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## Economic Conditions on the Quality of Life: Republic of Tatarstan

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### Abstract

The article considers the economic conditions for the formation of the quality of life for a regional society, the Republic of Tatarstan. This research bases on comparing the economic indicators of the development of the region and the results of a public opinion survey on the economic components of the quality of life and the material well-being of a family. Statistical indicators of the economic development in the Republic of Tatarstan over the past decade show a positive dynamics of growth, while the satisfaction of the population with the main components of economic well-being does not always has a similar picture. Our studies show that the material well-being of a family and an individual citizen is determined not only by the growth of the aggregate income of the family, but also by such macroeconomic indicators as the level of inflation, the growth of tariffs for utilities. Consequently, the social well-being of the population is more correlated with the real incomes of a family than from macroeconomic growth indicators.

**Keywords:** Quality of life, Standard of living, Total income of a family, Economic problems, Satisfaction with the quality of life, Financial situation of a family.

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## **Introduction**

The problem of evaluation and satisfaction with the quality of life does not lose its relevance. Although we observe changes in the social and state structure, nevertheless, this issue is still of concern to the society at the present stage. It would appear that the differentiation of incomes in society is a problem of the past, but more and more often we are confronted with dissatisfaction with the quality of life and wages. In this article, the aim of the study is to compare the economic conditions of the population with the results of the survey on evaluation and satisfaction of the quality of life with the population. And also, we are interested in the identification of objective and subjective assessments on the quality of life by the population in the Republic of Tatarstan (the Russian Federation region).

## **Materials and Methods**

The concept of "quality of life" was introduced into scientific circulation in the 60s of the XX century. Since 1975, the United Nations has been conducting regular research in this direction. Over the years, scientists from different countries, including Russia, conducted a large number of studies using various techniques. Among them we can distinguish: Multicriteria model (Institute of Economics RAS, Moscow), Volumetric model of the quality of life (VNIITE, Moscow), the Lifestyle Indicators System (IIS AS USSR), the Human Development Indicators System of the Industrially Developed Countries (UN), the Quality of Life Quality Scoring System (Department of the Academy of Quality Problems, Yaroslavl, Russia), Comprehensive Assessment of the Quality of Life (Rybinsk, Russia), and others. These methods mostly rely on quantitative methods of analysis which reveal statistical characteristics of people's satisfaction with the conditions and quality of life. The application of qualitative research methods makes it possible to reveal the features of the individual's perception of the level of satisfaction with the basic components of the quality of life.

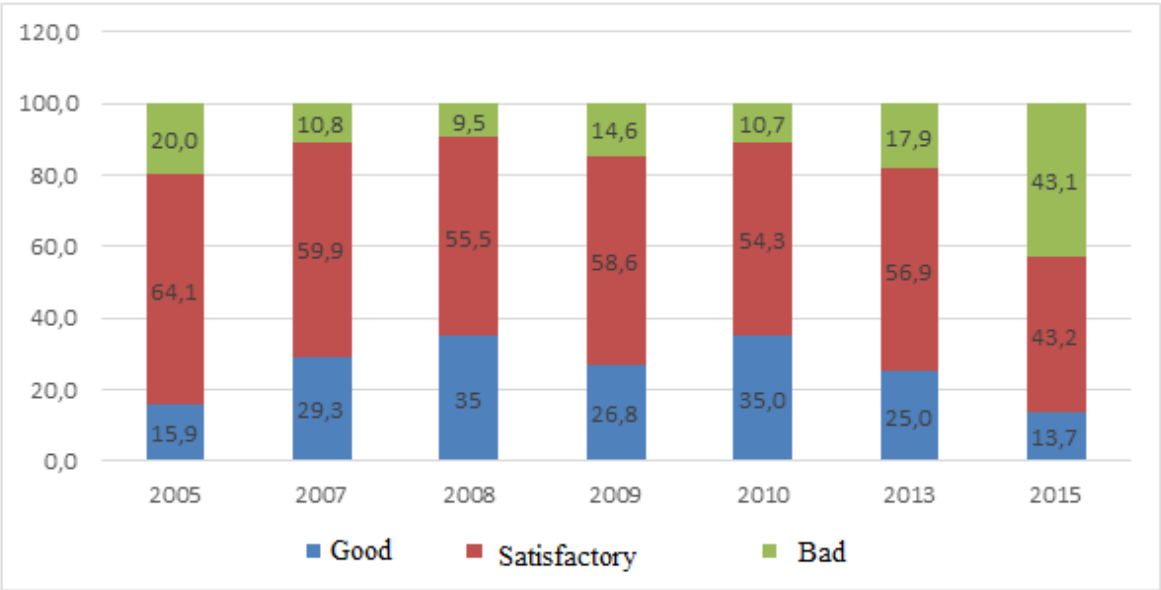
The main methods of research were methods of analyzing the absolute and relative values of statistical indicators, and conducting a questionnaire survey. We conducted a questionnaire survey of the population from 2005 to 2015 in all administrative entities of the Republic of Tatarstan ( $n = 2186$  at each stage of the study). A total of 15,302 people over the age of 18 were interviewed. The sampling set was formed by a multistage regionalized quota sampling. The sampling error was 5%. The survey was conducted in the form of a formal interview. Statistical collections were analyzed for 9 years concerning the data collected in the Republic of Tatarstan (the Russian Federation region).

