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SOCIAL COMPONENT OF MODERN SOCIETY

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Abstract

The constitutions of many world countries refer to the principles of social policy, which confirms their special value and guarantees their stable implementation. The level and quality of life, share of the population with the income below the poverty line, quality of health care and education are among the most important factors contributing to social development. Housing and property indexes of economies, quantity and quality of food are important in defining the social wellbeing of a society. Considerable reduction in food consumption was one of the results market transformation in Russia in the 1990s of the 20th century. It shall be noted that in the Soviet Union the growth of the nation's prosperity was among the main objectives of the state. The socialist society was characterized by the increasing care of the state for its citizens. The demographic mix and structure of a family, as well as health of its members play a key role in the formation of labor potential, human and social capital of a family, its information and temporary resources. Many states implement the family and sociodemographic policy in various forms based on the demographic condition and social-economic development of these countries. The problem of demographic growth is also quite relevant for modern Russia. The workforce, its quality and utilization in any sphere of economic activity is the main condition of economic growth, competitiveness and efficiency. Economic and social development of the society can be considered as complementing and interrelated processes thus confirming their unity.

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Keywords: Welfare, income, quality of life, social state, social policy, standard of living.



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1. Introduction

According to Article 7 of the Constitution of the Russian Federation, Russia is declared a social state, which policy shall be focused on worthy life and free development of a person. The ideas and principles of explicit recognition and protection of natural rights of a person and a citizen, efficient social policy to achieve the decent standard of living form the basis for any civil society. The principles of social policy are stipulated in the constitutions of some foreign countries, which confirms their special importance and guarantees their stable implementation.

Social policy represents a set of various impacts on the activity of different social groups to increase the quality of their life, create favorable conditions for development and self-realization of a person. The indicators of social development include the level and quality of life, index of income inequality, share of the population with the income below the poverty line, quality of health care and education, trust of a person to the state and society, social responsibility of the state, social tension, etc. (Berestova, 2014). Labor market serves the basic element of social policy.

2. Problem Statement

To study some aspects and problems of social policy in Russia.

3. Research Questions

The paper considers the indicators of social development of a society, defines their importance and value, studies the main problems of social policy and directions of its implementation in modern Russia.

4. Purpose of the Study

The purpose of the study is to determine the importance of social policy in modern societal development, its influence on the level and quality of life of the population, as well as the interrelation of economic and social processes.

5. Research Methods

The given study was performed using statistical analysis, comparative analysis, functional analysis, positive and normative analysis. The study is carried out in accordance with the principles of systematicity and scientific objectivity, as well as problematic/chronological principles.

6. Findings

The quality of life is considered as a major element of life thus incorporating life values and principles, agent-object relationship. Many followers of the economic approach associate the quality of life with the system of objective indicators, such as the standard of living, level of income, demographic and environmental indicators, etc.

According to H. Marcuse, the quality of life is not an individual, but social phenomenon whereas improvement of quality of life is defined by the change of human behavior, i.e. decrease in anxiety, increase in the sense of responsibility, self-esteem, initiative, etc. The quality of life is assessed on the basis of

society division into groups or classes, proceeding from the status of employment of a particular member of the society, which allows applying the classification of non-institutional economies suggested by the founders of the System of National Accounts.

On 10 December 1948 the UN General Assembly adopted and proclaimed the Universal Declaration of Human Rights as the task of all the mankind and the states. For the first time ever, the Declaration institutionalized and defined the basic rights of a person to birth, irrespective of race, sex, language, religion, political and other beliefs, national identity, social background, property, birth and other status. According to the Declaration, each person has the right to living standards, including food, clothes, housing, medical care and social service necessary to maintain health and welfare of himself and his family.

The welfare is the economic category organically considering the unity of economic and social problems of social development. This category includes the system of elements, which quantitatively and qualitatively characterize the satisfied social needs. The category of welfare covering a full set of economic needs includes the sum of benefits and services. However, many scientists also includes such components as free time, working conditions, purity of environment which, similar to others, require certain economic expenses.

