# SOCIAL VULNERABILITY OF THE RUSSIAN SOCIETY AS A RESULT OF HIGH INEQUALITY OF LIVING STANDARDS<sup>1</sup>

#### **Abstract**

The domestic and international aspects of the socio-economic inequality in living standards in Russia during the capitalist transformation from 1990 till 2000 are considered. The following indicators of inequality were analyzed: by income spent on consumption, by housing, by access to education and health care. A comparison of Russia with other countries of the G20 is made. The reasons of high socio-economic inequality in Russia are revealed.

The reachability of parameters of the social structure of the Russian society represented in the Forecast of Long-term Socio-economic Development of the Russian Federation for the Period till the Year 2030 is considered. The conceptual approaches to reducing socio-economic inequalities are represented.

### **Key words**

Gini index, normative consumer budgets, Russia, socio-economic inequality, social structure, G20, BRICS.

## **Research Methodology**

Inequality will be considered as a differentiation of population by living conditions, level and structure of consumption, opportunities to realize individual abilities. Inequality leads to a deprivation of individual rights for dignity and respect.

Socio-economic inequality manifests itself in **consumption inequality**, i.e. in inequality in living standards. According to this criterion the following basic forms of social inequality are usually distinguished: 1) by current consumption of material goods and services, 2) by housing provision, 3) by access to education, 4) by access to health care, and etc [1].

It seems reasonable to assess the differentiation in consumption not by separate products but by complex standards of current consumption. The latter are represented by **normative consumer budgets** of different income levels. We have applied the following consumer budgets: 1) the official subsistence minimum (SM), 2) socially acceptable consumer budget, 3) the budget of middle income, and 4) the budget of high income<sup>2</sup> [2]. They correspond with each other by size approximately as 1: 3: 7: 11.

A comparison of the actual consumption of the population with these social standards lets us distinguish the following social groups which differ by living standard: *those in most need* (less than 1 SM); *low income group* (1-3 SM); *group with income less than average* (3-7 SM); *group with middle income* (7 - 11 SM), *group with high income* (over 11 SM).

Another group that characterizes the living standard includes *standards of housing provision* also designed by experts of All-Russian Centre of Living Standard: the lowest - 7 square meters, socially acceptable - 18 sq m, average - 30 sq m, and high - 60 and more sq m per person. In addition these standards include housing quality characteristics which become better as we move from lower to higher housing provision [3].

Characteristics of the social inequality caused by different availability (consumption) of education and healthcare are determined by payment limitations.

<sup>1</sup> The time frame is from the end of the Soviet period and the 20th anniversary of capitalist transformations in Russia, and also the expected period till 2030.

<sup>&</sup>lt;sup>2</sup> Last three standards of consumer budget have been developed and verified at All-Russian Centre of Living Standard, Moscow.

## The Results of the Comparative Analysis of Population Distribution by Living Standards

Population distribution by income used for consumption. Income used for consumption describes living standards more accurately than the real monetary income. A comparative analysis of current consumption in different social groups (taking into account changes over the years of capitalist transformation) shows the following results<sup>3</sup>.

In 1990, because of the substantial additions to real consumer spending from public consumption funds there were hardly any representatives of the segment of people in the most need in Russia although, the living standard of the majority was not high. In households with low income about 30 per cent of Russians were concentrated. Also, approximately 2/3 of the population had income less than average. The groups with middle and high income reached 7 per cent of the population.

After twenty years the structure of the society based on consumption level has changed dramatically. The segment of people in the most need grew about fifty times and reached 11.2 per cent. The share of households with low income increased by 1.8 times and reached 58 per cent. Currently, the two lowest groups by income level account for almost three quarters of the population. The group with middle income reduced by 3.4 times and now equals 3 per cent of the population. The share of the high income group remains low and is about one per cent.

The differentiation of the population by income used for consumption has grown (by a rate of funds) from 4.6 to 13.2 (by 2.9 times), and by the Gini index - from 0.227 to 0.398 (by 1.8 times).

Again, the situation of the socio-economic inequality in terms of current consumption of different groups of population can be estimated by a coefficient of the ratio of average income spent on consumption, in groups with consumption above 11 CB<sup>4</sup> and below 1 CB (called the Bvn coefficient, in times). The Bvn coefficient was 14.4 in 1990 and 20.8 in 2011<sup>5</sup>. In a capitalist economy where there is a big segment of people in the most need and a huge gap between the consumption of this group and the group with high income (even with its small share in the society) the Bvn coefficient can be the most accurate method to characterize the socio-economic inequality between these groups of the society.