## **Results and Discussion**

Satisfaction of material needs of a social subject is associated with an increase in the standard of living of the population, what is reflected both in the overall economic situation and in the financial situation of the family and citizens. Based on the premise that the economic welfare of a country and a region lies at the basis of the material well-being of an individual, we asked the respondents: "How do you assess the current economic situation in your place of residence (city, village, etc.)?" Over the entire observation period, about one in two respondents rated the economic situation as satisfactory, and only in 2015 the share of such respondents decreased to 43.2%. It is noteworthy that those replies were redistributed in favor of the "bad" estimate as 43.1% which is also the largest indicator of negative assessments over the last ten years of observations. The share of respondents who consider that the economic situation is good was 13.7% (for example, in 2013 - 25.0%, in 2010 - 35.0%) which is even lower than the lowest indicator for all years of observations in 2005 (15.9%) (Fig. 1).

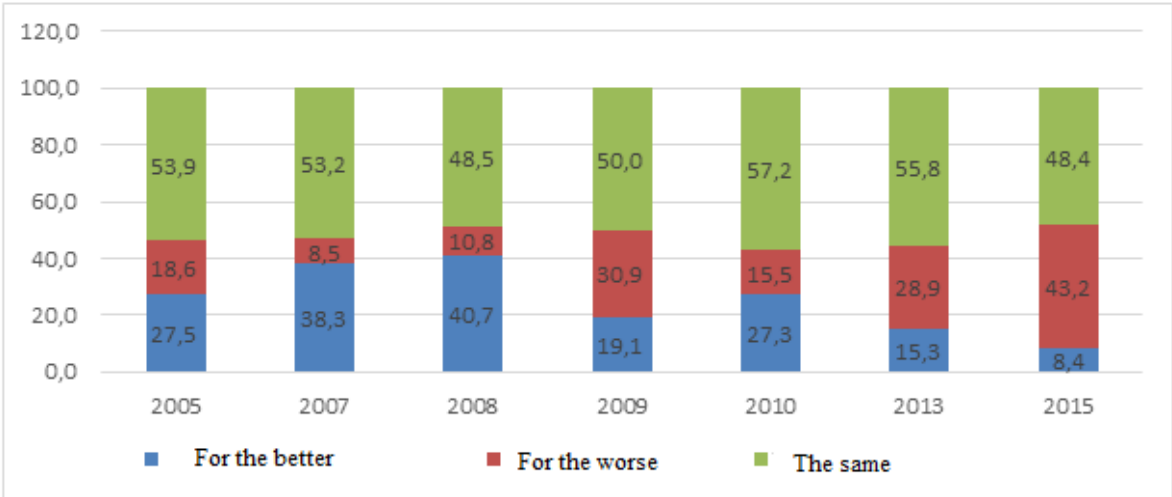
The global political and economic crisis has a significant impact both on the economic situation in the country as a whole and in its regions. The unprecedented decline in prices for energy sources in world markets has affected the Russian economy not in the best way what has also manifested itself in the

situation in the business environment of Tatarstan. High rates of interest on credits in banks, the absence of other, cheaper money and forms of financing lead to crisis phenomena in the manufacturing sector, hinders the development of small business, worsens the business climate in the country as a whole.



