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POLITICAL AND ECONOMIC PREREQUISITES AND MECHANISMS FOR REGULATING THE POPULATION'S STANDARD OF LIVING IN TAJIKISTAN

Abstract. Political stability in any country of the world is considered to be the basis for improving the population's standard of living. The full political stability achieved at the beginning of the twenty-first century in Tajikistan made it possible to create a material basis for improving welfare and to give the country an opportunity to take a worthy place, at least among the CIS countries.

The scientific work considers the dependence of well-being not only on political components, but also on economic prosperity at each stage of human civilization, in particular, on the high level of wages, favorable business environment, development of national economy, lack of stagnation, price stability, full employment, development of the business sector and other positive economic indicators.

In this article, for identifying the relationship of economic growth and living standards developed economic and mathematical model taking into account current trends in the socio-economic life of society, the essence of which is to assess the nature and nature of changes in per capita income, depending on the achieved economic condition.

The purpose of the researching: to determine the dependence of the living standards state in Tajikistan not only on the political but also on the economic components in the modern world.

Methods: the current theoretical developments, practical analysis and an innovative approach to the assessment of the essence and changes of population per capita income depending on the economic condition.

Results: using of the proposed recommendations by the state in practice and in the modernization of socio-economic policy in the future.

Key words: standards of living, regulatory mechanism, economic and mathematical model, welfare, per capita income, political stability, economic component, political component, indicator.

JEL: I31, H53, D63, C35, E63, E64

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Introduction

Maintaining the well-being of the population and implementation of the measures set for improvement depends from political situation in society. Economic relations between all actors in terms of increasing their own well-being are built on a positive basis, only in conditions of stable peace and harmony in every national economy, both inside country as well as with neighboring countries.

In a secular, democratic state with a socially oriented market economy, the business development support issues, democratization of property relations, development of anti-corruption measures, crime and criminalization of economic life, humanity and the priority of the law in society, a settlement policy of ethic, ethno political and religious issues are the main components of the statehood Foundation. All these factors are ultimately the primary prerequisites for improving the population's standard of living in society.

Political stability

It is well known that in Tajikistan from the beginning of sovereignty is set the goal of building a socially-oriented, secular and democratic state, which is reflected in the first article of the Constitution. I would like to note that since 1997, when full political stability was achieved, the country has entered a creative phase. However, particular success in improving economic well-being has been achieved since 2001 and from that moment, gradually, step by step, strengthened political foundations, provided qualitative and quantitative growth of the economic potential of the Republic, which made it possible to develop and implement measures to improve the population's standard of living in the future.

In improving the living standards of the population after the political prerequisites, the economic components also occupy the leading positions. Needless to say, that the social well-being, as well as the well-being of each individual, depends on the

economic well-being of the country at each particular stage of human civilization – this is a high level of wages in society, a favorable business environment, the development of the economy sectors, the lack of stagnation, price stability, full employment and other positive economic indicators.

On the basis of the above, as well as from the position that improving the population's living standards is one of the state priorities, today in any society, including in Tajikistan, there is an objective need to solve the problems that hinder the country economic development.

Economic development. It is well known that in the economy of Tajikistan from the first day of market reforms implementation are developed and implemented in practice a lot of regulations aimed at improving the efficiency of economic activity in order to achieve economic well-being in society. However, some reforms in the sectors of the national economy have not yet been completed, or yielded the expected results, which in economic terms is reflected in the unresolved issues in the manufacturing sector of the economy, in particular, they include:

- the increasing import dependence;
- the preservation of stagnation in some industries;
- backwardness in technology;
- non-competitiveness of domestic products and some others.

Certainly, the presence of all these phenomena in the productive sector of the economy is directly related to the state of the population's standard of living.

We assume that the presence of the above reasons in the national economy leads to the fact that Tajikistan is significantly behind the world ranking in terms of some indicators of the living standards of the population, as evidenced by the data in table 1.

