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THE ROLE OF EDUCATION IN IMPROVING THE STANDARD OF LIVING IN THE COUNTRY

The concept of standard of living is used to assess human welfare, while the term average standard of living applies to the population of a country or region. In a broad sense, the standard of living is the totality of socio-economic conditions of real life activity directed toward meeting the material and spiritual welfare needs of the population. The concept of the standard of living was first developed by the German philosopher, politician, sociologist, economist, and writer, Karl Heinrich Marx (5 May 1818 – 14 March 1883), the founder of Marxist theory. In his theoretical framework, Marx stated that the standard of living cannot be measured solely by meeting the essential needs of consumption. At the same time, the standard of living is an economic category that includes several other factors, such as the educational level of the population and cultural behaviour, public health and demographic conditions, the volume and structure of working and leisure time, as well as working and labour conditions.

The standard of living is a broader concept not only characterized by the volume of real income per capita but also by the degree to which people are provided with material and spiritual goods. In general, the process of meeting consumer needs holds a central place in the concept of the standard of living. Welfare is a criterion of progress. In a socially oriented market economy, this criterion holds significant importance. The income and social security of the population, the consumption of material goods and services, living conditions, and leisure time constitute the most essential components of the standard of living. At the same time, the standard of living is a macroeconomic factor affecting the distribution and redistribution of gross domestic product and economic growth [1].

In the 1970s, the main indicator of the standard of living was considered to be the volume and growth rate of gross domestic product. However, later, in order to compare the standard of living on an international scale, a new indicator began to be used by the United Nations starting in 1990. This indicator is the Human Development Index (HDI).

According to the concept of the Human Development Index, although income is a crucial condition in human life, it is not the only significant goal [2].

In essence, human development is a development paradigm that can be applied equally in highly developed countries, developing countries, and countries that have just embarked on the path of development. Of course, different countries, communities, and individuals may assign different value to particular methods and principles of this concept.

The conceptual content of human development is reflected through three key elements: freedom of opportunity; justice; procedural freedom. The conceptual essence of human development is grounded upon three fundamental dimensions: substantive freedoms that define individuals' real capabilities and opportunities; process freedoms that determine people's ability to participate in decision-making concerning matters of vital importance to their lives; and the establishment of justice, which ensures the protection of social equity and human rights. These dimensions are simultaneously conditioned by the existence of a favourable ecological and social environment.

The 2025 Human Development Report of the United Nations Development Programme (UNDP), covering 189 countries, is based on a system of indicators including life expectancy at birth, expected and average years of schooling, gross domestic product per capita, social protection, healthcare provision, cultural development, gender equality, crime levels, environmental sustainability, and the participation of the population in decision-making processes [3].

According to the UNDP's 2025 assessment, the Islamic Republic of Iran ranks 78th globally. Among regional countries, Türkiye ranks 48th, the United Arab Emirates 17th, Bahrain 34th, Saudi Arabia 39th, while Yemen occupies the 186th position. European countries such as Switzerland, Norway and Iceland hold the top three positions in the ranking.

The Republic of Azerbaijan ranks 81st among 189 countries. The dynamics of Azerbaijan's Human Development Index over recent years are presented in the table below.

According to the 2025 Human Development Index (HDI) Report of the United Nations, countries are classified into four groups based on their HDI scores [3]: very high human development – above 0.900; high human development – 0.800–0.899; medium human development – 0.500–0.799; low human development – below 0.500. Azerbaijan is categorized within the group of countries with medium human development.

Education is one of the most critical components of human development. The right to education is recognized as a fundamental human right in the Universal Declaration of Human Rights, the European Convention on Human Rights and Fundamental Freedoms, and the International Covenant on Economic, Social and Cultural Rights. Education not only contributes to the formation of human capital but also expands individuals' opportunities to acquire knowledge and skills.

Azerbaijan's position among regional countries is as follows: Turkey – 0.853 (51st place); Georgia – 0.844 (57th place); Kazakhstan – 0.837 (60th place); Russia – 0.832 (64th place); Belarus – 0.824 (65th place); Armenia – 0.811 (69th place); Iran – 0.799 (75th place); Azerbaijan – 0.789 (81st place); Moldova – 0.785 (86th place); Ukraine – 0.779 (87th place); Turkmenistan – 0.764 (95th place); Uzbekistan – 0.740 (107th place).