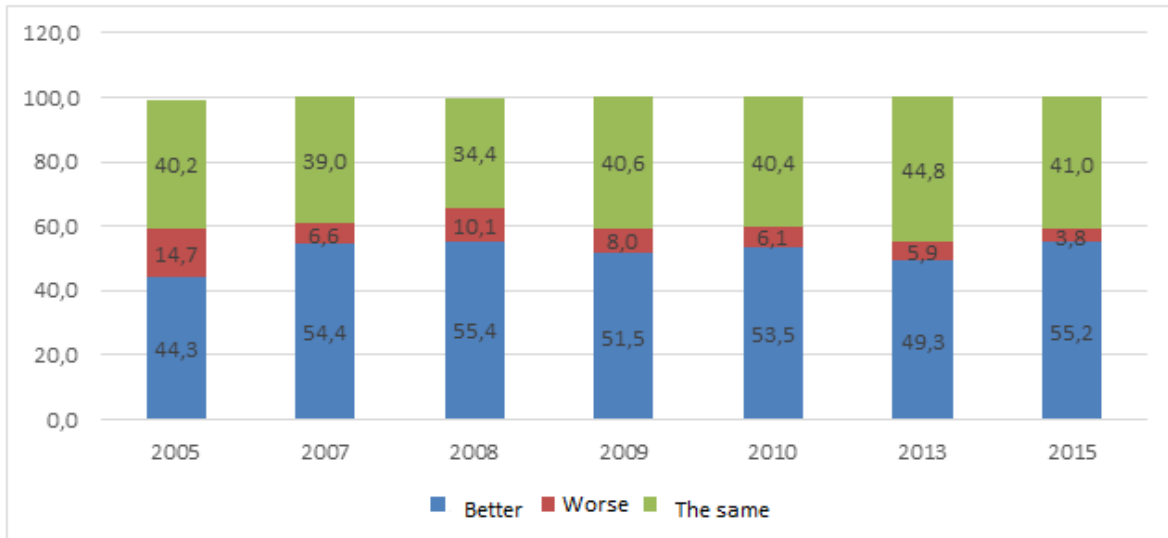
**Figure 1.** The dynamics of respondents' answers to the question: "How do you assess the current economic situation in your place of residence (city, village, etc.)?" (In percents)

The population survey showed that the share of respondents who believed that the economy had undergone a change for the worse in the last year was 43.2%, has increased. In the opinion of 48.4% of respondents, it has not changed, and only 8.4% of respondents believe that the situation has changed for the better (Fig.2).



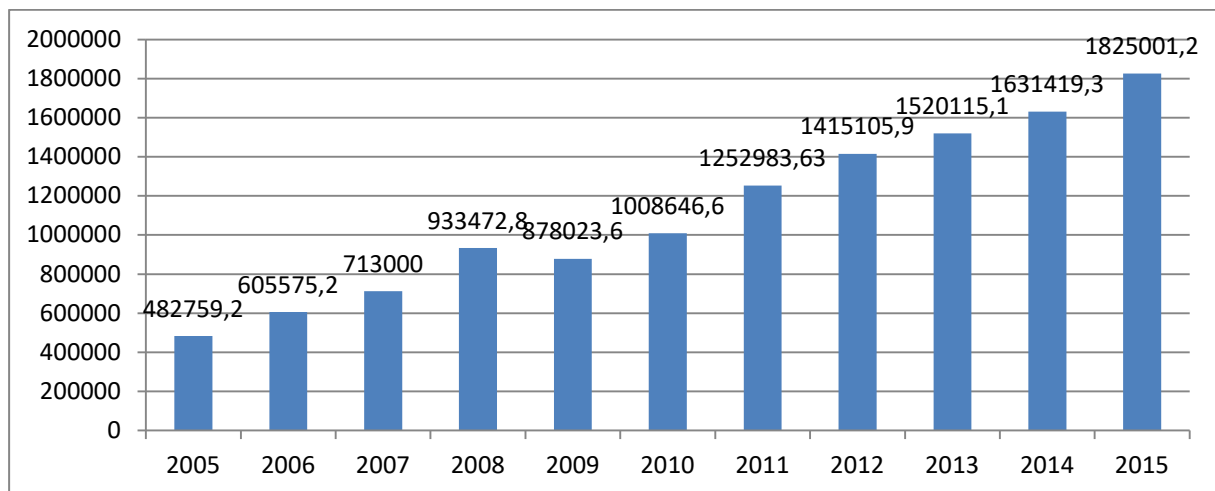
**Figure 2.** The dynamics of respondents' answers to the question: "Has the economic situation in your city (village) changed in the last year?" (In percents)

Despite a rather critical assessment of the economic situation, the majority of the population (55.2%) believes that the social and economic conditions of life in the republic are better than in other regions of Russia. 41.0% of respondents hold the opinion that living conditions in the republic do not differ from other regions of the country (Fig. 3).



