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## Current State, Problems and Priority Areas of Social Policy in Contemporary Russia

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A.U. Albekov<sup>1</sup>, T.F. Romanova<sup>2</sup>, O.V. Andreeva<sup>3</sup>, A.A. Sukhoveeva<sup>4</sup>

**Abstract:**

*A new model of social policy in Russia is being created under conditions of functioning federal system, characterized by extremely varying development levels of the Russian Federation subjects and by a range of their social problems, which become particularly urgent in connection with the low level of real income of the population, excessive social differentiation, existing socially disadvantaged population groups.*

*In that regard, it is necessary to establish a holistic mechanism of social policy, where the primary role is attached to financial regulators. The purpose of the present study is to define ongoing problems of social policy implementing and financing in contemporary Russia and to outline appropriate solutions to these problems.*

*The article provides the research results as follows: social policy development and functioning patterns and their influence on the population's living standards and quality of life in the country; analysis of trends in the budget spending on financing priority areas in social policy; identification of institutional and financial barriers to functioning of social sectors; determination of directions for further study of solutions to the development problems of the country's social policy.*

**Keywords:** *Social policy, social sphere, public finance, budget expenditure, social infrastructure.*

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<sup>1</sup>Albekov Adam Umarovich, D.Sc., Professor, Honored Worker of Science of Russian Federation, Rostov State University of Economics, Rostov-on-Don, Russian Federation.

<sup>2</sup>Romanova Tatyana Fedorovna, D.Sc., Professor, Department of finance, Rostov State University of Economics, Rostov-on-Don, Russian Federation.

<sup>3</sup>Andreeva Olga Valentinovna, Ph.d., Associate Professor, Department of finance, Rostov State University of Economics, Rostov-on-Don, Russian Federation.

<sup>4</sup>Sukhoveeva Anna Alexandrovna, Ph.d., Associate Professor, Department of finance, Rostov State University of Economics, Rostov-on-Don, Russian Federation.

## **1. Introduction**

Social policy traditionally serves as the most important tool for the government to influence the level of social stability in the society, defining both distribution proportions of social guarantees and key priorities in the country's social development (Grima *et al.*, 2017; Vasin *et al.*, 2017).

Recent decades are witnessing an ongoing change of the state social policy model in Russia. A new model of social policy in Russia is being created under conditions of functioning federal system, characterized by extremely varying development levels of the Russian Federation subjects and by a range of their social problems, which become particularly urgent in connection with the low level of real income of the population, excessive social differentiation, existing socially disadvantaged population groups and considerable level of poverty.

Social policy theory has gone through a long course of development (Cristea and Thalassinou, 2016). Origination and development of this theory are inseparably linked to the names of many great thinkers representing various scientific disciplines and schools: philosophy, economics, jurisprudence, sociology. For the first time the very term "social policy" was used in the works by a French scientist Ch. Fourier, who drew attention to the fact that a government should provide its citizens with some social guarantees, what in its turn requires certain governmental expenditure. This is what Fourier called wise or social policy (Kanaeva, 2016).

Most prominent Russian works have been conducted by Averin (2011), Volgin (2003), Denisova (2009), Kanaeva (2016), Sidorina (2005), Kholostova (2008). The subject of their researches became not only theoretical issues of social policy, but also issues of applied nature, including concerns on development of social sphere and its separate branches. Functioning of social sector is directly connected with a social policy model chosen by a government. There are a lot of researches, dedicated to the analysis of various models, including the research done to describe approaches to conducting the comparative analysis of social policy in different countries, revealing their positive and negative aspects, with examples to demonstrate how these approaches are used in the evaluation of social policy (Pechenkin and Fadeev, 2011).

The research of financial aspects and implementation of social policy remains relevant. These issues were reflected in academic literature as well. For example, rethinking social policy and society – the task defined by Deeming (2016): *"For scholars interested in the development of social policy and the idea of a society as a whole, it is timely to begin the revaluation of the very notion of social policy and society beyond the 'active' neoliberal policy paradigm"*.

The authors rightly point out that the rise of multiplicity as a trope for understanding social disadvantage has the effect of rendering social problems as more 'wicked' and

intractable than they were previously understood (Valentine, 2016). At the same time, despite a large number of publications, many researchers confess, that it is early to speak about the existence of a generally agreed concept in social policy which gives complete, systematic understanding of its principles, targets, directions, specific features of financial security of the model formed in Russia.

## 2. Methodology

Statistical methods allowed to describe development indicators of social sector branches: education, health care, social security, culture, physical education and sports; to highlight trends related to their financial security. The study has been conducted on the basis of academic literature, data from the official websites of the state authorities, institutions, engaged in implementation of social policy in all sectors of the social sphere.

As the notion of social policy is subject to discussion, in the framework of the article we hold the view that the government social policy is «an area of the government's policy towards forming living standards of the population, reproduction of human capital, rendering social services and development of social infrastructure at federal, regional and local levels» (Babich and Pavlova, 2000).