Table 1

Comparative analysis of some indicators of living standards for 2018

Indicators	Tajikistan	Developed countries				CIS Countries			
		USA	Germany	Japan	Saudi Arabia	Russia	Kazakhstan	Belorussia	Kirgizstan
GDP per capita (US dollar PPP)	28.4	19 485	4 199	5 491	1775	4 016	479	179	23.1
Ranking of countries by HDI	107	12	5	17	35	43	52	47	100
Overall life satisfaction (Score)	4.5	6.9	7.0	5.9	6.5	6.0	5.8	5.7	5.2
The coverage of higher education (%)	29	98	75	63	58	84	56	93	47
Life expectancy	69.4	79.1	80.9	83.5	74.3	70.1	69.4	71.3	70.6

Note: compiled by the author on the basis of data [Indeks prodolzhitel'nosti zhizni.., 2019]

Data of the first table, illustrates one of the generally accepted indicators of well – being – GDP per capita in terms of PPP, Tajikistan lags from the USA level by 68.7 times, Germany by 14.7 times and the same lag occurs in relation to Saudi Arabia and Japan. This lag is objective and understandable, because for several decades, for many objective and subjective reasons, they have been the developed advanced countries of the world. Hence, needless to say, that we still have much to do to catch up with their level.

The unsatisfactory fact here is that Tajikistan is lagging behind in this indicator in comparison with the CIS countries, about which some information is given in the above table. In particular, in comparison with Russia there is a lag of 9 times, about the same indicator in comparison with Kazakhstan. In comparison with Belorussia are 7.2% and Kyrgyzstan – 1.2 times. Hence, it is assumed that Tajikistan in terms of increasing GDP per capita should take effective steps to reduce the gap in the population's standard of living at least among the CIS countries. According to another indicator, estimated by international organizations, in particular UNDP, the so – called indicator of life satisfaction, which according to the UN methodology is estimated by the ten-point system, 0 means the lowest satisfaction and 10 – the highest satisfaction. In this aspect Tajikistan received a score of 4.5 points, which is low according to all the States considered here. For example, in the US this figure is 6.9., in Russia 6.0., Kazakhstan 5.8., and Kyrgyzstan 5.2. In addition, in Tajikistan, coverage with higher education also leaves much to be desired, since it is only 29%, and in other countries this figure is 2–4 times higher than in Tajikistan. All these show that, despite many positive trends in terms of the coun-

try's exit from the transport impasse, energy independence and food security, the population's standard of living is still low compared to the economically developed countries and some CIS countries.

Correlation analysis

In order to assess the impact of economic components on population's standard of living, we consider it appropriate to conduct a correlation analysis. In fairness, it should be noted that there are many economic factors that determine the standard of living. In particular, the first group of factors is related to the conditions of production, for example, the growth rate of output, wages, employment, labor productivity, favorable business environment, the interest rate of the loan and others. The second group is based on the conditions of rest, that is, the availability or duration of free time, personal savings, and the availability of socio-cultural institutions, the development of social infrastructure and others. In addition to above, in modern economic science special emphasis in the study of the economic factors impact on population's standard of living make their classification. This is most detailed in the work of the Russian scientist K. Khubiev. He correctly notes three levels: «factor – economic-the predominance in the structure of growth factors on scientific and technological progress, investment in fixed and human capital, innovation; structural and economic-advanced development of knowledge – intensive industries with high added value, industries that produce modern technology; socio-economic – overcoming high income differentiation, equitable distribution of national income, especially through natural resources, alcohol, tobacco, etc.» [Khubiev K., 2005]. The study of all these factors in one work is not possible and, therefore, here we will focus on the analysis of some of them.

The most widely recognized factor affecting the population's standard of living is the rate of economic growth rate. Quantitative positive changes in real GDP mean the growth of national wealth, which is one of the indicators of population's living standards.

From this position, in the world practice, among the mechanisms for improving the living standards of the population, the first place is given to such economic components as the Foundation or basis aimed at meeting human needs. We agree with the researchers which, in developing measures to improve the population's living standards, are guided by the sustainability of economic growth [Tulupov A., 2008]. However, it should not be overlooked that economic growth and living standards are closely interrelated, i.e. the same indicator can be both a cause and a con-sequence. Without going into the analysis of other economic parameters, we will further attempt to determine the degree of influence of some economic variables on the standard of living of the population. This analysis can provide an overall picture of what the state should rely on in short term developing an economic programme to improve the population's standard of living in long term.

