

**ECONOMIC ANALYSIS OF LIFE QUALITY
INDICATORS OF RUSSIAN FEDERATION
AND TAMBOV REGION**

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Abstract: The article represents trends of index of human development potential of Russian Federation and its components. Different stages in human development of Russian Federation are found out. The article shows the trends of index of human development potential of Tambov region and its components. Different stages in human development of Tambov region are found out. Trends of indexes of human development potential of Russian Federation and Tambov region are compared.

The results of the socio-economic development of the Russian Federation, Tambov region, and any other region or municipality can be determined by the dynamics of life quality indicators of the population [3]. The comparative analysis of trends of life quality of Russian Federation and Tambov region to determine the effective of socio-economic strategy of the Tambov region has been conducted. The dynamics of life quality of the Russian population can be estimated by the index of human development potential (**IHDP**) (Table 1).

In 1987–1990 the USSR was among the countries with high level of human development. The period of democratic reform and establishment of the market economy has affected the quality of life index. During this period we can distinguish two stages. In the first phase, 1990–1998 there was sharp drop in the quality of life. As a result, Russia has reached the level of countries with medium development of this indicator. In 1987 the USSR occupied the 26th place, and in 1997 Russia it was on the 71st place. In the second phase the trend has changed. The stabilization of socio-economic situation and the

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Table 1

**Dynamics of the IHDP of the USSR/Russian Federation
in the period from 1987 to 2009 [1]**

Year	Level of IDHP	Change	Place of country	Change of place
1987	0.920	–	26	–
1990	0.908	–0.012	31	–5
1991	0.858	–0.050	34	–3
1992	0.849	–0.009	52	–18
1993	0.804	–0.045	57	–5
1994	0.792	–0.012	67	–10
1995	0.769	–0.023	72	–5
1997	0.747	–0.022	71	+1
1998	0.771	+0.024	62	+9
1999	0.775	+0.004	55	+7
2000	0.781	+0.006	60	–6
2001	0.779	–0.002	63	–3
2002	0.795	+0.016	57	+6
2003	0.795	–	62	–5
2004	0.797	+0.002	65	–3
2005	0.803	+0.006	67	–2
2007	0.817	+0.014	71	–4
2008	0.841	+0.024	–	–
2009	0.838	–0.003	–	–
Total	–	–0.082	–	–45

* In 1996, 2006, the calculation of the index for Russia has been conducted.

** For 2008 and 2009 calculation of the index UN did not conduct, data for 2008 and 2009 – author's calculations.

favorable external market conditions contributed to a gradual increase in the quality of life. Despite the fact that according to the recent UNDP estimates for 2007 Russia remains in 71st place for this indicator, the overall progress is obvious, and since 2005, Russia has returned to the group of countries with high levels of IHDP. The growth stopped only in 2009, due to the influence of the global financial crisis.

The change in the dynamics negatively affects the quality of life. The ongoing reduction in the quality of life has reduced the number of optimists while the number of people who are not confident in the future has increased. As we know IHDP is calculated on the basis of three indicators. IHDP and its components for the corresponding period are shown in Table 2 [4].

In the first phase 1990–1997 quality of life reduced:

– due to sharp decline in income to \$3598 or 82 %, and the index GDP growth itself declined by 31 %;

– due to the reduction in the life expectancy by 2.7 years, or 4 %, and the index fell by 3 %.

In the second phase 1998–2009 quality of life remained the same due to the same indicators:

– income increased by \$9323, or almost 2.5 times, and the index rose 0.147, or 17 %;

– life expectancy increased by 2.5 years, and the figure increased by 6 %.

IHDP reflects the objective characteristics of quality of life. As we have said for more information the subjective assessment of quality of life should be considered. Subjective assessment of quality of life is reflected in various opinion polls [5]. One of the most authoritative sociological departments is the «Levada Center». It is possible to find out most important areas of life in 2009:

1. Reducing the material welfare of the population:
 - price increase (75 %);
 - rising unemployment (57 %);
 - the economic crisis, the decline in production, in industry and agriculture (48 %);
 - poverty, impoverishment of the majority of the population (42 %);
2. The sharp polarization between rich and poor, inequitable distribution of income (28%);
3. The inaccessibility of many types of health care (26 %);
4. The crisis of morality, culture (24 %);
5. Corruption, bribery (23 %);
6. The growth of payment, lack of access to education (21 %);
7. The growing number of criminal offenses (19 %);
8. Environmental degradation (14 %).

