

Assessment of quality of social life of the region (on the example of the republic of Dagestan)

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Abstract. The article examines the regional disparities in income and quality of life. Differentiation and inequality in income, the trend of concentration of income at the individual groups and reduction of the gap between rich and poor are analyzed. The analysis of the structure and dynamics of monetary incomes of the population of Russia and Dagestan, the distribution of population by per capita income is provided.

[Abdusalamova M.M. **Assessment of quality of social life of the region (on the example of the republic of Dagestan)**. *Life Sci J* 2014;11(8):497-501] (ISSN:1097-8135). <http://www.lifesciencesite.com>. 65

Keywords: population income, structure and dynamics of the monetary income, average per capita income, salary, social payments

Introduction

The aim of all economic and social reforms is increase in people's well-being, reduction of social strain. Development of the program of economic transformation in Russia suggests deepening of social reforms focused on choice of policy of incomes and employment of population, satisfaction of consumers' demand and elimination of poverty in conditions of economic instability.

Transition of Russian Federation to market economy influenced Russian regions in different way: some regions were able to improve their economy, in the others economic decline is observed. In this situation economic differentiation of population in terms of the level of income is inevitable.

The problems of differentiation of population by the level of income are especially up-to-date in the Republic of Dagestan. Its development is characterized by low income per one person as a result of insufficient production and low financial potential. Quality of life is determined by correspondence between quality life indicators and social needs. Life quality indicators are as follows: quality of consumed material and non-material wealth, quantity of consumed wealth, state of population's health, safety degree of life activity, quality of knowledge of population.

Among indicators which characterize life quality the most important is indicator of quality of consumed products and services. This indicator influences the health of population and safety of its life activity.

There is no universal scheme of organization of production-sales activity of an enterprise because every enterprise has its own production parameters and its own tactical aims and tasks. But the key feature of modern approach to enterprise activity is orientation to targets and complex character, i.e.

putting together all components of this activity into one single production process.

Complex approach in sales suggests using of a system which includes organization of sales of products, improvement of relationship with buyers, active impact on demand and the market as a whole, and the tools to win in competition. The practice of many national and foreign enterprises has shown that solution of strategic issues of development of enterprise is impossible without preliminary research of sales market [1].

Activity of enterprise must be oriented, first of all, to improvement of its competitive status, otherwise it will be not possible to improve life level of population.

In order to formulate modernization measures the targets of socio-economic development of territories must be identified first which correspond to objective realities of economy and in the same time represent the most up-to-date needs of population of this region [2, 3, 4, 5].

Incomes of population are main criteria which points out to real socio-economic conditions of population existence which in turn are key indicator of social well-being, a factor which determines social opportunities of population [6, 7, 8, 9].

State regulation in the sphere of population incomes in national economy is performed in the form of adoption of law which officially sets minimum costs of living, minimum monthly wage and the size and ways of income taxation.

Minimum cost of living is a foundation of the system of social standards: minimum monthly wage, minimum pension, child subsidies, etc. Minimum cost of living indicates the limit beyond which poverty begins [10].

In national practice minimum cost of living is calculated on the base of so called consumer's basket - the list of products/services in minimum quantity which are necessary for life of a man. But

such choice is very subjective and does not include all the needs with very limited degree of their satisfaction, especially in the part of non-food costs [11].

Efficient work aimed for reduction of differentiation of regions demands *other* relations with regions. Evolution here can be achieved but it will take time.

Main part

For a country which is a world leader by its territory, regional aspect of analysis was always of great significance. In comparison with many other problems of today's Russia related to crisis the problem of poverty of population is one of the most urgent. Poverty is always up-to-date problem but in Russia this issue is most serious because the poverty, including its highest degree, when a man has nothing, is a characteristic of almost 25% of Russian population.

Stratification of people into extremely rich and very poor in the country can not be ignored neither by population nor by the government [12]. Here comes the strong need for statistical research of this process both in the scale of the country and in separate regions.

Important approach to investigation of monetary incomes is their analysis by population groups. The calculations are based on the income structure and distribution of population depending on the level of income per 1 person.

The structure of monetary incomes of Russian Federation includes incomes obtained from entrepreneurial activity, labour wages, social transfers, incomes obtained from real estate sales and other incomes.

In general, in Russia the incomes from entrepreneurial activity and from real estate are reducing all the time and social transfers, on the contrary, are increasing. In 2005 the incomes from entrepreneurial activity were 11,4%, in 2006 – 10,0%, in 2010– 9,3%. Property incomes have reduced from 10,3% to 6,3% in 2005 and 2010. Social transfers go up: in 2005 they were 12,7%, in 2007 some reduction is observed - 11,7%, but in 2007 they have increased to 13,2% and in 2010 they were 17,8%. Other incomes from 2005 to 2010 did not change and remained on the level of 2% of total incomes. Reduction of income obtained from entrepreneurial activity says about entrepreneurial losses, deterioration of financial state of the enterprises which in the end reduces total amount of incomes.