In order to assess the impact of economic mechanisms on the population's standard of living, we have developed an economic and mathematical model. The essence of the developed model is to assess the nature of changes in per capita income, depending on the achieved economic condition.

Considering that there is a linear relationship between the state of population's living standards and the parameters of economic development, it can be assumed that the model of relationships can be expressed as a multiple regression equation:

$$y = a + bx_1 + cx_2 + dx_3 + ix_4 + gx_5 + kx_6 + lx_7$$

The selection of exogenous factors to describe the economic and mathematical model is determined by the most general state of population's living standards, depending on economic situation in society. In this model, we have chosen the growth rate of per capita income as an integral indicator of the population's standard of living as an effective indicator.

Economic growth rates, the share of employment in the total structure of labor resources, the interest rate on loans, public spending on education, health care, the consumer price index and the percentage of deposits among the population to GDP are considered as factor indicators. The argument for choosing per capita income as an effective indicator is that it essentially determines the content, expenditure, quality of food, fashion of clothing, access to health care, as well as the acquisition of services and recreation conditions of each individual.

According to the experience of the countries in the world [Doklad o chelovecheskom..,2016] in states with high per capita income, the population's standard of living is also high. Now temporary changes are independent of the factors considered here are taken into account with the help of an independent parameter, which determines the possibility of using a system of regression equations for the forecast for the future. Based on application of a special applications' package, we have calculated a model of the relationship between the effective and factor characteristics in the modern conditions of the Republic of Tajikistan, which is as follows:

$$y = -197{,}7 + 0{,}47x_1 + 1{,}08x_2 + 2{,}75x_3 + 0{,}10x_4 - 1{,}58x_5 + 1{,}14x_6$$

Table 2

Information about some economic parameters in the national economy of Tajikistan

Years	Per capita income (tj. somoni)	Economic growth rates (in %)	Consumer price index (%)	The share of employment to the labour share (in %)	Expenditure on education as % of GDP	Percentage loan rate (%)	The proportion of personal savings to GDP (%)
	y	x1	x2	x3	x4	x5	x6
2000	16.9	108.3	124	54.77	2.3	13.4	0.13
2001	24.3	109.6	136.5	55.41	2.4	13.9	0.17
2002	29.69	110.8	110.2	53.62	2.6	14.2	4.38
2003	35.38	111	117.1	51.73	2.4	16.1	5.1
2004	43.42	110.3	106.8	55.33	2.7	20.1	4.74
2005	55.48	106.7	107.8	54.25	3.5	25.6	7.49
2006	75.86	107	111.9	52.8	3.4	26.5	11.95
2007	100.54	107.8	121.5	51.53	3.4	21.9	15.43
2008	153.16	107.9	120.4	50.3	3.5	19.2	11.97
2009	155.72	103.9	106.4	50.03	4.1	22.4	12.8
2010	190.18	106.5	106.5	49.29	4	22	13.24
2011	225.62	107.4	112.5	48.22	4.8	22.5	14.71
2012	258.81	107.5	105.8	47.77	4.3	20.6	13.56
2013	293.58	107.4	105.1	47.48	5.2	23.9	14
2014	323.64	106.7	106.1	46.66	5.2	24	14.82
2015	297.61	106	105.8	46.57	5.1	24.7	15.8
2016	302.54	90.1	105.1	45.65	5.1	22.8	16.52
2017	319.62	83.7	106.1	44.64	5	21.9	17.34

Note: [Ekonomicheskoye polozheniye.., 2016]; www.stat.tj.