Indicators characterizing the quantity and quality of food of the population may be considered as one of the most important indicators of social wellbeing of the country, which, when analyzed separately in social and demographic groups, allow defining the potential health of the society. According to medical standards, poor intake of meat, fish, eggs as the main sources of animal protein, as well as fruit and vegetables as sources of vitamins, leads to the reduction of health potential and immunity of the population, contributes to the development of major diseases and decreases life expectancy (Ovcharova & Prokofieva, 2008).

The development of rational norms of consumption and rational consumer budgets holds a particular place in forecasting and planning of social development. As early as at the end of the 19th century Ernst Engel proved that the entire complex of needs of the members of society is developed in a certain direction with the quantified interrelation of its components. The actions of people choosing consumer goods basket are subject to the objective need of providing means of living for themselves and the family according to available opportunities, which is expressed within the mass character of the given phenomenon in the form of statistical patterns of consumption development. As the society develops the share of means spent to satisfy the most urgent needs decreases with the increase of the share spent to satisfy the least urgent needs, i.e. higher order needs.

It shall be noted that in the USSR the rise of the material wellbeing of the nation was among the main objectives of the Soviet state. The socialist society was characterized by systematically increasing care of the state for the person from his birth to extreme old age. The growth in prosperity of Soviet citizens was accompanied by material and technical development of the society, increase in labor productivity, national income and its national consumption fund.

Besides, in terms of the level of economic development in the 1930s-1960s the USSR was the first of non-western countries to close the gap with the countries of the West, but already in the 1970s-1980s a similar progress in the catching-up development was not observed (Popov, 2015).

Table 1 considers the above pattern in consumption development in the Soviet Union on the example of the one of the most essential component – need for food.

Table 01. Dynamics of absolute levels and share of food costs per capita in the USSR (Mozhina, 1991)

Costs	1960	1965	1970	1975	1980	1985	1987	1988
Total consumption expenditures (personal and property), including food costs	100	100	100	100	100	100	100	100
Food costs per 1 family member, rub. a month	40.0	39.6	36.3	32.5	30.9	27.1	28.0	26.8
	17.8	23.0	28.6	32.1	36.0	35.8	36.8	38.4

According to the above table, the growth of food costs in rubles in the Soviet Union from 1960 to 1988 in general happened with the decrease in the share of food in total family expenditures. In normal conditions i.e. when there is no decrease or freezing of the real income, the gain of food expenditures is much slower in comparison with the gain of the total consumption level of families thus resulting in the reduction of the share of food in the general structure of satisfied functional needs.

One of crisis results in the Russian economy of the 1990s of the 20th century was a considerable reduction in food consumption. Among social and demographic groups, the majority of presented by families with children, and according to the studies, the level of children's health substantially depends on food habits (Ovcharova & Prokofieva, 2008). Hence, the indicators characterizing the caloric content of food and weight shortage of younger children are most often used to define the degree of malnutrition or hunger. Thus, from September 1992 to December 1994 the dwarfism among children under 2 years old increased by 26% (from 11.8% to 14.9%) confirming their undernourishment (Ovcharova & Prokofieva, 2008). Later, despite the decrease in this indicator, its level still remained high and made 12.3% in 2005 (Ovcharova & Prokofieva, 2008). From 1992 to 2005 among people of young age groups from 18 to 29 years the indicator of malnutrition increased from 4.3% to 7.1%, i.e. by 65%, resulting in the fact that more and more recruits were getting the army respite due to insufficient body weight. In general, despite significant increase in food indicators of the Russian economy from 2000 to 2006, in 2006 the caloric content of food exceeded the food standard of the cost of living only in families with one child, whereas in other families it was lower: by 5% in families with two children, by 7% in families with three children, and by 17% in families with four and more (Ovcharova & Prokofieva, 2008).

According to Table 2, the expenses of the state and the family on health care in the USSR from 1970 to 1988 increased by 1 point, absolute expenses to satisfy the need for health care grew for this period from 46 to 104 rubles a year with the growth of nominal comprehensive income of the population by 1.8 times.

Table 02. Dynamics of the share of expenses for free goods and goods provided on easy terms from public consumption fund from 1960 to 1988 (all expenses of extended consumption fund make 100) (Mozhina, 1991)

Needs	1960	1965	1970	1975	1980	1985	1988
Enlightenment (free education)	4.8	5.7	5.4	5.6	5.6	6.0	6.2
Health care	4.4	4.5	4.7	5.0	5.1	5.4	5.7

To study the communality of development trends regarding the system of needs let us compare the statistical series of consumption structures in the USSR and other states according to the table below. (Table 03).