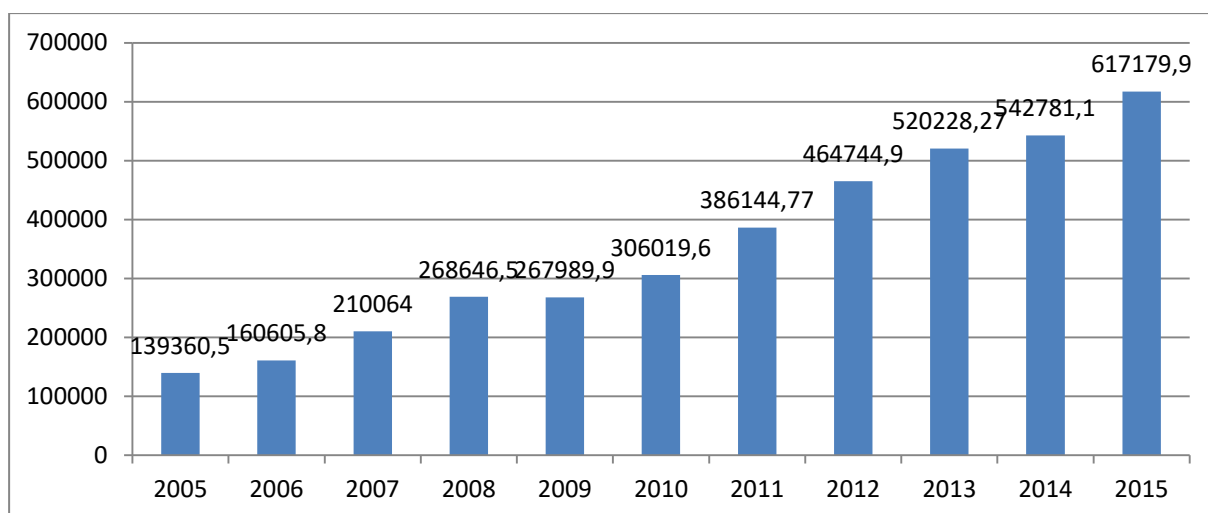
**Figure 3.** The dynamics of respondents' answers to the question: "How do you assess the socio-economic conditions of life in Tatarstan in comparison with other territorial entities of the Russian Federation (regions, republics)?" (In percents)

If we consider statistical indicators that prove the social survey of the population, then the main general economic information on the Republic of Tatarstan (the region of the Russian Federation) is presented below.



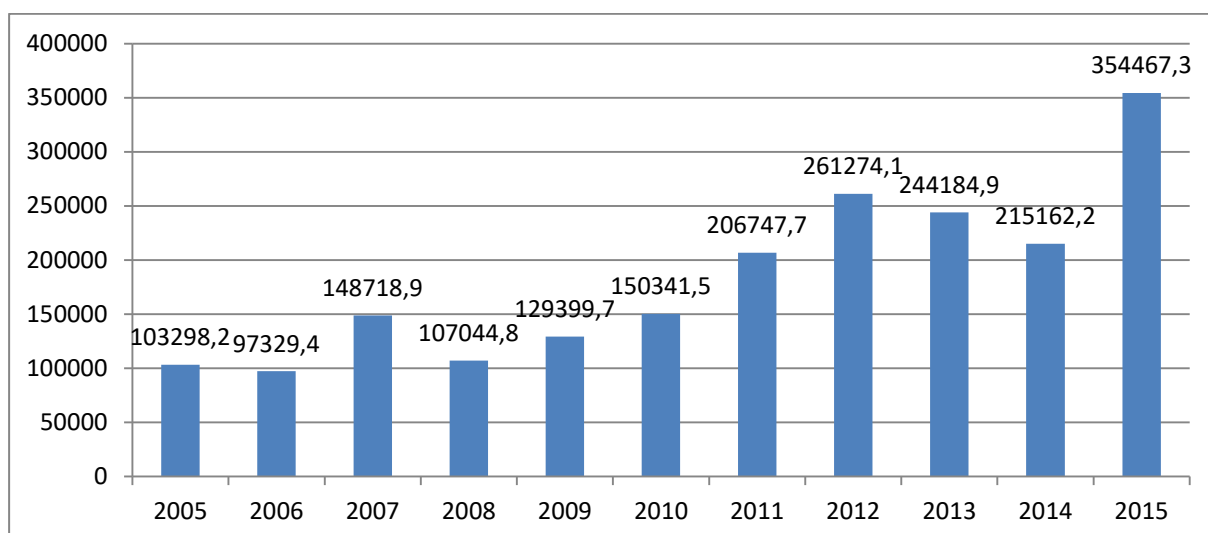
**Figure 4.** Dynamics of changes in gross regional product in basic prices, mln. rubles.

As can be seen in Figure 4, the gross regional product increases in the period under review. This testifies to the economic development of the region.



**Figure 5.** Dynamics of changes in investments in fixed assets, mln. rubles.

Investments in fixed assets also have a positive trend from 2005 to 2015, what indicates the investment attractiveness of the region and the prospective economic growth (Fig. 5) . ,



**Figure 6.** Dynamics of the change in the balanced financial result in the economy, mln. rubles.

The balanced financial result in the economy in the period under review decreased in 2008 and in 2014 (Fig.6). This was due to both the financial crisis in 2008, and the decline in growth in the economy in Russia due to the introduction of sanctions and a reduction in the price of oil. Thus, the analysis of the indicators confirms the rather favorable macroeconomic climate in the region. But a number of problems in the Republic of Tatarstan still remain unresolved. They were identified by a social survey of the population which will be described below.

