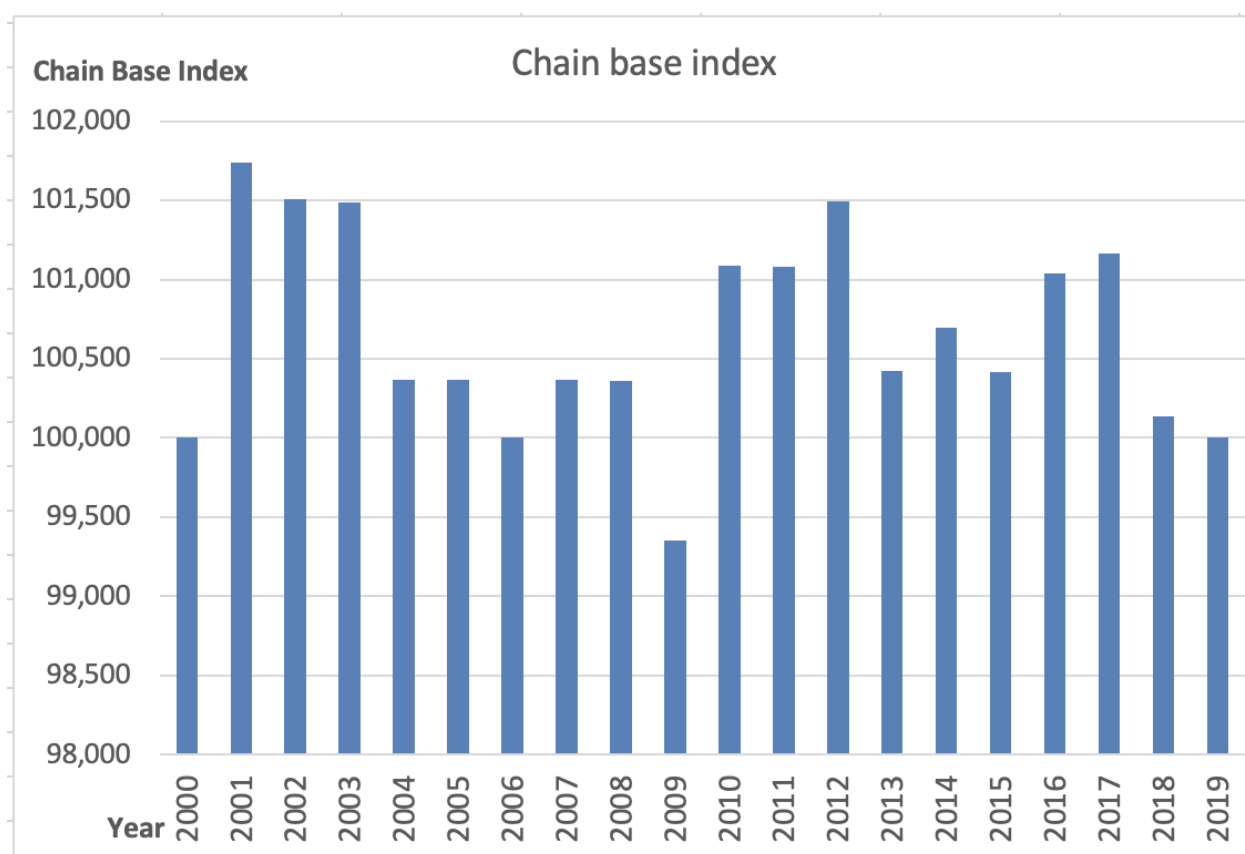
Table 4. Education Index 2000-2019

EDUCATION INDEX	
2000	0,723
2001	0,736
2002	0,747
2003	0,758
2004	0,761
2005	0,763
2006	0,763
2007	0,766
2008	0,769
2009	0,764
2010	0,772
2011	0,781
2012	0,792
2013	0,796
2014	0,801
2015	0,804
2016	0,813
2017	0,822
2018	0,823
2019	0,823

Source: United Nations Development Programme

As we can see on the graph above, education index in Russia is not completely growing – it is rapidly changing in the period of 2000-2019. The lowest point, like in other variables, was in the year 2000 and reached the point of 0,724. In comparison, education index of Germany in the same year is 0,825; Czechia – 0,741, United States – 0,863; United Kingdom – 0,828. In the world ranking of the education index, Russia takes 52nd place. As we can see, just like in the overall Human Development index, Education Index has also decreased (0,769 - 0,764) in period of 2008-2009 for the same reason. (The Great Recession) The maximum point (0,823) is reached in the years 2018-2019. We can see that from the year 2017, Education Index has been stable. Average Education Index value is 0,778. To show the development of the Education Index, I have calculated Fixed base Index of the Educaion Index. I took year 2000 as a base year, which

has base index – 100 and calculated Fixed Base Index for the years 2001-2019, Education Index relative of the current year to the year 2000. As we can see from the table and thr graph, Fixed Base Index of Education Index is monotonously increasing during the whole period. However, Fixed Base Index is stable during the years 2005-2006. As for the Chain Base Index, it is calculated relatively to the previous year. In relation to a previous year, Education Index is slightly changing - increasing and decreasing throughout the whole period. It rises for some of the years elatively to previous years – e.g. 2001, 2007, 2010, 2012. However, it also falls relatively to some of the years – e.g. 2002, 2003. Thus, chain based development of education index is changing throughout the whole period.

Figure 8. Chain Base Index of Education Index, 2000-2019
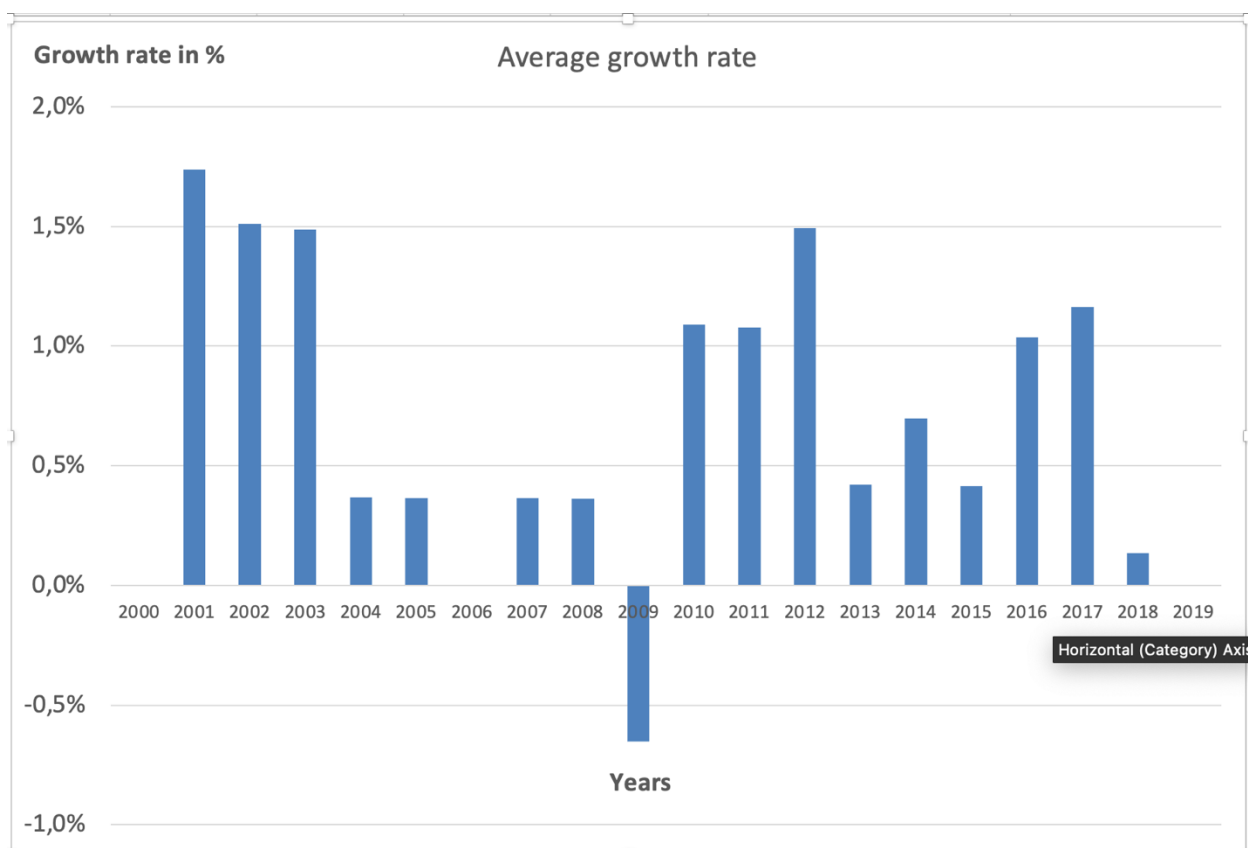