Table 03. Dynamics of the share of expenses on food (without alcoholic drinks) and medical care in all consumption expenditures in the USSR and some developed capitalist countries (Mozhina, 1991)

Country	1970		1975		1980		1985	
	Food	Health care	Food	Health care	Food	Health care	Food	Health care
USSR	36.3	4.7	32.5	5.0	30.9	5.1	27.1	5.4
USA	14.4	9.8	14.2	11.1	12.6	12.1	11.8	13.8
France	-	-	19.5	10.9	17.2	11.7	16.9*	12.1
Italy	29.5	7.3	26.6	8.5	24.8	8.5	24.9	9.0

*- 1982.

The above table shows that if the dynamics of the share of food expenses characterizes the welfare of the society, then the health expenses of the state and families, irrespective of different forms of satisfaction of these needs, are similar. Unlike the Soviet Union, the health expenses in capitalist states shown in Table 3 grew at higher rates.

The level and quality of life of the population is substantially defined by the condition of social infrastructure. The indicator of housing and property economy is also of great importance in the assessment of social wellbeing. During the initial market stage in the country the economy, according to the studies of the 1990s of the 20th century, was quite often gaining relatively low operating income, could be characterized by high level of housing stability and possess considerable property, which remained from the Soviet period, whereas family with high income had no housing and property with regard to the gained income (Ovcharova & Prokofieva, 2008). Thus, in the early 1990s the majority of the Russians had the following welfare services: 42 million people lived in houses provided by the departmental fund, 31 million children went to kindergartens and day nurseries under the authority of enterprises and departments. About 2.5 million children went on holidays to departmental summer camps, every fifth resident of Russia was getting services of departmental health care (Mokhina, 1991). However, it shall be noted here that the social sphere was financed by the state but not out of profits of enterprises.

The demographic mix and structure of a family, as well as health of its members play a key role in the formation of labor potential, human and social capital of a family, its information and temporary resources. It is possible to say that the economic potential and family welfare generally depend on its demographic profile. At the same time other family resources influence the labor potential: thus, labor

performance of a family considered in the form of employment and the remuneration level may increase due to human and social capital. Besides, there is close connection between information opportunities and the growth of human and social capital, as well as between temporary resources of a family and practically all types of specified resources (Shevyakova, 2008). On the other hand, it is worth noting the influence of achieved welfare of a family on such demographic and other its features as the number of children, health status and life expectancy of family members. At the same time some potential components, such as health, temporary resources may influence not only the welfare, but also the quality of life of a family.

With the growth of the innovative component the economic growth faced a change of the attitude to problems of labor reproduction from western economists. Thus, if earlier the main problems included the available labor, then now they are replaced by the qualitatively new labor (Krutova, 2013).

The problem of demographic growth is one of the most important tasks for Russia. To ensure at least simple reproduction of the population the number of families with the average number of children and large families shall make at least 51% of all families in the country, and for slightly expanded reproduction – at least 60% of the total number of families and 35% – families with few children (Shevyakova, 2008).

In December 2006 to stimulate the birth rate Russia took various new measures in the state social policy through the adoption of various regulations, including: Federal Law No. 207-FZ On amendments to certain acts of the Russian Federation regarding the state support of citizens with children of 5 December 2006 and Government Resolution No. 856 On approval of regulations on welfare payments to citizens with children of 30 December 2006; Federal Law No. 256-FZ On additional measures to support families with children of 29 December 2006 and Government Resolution No. 873 On the order of the government certificate on maternity (family) capital of 30 December 2006, etc. (Ovcharova & Prokofieva, 2008). These measures implied support of motherhood and childhood for the purpose of obtaining the positive effect on the birth rate in the country by increasing the standard of living of families with children and their social protection at birth and education.

The measures within the state social policy implied the following: changes at payment of some child allowances; establishments of new allowances – lump sum allowance for foster placement of a child; granting maternity capital upon birth or adoption of the second (third and subsequent) child; definition of rules for budgets of territorial subjects of the Russian Federation in granting subsidies for compensation payments to parents for keeping a child in preschool educational institution, as well as financial aid for the development of family forms of orphaned children placement (Ovcharova & Prokofieva, 2008).

