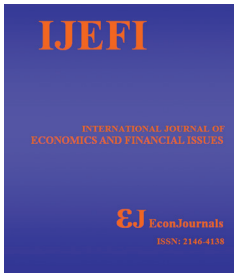

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Features of Social and Economic Support of the Territorial Subjects of the Russian Federation

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ABSTRACT

The political, social and economic reforms of the 90s of the last century, along with the activation of such social phenomena as alcoholism, drug addiction, depopulation, etc., gave rise to some processes fundamentally new for Russia - poverty, unemployment, child neglect, forced migration characterized by steady growth of population in need of social support. All these phenomena have identified urgent need to develop a system of measures on social support of the population of Russia, mitigation of negative social consequences of economic reforms. However, the relaxation role the state's role, formation of market mechanisms in the absence of the effective system of social process management in the situation of economic slack, realistic lack of consistency of social policy measures not only failed to alleviate the existing social risks, but often contributed to their increase. The most significant social problems today, despite some improvement in the standard of living of the past few years, are increasing polarization of incomes, the natural decline in population and its marginalization. The social support system existing in contemporary Russia largely corresponds to the socialist mode of management; it is not adapted to the current social and economic factors and conditions of development of Russia.

Keywords: Economical Good, Social and Economic Support, Country Population
JEL Classifications: H50, H53, L81, L84, M31

1. INTRODUCTION

Social and economic support is in-kind and cash aid provided to citizens (families) in need of additional support due to difficult real-life situation. In cases when the citizens have no funds in the amount of living minimum wage, they are given social assistance: Monetary payment (pensions, allowances, subsidies and a variety of compensations), free or partially paid (beneficial) services (at home, in the hospital, etc.), in-kind aid (fuel, food, clothing, footwear, medicines, etc.).

The state of socio-economic support is aimed at maintaining the standard of living of the population category whose average income through no fault of their reasons is below the living minimum wage established in the territorial subjects of the Russian Federation.

The source of funding of social assistance is the federal budget and the budgets of other levels, the basic principle of which is the principle of targeted and efficient use of funds.

Targeted social assistance can be provided on a nonrecurring basis for a period not <3 months. Types of assistance: Social allowance, subsidies, compensation.

Socio-economic policy of the Russian government is aimed at in improving the standard of the population living based on the increase of real available income of citizens. Within the framework

of improvement of population incomes policy, the strategic target of the state is to restore reproductive and stimulating function of wages, the amount of which should be sufficient not only to meet the current needs of food, clothing, housing, but also the needs in annual proper holiday, as well as to generate savings.

Social assistance only to those citizens whose actual consumption is below the living minimum wage has become the main method of support of the most vulnerable categories of the population (Annemans, 2012).

The concept of "targeting" in this context means the restriction of the circle of recipients of social assistance to a specific target group. The principle of social assistance targeting, enshrined in the laws is often understood as targeting related to a certain category of the population, and not on the basis of need.

Providing targeted assistance solely on the basis of income below the subsistence level leads to the fact that it will be received not only the citizens unable to work, but also quite able-bodied. Therefore, the system of targeted social assistance should be sufficiently flexible and well thought-out to be effective. The assistance should be given to those who cannot cope with difficult life situations on their own.

The realization of the principle of targeting shall allow directing the assistance to those who really needs it. Of great importance in this case is the mechanism for providing targeted social assistance (Intergovernmental Fiscal Relations in the Conditions of Development of Federalism in Russia: Textbook, 2011).

Regional laws and the programs of targeted social assistance are distinguished by one common feature (Bogoviz and Mezhov, 2015): They combine the principle of categorical and targeting principle. Laws on targeted assistance are aimed at specific categories of the population (as a rule, pensioners, the disabled, single-parent and large families) and those in need are selected out of these categories.