Source: United Nations Development Programme

Table 5. Fixed Base and Chain Base Indexes of Education Index, 2000-2019

YEARS	Fixed based index	Chain based index
2000	100,000	100,000
2001	101,737	101,737
2002	103,273	101,511
2003	104,810	101,488
2004	105,194	100,367
2005	105,579	100,365
2006	105,579	100,000
2007	105,963	100,364
2008	106,347	100,363
2009	105,655	99,350
2010	106,808	101,091
2011	107,961	101,079
2012	109,574	101,495
2013	110,035	100,421
2014	110,804	100,698
2015	111,265	100,416
2016	112,417	101,036
2017	113,724	101,162
2018	113,877	100,135
2019	113,877	100,000

Source: United Nations Development Programme

Moreover, I have calculated Yearly Growth Rate of Education Index. As we can see from the graph and the table, Yearly growth rate is mostly positive, neaning there is an increase in the Education Index. However, there is no change is some of the years – 2006 and 2019. Moreover, negative average growth rate is noticed in the year 2009. Again, the reason for such a decline can be a Great Recession in years 2008-2009. Finally, the Yearly Growth rate is 0,69%.

Figure 9. Average Growth Rate of Education Index, 2000-2019

Source: United Nations Development Programme

Table 6. Yearly Growth Rate of Education Index, 2000-2019

YEARS	Yearly growth rate
2000	-
2001	1,74%
2002	1,51%
2003	1,49%
2004	0,37%
2005	0,37%
2006	0,00%
2007	0,36%
2008	0,36%

|	
2009	-0,65%
2010	1,09%
2011	1,08%
2012	1,49%
2013	0,42%
2014	0,70%
2015	0,42%
2016	1,04%
2017	1,16%
2018	0,14%
2019	0,00%

Source: United Nations Development Programme

4.1.4 Gross national income per capita

Gross national income is the total income generated by people and firms of the country. It is calculated as the sum of country's GDP and net income. The values of the graph are converted to international dollars using purchasing power parity rates and are divided by population. As seen on the graph, overall trend of gross national income was to increase stedily. From the lowest point in 2000, which was 14229 PPP$, it has been rising up to 26157 PPP$. Again, we can see the impact of The Great Recession on the gross national income as well. A rapid decrease of GNI is seen in the period 2008-2009 with a slow increase afterwards. Moreover, another decline in years 2014-2015 (25205; 24847 PPP$) can be explained with the ccurrency crisis in Russian Federation (2014-2015).

Concluding information above, we can state that minimum value (14229 PPP$) was registered in 2000, while maximum was 26157 in 2019. Average rate (mean) was 21704,03 PPP$.

Figure 10. Gross National income in Russia, 2000-2019

GROSS NATIONAL INCOME

$y = 612{,}33x + 15648$
$R^2 = 0{,}8532$
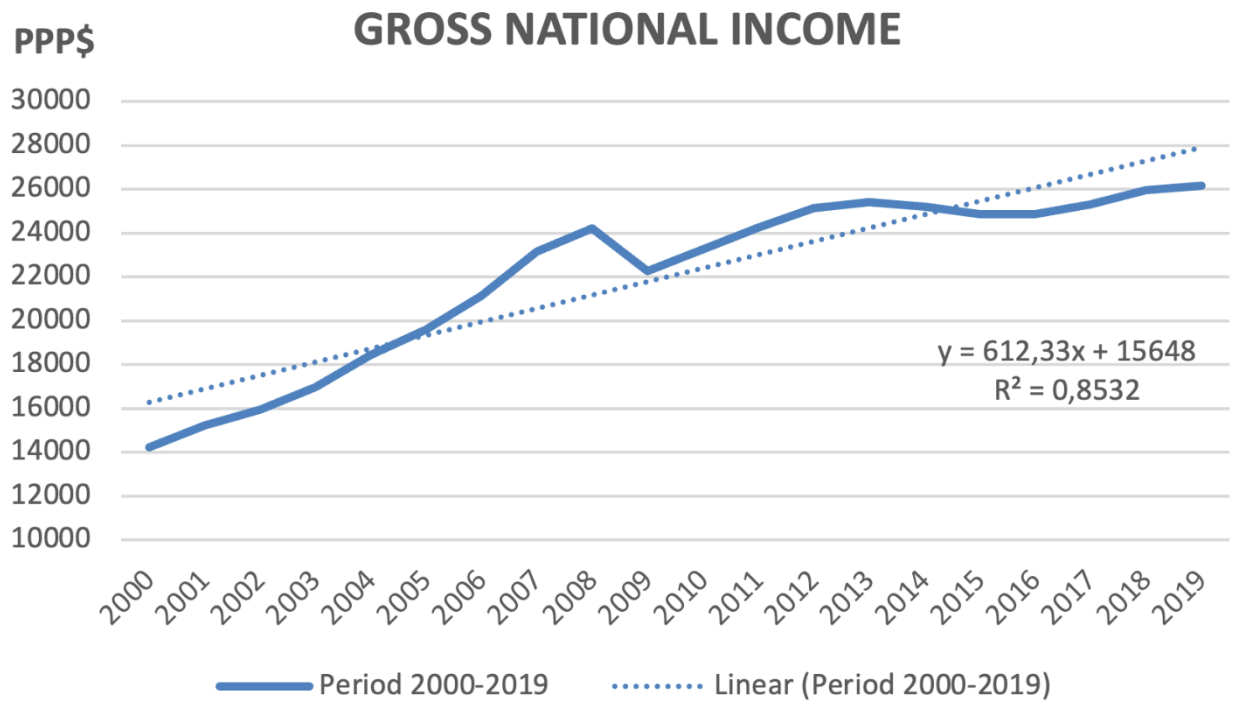
Source: United Nations Development Programme

Based on the values of Gross National Income shown in the table below, it is possible to create the chart on Figure 11. In addition to it, it is possible to create a trendline based on the OLS method with R square of 0,8532.

Figure 11, development of Gross National Income throughout the years

YEARS	Gross national income
2000	14229
2001	15225
2002	15935
2003	16978
2004	18423
2005	19601
2006	21148
2007	23152
2008	24194
2009	22270
2010	23256
2011	24231
2012	25131
2013	25413
2014	25205
2015	24847
2016	24874
2017	25311
2018	25962
2019	26157

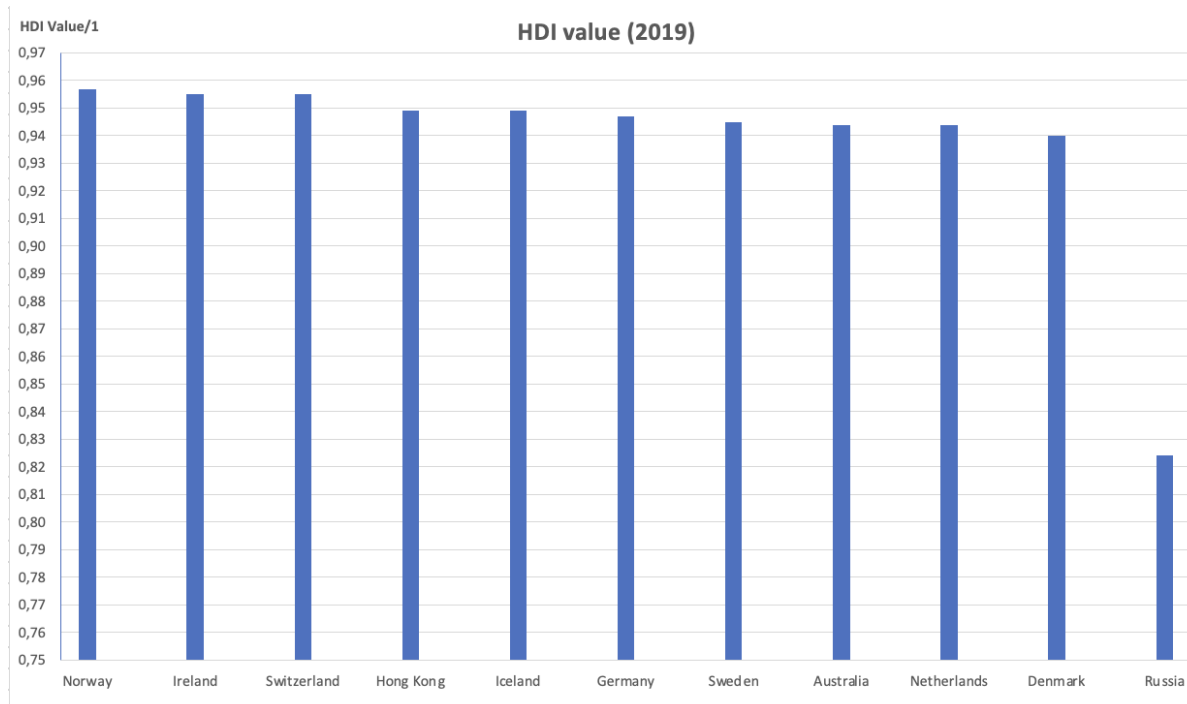Source: United Nations Development Programme