The first stage in the formation of Russian capitalism (from 1992 till 2000) led to a sharp economic downturn, the enrichment of a narrow layer of large private property owners, the impoverishment of the majority of the population and thus to a sharp social stratification.

In the second stage of capitalist transformation (from 2000 - till now) as a result of economic growth during the period of 2000 - 2008 and 2011 - 2012, the share of the group with income below the substantial minimum decreased significantly, standard of living increased in all segments of the population. Still the inequality continued to rise. Thus, the rapid growth of social inequality is one of the most distinctive features of Russian capitalism from yearly 1990s till late  $2000s^6$ .

Grouping of the population by housing provision. Housing inequality during the years of capitalist reforms has multiplied. At the beginning of the capitalist transformation near 80 per cent of the population in Russia had modest living conditions: from 7 to 30 sq m per person. Over the reviewed period this segment of the population has "shrunk" by about 20

<sup>5</sup> Estimations are made by the experts of All-Russian Centre of Living Standard based on [4, 5, 6].

<sup>&</sup>lt;sup>3</sup> Estimations are made by the experts of All-Russian Centre of Living Standard and are based on: [4, p. 31; 5, p. 9, 80; 6, p. 126; 7, p. 27, 134; 8, p.21].

<sup>&</sup>lt;sup>4</sup> "CB" is an abbreviation for consumer basket of subsistence minimum.

<sup>&</sup>lt;sup>6</sup> President Vladimir Putin considered this issue as «unacceptable, causing too high income inequality... excessive gap is perceived as an injustice and a source of social tension» [9].

percentage points. A reduction of housing poverty by 3.2 times accompanied by an increase of the group with high housing provision by 17.5 times<sup>7</sup>.

For the rich Russians investments in housing became one of the ways of capital accumulation. While for the poor Russians it was only a statistical improvement caused by a reduction of the total population (from 148.3 to 143.0 million) during this period. Due to this factor, there was a statistical paradox - in a number of regions and cities that lost their production capacities, housing provision increased significantly with almost no construction of new dwellings.

During the years of reforms social guarantees of getting habitation from the state for free (typical of the Soviet Union) were completely destroyed<sup>8</sup>. It cost almost nothing for the state to let free privatization of habitation, but now the costs of its maintenance and repair have been passed on to the impoverished majority. As a result, dwelling and utility bills have soared. Transparent market rent relations in the housing sector have neither been established, mortgage crediting remains unaffordable for those who are most in need of housing, and buying a home is not often provided by adequate income of the group in need.

Inequality in access to education and health care is the result of underfunding and superiority of market principles (in spite, that these spheres are public). In 1990, education on all levels was free, but in 2010 near 40 per cent of young people getting education (from general secondary to higher) in full or partially paid for their education. The brightest example is higher professional education. Here, in institutions of higher education, the corresponding figure was 62 per cent [11, p. 307, 310]. Polls of those who wish to get higher professional education indicate that up to 80 per cent of parents are ready to pay in full or partially for education of their children [12, p. 84].

From 1991 to 2008, the incidence of children under the age of fourteen increased by 1.5 times, and adolescent children (15-17 years) – by 2 times. The growth of this indicator is partly explained by the improved diagnosis, but mostly, according to experts, is by real deterioration of health The actual incidence rate among children and adolescents is 1.5-2 times higher than the official statistics. [13]. Unequal opportunities to get health care are one of the main reasons for the reduced fertility, increased incidence and population decline. For 18 years (from 1992 till 2010) the difference between the number of births and deaths in Russia equaled more than 13.1 million people. In case current trends in the population reproduction continue it can lead to a reduction of the population by the beginning of 2030 to 130-135 million people [14, p. 106-113].

#### **Inequality in Russia in the International Context**

The rapid growth of economic inequality in Russia from 1990 till 2000s is useful to compare with the trends in other economies at that time. This should help to identify better the general and the particular of Russian capitalism. The comparison was made with countries of the Group of Twenty  $(G20)^9$ . Where possible and appropriate, additional emphasis is placed on the BRICS<sup>10</sup>, countries, which, from one hand, are a part of the G20 and, from the other, represent the fastest-growing world economies.

3

<sup>&</sup>lt;sup>7</sup> Estimations are made by the expert of All-Russian Centre of Living Standard and are based on: [10].