It shall be noted that the decrease in birth rate, growth of divorces, illegitimate births and the number of single parents were factors fostering the state support to families in difficult situations in developed countries. In foreign countries social, demographic and family policy are mainly considered as one social policy in relation to family reduced to family support measures in order to create the most favorable conditions for its proper functioning (Kobyakova, 2014).

In Europe, depending on the family support mode, there are countries that belong to liberal, Scandinavian, conservative governmental and conservative family regime of social security of families (Kobyakova, 2014).

The family policy, which aim is to combine the professional activity and family duties, is typical for the liberal model (Ireland, Great Britain, Switzerland, the USA, New Zealand), the greatest share of public

expenditures on family is the share of direct monetary payments. Within this model the state plays a small part by providing help to the working “poor” and the neediest families. In the liberal states the child care leave is low, various preschool institutions with quite high payment are very popular.

In Scandinavian countries (Denmark, Sweden, Norway, Finland) the state plays a key role in social family support ensuring qualitative and advanced system of services within child care, which important element is 3-year long leave to both working parents. Various child care preschool and school institutions in the countries ensures bigger realization of female labor potential.

The conservative mode of social family support where traditionally the family is responsible for the wellbeing is typical for the majority of European states. High allowance for child of different age and long paid leaves are granted in conservative countries with “active” state child care support (France, Belgium). Low birth rate is typical for countries with conservative family support (Spain, Italy, Portugal). These countries are characterized by low level of child allowances and paid child care leaves.

There are some peculiarities in the practice of allowances in European countries. Thus, only France among the countries of the European Union does not grant the allowance for the first child but only for the second and more children. The allowance to families in some states increases with the growth of children, whereas in others – with the increase in their age. Only in Spain and Greece the payments to families are subject to taxation.

The differences are also observed when defining the age bracket of aid and payments to families. Thus, if France, Great Britain and Ireland utilizes the most restrictive policy, then besides standard family allowances to students there are special payments in Sweden and the Netherlands (Kobyakova, 2014).

At present, the family and sociodemographic policy according to the demographic condition and social and economic development is also carried out in various forms in many countries of the world. Many European states provide regularly increased child allowances on a monthly basis. In Northern European countries, as well as in Canada, the allowances are granted to all families with children irrespective of any conditions. In the USA allowances are only given to families with children whose income is below the poverty line. Many states gradually shift away from the principle of universality in granting child allowances trying to support only to the neediest families. Differences between countries are also observed concerning the amount of the child allowance. Thus, Norway gives the highest child allowance.

Broken families deserve special attention in the world. Thus, according to the current legislation, in Russia single mothers have the right to higher monthly child allowance in comparison with the nuclear family, as well as to annual additional financial aid from the state, priority housing, unencumbered placement of a minor child to child care facility fully financed by the state and many other things.

According to foreign studies, the most important factor of economic growth and increase in the standard of living of the population is the human capital accumulation. Since the second half of the 20th century the increased interest to the role of the human capital in the economy was caused by objective reasons, among which is the transition of developed states to a new stage of social and economic development where the most significant part is assigned to the human capital.

Thus, in 1870 J. McCulloh noted that instead of considering the share of products, which are alien to a person and aimed at his support and production, as the capital there is a need to consider a person as the national capital (McCulloh, 1870). He believed that there are too many reasons, according to which a

person is a formed part of the national wealth. Besides, McCulloh highlighted the similarity between physical and human capital, considering the compliance of turnover rates of investments into human development with turnover rates of other investments the most important. According to L. Walras, a person is the natural and eternal capital. It is natural because it is not created artificially, and it is eternal due to the fact that each generation ensures the reproduction of one's kind (Walras, 1954). The English economist N.U. Senior also considered that a person serves the capital with maintenance expenditures invested to gain the benefit in the future (Senior, 1939). Studying the formation of the human capital, G. Becker noted that the human capital is created by investments into a person, including education, production training, health care, migration and search for the necessary information on prices and income (Becker, 1993).