4.2. Russia in HDI Ranking

Judging by HDI as a Quality-of-Life measurement, we can compare Russia to other states by that particular index. As I have said before, by the education index, Russia takes 52nd place among other states. With the HDI of 0,824 Russia takes 52nd place as well. Let us take a look at the HDI ranking list below:

Table 7. HDI index ranking, 2019

Rank	Country	HDI value (2019)	Life expectancy at birth (years)	Expected years of schooling (years)	Mean years of schooling (years)	GNI (PPP $)
1	Norway	0,957	82,4	18,10	12,9	66,494
2	Ireland	0,955	82,3	18,70	12,7	68,371
2	Switzerland	0,955	83,8	16,30	13,4	69,394
4	Hong Kong	0,949	84,9	16,90	12,3	62,985
4	Iceland	0,949	83	19,10	12,8	54,682
6	Germany	0,947	81,3	17,00	14,2	55,314
7	Sweden	0,945	82,8	19,50	12,5	54,508
8	Australia	0,944	83,4	22,00	12,7	48,085
8	Netherlands	0,944	82,3	18,50	12,4	57,707
10	Denmark	0,940	80,9	18,90	12,6	58,662
52	Russia	0,824	72,6	15	12,2	26,157

Source: United Nations Development Programme

Figure 12. HDI value, 2019

Source: United Nations Development Programme

As we can see, according to HDI ranking in 2019, ten leaders in HDI Life quality are Norway, Ireland, Switzerland, Hong Kong, Iceland, Germany, Sweden, Australia, Netherlands and Denmark. As stated before, Russia takes 52nd place. By all the indicators, the difference between Russia and stated countries is highly significant – 0,133 points between Russia and Norway in HDI. In percentages, HDI of Russia is 14% lower compared to Norway's value. As for the indicators that compile general HDI value, the differences are: almost 10 years of life expectancy difference, more than 3 years in expected years of schooling and more than 40 thousand PPP$ of Gross National Income. The smallest difference between other countries and Russia is found in Mean Years of Schooling – 0,7 years between Russia and the top leader Norway. (Social Progress Imperative, 2019)

4.3 Social Progress Index

Another widespread Quality-of-Life measurement, is Social Progress Index. Unlike HDI, Social Progress Index does not take into account Gross National Income or Gross Domestic Product. It is independent of any economic indices. Instead, it consists of three main directions, 12 components and 51 indicators. Main indicators of SPI are: basic human needs, well-being and life opportunities. Medicine availability, Food, water and Personal safety, Education and media access, Personal rights and freedoms, Tolerance and inclusiveness (equality/discrimination) are the components used in calculating those mentioned indices. (Social Progress Imperative, 2019)

In the table and graph below we can see how those individual indices are ranked within Russia. All the rates below are points out of 100. As seen from the data, 5 most highly scored indicators affecting SPI' quality of life are Nutrition/Medicine, Basic school education, Water quality, Advanced education and access to Media and Communication. The lowest scored indicator is Inclusiveness (Gender, Orientation Tolerance, Discrimination absence) with 35,71/100 points and almost 15 points difference from the higher scored index - Personal rights.

The table below represents annual time series based on Human Development Index, Life Expectancy in years, Education Index and GNP in PPP$ in the period of 2000-2019.

Table 8. Russian SPI individual components ranking/100, 2019

Nutrition and Medical Care	95,55/100
Access to Basic Knowledge	93,75/100
Water and Sanitation	91,46/100
Advanced education	81,73/100
Access to Information and Communications	76,55/100
Personal freedom	70,28/100
Environment	63,59/100
Health and Wellness	62,82/100
Personal Safety	56,30/100
Personal Right	50,04/100
Inclusiveness	35,71/100

Source: Social Progress Imperative

Figure 13. Russia SPI indicators, 2019

Source: Social Progress Imperative

According to SPI ranking, Russia' SPI is 69,71/100 and it has lower place than in HDI – 62nd in the ranking. Moreover, scores of the three individual factors - basic human needs, well-being and life opportunities are 84,05; 74,18; and 59,44 respectively. Again, the difference between Russia and the rank leader Norway is quite significant – more than 20 points (23,35%) differences in SPI, almost 13 points (13,2%) differences in human needs, 19,2 points (20,6%) differences in well-being, and 28,5 points (32,4%) in opportunity indicators.

Table 9. SPI ranking/100, 2019.

Rank	Country	Human Needs/100	Well-being/100	Opportunity/100	SPI/100
1	Norway	96,85	93,39	87,95	90,95

2	Denmark	96,11	91,58	88,66	90,09
3	Switzerland	96,78	91,99	85,49	89,89
4	Finland	96,22	91,29	88,15	89,56
5	Sweden	96,58	91,03	87,23	89,45
6	Iceland	98,07	92,81	82,39	89,29
7	New Zealand	97,22	92,57	85,13	88,93
8	Germany	96,14	89,02	86,53	88,84
9	Canada	97,03	90,88	86,31	88,81
10	Japan	97,78	92,15	80,50	88,34
62	Russia	84,05	74,18	59,44	69,71

Source: Social Progress Imperative

Figure 14. SPI and its indicators, 2019
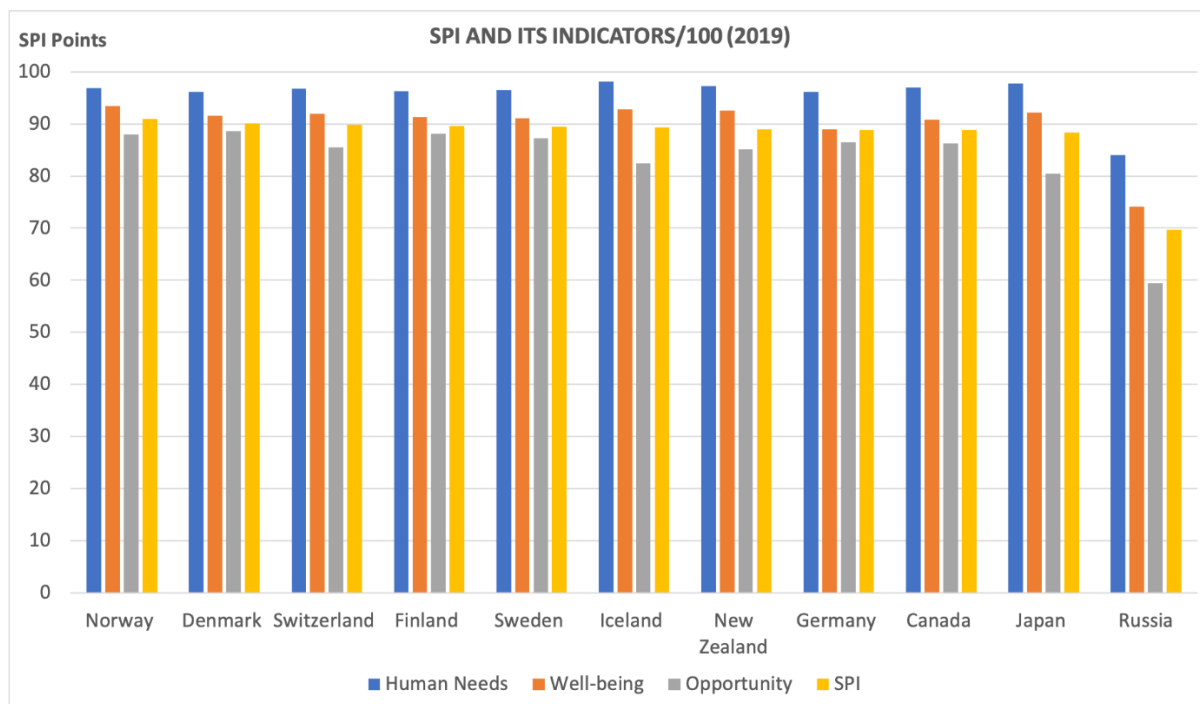
Source: Social Progress Imperative

4.4 Happiness Index

The next index that measures quality of life is Happiness Index. Based on the surveys of 1000-3000 people from different countries, it represents citizens' satisfaction with their own life, happiness feelings while living in a particular country. It is a weighted rate from country's respondents who could answer the questions with options ranging from "Very Happy" to "Not at All Happy". Or answer the questions with rate from 1 to 10. The index range and ach question' answer range from 0 to 10. 10 being very happy, 0 – not at all happy. (Huijer, 2018). The dimensions in which Happiness Index is calculated are:

GDP per capita; Freedom of choice; Physical health (life expectancy); Social welfare (trust feeling towards friends and relatives, feelings of love-being loved), Political trust (corruption level) and feeling of government effectiveness/professionalism), Generosity.