## 3. Results

Social policy directly influences formation and development of human capital and focuses on such sectors of the social sphere as: education, health care, social security, physical education and sports. The mentioned sectors cannot function efficiently without timely and complete financing. Currently in Russia the burden of financing social policy measures is almost fully placed upon the state and is secured by budget resources of all budgetary system levels (Table 1).

**Table 1.** Budget expenditure of the Russian Federation budgetary system for social policy in 2016-2021. (Authors' calculations based on FTR, 2018; MFR, 2018; ROSSTAT, 2018)

Indicator	2016	2017	2018	2019	2020	2021	Growth rate 2021/2016, %
Education, RUB bn.	3 043	3 299	3 572	3 832	3 989	4 228	138,94
in % to GDP	3,7	3,6	3,5	3,6	3,6	3,6	-
Culture, cinematography, RUB bn.	424	483	563	609	624	662	156,13
in % to GDP	0,5	0,5	0,6	0,6	0,6	0,6	-

Health care, RUB bn.	3 269	3 480	3 296	3 657	3 961	4 079	124,78
in % to GDP	3,9	3,8	3,3	3,5	3,6	3,4	-
Social policy, RUB bn.	10 481	11 550	12 322	12 856	13 305	13 691	130,63
in % to GDP	12,7	12,5	12,2	12,1	12	11,6	-
Physical education and sports, RUB bn.	264	311	318	316	327	337	127,65
in % to GDP	0,3	0,3	0,3	0,3	0,3	0,3	-
Total budget expenditure of the budgetary system for social policy, RUB bn.	17 481	19 123	20 071	21 270	22 206	22 997	131,55
in % to GDP	20,29	20,78	20,43	20,10	20,05	19,42	-
Total budget expenditures of the budgetary system, RUB bn.	30 895	32 490	34 216	36 472	38 307	40 582	131,35

The analysis revealed that budget expenditures of the Russian Federation budgetary system for social policy are annually increasing. Thus, if in 2016 these expenditures made 17 481 RUB bn., by 2021 they are expected to increase to 22 997 RUB bn., i.e. by 5516 RUB bn. or by 31,35%.

However, despite the growth of the state social spendings in absolute numbers, their proportion in relation to GDP tends to decrease. In 2016 the mentioned spendings in relation to GDP made 20.29%, by 2021 they are supposed to go down to 19.42% of GDP or by 0.87 percentage point. The largest decrease of the GDP ratio is observed among spendings for the population social security. The tendency of the federal budget expenditure for social policy proves to be mixed. Thus, for example, for 2016-2020 we can witness the increase in the total amount of the federal budget expenditure for social policy from 5840,15 RUB bn. in 2016 up to 6165,01 RUB bn. by 2020. However, this growth pattern can be defined not as advancing but as cyclical. For example, compared with 2017 the federal budget expenditures for social policy will be 62,67 RUB bn. lower in 2020.

The largest share in the structure of the federal budget expenditure for social policy is composed of expenses on financing of social security for citizens. The share of these expenses in 2016-2020 on average comprises 79% of the total amount of expenses on the state social policy.

#### **4. Discussion**

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At present the social policy model has not been distinctly formed in Russia yet and there are still some principles of the social state in terms of the soviet concept with related methods and tools. Thus, for example, still some certain groups receiving social services are provided unevenly. As in the soviet period, there is a vast number of privileges and sometimes quality and quantities of services rendered depend on a recipient's social status. In other words, provision of social services is based on the principle of categories. As well one can note a cross implementation of social programmes, causing social support duplication and inefficient state spendings for social sphere. There is no system of income redistribution from the rich to the poor.

One of the crucial problems of the modern social policy is the growth in number of poor citizens. Thus, in 2016 the quantity of people with income below the minimum subsistence level made around 19,6 million people. The country had not featured such a quantity of the poor since 2006. At the same time, the number of citizens receiving social support is growing annually. If in 2006 financial assistance was rendered to around 6,6 million people, by 2015 their number increased by almost 4 times. In our opinion, in order to decrease the poverty level in the country, to improve the efficiency of financing social support measures, to develop a financial mechanism of social security it is necessary to enhance targeted social assistance and support provided to citizens in material need.

The targeted approach serves to increase the volume of social assistance rendered to citizens, who mostly need support from the government side, i.e. it allows to increase profit for poor families at the given level of budget limits or despite lack of resources for full assistance to all poor citizens. In other words, the key advantage of targeted programmes, allowing to direct the assistance towards those citizens who do need it, lies in their efficiency in terms of poverty reduction.

Population policy is an essential part of social policy. Among unsolved problems of the population policy in general and measures used to stimulate the birth rate and support families with children in particular, one can note inconsistency, and even in terms of certain issues contradictions between the tasks of the population policy and policies in sectors of education, employment, health care, social security and income.