Among the problems of concern to the population, traditionally high positions are occupied by economic problems: the growth of prices for goods and services - 72.1% (in 2013 - 64.5%, in 2010 - 78.3%, in 2009 - 75.2%), the poor financial position of the majority of the population is 56.2% (in 2013 - 33.0%, in 2010 - 49.8%, in 2009 - 58.2%), unemployment - 45,3% (in 2013 - 25.2%, in 2010 - 58.0%, in 2009 - 59.1%). High position in the ranking is the problem of corruption - 44.7%. This is the highest indicator for all years of observation (in 2005 - 16.1%, in 2007 - 14.2%, in 2008 - 15.3%, in 2009 - 14.8%, in 2010 - 14.3%, in 2013 -

35.0%). The reason for the growing public attention to the problem of corruption is, first of all, that the problem becomes more and more public, high-profile corruption cases also add weight to this social phenomenon.

For the third part of the population, problems in the housing and communal services (35.3%), insufficient social protection of the population (33.3%), and environmental problems (31.1%) are significant. As for the system of social protection of the population, the majority of informants agree that the current system of supporting the needy strata of the population is symbolic. Every third participant of the survey is concerned with the problem of social protection of the population - 33.3%, which is somewhat higher than in the previous two years (in 2005 - 37.4%, in 2007 - 32.7%, in 2008 - 35, 4%, in 2009 - 36.4%, in 2010 - 26.8%, in 2013 - 27.8%).

Despite such notable projects on preservation and development of the natural environment, such as landscaping of the city of Kazan and other cities of the republic, the Parks And Squares Year when a huge number of park and recreational zones were refined and rebuilt, not only in large cities, but also in regional centers and villages of the republic, the population expresses concern about ecology - 31.1% (in 2005 - 18.4%, in 2007 - 21.7%, in 2008 - 22.2%, in 2009 - 13.9%, in 2010 - 24.4%, in 2013 - 24.1%).

Slightly more than a quarter of the population (26.8%) is concerned about the poor quality of health care services (in 2005 - 22.1%, in 2007 - 22.6%, in 2008 - 28.4%, in 2009 - 18.6%, in 2010 - 20.8%, in 2013 - 29.1%). In recent years, the threat of terrorism has become quite high in the rating - 23.3% (for example, in 2005, 11.6%, in 2007 - 5.8%, in 2008 - 8.1%, in 2009 - 3.7%, in 2010 - 8.7%, in 2013 - 17.4%). This is primarily due to the complex international situation around the world, local wars which are constantly flashing in different regions of the world, the complication of relations with Ukraine, and many other discordant events of world level.

Every fifth participant of the survey expresses concern about poor housing conditions (20.4%), 18.3% of respondents are concerned about the delay in wages, pensions or benefits, 17.6% of respondents noted problems in the education system and violation of citizens' rights and freedoms. 14.5% of respondents are concerned about the growth of crime, 12.3% of citizens expressed concern about the poor quality of roads (Fig. 7).

The economic well-being is most accurately manifested in the satisfaction with the material situation of a person, and a family. The results of the last stage of the survey showed a sharp increase in the share of the unsatisfied with the financial situation of their family - 76.2% (for example, in 2013 this indicator was 45.3%, in 2010 - 46.3%, in 2009 - 43,4%). The share of respondents who satisfied with the financial situation of their families has reduced almost twice, to 23.3%, which is even lower than in 2005 (43.6% in 2013, 44.6% in 2010, 41 in 2009, 8%, 2008 - 44.7%, 2005 - 35.1%) (Figure 8).