By the happiness index, Russia takes even lower place in ranking compared to HDI and SPI, being at the 66th place in the list. As we can see, the leaders in "happiness" as a global measurement of life quality, are quite same – Finland, Denmark and Norway being three leaders, just like in a Social Progress Index (SPI: Norway – 1st, Denmark – 2nd, Finland - 4th). Moreover, pattern is that Switzerland, Sweden, New Zealand and Canada are in top 10 countries in that QOL measurement, too. The happiness index of all the countries does not overcome the level of 8/10.

Table 10. Happiness Index Rank, 2019

Rank	Country	Happiness Index/10
1	Finland	7,769
2	Denmark	7,600
3	Norway	7,554
4	Netherlands	7,488
5	Switzerland	7,480
6	Sweden	7,343
7	New Zealand	7,307
8	Canada	7,278
9	Austria	7,246
66	Russia	5,648

Source: World Hapiness Report

Figure 15. World Happiness Index, 2019

Happiness Index
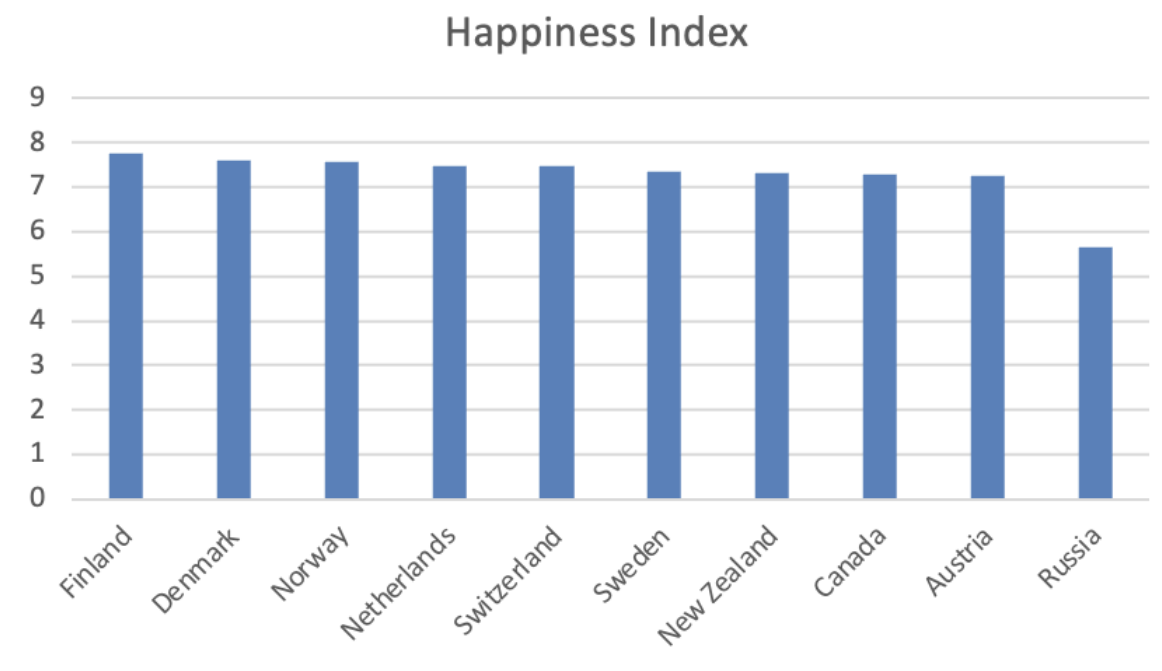
Source: World Hapiness Report

Based on the initial data, it is possible to create the barchart present on Figure 15. Clearly, Russia is lagging behind the rest of developed countries.

4.4.1 Comparison of individual indicators of the World Happiness Index

4.4.1.1 Social Support Index Ranking

As I have stated before, first dimension in which WHI is indicated, is Social Support. Respondents were answering a question, whether they can trust their friends, family, coworkers, ask them for help and support if needed. The points ranged from 0 to 1, 0 meaning no, 1 meaning yes. Final point is a mean value from all the answers. As seen on the graph and table below, the leaders in social support are quite different. The first place is taken by Turkmenistan, having 0,984 points, followed by WHI leaders – Norway, Finland and Denmark. Other outliers are

Mongolia and Slovenia, taking 6th and 7th place in the ranking. Russia is placed at the 34th place with 0,909 points.

Table 11. Social Support ranking, 2019

Rank	Country name	Social support
1	Turkmenistan	0,984
2	Norway	0,966
3	Finland	0,962
4	Denmark	0,958
5	New Zealand	0,954
6	Mongolia	0,942
7	Slovenia	0,941
8	Australia	0,940
9	Netherlands	0,939
34	Russia Source: World Hapiness Report	0,909

Figure 16. Social Support ranking, 2019

Social support
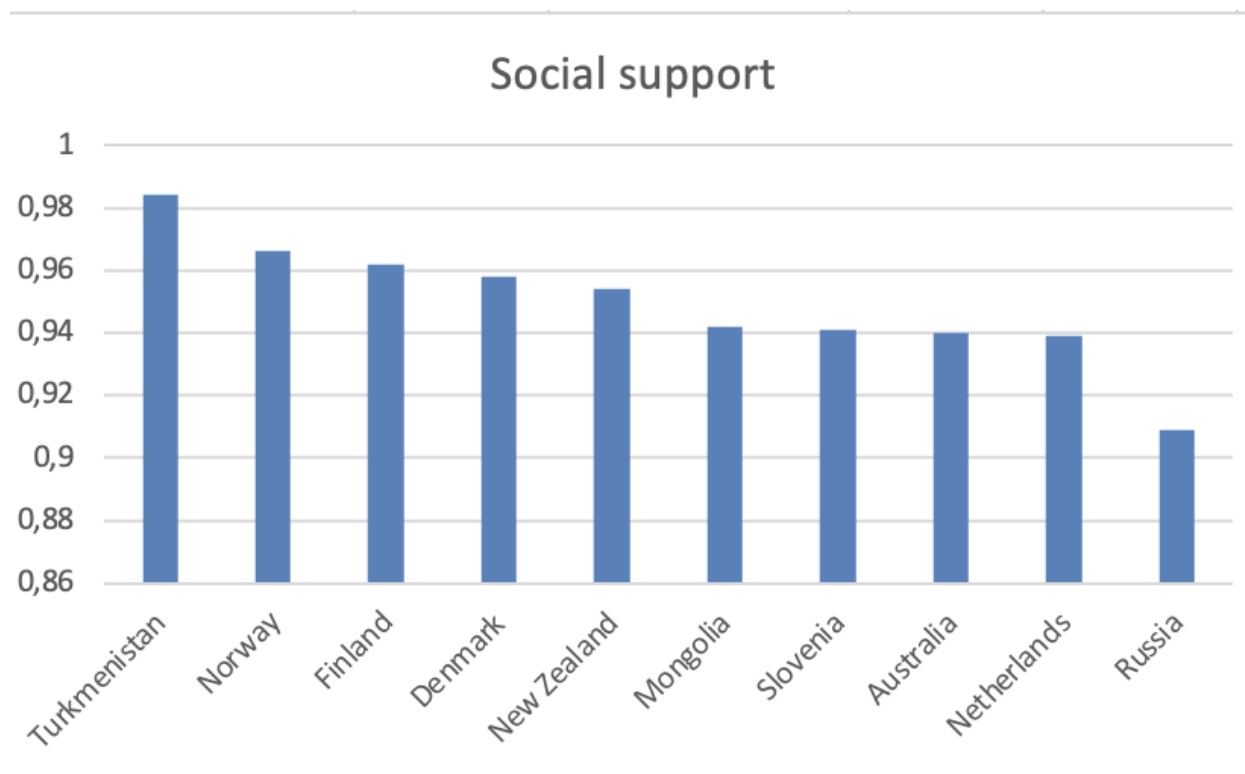
Source: United Nations Development Programme

As it is observed on Figure 16, Russia is lagging behind the rest of countries present in the list.