Table 2

Dynamics of the components of the human development index of the USSR/Russian Federation in the period from 1987 to 2009 [1]

Year	Level of IDHP	GDP by PPP	Index GDP by PPP	Estimated life expectancy	Index of life expectancy	Level of education	Index of level of education
1987	0.920	6 000	–	70.0	–	99.0	–
1990	0.908	7 968	–	69.3	–	94.0	0.94
1991	0.858	6 930	–	70.0	–	98.7	0.99
1992	0.849	6 140	0.95	67.6	0.71	98.7	0.89
1993	0.804	4 760	0.78	67.4	0.71	98.7	0.92
1994	0.792	4 828	0.78	65.7	0.68	98.7	0.92
1995	0.769	4 531	0.71	65.5	0.68	99.0	0.92
1997	0.747	4 370	0.63	66.6	0.69	99.0	0.92
1998	0.771	6 460	0.70	66.7	0.69	99.5	0.92
1999	0.775	–	–	–	–	–	–
2000	0.781	8 377	0.74	66.1	0.68	99.6	0.92
2001	0.779	7 100	0.71	66.6	0.69	99.6	0.93
2002	0.795	8 230	0.74	66.7	0.69	99.6	0.95
2003	0.795	9 230	0.76	65.3	0.67	99.4	0.96
2004	0.797	9 902	0.77	65.2	0.67	99.4	0.95
2005	0.803	10 845	0.782	65.0	0.667	99.4	0.956
2007	0.817	14 690	0.833	66.2	0.686	99.5	0.933
2008	0.841	16 814	0.861	68.9	0.729	99.5	0.933
2009	0.838	15 783	0.847	69.2	0.734	99.5	0.933

Summarizing the data two conclusions can be made:

– over the past 20 years the Russian Federation has shown no signs of steady increase in quality of life,;

– despite the gradual increase in quality of life of Russia, according to the Foundation for Social Innovations most Russians (59,4 %) assess their quality of life as poor.

These dynamics of quality of life in Tambov region is presented in Table 3.

Overall, since 1998 in Tambov region the dynamics of the index of quality of life has been positive. In the period from 1998 to 2009 IHDP rose by 0.066, or 9 per cent. The greatest progress has been made in the material sphere, which throughout the study period only increased. The overall increase of GDP by PPP is \$US 5840, the index increased by 0.167 or 30 %.

Life expectancy at birth, in contrast to the material sphere, characterized by opposite tendencies, but in general increased over the studied period of 3 years or 4.6 %, the index increased by 0.033 or 5.1 %. The most stable was the indicator of the level of education. It declined slightly, due to the decrease in the percentage of pupils in schools caused by the demographic crisis.

Assessment of the life quality components shows, that GDP by PPP and life expectancy of the Tambov region correspond to the average level of development and the education level is similar to the countries with very high level of development. In general, this reflects the continuing growth of scientific potential of the region's population.

Table 3

**Dynamics of IHDP in Tambov region in the period from 1998 to 2009
(by the methodology of UNDP) [3]**

Year	Level of IDHP	GDP by PSP	Index GDP by PSP	Estimated life long	Index of estimated life long	Level of education	Index of level of education
1998	0.715	1 996	0.564	65.34	0.672	98.2	0.910
1999	0.727	2 986	0.601	65.66	0.673	98.1	0.908
2000	0.729	3 367	0.610	65.42	0.672	98.1	0.907
2001	0.736	4 123	0.626	65.93	0.678	98.1	0.905
2002	0.739	4 657	0.641	65.34	0.672	98.1	0.903
2003	0.742	5 095	0.657	64.97	0.669	98.1	0.901
2004	0.750	5 728	0.676	65.57	0.675	98.1	0.900
2005	0.752	5 940	0.683	65.6	0.676	98.1	0.896
2006	0.766	6 800	0.704	66.84	0.697	98.1	0.898
2007	0.775	7 389	0.718	67.90	0.707	98.1	0.899
2008	0.780	7 824	0.731	68.24	0.710	98.1	0.900
2009	0.781	7 836	0.731	68.37	0.711	98.1	0.901