<sup>&</sup>lt;sup>8</sup> Formally, the right to social rented habitation was proclaimed, but in fact its construction has not been launched.

<sup>&</sup>lt;sup>9</sup> Members of the G20: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States of America and the European Union.

<sup>&</sup>lt;sup>10</sup> BRICS members: Brazil, Russia, India, China, South Africa.

International comparisons of socio-economic inequality are usually based on money income using the Gini index<sup>11</sup> and an indicator of relative poverty.

The Gini index. As the analysis shows [5,15,16,27] economic inequality by income during the period from early 1990s to late 2000s increased in 14 out of 18 countries (excluding the EU and Saudi Arabia from the list), members of the G20, including the BRICS countries (except Brazil where this indicator decreased).

In Russia, the growth of economic inequality was explosive during 1990-1993 (from 0.26 to 0.40) and then matched the average rate for the G20. At the end of the 2000s the level of inequality in Russia coincided with a median value of the Gini index for the BRICS group, i.e. in two countries (India and China) the inequality was lower, and in other two (South Africa and Brazil) - higher than in Russia.

Overall, the analysis of the dynamics of the Gini index showed that since the early 1990s to the late 2000s in Russia there was the highest growth of inequality compared to the G20 and the BRICS countries. This period is characterized by the transition from a planned economy with low inequality to a capitalist economy with high inequality based on non-economic allocation of resources in the 1990s, oligarchic model of capitalism, and a weak power of state in the 2000s. Against the overall growth of economic inequality in the G20 and the BRICS its growth in Russia is quantitatively and qualitatively different <sup>12</sup>.

For a comparative analysis of the size of inequality it is not enough to operate the Gini index only. According to a common approach the height of inequality in a country should be assessed by comparison of the national Gini index and the size of per capita gross domestic product (GDP) in purchasing power parity (PPP). Thus, the effects of economy size and structures, as well as resources to provide living standards on the economic inequality are considered.

In the late 2000s<sup>13</sup> the level of economic inequality by the Gini index in Russia was about 1.4 times higher than in Germany (the most prosperous of the G20 by this indicator) and was comparable with the level of inequality in the USA. At the same time, GDP per capita (in PPP terms) in Russia was about 3 times lower than in Germany and 3.5 times lower than in the USA.

Russia was a leader in growth rate of income inequality among the G20 countries with upper-middle-income over the period from early 1990s till late 2000s (second after China).

When comparing the level of economic inequality it is important to keep in mind the structure of the economy. A high proportion of raw materials (especially oil) in export structure of the G20, along with Russia, is also typical for Canada, the UK, Saudi Arabia, Argentina, Mexico, Indonesia and India<sup>14</sup>. From this perspective inequality in Russia is consistently one of the highest (it is worse only in Argentina and Mexico).

Thus, the international comparison shows: a) the explosive growth of inequality at the beginning of capitalist reforms (from 1990 till 1993); b) one of the highest growth rates of inequality among the G20 countries with upper-middle-income from the early 1990 till the late 2000s; and c) one of the highest levels of inequality among countries with similar export

\_

<sup>&</sup>lt;sup>11</sup> The Gini index (or coefficient) reflects the dispersion of income in the range from zero (full equality of distribution) to one (maximum inequality). There are differences in statistical approaches of measurement inequality in different countries (in particular, in one case, the indicators can be calculated on the basis of data on household income, in other - on their spending). So indicators are not always fully comparable. As a rule, inequality by income is higher than inequality by spending.

<sup>&</sup>lt;sup>12</sup> The authors did not give special consideration to the level and dynamics of economic inequality in China. Although, in special studies on China, as well as on Russia, it is recommended to distinguish two periods of economy development: within the world socialist system and after its destruction.

<sup>&</sup>lt;sup>13</sup> Composed by the authors based on: [15, 17-19].

<sup>&</sup>lt;sup>14</sup> According to [18, 20].

structures. These are the characteristics of Russian capitalism and they demonstrate economic inequality as the most acute problem for Russia.

Relative monetary poverty by income. The economic ground for this approach in terms of the distribution of the population by living standards lies in the fact that the poor are those households and individuals whose living standards differ significantly from most widespread consumption standards in the country. This approach is based on the linking of physiological and socio-cultural standards and norms of social life (access to education, information, communication, etc.).