The adoption of normative legal acts of targeted assistance, establishing the principle of targeting for child allowance payment before the adoption of the corresponding Federal Law, was due to lack of funds for the payment of allowances in full and the increase of debt on them. Unfortunately, for the realization of the principle of targeting, the assistance is often provided in kind, based on the belief that only those in need will apply for obtaining in-kind assistance. Of course, the accumulation of debts in payment of benefits, their issuance in-kind does not contribute to transparency of payments mechanism (Annemans, 2012).

All the regional laws and the programs of targeted social assistance are distinguished by one common feature: They combine the principle of categorical and targeting principle. Laws on targeted assistance are aimed at specific categories of the population (as a rule, pensioners, the disabled, single-parent and large families) and those in need are selected out of these categories.

To define the concept of targeted social assistance of the population, Russia has yet only limited by the declaration of social state (Zakharov et al., 2016; Kunelbayev et al., 2016). Many social guarantees of right and freedom enshrined in the Constitution of the RF are either not provided, or act in a truncated version.

Targeted social assistance of the population takes an important place in the structure of social management in general and in local government structure in particular. Organization of optimal targeted social assistance of the population implies not only the study of laws and other normative acts that establish its criteria within the framework of relations "state-person-law-social security," but also the ability to define locally the admissible action boundaries in relationships with other subjects and to develop their own variants of targeted social assistance models.

Despite numerous attempts to introduce the principle of targeted social assistance at the regional and municipal levels, the degree of targeting of social benefits for the whole in the Russian Federation has not much been improved (Okushko, 2011).

2. THE PROBLEMS OF RENDERING THE TARGETED SOCIAL ASSISTANCE TO THE POPULATION

In our view, the problem of rendering the targeted social assistance was due to the following reasons:

1. The law does not contain specific information on the sources of funding for targeted payments.
   In the consideration stage in the State Duma, some provisions were omitted which would allow the authorities of subjects of the Federation and local authorities to reallocate for the purposes of targeted social assistance funds by a corresponding reduction in the costs for providing the categorical payments and benefits, which degree of targeting remains low. Law "On state social assistance" becomes financially unsecured and impractical.
   Thus, the country-wide transition to targeted principles of social assistance in the form in which it is provided by federal law, in practice is not feasible due to lack of funds.
2. Regions with low levels of socio-economic infrastructure.
   With the current state of the federal and regional budgets in Russia, the realization of targeted social assistance cannot set the task to overcome the poverty completely, which is actually implied in the laws "On the subsistence minimum in the Russian Federation" and "On state social assistance."
   Even with the severe restrictions on the provision of targeted assistance, potential costs would exceed the actual financial possibilities of the budget.
   The possible solution lies in creation of the set of measures for the development of industrial production in the regions on the basis of "dominant local employers" as well as the agricultural sector. In connection, there will be lead to decline in unemployment, therefore, the decline in those in need of social assistance, thereby increasing the budget of regions.
   Thus, one can conclude that if the economic growth becomes stable, the level of financing the social sphere can be restored in a short time to the maximum level (Ponomarenko, 2013).
3. Evaluation of need.

When selecting the population in need of targeted assistance, the recipient shall be accurately and reliably determined. The most important parameter when evaluating any methodology of targeting provision is how accurately it identifies the recipients of assistance, i.e., how effectively it defines the poor and non-poor (Mindlin et al., 2016). All the assistance will be distributed exclusively within the target group in the ideal targeted program, and at the same time, the maximum assistance will be provided to the poorest representatives of the target group.

However, the ideal targeted mechanism does not exist. Often it is difficult to identify the poor, and the indicators used in the framework of a methodology for targeting provision do not reflect the actual characteristics of the poor. It should also be borne in mind that the law "On State Social Assistance" provides only one type of the citizens' means test-selective direct control over the validity of the information about the income and property declared by the citizens, which can be used for the purposes of deriving income (Zaviyalova et al., 2014; Kirillov et al., 2016). However, even the most effective method based on the direct-mean test, does not allow to estimate with high confidence the level of consumption of poor families, who tend to understate the declared income. Moreover, the restrictions imposed as a condition of receiving aid, often push people to provision of under-reporting of income of their households or false information with a view to get into the category of citizens in need.