## 4.4.1.2 Physical Health (Number of healthy life years)

Healthy life years estimate shows the average duration of live that is "completely healthy", meaning not influenced by any sort of illnesses or injuries. The values are calculated annually by the World Health Organization. Again, 10 ranking leaders are different from both total WHI index and Social Support Ranking. Russian Federation is placed in the 97th place in the rank and its healthy life expectancy is 63,5 years, while general life expectancy considered in HDI is 72,6 years. Leaders by healthy life duration are Japan, Singapore and Korea. The difference between rank leaders and Russia, like in the general life expectancy, are quite significant – 10,6 years of healthy life difference between the leader Japan and Russia.

Table 12. Healthy Life expectancy ranking, 2019

Rank	Location	Healthy life expectancy at birth (years)
1	Japan	74,1
2	Singapore	73,6
3	Republic of Korea	73,1
4	Switzerland	72,5
5	Cyprus	72,4
6	Israel	72,4
7	Spain	72,1
8	France	72,1
9	Iceland	72,0
10	Italy	71,9
97	Russian Federation	63,5

Source: World Health Organization

Figure 17. Healthy life expectancy ranking, 2019
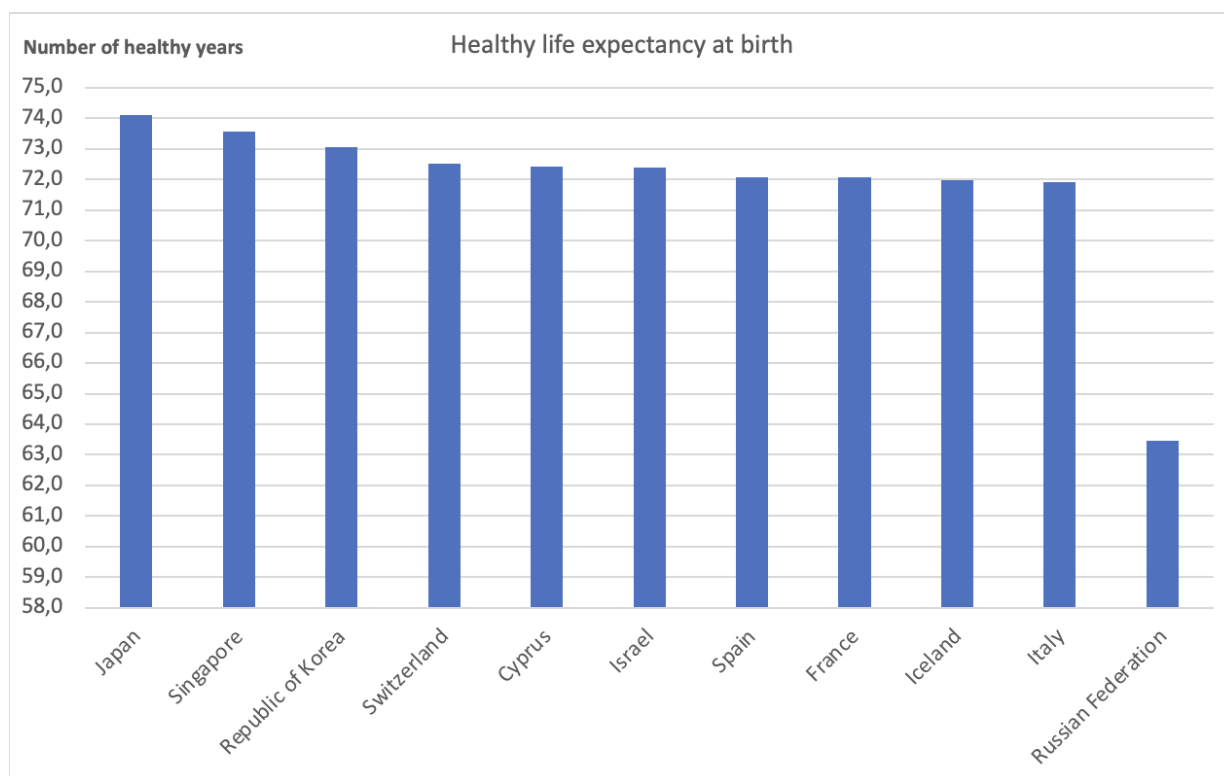
Source: World Health Organization

4.4.1.3 Freedom of making choices

Third dimension that affects WHI is one's freedom to do whatever they want with their own life, to make any decisions freely, without any prohibitions or pressure. Again, points range from 0 to 1, meaning "no" and "yes" respectively. Almost as in the physical health ranking, Russia is in the 96th place among the countries and has scored almost 0,73/1 points. An outlier there is Cambodia that is placed on the 2nd place. Some other countries with lower total WHI but leaders in choice freedom ranking are Kyrgyzstan, United Arab Emirates, Slovenia and Costa Rica. Thus, subjective questions' results that require personal judgement can vary significantly due to the cultural, historical or personal background. Moreover, as stated before, sample size is fixed from 1000 to 3000 people. Therefore, error margin can vary from smaller to bigger countries.

Table 13. Freedom of making choices ranking, 2019

Rank	Country	Freedom of making choices/1
1	Norway	0,9604290
2	Cambodia	0,9583048
3	New Zealand	0,9493002
4	Canada	0,9457829
5	Kyrgyzstan	0,9449477
6	United Arab Emirates	0,9436644
7	Slovenia	0,9420459
8	Costa Rica	0,9418883
9	Sweden	0,9417247
10	Finland	0,9378074
96	Russia	0,7292822

Source: World Hapiness Report

Figure 18. Freedom of making choices ranking, 2019
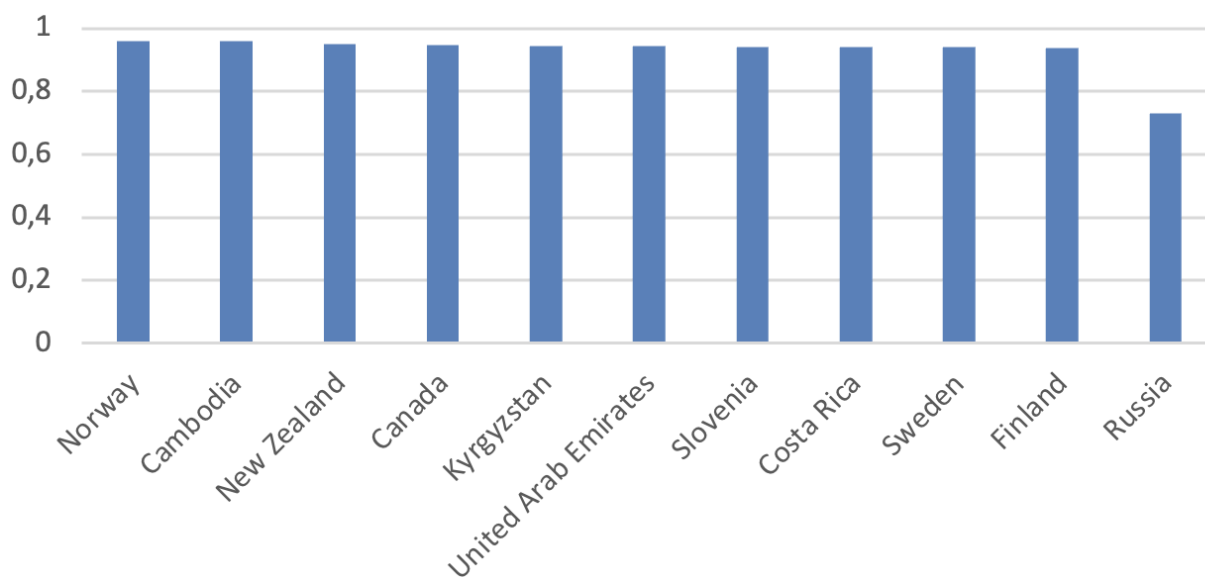
Source: World Hapiness Report

4.4.1.4 Generosity

The next dimension with which WHI is calculated, is Generosity/Material Wealth. Citizens of different countries were asked if they have donated any money to charity lately, if they have been helping out strangers. As in the previous question, "yes" answer means 1 point, "no" means 0. Russia is placed in the 79th place and has scored 0,244 points in this QoL rating. Indonesia, Myanmar, United Kingdom, Thailand and Gambia are the first 5 leaders in terms of donating to charity. Despite the fact that Myanmar, Indonesia, Thailand and Gambia belonging to lower middle-income countries, their generosity points are high. Russia, being upper middle income class country, has almost 0,6 points difference with the leader Indonesia.