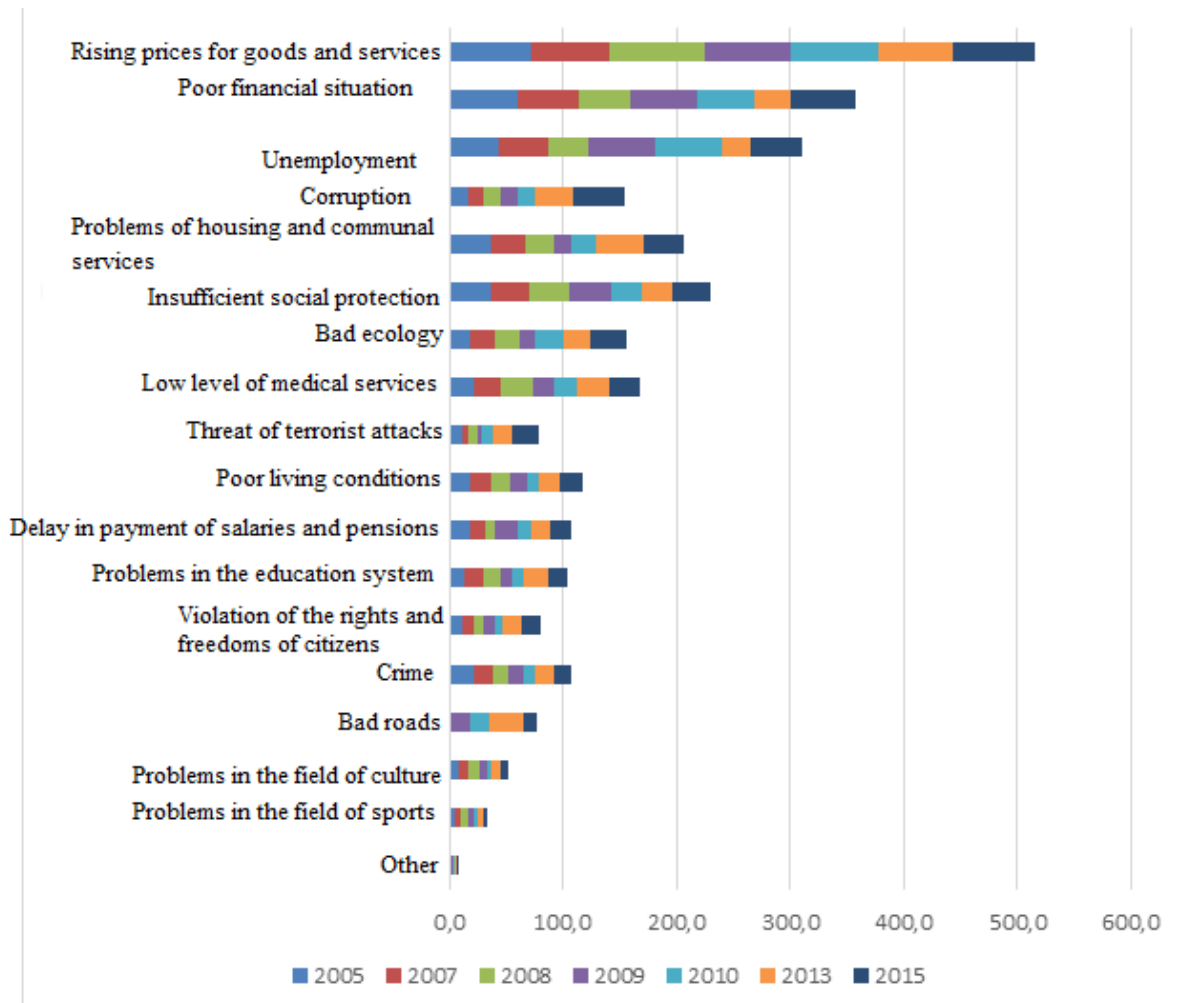


Figure 7. The dynamics of respondents' answers to the question: "Which of the following socio-economic problems are most troubling you lately?" (In percents)