The definition of relative poverty is directly related to the task of reducing the level of socio - economic inequality in income distribution, with overcoming of serious deviations in living standards prevailing in a country and limitations in the choice of life opportunities (deprivation).

Russian official statistics does not measure monetary income poverty. Estimations made by the Russian researchers are based on OECD methodology show that in 2009 this indicator was 19.3 per cent in Russia. At the same time, in the G20 countries, such as Germany (15.5 per cent), the UK (17.3), France (12.9) and Italy (18.4), the relative poverty was lower<sup>15</sup>.

## Causes of Social Inequality in Russia: Economic Aspect

The main causes of social inequality are: 1) the inequality by income from employment, 2) low efficiency of personal income taxation, and 3) inadequate public spending on social protection. They are discussed below.

The calculations of inequality by income from employment show the following <sup>16</sup>. The share of the lowest paid wage earners with income below the subsistence minimum budget of working age population rose from 3.1 to 14.1 per cent, i.e. more than in four times.

The share of *medium-paid workers* increased approximately by two times. But their share is very low (near 5 per cent), while the number is about three times less than that of workers with the lowest wages.

The share of *highly paid employees* has increased by 12.5 times. However, their representation is very low (near 3 per cent) of the employees, including primarily engaged in mineral - fuel and energy sectors, as well as in the financial sector.

The remaining employees belong to the layers of *low and lower-middle-paid* (about 70%).

As a consequence of the changes was twofold increase in inequality in the distribution of workers by wage. In 1990, the index of funds for this indicator was 7.8, while in 2010 - 14.4 times. The Gini index (wages concentration index) increased from 0.371 to 0.413.

*Inefficient taxation of personal income.* Since 2001, Russia has moved to a flat tax rate of personal income. It is one of the world's lowest rates of personal income tax, regardless of the income size. When it was introduced, there were arguments about the expected expansion of the tax base due to pulling monetary income of the rich into the "light", and as a consequence, an increase of state income.

As it turned out, these arguments did not stand the test of practice. There was an absolute increase in the amount of tax, but not as a result of flat rate introduction. It was due to the expansion of the group of tax payers (the military, the police and etc.) during that period. As for the impact of a flat rate on the legalization of "black" income, it still does not

<sup>16</sup> Estimations are made by the expert of All-Russian Centre of Living Standard and are based on: [4, p. 31; 23, p. 111; 6, p. 128].

For the given foreign countries Eurostat data were used (http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home), date of extraction: 14 Feb 2011; for Russia – estimations of the relative risk of poverty were done by L.N. Ovtcharova based on [10].

work. Those who did not pay at rate of 60 per cent in 1992, 35 per cent in 1997 - 1998, 20 – 30 per cent in 1999-2000, do not pay in full at the rate of 13 per cent. Meanwhile, in other countries, citizens pay in full and at a higher (up to 70 per cent) rates.

In addition, progressive taxation is aimed at: overcoming the huge gap between wealth in private and poverty in public sectors; increasing the accumulation of funds to finance vital public services (construction and maintenance of roads, schools, low-cost housing, etc.).

The answer to a question about the true reasons for the introduction of the current system of personal income tax is that the Russian state chose the interests of a relatively small social group that had a power to influence the politics, economy and finances of the country, instead the interests of the majority and the country as a whole.

Almost all developed countries have set a minimum tax-free income that is below normal costs of reproduction of labor force for the country (for the USA and Western Europe it is in the range of 5 - 6 thousand dollars a year). At this level of income the employee may not only be free from income tax but get a wide range of social benefits [21, p. 67].

Thus, it is necessary to recognize the need to change the distribution mechanisms and to establish the tax burden depending on the size of income.

Inadequate public spending on social protection. Social protection is one of the sources of income increase in the low income groups and of reduction of social inequality. Despite the legal framework, and numerous measures of social support, the level of social benefits remains low and does not allow to raise the income of the population in need up to the official poverty level. The lack of funds is extremely high in vulnerable families with children. This is largely due to inadequate government spending on social support in Russia, which lags far behind the level of these spending from the most developed countries in the G20. For example, in 2010 the spending for social support were in the UK – 28 per cent, Germany – 31 per cent, Italy – 30 per cent, France – 34 per cent of GDP. In Russia they were more than two times lower - at the level of 12.8 per cent in 2010, and in 2011 - 11.9 per cent of GDP [22, 23]. Such under-funding of social protection sphere, along with non-target nature of the funds spending are among the reasons for the high levels of social inequality in Russia.