For the recent years the state family policy has focused on stimulating the birth rate. Issues of improving living standards for families with children, support of upbringing and further investments into children have been left, at least until recently, outside the framework of the State concerns. As a result, there is no comprehensive system developed to ensure family support through the whole period until their children become mature.

Against this background, a major problem is that in Russia there is a weakly developed services market offering to take care of and to educate children of all ages, so that parents could have more time for productive labour. Thus, for

example, presently the education sector is characterized with a vast principle of strict order for enrollment in pre-school facilities for 1,5-3-years' old children; due to the population policy being implemented we are facing an increased deficit of school places, which currently in the Russian Federation amounts to six million.

Education is an important component of social policy. At present in Russia the education system serves 7,3 million pre-school children, 15,2 million school students, 2,8 million students of secondary vocational training and 4,4 million students of higher education. In Russia there are 93767 educational institutions. Around 4,6 million workers, including 2,4 million comprising teaching staff, are engaged in state and municipal educational institutions. Urgent problems to be pointed out here are as follows:

- ✓ great physical deterioration of school buildings, the majority of which was constructed in the 40-50s of XX century;
- ✓ over 55 thousand settlements with population under 5 thousand people each, with almost 290 thousand school-aged in total, lack establishments of compulsory education;
- ✓ problems to ensure quality education (Lubkov, 2017).

Main negative tendencies in the cultural sector include the reduction of cultural institutions in quantity. Over 25 years the quantity of cultural and leisure centers has fallen almost by half, village halls – almost by a quarter, there are less and less open public libraries, especially in rural areas, in small settlements. Not all subjects of the Federation observe the standards on providing the population with theaters. For example, in 41 regions there are no theaters for young audiences, while in 6 regions there are no drama theaters.

Funding of cultural projects still remains an urgent problem. Thus, for example, in the framework of the federal target programme on development of rural areas in 2016 they built and reconstructed 33 cultural and leisure centers in 23 regions, but if assessed at the national level this result is extremely insignificant. At the same time some subjects of the Federation had to decline building or renovation of required objects because of lack of co-financing. In this regard, it is necessary to adjust the system of the state support and state cultural policy management, to improve the federal and regional legislation basis in the cultural sector, to ensure implementation and control of goal achievements and of solutions of state cultural policy's tasks.

Health care suffers from a systemic crisis as well. The essence of this crisis is that problems, aroused by the discrepancy between requirements to the health care system and its management and financing, cannot be solved, until existing social and economic restrictions of health care development remain in force. In the ranking of the health care system efficiency among different countries by the results of 2015 Russia received the last, 55<sup>th</sup>, place (Savina, Concava, 2017). One of the pressing problems is health condition of children and teenagers. Thus, 60 percent of school

students proved to have physical health deviations. Only 14 percent of senior students can be considered fully healthy.

The complex situation is typical for the sector of physical education and sports. Physical education and sports as means of disease prevention and general improvement of health condition are not widespread in Russia. A significant proportion of the Russians considers physical exercises and sport as a secondary factor for the health benefit. In this regard, there is a great concern over supposed reductions of budget resources, allocated to mass sports development.

In our opinion, it is necessary to implement sustainable action plans on ensuring conditions for citizens of all social groups and ages to strengthen their health, to attend institutions of physical education and sports, to take part in free-participation events. Besides, it is essential to promote new physical activities and sports, to increase access to free-of-charge physical activities, to construct areas for physical training and to provide other sports infrastructure within walking distance.

Thus, based on the above, we can conclude that currently in Russia there is a vast range of social problems to be solved. To create an efficient mechanism of social policy, first and foremost, it is necessary to create an efficient concept of management of social development in Russia and its territories, to ensure complete and timely financing for all priority areas of social policy.

## **5. Conclusion**

The implementation of efficient social policy is an imperative for improving the standards of living and quality of life of the Russian citizens and it can be maintained only under conditions of adequate financial support in sectors of social sphere. In this regard, social policy should be provided with new promising tools, aimed at enhancing targeting of services provided and measures of social support for the citizens, differentiated approach to defining forms and types of social assistance depending on financial status, ability to work and other circumstances.

It is vital to attract non-budget resources of financing infrastructure projects in social sphere on the basis of public-private partnership development. This will reduce the gravity of the problem with deficit places in educational institutions, social services, ensure availability of institutions of social sphere (in health care, culture, physical culture and sports) for a larger proportion of citizens, and secure conformity of social infrastructure development with modern formats.

It is necessary to create conditions for widening the participation of the private economy sector, and therefore supporting social enterprise development (Albekov, 2018; Andreeva and Epifanova, 2018) in the sphere of social services provision, affecting such priority sectors of social sphere as health care, education, control over unemployment rate, population's income regulations, establishment of social

security and social assistance to vulnerable categories of the population.

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