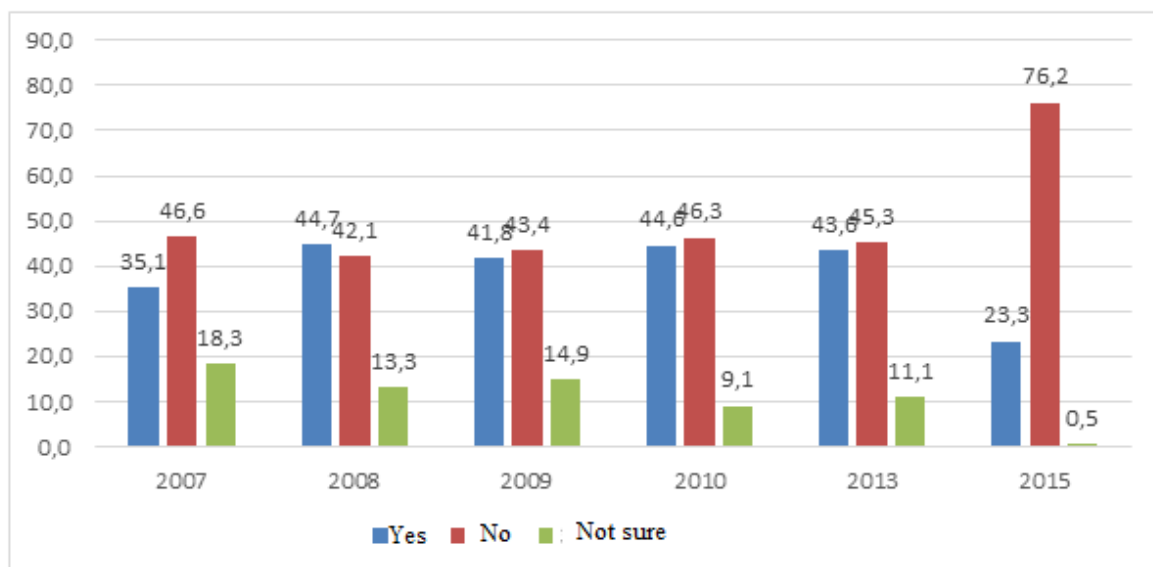
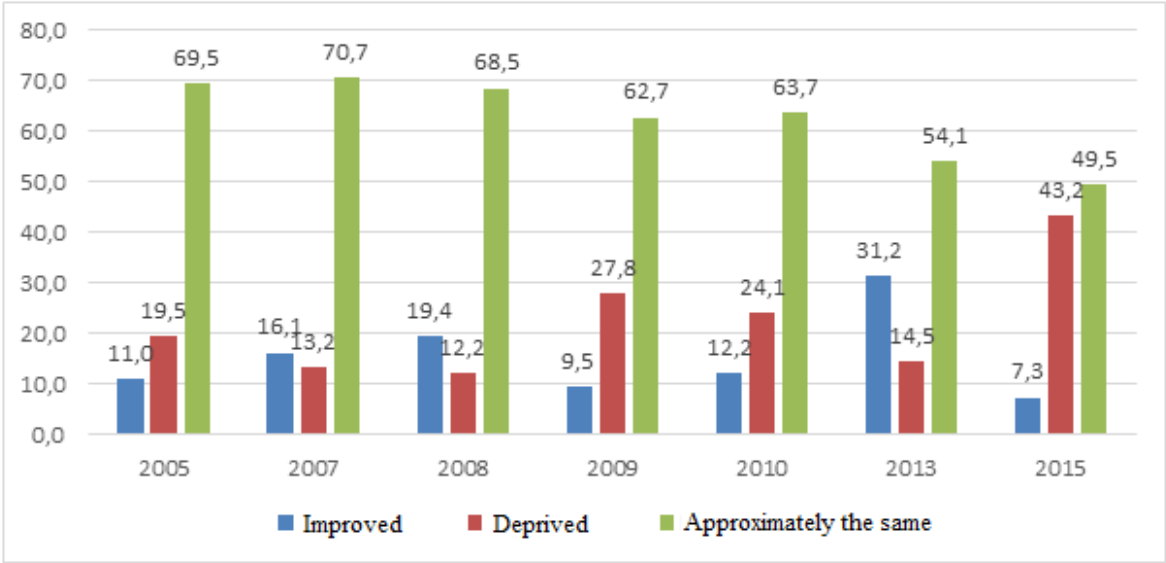


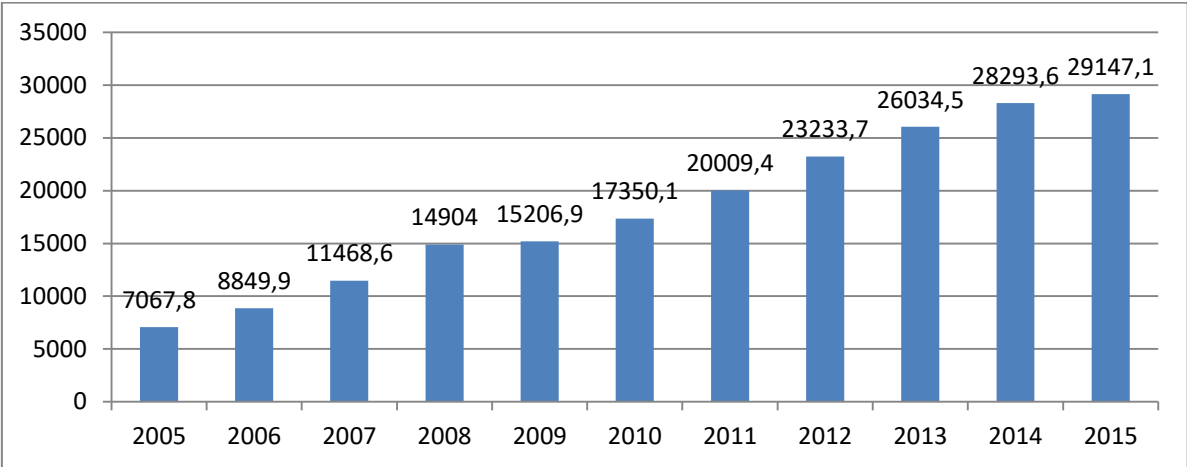
Figure 8. Dynamics of respondents' answers to the question: "Are you satisfied with the financial situation of your family?" (In percents)