Labour wages have increased from 63,6 to 68,4% (2005-2008) but in 2009-2010 the amount of

wages has reduced - from 67,3% to 64,6% accordingly.

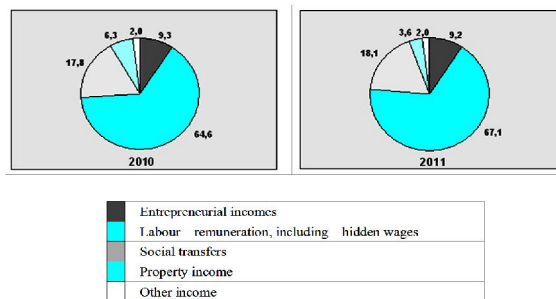


Figure 1. Structure of monetary income of Russian Federation population (%)

Sector diagram (Figure 1) shows that in 2011 incomes from entrepreneurial activity and property incomes continued to reduce, social transfers went up and other incomes did not change. In the same time labour wages increased in comparison with 2010.

Table 1. Structure of money incomes of the population of the Republic of Dagestan (%)

	2005	2006	2007	2008	2009	2010	2011
Total monetary incomes	100	100	100	100	100	100	100
including:							
Entrepreneurial incomes	23,4	26,4	23,9	22,7	23,9	22,9	23,6
Labour wages	14,6	13,3	13,7	12,4	11,1	10,2	9,5
Social transfers	11,0	10,4	10,1	9,8	10,2	11,7	11,9
Property incomes	0,6	0,7	0,8	0,6	0,5	0,5	1,4
Other incomes	50,5	49,2	51,5	54,5	54,3	54,7	53,6

The structure of incomes of population in the Republic of Dagestan (table 1) [13] shows that the "other incomes" are one of the key sources of population's income. For the whole period of time in question the share of "other" incomes has been 50% of the total income. But it can be observed that the share of other incomes and the share of labour wages are reducing every year. This is the effect of economic reforms - they led to deformation of structural components of monetary incomes of the population. Today the share of entrepreneurial incomes grows, the same can be said about property incomes and social transfers. Dynamics of labour wages and social transfers is shown in Figure 2.

Development of regions is multi-dimensional process, one of the most important aspects of which is improvement of population life. Budget research programs are the key methods to investigate economy of society, life quality of country's population. State statistics plays important role in collection of information which characterizes well-being of population, in particular investigation of household budgets. Such method allows to get

materials which are the main source of information about level of life of some socio-economic groups of population. Data obtained from budget research shows the proportions of different sources forming household incomes, the structure of consumption, dynamics of such structure depending on change in incomes, the structure and size of households, prices for goods and services [14].

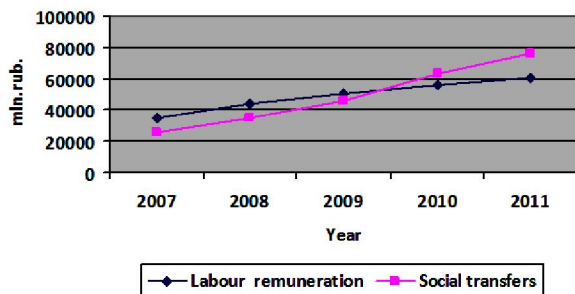


Figure 2. Dynamics of income components of the Republic of Dagestan's population

Growth of life level in the region is associated with an abrupt increase in the significance of housing and utilities sector which is one of developing industries of social infrastructure. This is proved by constant growth of housing stock of the Republic of Dagestan and provision of population with houses. Provision of the Republic of Dagestan population with houses in the beginning of 2010 was 16,2 m³ per 1 person, i.e. in comparison with the level of 2000 it has increased by 8,7%. Republican indicators of provision of population with houses in the beginning of 2010 show 76,8% of average value in Russia and 86,6% - in NCFD. In spite of insignificant increase in housing stock this indicator in the Republic of Dagestan is not only below average level in Russia but on the contrary, by demographic reasons for the last 18 years the gap grows: in 1990-2009 provision of population with houses in Russia has increased by 28,7%, in NCFD - by 11,7%, in the Republic of Dagestan- only by 5,9% [15].

General level of inequality by incomes is shown by Gini coefficient (index of income concentration) and rich/poor 10% ratio.

These coefficients demonstrate that in Russia social disparity of society is still high. For example in 2010-2011 the incomes of the richest 10% group of population exceeded the incomes of the poorest 10% group of population by 16 times though a slight reduction of Gini coefficient was observed in 2011 in comparison with 2010 (-0,003).

The same situation can be observed in Dagestan. In 2010 the share of the first group of

population (with least monetary income) is 5,7% (in Russia - 5,2%), the share of next 20% groups (2nd, 3th and 4th) totally is 48,7% (in Russia - 47,1%). The last 5th group has 45,6% of all incomes in the Republic (in Russia - 47,7%).