In the modern world the quality of the human capital determines the level of competitiveness and economic development of states and regions, hence, educational institutions around the world start playing the role of more active and often backbone participants of innovative systems. The study of representatives of the school of human capital demonstrated that the growth of general and professional education in many branches of economy ensured not only profit, but also the increase in satisfaction of workers with their work, their production commitment. Their conclusions, according to which the economic effect of education costs is much higher than investments to new machinery and equipment, fostered the intensive development of vocational education at enterprises of the western states (Krutova, 2013). The more educated the society, the bigger level of innovations it is able to reach and provide more productive work and implementation of more advanced technologies in production. Therefore, the quality of education directly influences the qualification of workers, thereby providing it with a possibility to get certain income and increase his labor productivity thus influencing the economic growth.

Due to certain circumstances the market cannot ensure full investments into the development of the human capital, therefore the solution of this task is more assigned to the state. The modern world is characterized by the increased role of the state in ensuring social processes, growth of investments into the development of a person. The activity of the state is particularly important in the formation of the human capital and technology transfer representing basic conditions of the economic growth. Thus, according to estimates of some scholars, the increase of education duration by one year in the USA leads to the GDP growth by 5-15%, and for developing countries this indicator is even higher; in Central Africa the investments into primary education lead to the GDP growth by 24%, and in general for the states with low income – on average by 23% (Oydup & Adadimova, 2010). Hence, in the countries of Southeast Asia the general education is considered as the most important condition of economic growth.

To ensure sustainable development the paramount value results in the change of structure of the national wealth towards the growth of the share of immaterial elements, such as scientific achievements, education level of the population and quality of health care. Thus, according to experts, the increase of the human capital by 1% leads to the acceleration of the growth rates of per capita gross profit by 1-3% (Yunusova, 2015). According to calculations of the World Bank, the US national wealth contains 19% of the share of fixed business assets, 5% of natural resources, and 76% of the human capital. In Western Europe such indicators make 23%, 2% and 74% respectively. In Russia the fixed capital takes 10%, natural resources – 40% and the human capital – 50% (Mayburov, 2004). In general, at the beginning of the 21st

century the human capital in the structure of the world national wealth made 66%, natural capital –16% and reproducible capital – 18% (Yunusova, 2015).

It shall be noted that according to the UN annual report on the development of humanity, the USSR in the 1970s was included into the first twenty the most developed states of the world in terms of the standard of living and the index of human capital development, the Russian Federation in 1990s took the 26th place, and in 2013 – the 55th place among 187 countries of the world (Yunusova, 2015).

For today, the volume of human resources, their quality and forms of application serve the main factors of economic growth, competitiveness and efficiency for any sphere of economic activity. The accumulated knowledge, information and experience of people form the basis for economic progress of the developed states globally. Such countries as Japan, South Korea, Hong Kong and Taiwan, which almost lack natural resources, were able to increase the economic growth rates and the growth of competitiveness of national farms over the last decades due to the human capital. This demonstrates that the modern world is at the new stage – innovative stage of post-industrial development.

The problem of the human capital in Russia is not only caused by financial problems, such as support of workers of certain sectors and social groups with budgetary funds, but also structural reforms in such industries, where financial actions shall be followed by structural ones (Mau, 2012).

The formation of the social state is a key problem of many world countries with the market economy. The achievement of this objective requires high welfare of all citizens of the society. Market development had its consequences in the Russian economy, first of all, in the form of urgent social problems and decrease in the standard of living of the population. The efforts and results of the social policy are demonstrated in this sphere in particular, and the development of the human capital, which in 1997 was declared by the World Bank as a necessary element to be included into the structure of the national wealth, is considered the most important condition of economic development of the state.

Economic and social development of the society can be considered as complementing and interrelated processes thus confirming their unity. The program documents of the international community, including the charter of fundamental social rights of workers of 1989, refer to the unity of these processes.

7. Conclusion

The formation of the social state is the most important problem of many world countries with the market economy. The achievement of this objective requires high welfare of all citizens of the society. Market development had its consequences in the Russian economy, first of all, in the form of urgent social problems and decrease in the standard of living of the population. The efforts and results of the social policy are demonstrated in this sphere in particular, and the development of the human capital, which in 1997 was declared by the World Bank as a necessary element to be included into the structure of the national wealth, is considered the most important condition of economic development of the state.

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