Compared with the results of the previous stage of the survey, the share of respondents who believe that the financial situation of their family has improved over the last year is 7.3% (in 2013 - 31.2%), the proportion of respondents who noted deprivation in their material standing - 43.2% (in 2013 - 14.5%). Formation of a kind of "scissors" that demonstrates a sharp decrease in real incomes of the population while maintaining relative stability in the economy shows that despite the efforts of the authorities to keep the situation in the social sector, there is a general deprivation in the state of the economy, which negatively affects the well-being of the population. Therefore, it can be noted that the deprivation of the economic situation, first of all, negatively affects the employees of the budgetary sphere and pensioners, i.e. on those people who have fixed incomes, and compensation for inflationary losses is somewhat delayed. 49.5% of respondents believe that their families' incomes remained approximately at the same level (Fig.9).



**Figure 9.** Dynamics of respondents' answers to the question: "In your opinion, has the material standing of your family changed compared to the last year?" (In percents)

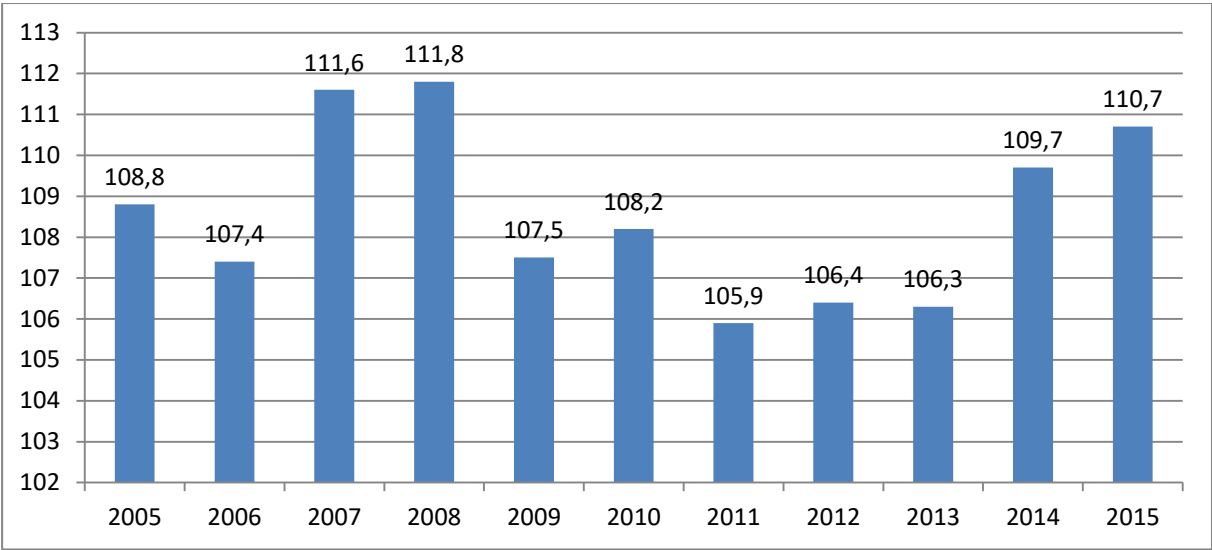
To form an objective economic picture of labor remuneration, we present an analysis of the average monthly wage in the Republic of Tatarstan and the consumer price index. Analysis of these data confirms the social survey of the population.



**Figure 10.** Dynamics of changes in the average monthly nominal wage accrued to employees in the economy, rubles.



As can be seen in Figure 10, the average monthly nominal wage of people working in the economy has gradually increased from 2005 to 2013. In 2014 and 2015, wage growth is quite moderate, in addition, the price index during this period also grew at a rapid pace (Figure 11).



**Figure 11.** Dynamics of changes in the consumer price index for goods and services, in percent

The index of consumer prices for goods and services varies in leaps and bounds. The greatest growth is observed in 2007, 2008 and in 2014, 2015. The consumer price index increased during the crisis years. This affects the decline in the purchasing power of the population, which was noted in the social survey of the population.

**Conclusion**

The analysis allows us to state that the population's satisfaction with quality and standard of living is largely determined by the economic conditions of its existence. One of the determinants of material well-being is the availability of permanent work, or in other words, employment. Having a job allows a person to operate on his/her income, to plan material expenses for education, support of his health, large purchases and improvement of living conditions, etc. Having a constant employment, a person can think about possible additional incomes, thus increasing the material well-being of his/her family. At the same time, a number of economic factors affect the real incomes of a family. First of all, this is the level of inflation leading to an increase in prices for goods and services. Also, the household income is significantly affected by the growth of tariffs for utilities. Consequently, as our study shows, with an increase in aggregate family incomes, there is a decrease in satisfaction with the material situation of the family caused by a decrease in real incomes of the population.

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