Table 14. Generosity ranking, 2019

Rank	Country	Generosity/1
1	Indonesia	0,840
2	Myanmar	0,748
3	United Kingdom	0,626
4	Thailand	0,616
5	Gambia	0,603
6	Turkmenistan	0,589
7	Netherlands	0,584
8	Haiti	0,574
9	Uzbekistan	0,569
10	Kosovo	0,566
79	Russia	0,244

Source: World Hapiness Report

Figure 19. Generosity ranking, 2019
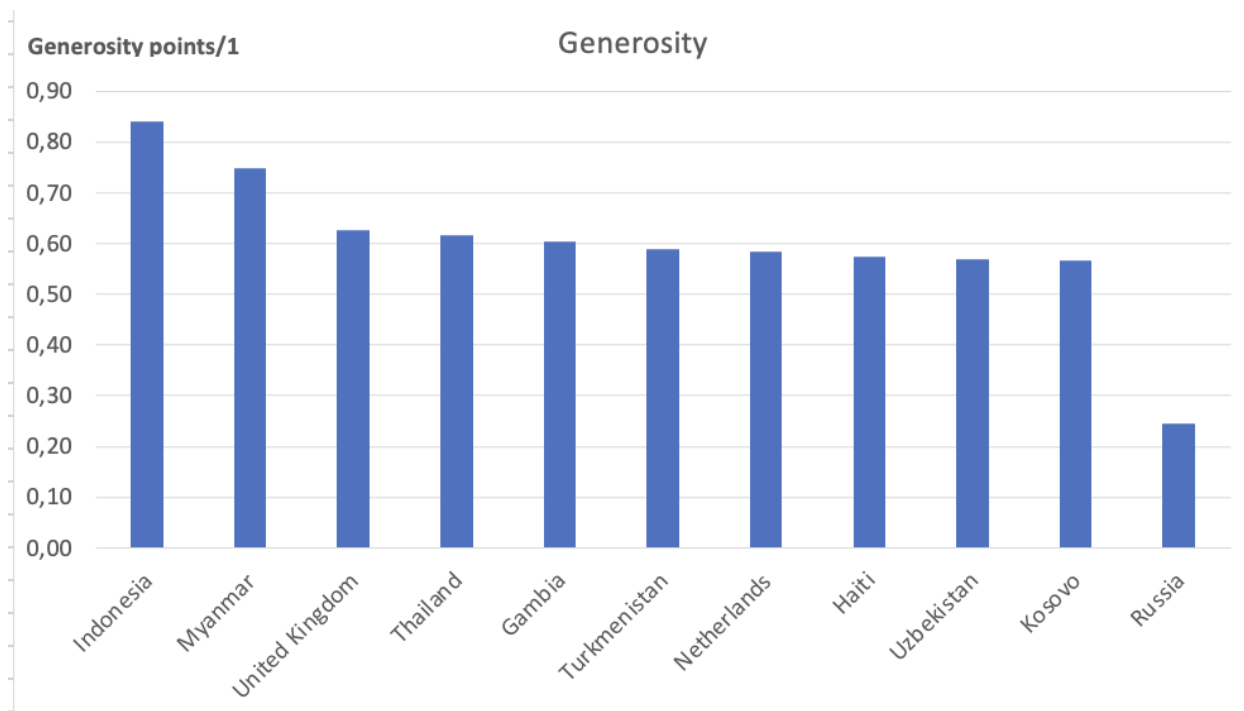
Source: World Hapiness Report

## 4.4.1.5 Political trust (corruption level)

Political trust and Citizens' opinion, whether corruption is widespread in their home country, is the next QoL measurement in World Happiness index. The points range from 0 (not at all corrupt to 1 (highly corrupt). In this ranking, Russia is placed much higher – in the 24th place. It has scored 0,865 points, meaning corruption is perceived to be widespread there. Leaders are Bulgaria, Ukraine, Moldova, Afghanistan and Croatia. The difference between Russia and leaders is not high – 0,087 points. As we can see from the table and the graph, all the leaders in corruption are situated in Central and South Asia, Eastern and Southeastern Europe. Ukraine and Russia have high scores because of known government corruption, state funds looting, and corrupt judges. At the world map below, we can see how that corruption QoL factor varies among the countries worldwide.

Table 15. Perception of corruption ranking, 2019

Rank	Country	Perception of corruption/1
1	Bulgaria	0,952
2	Ukraine	0,943
3	Moldova	0,929
4	Afghanistan	0,928
5	Croatia	0,925
6	Kosovo	0,922
7	Romania	0,921
8	Bosnia and Herzegovina	0,913
9	Slovakia	0,910
10	Macedonia	0,910
24	Russia	0,865