Note. 2002 y., 2005 y., 2006 y. – estimation of index by UNDP in Russia, 1998–2001 y.y., 2003 y., 2004 y., 2007–2009 y.y. – authors estimation.

We can draw the following conclusions about the dynamics of quality of life in Tambov region during the analyzed period:

– despite the positive dynamics of the quality of life, its constituent components are mixed trends (indexes of GDP by PPP and life expectancy – positive and the index of education – negative);

– there is a significant difference in the components of life quality index.

The existing imbalance needs improvement. One of the tools is the system of life quality management. We should try to achieve positive dynamics and a better balance between all components of quality of life.

The comparative dynamics of quality of life of Russian Federation and Tambov region is presented in Table 4. For 10 years the quality of life has remained stable. It characterizes Tambov region from the positive side, because local authorities were able to provide growth of quality of life at the level of Russia. At the same time in the growth rate the quality of life can be divided into two phases. In the first phase, which covers 1998–2004, when the growth rate of the quality of life in the Tambov region exceeded growth in Russia. In the second phase 2005–2010 this has changed to the contrary.

Perhaps the beginning of the global financial crisis will give rise to the third phase. 2009 showed that the Tambov region was able to survive major downturn more successfully than with Russia. As a result, quality of life in the Tambov region in 2009, even increased, while in Russia declined. Further monitoring and the analysis of the indicators will show the trajectory of their movement [4].

A deeper analysis of the dynamics of quality of life can be based on the comparison of dynamics of the components of the IHDP. The most significant backlog of Tambov region from the Russian Federation is observed in terms of GDP by PPP. So in 2009 the difference was 2 times (Russia – US\$ 15 783,

Table 4

Comparative dynamics of quality of life in the Russian Federation and in the Tambov region in the period from 1998 to 2009

Year	Russian Federation	Tambov region	Change in Russian Federation	Change in Tambov region	Difference
1998	0.771	0.715	–	–	0.056
1999	0.775	0.727	0.004	0.012	0.048
2000	0.781	0.729	0.006	0.002	0.042
2001	0.779	0.736	–0.002	0.007	0.043
2002	0.795	0.739	0.016	0.003	0.056
2003	0.795	0.742	–	0.003	0.053
2004	0.797	0.750	0.002	0.008	0.047
2005	0.803	0.752	0.006	0.002	0.051
2006	–	0.766	–	0.014	–
2007	0.817	0.775	0.014	0.009	0.042
2008	0.841	0.780	0.024	0.005	0.061
2009	0.838	0.781	–0.003	0.001	0.057
Total	–	–	0.067	0.066	–

Tambov region – US\$ 7 836). However, it should be noted down, that in Russia for the period of 10 years the figure has increased only by 2 times, while in Tambov region it has gone up by 4 times.

The life expectancy and educational levels are practically identical, with a slight advantage in Russia. This suggests the need for more intensive development of the economic sector of the Tambov region. At the same the effective work of the regional administration should be mentioned; despite a substantial difference in GDP growth it provides a comparable level of life expectancy and education [4].

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Экономический анализ индикаторов качества жизни Российской Федерации и Тамбовской области

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Ключевые слова и фразы: качество жизни; показатель ожидаемой продолжительности жизни; показатель уровня ВВП; показатель уровня образования; показатель уровня развития человеческого потенциала; экономический анализ.

Аннотация: Представлены данные о динамике индекса развития человеческого потенциала и его компонентов по Российской Федерации и Тамбовской области, выделены различные периоды в динамике этого индекса, проведен сравнительный анализ показателей качества жизни Российской Федерации и Тамбовской области.

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