Degree of differentiation of population by the amount of average income per 1 person can be assessed by means of R/P 10% ratio of income differentiation (K_d): it showed that minimal incomes of 10% of the richest population are 6,5 times higher than maximal incomes of 10% poorest people of the Republic.

$$K_d = \frac{38007}{5872} = 6,473$$

The key indicators used in the analysis of social differentiation of population are the indicators of incomes differentiation, structure and distribution of incomes. However in order to see the whole picture of social differentiation the spendings and consumption of population must be also taken into account.

Family expenditures are a part of money expenses intended for purchasing of consumers' goods and services. The spendings for food products per 1 person of a family at average in Russia are equal to 3304,5 roubles. The least sum is spent in NCFD - 2681,6 roubles per month, the greatest - in NWFD - 3871,3 roubles per month, i.e. by 44% more than in NCFD.

Regional disparity creates a number of problems for the state, it hinders economic growth because a share of resources should be re-directed to regional leveling and elimination of social strain, not to stimulation of growth [16].

The sample of family budgets in 2010-2011 showed that the share of 10% of families with least incomes was related to 3% of all consumers' expenditures, and 10% with highest incomes - to 24%. The spendings of the first group calculated per 1 person were 8 times lower than of the second group. It must be mentioned that consumers' spendings in the city calculated per 1 person are higher than in the country for 20%.

It is worth mentioning that the per capita spendings of single persons are higher than expenditures of families with 4 and more people - by 2 times. Higher consumers' expenditures calculated per 1 person were in families with one child: by 70% higher than in families with 3 children.

If we take the structure of consumers' expenditures by constituent entities of Russian Federation we can notice that the highest expenditures per one person were in Central federal district - 13753,5 roubles, in particular, in Moscow - 21110 roubles, and the lowest consumers'

expenditures are in NCFD - 6387,0 roubles, in particular, in the Republic of Ingushetia - 3418,1 roubles. Thus, in Ingushetia consumers' spendings are lower than in Moscow - more than 6 times [17].

Average consumers' expenditures in the Republic of Dagestan per 1 person of a family are only 4785,3 roubles - it is 4 times lower than in Moscow.

Conclusion

Analysis of the trends in development of this sphere allows to conclude that the key aim of state policy must be significant improvement of consumption structure of the most population of Russia.

This target can be achieved, first of all, by large-scale reduction in differentiation of population incomes – and this will allow to increase aggregate consumers' demand inside the country.

In current conditions the main characteristic of society is its social orientation. Transition to market relations cardinally changes the conditions of functioning of human factor and reproduction of valuable workforce. Insufficient focus on this aspect has led to significant reduction of social well-being [18].

Poverty problem is one of the oldest problems in modern Russia. This problem is up-to-date to such an extent that it influences many others problems. For example, demographic problem, employment of population and many others. Poverty influences directly the health of population, level of education and culture of people, their views, socialization, responsibility, morality. Poverty hinders development of science. According to different estimates (depending on the methods of measuring) there are 30-60 million poor people in Russia.

In the Republic of Dagestan the gap between very poor, poor and rich people is very deep, social pressure results in protest manifestations in the society, desperate young men continue to go into the woods. Stratification becomes a steady trend and many experts, political leaders and scientists argue that one of the reasons of negative processes in the society is low life level of population.

Number of population with incomes below minimum cost of living can be identified by the method of distribution series of population by the level of average incomes per 1 person and by comparison of incomes of the poorest groups with the minimum cost of living.

For 1 year, since 2010 to 2011 number of population with monetary incomes below minimum cost of living has increased by 1,1%; in particular, in the 1st half of 2011 in comparison with

corresponding period of the previous year - by 10,5%. In the beginning of 2011 the number reduced by 40,2% and was 12,8% of the total population.

Inference

Summarizing performed analysis we can make the following conclusions:

- 1) most part of population is still with low income, that is why it is necessary to overcome disparity of incomes in the following way: reduction of number very poor groups by means of increase in minimum monthly wage and pensions to the level of minimum cost of living;
- 2) one of the possible positive impacts of market mechanisms on interregional differentiation of population is attracting private investors to realize the projects of labour-consuming production with product of high degree of processing;
- 3) regional disparity can not be eliminated in full but this problem leads to deterioration of economic and political situation in the country, therefore it demands action of control bodies intended for reduction of inter-regional differences in population incomes.

In order to solve problems of social life quality on regional level it is necessary:

- 4) to keep financing of social sphere from the budget, on the one hand, and involve private and corporative financial funds, on the other - this will allow to create conditions for development of education, public healthcare, science and culture;
- 5) to take efficient measures which will motivate business take more active part in social life;
- 6) to engage all available state mechanisms to increase the level of well-being of population. Today almost all incomes of population are spent on food, housing and utilities services and transport. That is why households can not invest into education, healthcare and culture - it will be possible only when numerous economically strong medium class will be formed in our country.

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5/18/2014