**Discuss whether the data provided are sufficient to assess changes in the economic performance and standard of living in Japan and China over the years. (10)**

Standard of living measures the average quality of life of the citizens which can be measured in terms of material and non-material aspects of living. As for economic performance, it needs to use the economic indicators that measure the four aims of the government to assess the economy.

Based on real GDP growth rate, China has performed better than Japan as she has higher real GDP growth rate than Japan from 2006 to 2010. This implies that her actual production of goods and services within a year has increased at a faster rate than Japan which raises the standard of living and employment.

As for unemployment rate, it is quite the same for both economies, but China will have a higher absolute value of unemployed workers than China. This implies that China may have suffered higher expenditure on unemployment benefits and need to raise higher level of government expenditure to lower the number of workers unemployed.

Inflation rate is low for both economies, but it will be more severe for Japan as it experiences deflation which means that the economy is in recession from 2008 to 2009. Although the cost of living and production can be lowered during deflation, the price level has remained high in Japan.

As for standard of living, China has improved her level of standard of living faster than Japan as her real GDP growth rate is rising at a higher rate than Japan, provided that real GDP is rising above the population growth rate, proving that there is more income to be shared by the population.

However, if SOL is measured on a non-material aspect, the infant mortality rate for Japan is lower, proving that Japan has better medical care for the people. Similarly, the expected years of schooling is higher in Japan than China which means that Japanese will have capacity to improve their human development and progress. Both these indicators have shown that the standard of living in Japan is better than China from the non-material aspect of assessment.

It is also important to take note that there are insufficient data to give more accurate assessment of standard of living and the economic performance. Economic indicators like Gini co-efficient to measure the degree of equality of distribution of income and composition of production is not available to give more complete picture of the level of standard of living and the degree of economic performance.