The coefficients of variables b, c, d, i and others show the level of influence for each factor on the studied indicator with the invariance of others. For example, an increase in the rate of economic growth in the national economy by 1% causes an increase in the average per capita income of the population by 0.47 %, etc. In other words, the meaning of the regression coefficients is that it shows how the resulting feature changes when the corresponding factor characteristic increases by one. From this position, they are also called elasticity coefficients, the value of which is given in the table 3.

Comparing the elasticity coefficients in absolute value, it can be noted that at the current development stage of Tajikistan, the resulting feature characterizing the population's standard of living – the average per capita population's income is most sensitive to changes in the factor feature of share employment in total labour force structure.

Table 4

The calculation results of the multivariate regression

Indicator	Value
Free term	− 197.7
The coefficient of multiple correlation	0.8135
Coefficient of determination	0.6619
The normalized R-squared	0.4365
The standard error of $S_{res.}$	12.01
Residue	9
$F_{observ.}$	56.5

Note: calculate by author

Table 3

Elasticity coefficient of factor features

Factor feature	Resulting feature change (in%)
economic growth rate	0.47
consumer price index	1.08
share of employment in total labour force structure	2.75
public expenditure on education	0.10
interest rate on loans	−1.58
percentage of population deposits to GDP	1.14

Note: calculate by author

In terms of positivity, it is followed by the share of population's deposits as a percentage of GDP. This means that among the economic mechanisms to improve the standard of living, the dominant posi-

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tion is occupied by employment policy and the protection of public contributions. Other results of multivariate regression are shown in table 4.

Let's analyze the results. The closeness of the relationship between the studied features is close positive, since calculations show that the correlation coefficient is: R=0.8135. It also calculates the coefficient of determination, which was D=0.6619. It follows that the dependence of changes in per capita population's income on the factors studied here is within 66.2%.

Conclusion

This means that in improving the standard of living, the dominant position is taken by economic policy aimed at strengthening the production capacity by increasing employment and ensuring the competitiveness of domestic products.

From this position, one of the important mechanisms for improving the population's living standards today is to maintain the efficiency and competitiveness of the country national production system by focusing on interests of the domestic consumer. Here, it is necessary to focus on the implementation of major investment projects in the country's food and light industry, ensuring the consumer goods production and satisfying the population's needs in them.

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МИРОВАЯ ЭКОНОМИКА И МЕЖДУНАРОДНОЕ СОТРУДНИЧЕСТВО

Манижа Атоходжаева[1]

ПОЛИТИКО-ЭКОНОМИЧЕСКИЕ ПРЕДПОСЫЛКИ И МЕХАНИЗМЫ РЕГУЛИРОВАНИЯ УРОВНЯ ЖИЗНИ НАСЕЛЕНИЯ В РЕСПУБЛИКЕ ТАДЖИКИСТАН

Аннотация. Политическая стабильность в любой стране мира считается основой повышения уровня жизни населения. В Таджикистане достигнутая полная политическая стабильность позволила создать материальную базу для повышения благосостояния и дать стране возможность занять достойное место, по крайней мере, среди стран СНГ.

В исследовании рассматривается зависимость благосостояния не только от политических составляющих, но и от экономических факторов. В частности: от высокого уровня заработной платы, благоприятной деловой среды, развития национальной экономики, отсутствия стагнации, стабильности цен, полной занятости, развития предпринимательского сектора и других экономических показателей.

В данной статье для выявления взаимосвязи экономического роста и уровня жизни разработана экономико-математическая модель, учитывающая современные тенденции в социально-экономической жизни общества, суть которой заключается в оценке характера изменения среднедушевых доходов населения в зависимости от достигнутого экономического состояния.

Цель исследования: определить зависимость состояния уровня жизни Таджикистана не только от политических, но и от экономических составляющих.

Методы: современные теоретические разработки, практический анализ и инновационный подход к оценке сущности и изменения среднедушевых доходов населения в зависимости от состояния экономики.

Результаты: применение предложенных рекомендаций возможно на государственном уровне в целях модернизации социально-экономической политики.

Ключевые слова: уровень жизни, механизмы, корреляционный анализ, благосостояние, доход на душу населения, политическая стабильность, экономические составляющие, политические составляющие, индикатор.

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