## Forecast Evaluation of Socio-Economic Inequality

The Government has introduced "Forecast of Long-term Socio-economic Development of the Russian Federation for the Period till the Year 2030" (The Forecast) [24], i.e. for the next 20 years. This time is the same to that Russia passed from 1992 till 2012.

Analysis of the Forecast methodology especially the parameters of the social structure <sup>17</sup> which determine the dynamics of social inequality and its level by 2030, shows the following.

- 1. The Forecast is not based on a reasonable set of social living standards;
- 2. The problem of high social inequality is reflected only indirectly without any justification and quantitative assessments.

It follows that the Forecast may not cause trust. The planned increase in GDP may even lead to the aggravation of inequality. In modern Russian conditions attempts to meet the challenges of economic growth and at the same time to eradicate poverty will not be successful unless measures to reduce social and economic inequality are developed and implemented.

All these make proclaimed possibilities of reducing (and especially significant) socio-economic inequality problematic to achieve.

<sup>&</sup>lt;sup>17</sup> In this case, the term "social structure" is considered only in the aspect that is presented in the Forecast, i.e. through the ratio of the poor, the middle and the other social strata by income. The authors understand that there are alternative approaches for identifying social structures.

The outlined in the Forecast share of the middle class (48 per cent) may be too high compared to its possible weight according to our forecast (13.8 per cent). Even after being added together, medium and upper class social groups may be less than 30 per cent of the population in Russia in 2030.

As for the economic inequality, the Gini coefficient, according to our forecast, could reach 0,470 in 2030, and the decile coefficient of funds - 23.3 versus 0.427 and 16.4 in 2012. The growth of economic inequality will be 1.1 and 1.4 times respectively. The ratio of average income of the population groups with income above 11 SM and income lower 1 SM (the Bvn coefficient) could grow from 21.6 times in 2012 to 28.5 times in 2030, i.e. 1.3 times. All this characterizes the possible different, opposite to the conclusions of the Forecast's dynamics of the socio - economic inequality.

Thus, it is possible that the Forecast is based on the previous twenty years trend of increasing socio-economic inequality, i.e. continuation of reforms in the interests of the oligarchic groups.

## **Conceptual Approaches to Reducing Social Inequality**

The growing socio-economic inequality in Russia undermines the ability of a large part of the population to be "embedded" in economic growth, limits their access to its results and is the main cause of social vulnerability of the major part of the Russian society.

This implies the need for an alternative socio-economic development Strategy of Russia, aimed at achieving significant results in improving the living standards [25, p. 61-73]. There should be comprehensive measures in all major areas of formation of the level and quality of life, based on the need for targeted policy development, aimed at decreasing the gap between the rich and the poor groups of the population.

The priority is the establishment of progressive taxation of personal income. Income tax is advisable to charge by place of residence in coordination with the budgets of households. In addition to this tax the equitable distribution of personal income includes the introduction of taxes on inheritance and gift tax. Along with taxes on individuals it is necessary to introduce progressive taxation of capital gains and agricultural land.

At the same time, it is necessary to create an effective system of targeted support of the vulnerable groups, and, above all, families with children, the provision of social services for the elderly and disabled people who are in difficult situations.

The biggest social groups in Russia are not the poor but the low- and lower middle households with employees as their members. Such groups need not only the state social guarantees, but also the conditions for the realization of their potential and transition to the middle class on the basis of effective employment.

The middle and upper classes can be significantly larger by the establishment of highly productive jobs for those with secondary and, especially, with higher education, improvement the quality and development of the material and moral incentives to work. An important role should be given to small, medium and large businesses which provide the country with competitive workplaces.

Meeting all these challenges will facilitate the reduction of socio - economic inequality and the effective use of the human potential in Russia.

#### Reference

1. Gontmaher E. Российские социальные неравенства как фактор социально – политической стабильности [Russian Social Inequalities as a Socio-Political Stability Factor]. Вопросы экономики. 2013. №4.