Validation check of such information is often associated with certain administrative difficulties and is too expensive. However, it should be noted that administrative costs represent only a small portion of the total spending on social programs.

Solution of the accumulated targeted social problems implies deep structural reforms in the social sphere, which would ensure the redistribution of social spending in favor of the most vulnerable groups of population.

3. THE EVALUATION OF THE ECONOMIC ENFORCEABILITY OF "COST-UTILITY" METHOD AND ITS USE IN EDUCATION AND HEALTH CARE SECTORS

Currently, the results of rendering many medical services cannot be expressed in monetary terms. It is impossible, for example, to evaluate in rubles the role of psycho-therapeutic procedures during treatment, or the role of advanced professional training of personnel in improving the quality of rendering the medical aids, or the effect of acute pain control acute pain when applying block anesthesia (Khabriev et al., 2012).

The pharmacoeconomic studies more frequently use the analysis of "cost-utility," which essence is to determine the ratio of the costs incurred and the utility obtained in comparable therapies (Savchenko et al., 2009).

In this case, as the uniform indicator for different types of results in practice there used the method reflecting the result, expressed in a summary not monetary indicator-such as quality adjusted life year (QALY) or disability-adjusted life year (DALY).

Methodology of "costs-utility" is based on the choice of conditional indicator optimal in the patient's point of view (Silnov and Tarakanov, 2015), which is a decision-making model for the patient on the ratio of the most suitable for him of the length and quality of life which is achieved due to the applied method of treatment with a given initial state of health.

At that as a criterion for the usefulness of treatment used is the indicator QALY. The basis of the method "costs-utility" is to calculation of the "life expectancy indicator correlated with its quality" (QALY).

To determine the meaning of condition utility there identified are the two groups of methods:

- Methods of direct assessment;
- Methods of assessments using questionnaires of the overall quality of life.

To assess the utility the questionnaires are often used, since it is the most visible and convenient method of getting the information for the patient and the investigator.

There can be several types of questionnaires:

- Depending on the area of application:
- General (for adults and children);
- Specific.

They are specific to the population (e.g., adolescents, the elderly), for the state (e.g., depression, restriction of mobility) for the problem (e.g., pain), for the disease (e.g., arthritis, asthma, osteoporosis), for the type of treatment (e.g., chemo-therapy or radio-therapy). At that, it is possible to use both single questionnaire and a set of questionnaires for different functions and problems depending on the structure:

- Profile (multiple digital values that represent the profile formed by the values of several scales);
- Index numbers (uniform digital value) (Ponomarenko, 2013).

All the presented methods are hypothetical. The values of obtaining the results of any of these methods lie in the range from 0.00 to 1.00.

The described methods provide identical results only if the function describing the utility of states is linear with time, which is rare. When comparing the results of the methods may differ.

After determining by the patient of the preference value of the his state, QALY utility indicator is calculated taking into account the time period for which the calculation is made, and the quantitative value of assessing the state of health of the patient obtained on the first stage.

QALY indicator is a numerical value measured in a state of uncertainty, which is a standard unit corresponding to 1 year of extended life to its absolute quality (1.00) and reflects the changes

in life expectancy and its quality that can be achieved using this method of treatment.

QALY is a prognostic indicator of health status multiplied by the time interval for which the calculation is performed.

In order to estimate the numerical value of QALY, each status during any kind of disease obtains utility ratios from 0 (death) to 1 (completely healthy). Next, the years won are multiplied by the factor of utility, which ultimately gives the numerical value of QALY.

For example, if the expected duration of life in the region as a result of the reforms in health care is increased by 5 years with an average coefficient of quality of added years of life equal to 0.7, then the result of realized reforms is estimated as 0.7 multiplied by 5 = 3.5 QALY (The RF Law "On the basis of social service of the population of the Russian Federation," 2016).