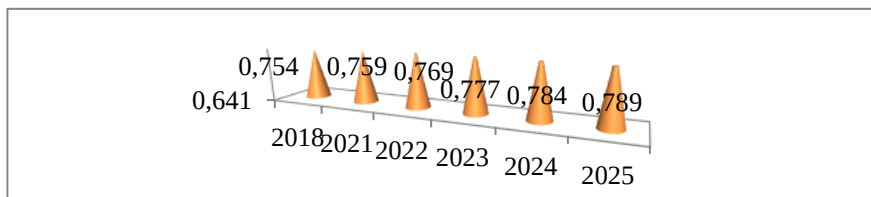


Fig. 1. Growth indicators in Azerbaijan's human development

The countries with the highest HDI scores are Iceland (0.972), Norway (0.970), Switzerland (0.970), Denmark (0.962), Germany (0.959), and Sweden (0.959). In contrast, countries with the lowest HDI scores include South Sudan (0.388, 193rd), Somalia (0.404, 192nd), the Central African Republic (0.414, 191st), Chad (0.416, 190th), and Niger and Mali (0.419, 189th and 188th respectively) [7].

In terms of education, Azerbaijan's HDI indicator is 12.4. Although this figure is not currently very high, significant progress has been made in the development of education since the country regained independence. The Constitution of the Republic of Azerbaijan, adopted on 12 November 1995, enshrines education rights in several legal provisions [4].

Education in the Republic of Azerbaijan is guided by international conventions on human rights, as well as other international treaties to which the country is a party. The national education system has been developed with an emphasis on both national-moral and universal values, integrating into the global education system. As a European country, Azerbaijan has prioritized aligning its education system with Western standards, particularly through participation in the Bologna Process, to ensure compatibility with European higher education frameworks. Azerbaijan began its initial steps toward joining the Bologna Process in 2004. On 19 May 2005, at a conference held in Bergen, Norway, Azerbaijan was formally recognized as a full participant of the Bologna Process. The country's primary aim in joining the Process is to integrate into the European Higher Education Area, adopt a credit transfer system, and establish modern accreditation and certification mechanisms. Following this development, the necessity arose to adopt a new format of the Law on Education, which was enacted in 2009 [5].

In the 21st century, the economy and society have become key determinants of human development. Investment in human capital is essential for achieving high growth rates in the global economy, which is a prerequisite in a highly competitive international environment.

In Azerbaijan, a notable initiative in directing resources toward human capital development was the "State Program on Education of Azerbaijani Youth Abroad (2007-2015)", which facilitated international education opportunities for

young people. During this period, state funding for education increased significantly, and educational institutions were equipped with modern information and communication technologies and contemporary infrastructure to meet current educational requirements. Annual state budget allocations for education have grown, further advancing the sector.

Comprehensive reforms undertaken in Azerbaijan have positively impacted the education system, leading to the adoption of key strategies and programs for its development. Consequently, in recent years, state budget allocations for education have increased substantially. According to the 2025 draft budget, 4.95 billion AZN is allocated to the “Education” sector, representing 12% of the total budget—a 396 million AZN increase, equivalent to an 8.7% growth compared to the previous year. Within the “Education” allocation, the Ministry of Science and Education is projected to receive 4.32 billion AZN, reflecting a 4.8% increase (197 million AZN) over the previous year. The “Science” subsection of the budget has been allocated 244.4 million AZN, which is 8.3 million AZN (3.5%) higher than in the previous year. Of this, 81.1 million AZN is designated for research institutions under the Ministry of Science and Education, of which 65.3 million AZN (80%) is allocated for salaries [6].

State funding for education continues to increase annually to modernize the system and enhance quality. Expenditure in education is grouped by sources of financing as follows: state funding sources; non-state funding sources; international funding sources. It is widely recognized that a value-based education system is essential not only for advancing national economies but also for enhancing the welfare of the population. While in Azerbaijan education is often viewed as the sole responsibility of the Ministry of Education, leading countries such as Japan, the United States, and other advanced nations employ public-private partnerships within their education systems. Such partnerships are crucial for effective educational governance.

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