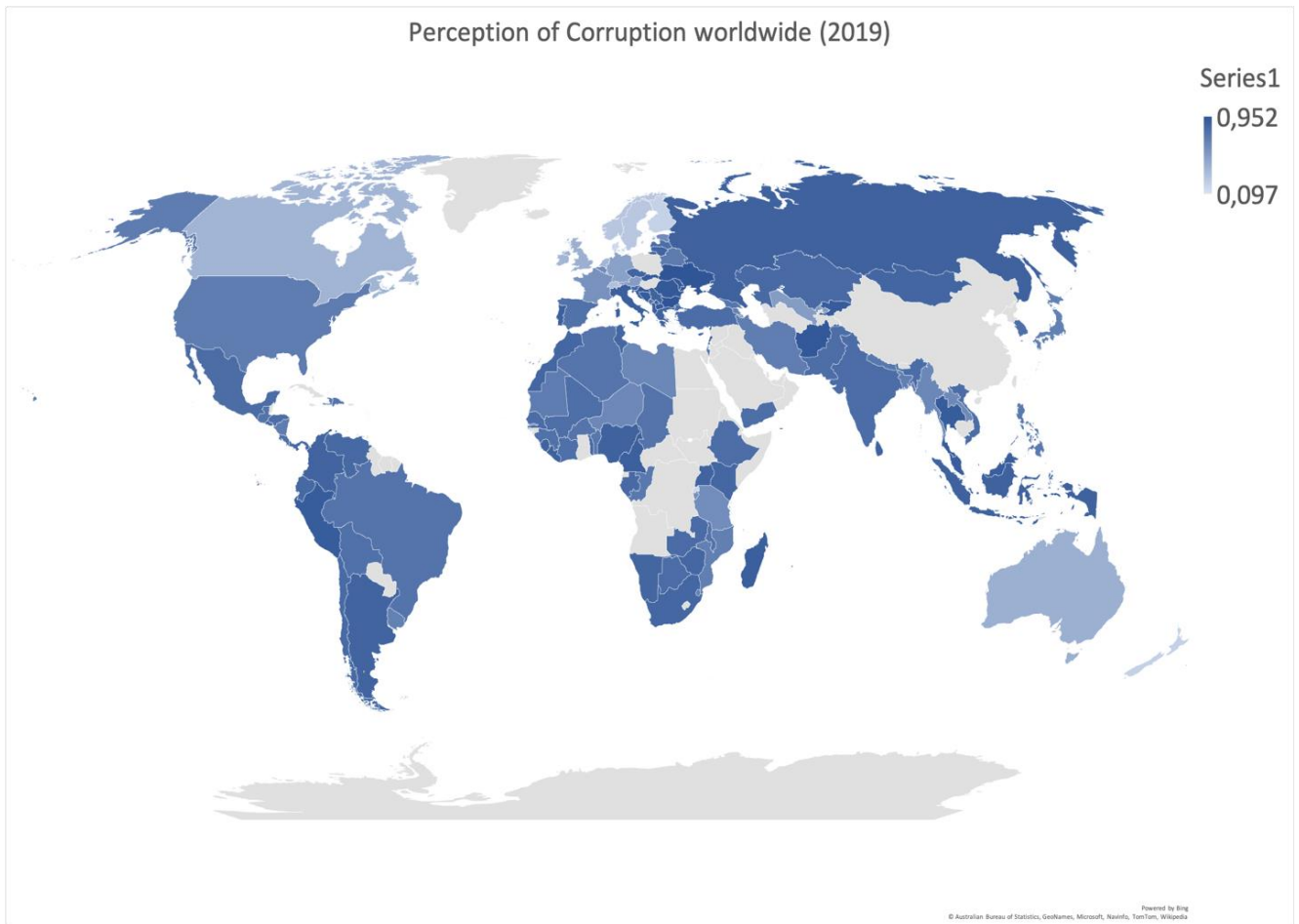Source: World Hapiness Report

Figure 20. Perception of corruption, 2019
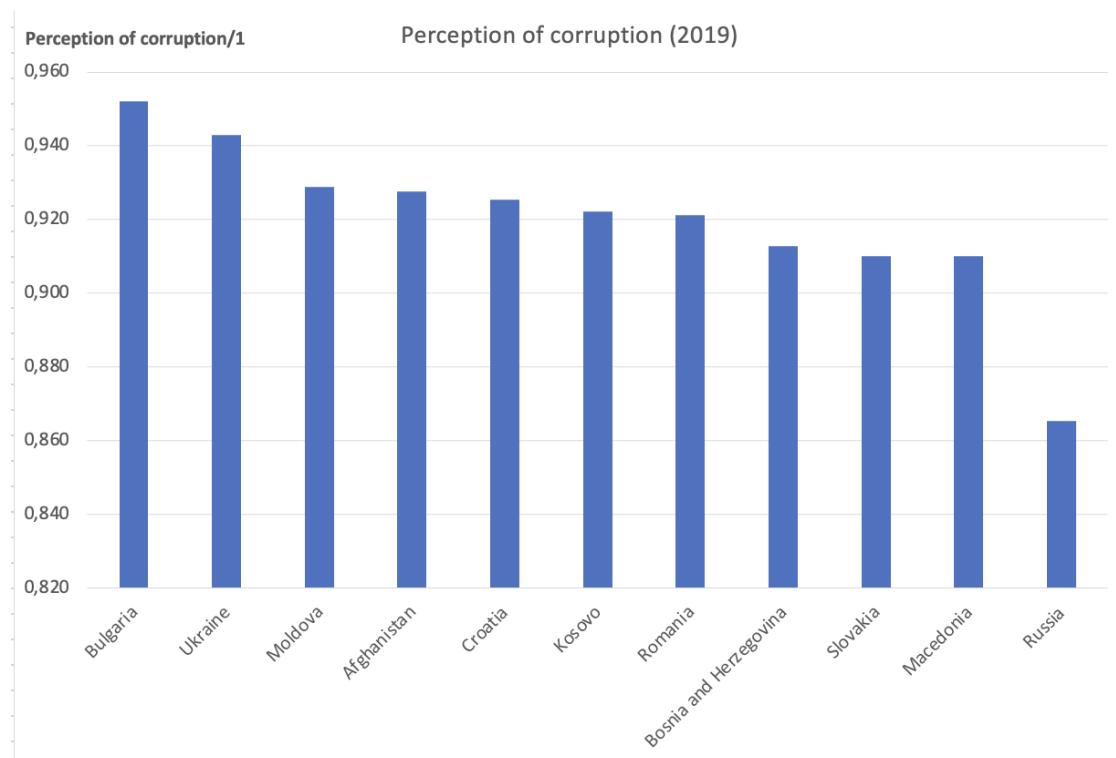
Source: World Hapiness Report

Figure 21. Perception of Corruption worldwide, 2019

Perception of Corruption worldwide (2019)

Source: World Hapiness Report

4.4.1.6 Trust in government (feeling of its effectiveness/professionalism)

The last estimate that is used by WHI as a quality-of-life measurement, is government trust. Respondents were asked if they believed that their country government is effective, fair. Similarly, points vary from 0 to 1, 1 meaning "yes". Final score is the mean value of all the answers. Russia has taken 64th place in the ranking with score 0,457 out of 1 point, meaning that in average, less than half of the sample size believes that government deserves their trust.

Leaders in government trust are Rwanda, Uzbekistan, Tanzania, Singapore and Myanmar –
countries of Eastern Africa (Rwanda and Tanzania), Post-Soviet Central Asia (Uzbekistan) and
South-Eastern Asia (Myanmar). Russia, again lags far behind from the leaders with more that 0,5
points.

Table 16. Government trust ranking, 2019

Rank	Country	Trust in Government/1
1	Rwanda	0,988
2	Uzbekistan	0,969
3	Tanzania	0,915
4	Singapore	0,892
5	Myanmar	0,879
6	Ethiopia	0,875
7	Switzerland	0,850
8	Indonesia	0,838
9	Azerbaijan	0,834
10	Mozambique	0,832
64	Russia	0,457

Source: World Hapiness Report

Figure 22. Trust in government (2019)
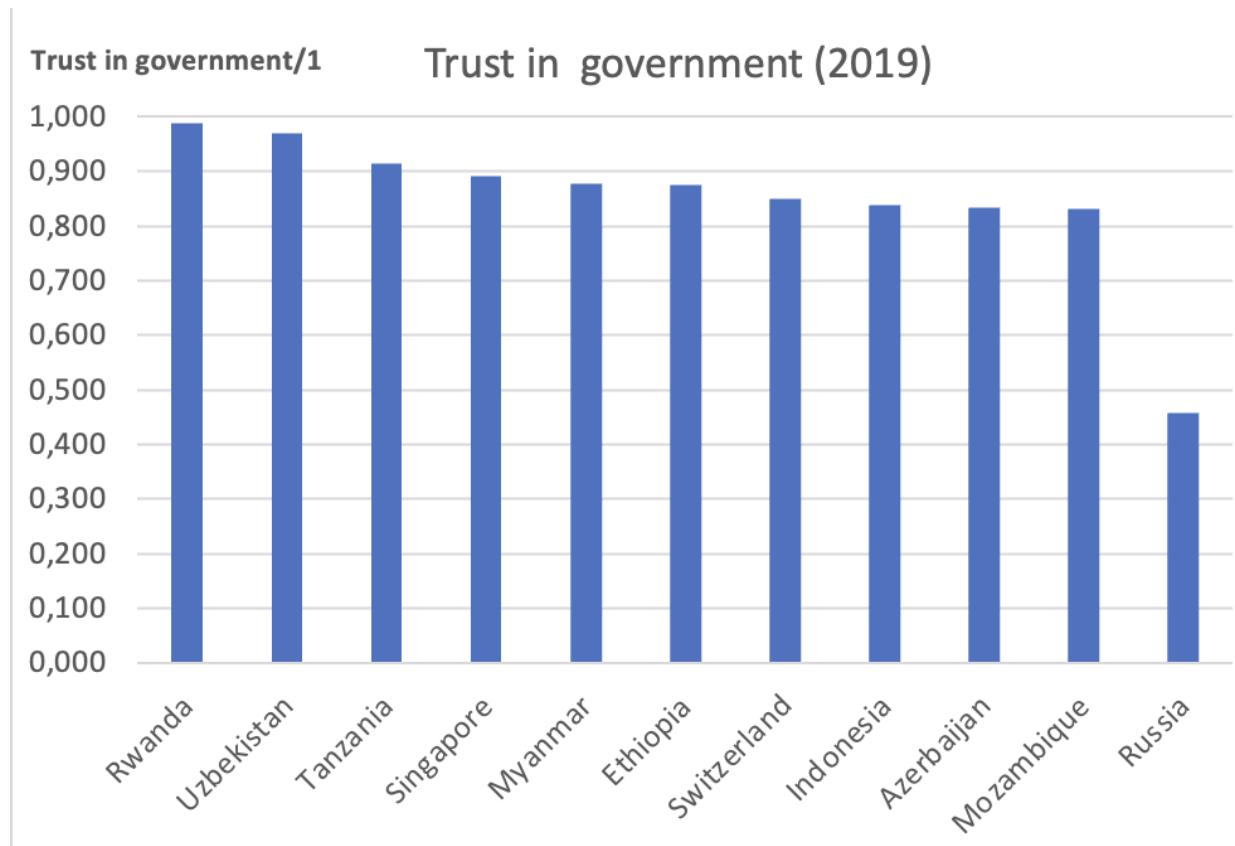
Source: World Hapiness Report

5. Discussion and Conclusion

The quality of life is a set of indicators characterizing the conditions and standard of living of the population, incl. infrastructure development, incomes of the population, housing conditions, the level of medical care and health care, the ecological situation, the crime rate, etc.

In the practical part, we have discovered three commonly accepted measurements of quality of life and their individual indices. Moreover, we compared those between each other and also compared Russia QoL measurements in the worldwide ranking. Judging from all the rankings above, Russia takes lower places in mostly all of the described measurements.