- 2. Bobkov V. Социальные структуры и неравенство распределения населения по качеству и уровню жизни [Social Structures and Inequality of Population Distribution by Quality and Level of Life]. М.: ВЦУЖ, 2011. Р. 24.
- 3. Качество и уровень жизни населения в современной России (1991–2005 гг.) [The Quality and Standard of Living of the Population in Modern Russia (1991-2005)]. Монография / Рук. авт. коллектива Bobkov V. М.: ВЦУЖ, 2007. Р. 719.
- 4. ROSSTAT. 2011. Российский статистический ежегодник [Russian Statistical Yearbook]. Москва: Росстат.
- 5. ROSSTAT. 1996. Уровень жизни населения России [Standard of Living of the Population in Russia]. Москва: Росстат.
- 6. ROSSTAT. 2011. Социальное положение и уровень жизни населения России [Social Status and Standard of Living of the Population in Russia]. Москва: Росстат.
- 7. ROSSTAT. 2013. Россия в цифрах 2013: Краткий статистически сборник [Russia in Figures: Short Russian Statistical book]. М.: Росстат.
- 8. ROSSTAT. 2011. Доходы, расходы и потребление домашних хозяйств в 2010 году [Revenues, Expenses and Household Consumption in 2010]. Москва: Росстат.
- 9. Putin V. Строительство справедливости. Социальная политика для России [Building Justice. Social Policy for Russia]. Комсомольская правда. 13.02.2013.
- 10. Russia Longitudinal Monitoring survey, RLMS-HSE», conducted by Higher School of Economics and ZAO "Demoscope" together with Carolina Population Center, University of North Carolina at Chapel Hill and the Institute of Sociology RAS. (RLMS-HSE sites: http://www.cpc.unc.edu/projects/rlms-hse, http://www.hse.ru/org/hse/rlms).
- 11. ROSSTAT. 2011. Платное обслуживание населения в России [Paid Services for the Population in Russia]. М.: Росстат.
- 12. Образовательные ресурсы домохозяйств [Educational Resources of Households]. Авторских коллектив: Е.М. Абрамова, О.А.Александрова, Е.В. Кулагина, Д.М.Логинов М.: М-Студио. 2008.
- 13. Kislicina O. 2011. Здоровье детей: тенденции, факторы риска и стратегии сбережения [Children's health: Trends, Risk Factors and Strategies for Savings]. Москва: Макс-Пресс.
- 14. Human Development Report, 2011. Published for the UNDP. Москва: Весь Мир.
- 15. OECD. Divided We Stand: Why Inequality Keeps Rising, OECD Publishing, 2011. [Electronic source]. URL: http://dx.doi.org/10.1787/9789264119536-en (date of extraction: 22.06.2013).
- 16. OECD Data Base. [Electronic source]. URL: http://stats.oecd.org/Index.aspx?DataSetCode=IDD (date of extraction: 19.06.2013).
- 17. World Bank. World Development Indicators. 2013. [Electronic source]. URL: http://data.worldbank.org/indicator (date of extraction: 19.06.2013).
- 18. IMF. World Economic Outlook Database. 2013. [Electronic source]. URL: http://imf.org (date of extraction: 19.06.2013)
- 19. OECD. Income Distribution, OECD Social and Welfare Statistics [Electronic source]. URL: doi:10.1787/data-00654-en (date of extraction: 19.06.2013).
- 20. The Central Intelligence Agency (CIA) [Electronic source]. URL: https://www.cia.gov/index.html (date of extraction: 23.06.2013).
- 21. Bobkov V. et al. Система потребительских бюджетов основа налогообложения семейных доходов [The System of Consumer Budgets the Basis of Family Income Taxation]. Уровень жизни населении регионов России. 2006. №7.

- 22. EUROSTAT. [Electronic source]. URL: http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home (date of extraction: 17.06.2013).
  - 23. ROSSTAT. [Electronic source]. URL: www.gks.ru.
- 24. Ministry of Economic Development of the Russian Federation. 2013. Прогноз долгосрочного социально-экономического развития Российской Федерации на период до 2030 года [Forecast of Long-term Socio-economic Development of the Russian Federation for the Period till the Year 2030].
- 25. Bobkov V. О социальном измерении нового этапа развития [Social Dimension of a New Stage of Development]. Экономист. 2013. №5.

## **Information about authors**

Bobkov Vyacheslav (Moscow) - Doctor of Economics, Professor of the Moscow State University, General Director of PJSC "All-Russian Centre of Living Standard" (105043 Moscow, 4th Park street, 29, e-mail: bobkovvn@mail.ru)

Veredyuk Olesya (St. Petersburg) - PhD in Economics, Associate professor of the St. Petersburg State University Faculty of Economics (191123 St. Petersburg, Tchaykovskogo street, 62, e-mail: o.veredyuk@econ.pu.ru).