Another example of QALY calculation is provided by S. R. Gilyarevsky "For example, after establishing the diagnosis of a particular disease the patient's life expectancy without treatment will be equal to 1 year, but the quality of life in the course of this year will be good (utility indicator of life quality will be equal to 1.0)" (Khabriev et al., 2012; Androsova et al., 2016).

Treatment of this disease will prolong the life of the patient up to 4 years, but due to the side effects of therapy, the quality of life will decline to 0.6 for the remainder of life. Based on these data, QALY calculation is as follows.

4 years of life after treatment with the utility value of life quality 0.6 give: 0.6 × 4 = 2.4; the loss in quality of life within 1 year from 1.0 (without treatment) to gives 0.6: 1.0-0.6 = 0.4; QALY indicator obtained as a result of treatment is equal to 2.4-0.4 = 2.0.

QALY value, equal to 1.0, is assigned to lifespan of 1 year at the quality of life, corresponding to an absolute health. Therefore, 1 year of life with a worse quality of life less than the absolute health is assigned a lesser QALY value 1.0.

Upon obtaining QALY indicator for this method of treatment, at the next stage of analysis it is combined with the economic evaluation of treatment effectiveness (cost-utility analysis [CUA]).

QALY indicator is used as a measure of "utility" when carrying out "CUA". This is a special case of CEA analysis ("cost-effectiveness analysis"), in which the measure of effectiveness is utility.

With this method of pharmaco-economic analysis there taken into account not only the achievement of various clinical effects as the patient preferences of certain interventions results. CUA analysis implies comparing the value in monetary terms and the results of usage of alternative therapies or medicines in terms of utility or QALY (Khabriev et al., 2012; Mamycheva et al., 2016).

The purpose of the analysis is to determine which of the alternative treatment regimens or the medicines will be the most preferable for the patient with respect to a unit cost.

CUA is done according to the following formula:
CUA = DC*IC/Ut,
Where, CUA - "Cost-utility" ratio;
DC - Direct costs;
IC - Indirect costs;
Ut - Utility.

Advantages of CUA method:
1. It takes into account the patient's preferences in the selection of the results of certain interventions.
2. It combines both the quantity and quality of results in economic evaluation.

Disadvantages of CUA method:
1. Difficult to measure utility.
2. Subjective in advantage assessment.

CUA method is the most complex and costly. It is appropriate in the following situations:
- When quality of life is an important indicator of the disease, such as asthma;
- When the quality of life is the most important result. For example, when comparing interventions that are not expected to impact on mortality, but they have a very large impact on the patient's vital functions and its well-being (e.g. treatment of arthritis); when the quality of life is an important indicator of treatment result;
- When intervention affects both mortality and disease incidence, and the presence of the combines unit of result is preferred. For example, evaluation of therapy (for example, the use of estrogens by women in menopause), which can improve the quality of life, reduce the mortality rate due to specific conditions (e.g., heart disease), but may increase the mortality due to other conditions (such as cervical cancer);
- When the compared interventions have a wide range of results and it is required to have one unit for comparison; when the target is to compare the interference with the others that have already been evaluated in QALY category (Yagudina, 2011).

4. DALY INDICATOR

Along with the QALY many medical care quality assessment studies use calculations DALY indicator-the loss of years of healthy life due to disability or premature death (Annemans, 2012). This method gives an unequal value to age and introduces the concept of equivalent years of life. The method of calculating DALY reflects population effects both due to the use of medical technologies, and as a result of the impact of the economic, social, environmental, urban and other adverse factors on the population. Therefore, this criterion can be used for global economic calculations, such as differentiation and equalization of health care resources in the territories, having significant differences in this indicator, but is not suitable for routine pharmacoeconomic studies.

This method involves comparison of spending options, aimed at achieving a common target and differing not only in costs, but also in the degree of achievement of final result. It is important that, using the method of "cost-effectiveness," it is possible to compare

very different health programs aimed at the same target. Thus, it is possible to compare programs aimed at treatment of heart disease, prevention of tuberculosis, kidney dialysis in case of kidneys fail, etc. The main thing is that these programs set the uniform target (e.g., extension of population life) (Yakobson, 2014).