Despite that all of the individual indices of HDI have risen over the past 19 years, Russia still ranks low globally (52nd place). The reasons for such a result vary. First of all, indices of 2014-2015 HDI were influenced by the currency devaluation crisis in Russian Federation. Russian ruble as a currency has devalued by two times compared to US Dollars and Euro. Moreover, 2008-2009 HDI was dramatically low because of the Great Recession. Components of HDI - life expectancy, education index and gross national income per capita are rated low compared to other developed countries. The most dramatic difference and, therefore, "pain point' of Russia, in comparison with the developed countries, is gross national income. Thus, big issue acknowledged by the HDI, is wealth of Russian citizens. As said before, GNI of Russia was 26 157 PPP$ in 2019. The value is drastically low compared to the leading counties - 254,2 % lower than in top country Norway. (26 157 vs 66 494 PPP$ respectively) (Social Progress Imperative, 2020). Again, one of the reasons for such a result was crisis. In 2018, president Vladimir Putin has confirmed the fact of rising level of poverty due to the economic crisis. According to the official statistics, number of people with the income lower than at the subsistence level (11,7 thousand rubles or approximately 757$, according to the mean currency rate in 2019 (sravni, 2019)) was 18,9 million, or 12,9% (INTERFAX, 2019). However, according to the survey among Russians conducted by "Levada Analytical Center" (recognized as a foreign agent by the decision of the Ministry of Justice of the Russian Federation), minimum amount of money required for their survival is actually 24,6 thousand rubles (ANO "LEVADA-CENTER", 2021) (1592$, according to the mean currency rate in 2019 (sravni, 2019)) Thus, we can state that "officially recognized" and real subsistence wages are dramatically different. Therefore, poverty and overall welfare level are different, too. When

considering real subsistence wage, the actual poverty level and thus, QoL are different, too. Accordning to Rosstat's data, 53% of Russian citizens have less money than at the subsistence level – meaning more than half of Russians. Social policy of Russian government contributes significantly to such a result. Fritsly, it is about inequality, abnormal distribution of wealth among Russian citizens. According to the research conducted by Credit Suisse, in 2020 wealth share of top 1% of rich people in Russia was 58,2 % (Credit Suisse AG, 2021). Secondly, corruption is widespread in Russia and it contributes to lower wealth of Russian citizens, as well. A suvvey conducted by OPORA reveals that approximately 70% (2/3) of enterpeneurs in Russia have suffered from corruption at least once, and more than 30% (1/3) initated an act of corruption (Association of business organizations "OPORA", 2014). Moreover, in 10th March of 2021, Russian State Duma has approved a bill that allows to take off responsibility from some of the corruption acts. The bill states that clerks take no responsibility for a corruptive act if the circumstances of the act were beyond their control. The circumstanes can be "disasters, fires, epidemics, strikes, hostilities, acts of terrorism, prohibitive or restrictive measures taken by government agencies, including foreign" (State Duma of the Russian Federation, n.d.). Consequently, we can see that Russia falls behind the developed countries in HDI, and now we know the reasons for that, as well.

In comparison, social policies against poverty of higlhy developed Scandinavian countries (e.g. GNI leader Norway) include high unemployment payments, available education, qualification programs in order to allow more people to enter labor market (Nula, 2009). Norway has one of the lowest corruption level, as well (Transparency International, 2021). High salaries, minimal unemployment, immense pensions – these are the social aspects inherent for Scandinavian countries and that is another reason why Russia falls behind the leading countries in HDI.

The income of the population determines the social position in society, and the level of income of each person depends on the economy of the country in which he lives. Thus, the implementation of an effective redistribution of income should be carried out through the development of state programs that provide for specific measures, primarily in the field of regulating citizens' incomes, fair taxation and improving the system of social protection of citizens. The market by itself cannot regulate this area, therefore the responsibility for regulation in this

area is imposed on the state. Funding for this area is clearly insufficient. To solve this problem, it is necessary to transfer the shadow economy to a legal position, including by reducing the tax burden. It is necessary to improve the economy, increase the level of real wages, which should stimulate the growth of labor productivity and economic activity of the population.

The Social Progress Index shows that Russia also ranks low generally and by the individual characteristics. Higher ranked indices are Nutrition and Medical Care and Access to Basic Knowledge. That means that generally, medical care, education and food are available to Russian citizens. However, Russia lacks development in social aspects of life. The lowest ranked indicator is Inclusiveness (Tolerance). There are reasons for that, as well. Intolerance, e.g., towards sexual minorities, homophoby have been a part of Russian social life and law system for a long time. Back before, in the soviet union, especially in 1960-1970s, homosexuality was a punishable crime. Nowadays, a different bill which is called "Distribution of non-traditional sexual relations among minors" is considered homophobic by the public (Human Rights Watch, 2018). Under the bill, distribution of information about LGBT, making it attractive for youth can be punished by fines or administrative suspension of activities for enterpeneurs or other legal entities (Consultant Plus, 2021). Another index that is down in the top list, thus, another "pain point", according to the SPI, is personal right. There are several type of rights that now concern Russian citizens. First freedom that caughts attention of Russians and mass media, is freedom of speech and self- expression. The reasons why such freedom is now important to Russians are e.g,. forceful protests supresssion, stating journalists and mass medias as foreign agents and so on (Gutterman, 2019).

Russian happiness index and its individual metrics are also low globally. In most of them, Russia is ranked at 60-90 places. The highest index Russia has gained is Social Support, meaning russian people can generally trust their friends and relatives. However, generally World Happiness Index has shown that Russia still falls behind with many factors that affect quality of life – e.g., freedom of making choices, corruption, trust in government, healthy life years. The lowest achieved individual results of the Happiness Index have Trust in government, Corruption level, Generosity and Freedom of making choices. As said before, corruption level is, indeed a running problem in Russia, it is recognized by Russian citizens. Therefore, due to the inefficient social policies, higher poverty and low government support, Russians have lowered their political trust and highered their perception of corruption. As for the generosity, Russian people often may have

no income that can be disposed for charity reasons. As stated above, more than a half of Russian population (53%, subjective opinion of Russians; survey (ANO "LEVADA-CENTER", 2021)) have income lower than the subsistence wage.

At the present stage, the problems of the quality of life of the population and the factors determining its dynamics are becoming very important. The direction and pace of further transformations in the country; political, and, consequently, economic stability in society, largely depend on their solution. The solution of these problems requires a specific policy developed by the state, the central point of which would be a person, his well-being, physical and social health. Prosperity of the country uncompromisingly goes along with the quality of life and citizens well-being. The quality of life is a multifaceted phenomenon that depends on many different reasons, ranging from the territory where the population lives, that is, geographical factors, and ending with the general socio-economic and environmental situation, as well as the state of political affairs in the country. The standard of living can be influenced to one degree or another by the demographic situation, and living and working conditions, the volume and quality of consumer goods. World experience shows that an effective socially oriented market economy is inconceivable without a democratic system of distribution of citizens' incomes. Distributive relations underlie the creation of a system of incentives for participation in the production process.

On the one hand, this will lead to an increase in tax deductions and, consequently, an increase in budget revenues. On the other hand, to reduce the share of citizens who really need state assistance. Based on the analysis of the standard of living of the population, we can say that, in general, there has been a tendency towards an increase in the standard of living of the population. The state pays more and more attention to this issue, takes concrete measures to improve living standards, and certain positive results have been achieved in this direction. With the help of effective national projects, it is possible to achieve a real increase in the level and quality of life of the population. Social policy as a whole is becoming more effective, but not always with its help the set goals are achieved, therefore, it is necessary to strive to increase the effectiveness of social support of the state and more thorough development of social programs. The economic growth of the Russian economy makes it possible to increase the real incomes of the population, and the surplus budget allows the same, but the Russian government is wary of measures to increase wages and benefits due to the expected increase in inflation. And even now, the rise in consumer prices

is still ahead of the rise in wages - this must be fought. Some demographic problems have not been resolved.

The quality of life of the population is influenced by state policy, regulation of economic processes.

The main task of the state is to keep the "golden mean" in the sphere of influence on the market economy, to enable small businesses to develop, and to eliminate the increased taxation of citizens with low incomes.

In general, it is difficult to overestimate the role of the state in the economy. It creates conditions for economic activity, provides social protection for low-income strata of the population and contributes to the development of market relations, which positively affects the measurement of the quality of life of the population. In modern Russia, the most pressing problems of improving the level and quality of life are providing employment, strengthening social protection of the population, and fighting poverty.

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