Development budgets are always connected with competition of sectors for public resources. For legislative and executive authorities it is important to determine funding priorities under the clear, transparent targets and with a view to achieving certain (measurable) results (Savchenko et al., 2009; Ragulina and Kamaev, 2013) when introducing the budgeting methods. At macro level and at the industry-specific level, the method of "cost-effectiveness" shall find widespread use in the near future, because it is very difficult to move from cost planning to the planning of results in the course of development of regional and local budgets without it (to performance-based budgeting).

Next, let's consider the method of such analysis at the regional level and the municipality. With regard to efficiency in healthcare the analysis as per the "cost-effectiveness" method involves the evaluation of results related to the increase the life span of the population, reduction of incidence on a particular disease, improving the quality of medical services, etc.

An illustrative example of using the method of "cost-effectiveness" can serve the following situation: The territory of the Vologda region, there are two special programs - "Preventive vaccination" and "Prevention of HIV-AIDS." In the first case we are talking about prevention of common diseases (hepatitis B and rubella), covering thousands of people (Malyshkov and Ragulina, 2014). The situation with the incidence of the citizens of Vologda region by AIDS today is characterized by a de facto termination of the growth of this indicator. This fact allows us to restrict preventive measures to prevent the spread of AIDS in the region through the creation of special conditions for a limited number of patients and implement the redistribution of the financial resources from the program "HIV-AIDS" to the program "Preventive vaccination" (Intergovernmental Fiscal Relations in the Conditions of Development of Federalism in Russia: Textbook, 2011).

Until 2005, the same amount of money was spent on the development of the both regional programs each year - 13 million rubles. The above described stabilization of the incidence of AIDS among the population on the background of complication of situation with the spread of hepatitis B and rubella within the region allowed to reduce the planned budget for the program "HIV-AIDS" by 4.5 million rubles in 2005 and thus to expand the budget of the program "Preventive vaccination" by the same amount. As a result, a significant positive result in the economic and demographic aspects of health has been achieved-namely, reduction of the incidence of hepatitis B by 2 times and rubella by 22 times, while the incidence of AIDS has not increased. Cost savings as a result of the redistribution of financial resources in favor of vaccination was around 350,000 rubles (Khabriev et al., 2012).

To evaluate the effectiveness of health care by the method of "costs-effectiveness" along with the above indicators of volumes of medical services (bed days per 1000 people according to profiles and levels of health care, the number of treated patients, the number of visits per 1000 people, the number of "emergency" calls per 1000 people, the number of days spent in day patient departments per 1000 people), the group of following indicators can be used for measuring the performance of health system and its institutions:

- Morbidity of the population (the number of cases registered at patients with first established diagnosis, per 1000 people), including the major classes of diseases;
- The aggregate of all patients with this disease, who applied for help to;
- To out-patient clinics both in current and in previous periods, and registered at the end of the reporting period;
- Morbidity of the population with temporary disability is characterized by a number of temporary disability days;
- Primary Disability-the number of persons recognized as disabled for the first time in the current year;
- Mortality;
- The number of public complaints about the quality of medical services rendered.

5. CONCLUSION

The refocusing of social programs and their resolution by the methods and means specific for the market economy system, puts on the agenda of the necessity to address to the following issues on a priority basis: Self-sufficiency of society members at the expense of the own labor; compensation of reduction of life level and quality; targeted social assistance. These and other aspects of social character have long been widely publicized and used in developed countries, while we were limited to arguments about the general economic stability and support from the state. Awareness of the causes of the urgent need to reform the social assistance system in conjunction with the idea of the experience of such reforms, both abroad and in some regions of the country, requires its radical reformation in Russia, and this acquires a particular relevance today, in a new burst of economic crisis, which social consequences has already affected the society. It is referred to creating a system which in the long-term, would constitute an adequate level of social assistance, promote the effective labor and social and economic development of the country on the whole.

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