METHODOLOGY OF CONSTRUCTION AND TREND SHAPING FOR ECONOMIC PROFILE OF POVERTY

Milyausha R. Zainullina [a*], Alina V. Makhiyanova [b],

Elmira F. Khuzieva [b], Rustam M. Nagimov [a]

[a] *Kazan Federal University, Kazan, RUSSIA*
[b] *Kazan State Power Engineering University, Kazan, RUSSIA*

A R T I C L E I N F O	A B S T R A C T
	The change of the economic situation in the Republic of Tatarstan (Russian Federation region) gave rise to the differentiation in society according to population income level. The study proposes to assess the level of society stratification based on the population survey and statistical indicators. The article presents the author's methodology of population economic portrait development, the materials of applied sociological research are presented that demonstrate its approbation. They perform the comparative analysis of economic activity indexes, the assessments of family living standards, financial situation and the republic economy as a whole. Four new indexes are being developed and tested: the assessment of the financial situation, income and the ability to make purchases and savings, which form the basis of poverty economic portrait as a whole. The social survey is supported by the analysis of statistical indicators by the index of the gross regional product physical volume, the dynamics of unemployed number, the index of industrial production, the dynamics of monetary incomes per capita on average and by the average monthly nominal salary. © 2019 INT TRANS J ENG MANAG SCI TECH.

1. INTRODUCTION

The economic portrait of the poor is characterized by an intermediate position between the middle class and the poor. This aspect promotes the differentiation within this layer, because the poor can be both from the middle strata, who lost their financial possibilities due to life circumstances, and the poor people who managed to improve their socioeconomic situation in a short period of time.

The diversity in the economic portrait of poverty is also contributed by the reasons according to which a person found himself in this position within the social structure of society. There is a person's belonging to such social groups as invalids, pensioners, the people with a high incidence rate, the presence of a large number of dependents, etc., which determines his belonging to the poor ones. One

should not exclude the subjective factors that are associated with the unwillingness of a person to change something in his life. The thing is about a special culture of poverty, which is transmitted in the process of socialization. Thus, in the context of increasing polarization of different status groups, the need to analyze the phenomena taking place in the dynamics and to draw up an economic portrait of poverty is increased.

2. MATERIALS AND METHODS

In order to create an author's methodology for an economic portrait of poverty compilation, it is proposed to synthesize the following two approaches. It is proposed to include the analysis of data characterizing the income and property differentiation among the poor, based on the data of a sociological survey among the representatives of this stratum (Garayeva, 2012; Tikhonova et al, 2004; Tikhonova, 2014). This makes the basis of the first indicators for their measurement.   The second approach is focused on the use of population economic activity indices and the development of four new indices, which will form the basis of the population economic portrait and can be used to study other social strata of society (Yaroshenko, 2010; Tikhonova, 2014; Slobodenyuk, 2014). The calculation method is based on the calculation of the arithmetic value from the subscripts.

The mean arithmetic value is the most commonly used value and has the following form:

$$\bar{X}_{ap,npocm.} = \frac{\sum X}{N} \qquad (1),$$

where X are the values for which the mean value has to be calculated; N is the total number of X values (the number of units in the studied amount).

Subscripts are designed according to the following procedure: the share of negative answers is subtracted from the share of positive answers and 100 is added to this difference in order to exclude the appearance of negative values (On the indexes of population economic activity, 2016).

Four indexes were developed and tested: the index of the ability assessment to make purchases and savings, the assessment of the financial situation and the level of income.

The collection of empirical information was carried out through the survey using the target sample, which initially made 350 respondents. The basis for the respondent's entry into the sample was the level of his income, which should not exceed the subsistence minimum in the Republic of Tatarstan according to the selection criteria per one family member (on the subsistence minimum in the Republic of Tatarstan, 2016).

In addition to our sociological survey, we analyzed the number of statistical indicators that complement the picture of the general economic state and compared the subjective assessments of respondents with the general trend in the economic sphere (Kaigorodova et al, 2014; Mustafina et al , 2017; Sayfudinova et al, 2016; Nagimova et al, 2017; Sayfudinova et al, 2016).

3. RESULTS AND DISCUSSION

The consumer sentiment index is calculated on the basis of respondents' answers to five questions related to the current financial situation of families and the expectations of its change, the prospects for the development of the economy as a whole and the consumer market situation. According to the

Milyausha R. Zainullina, Alina V. Makhiyanova, Elmira F. Khuzieva, and Rustam M. Nagimov

obtained results, the index took an average value (101.5 points). On that basis, we can state that the optimistic and pessimistic shares are the same in respect of consumer sentiments.

The index of the current state of the economy took a negative value, which indicates the dominance of low estimates concerning the current state of the economy in respondent's residence place (97.7 points). In other words, there are economic circumstances of people lives that do not suit them completely.

In its turn, the private index of consumer expectations took a positive value, although it did not significantly exceed the average values (104.1 points). Based on consumer expectation level increase, we can state that respondents are optimistic about the future and believe in their situation improvement (see Figure 1).

As can be seen from Figure 1 and 2, comparing the population surveys in 2015 and 2016 with the economic growth in 2011-2012 and the gradual decrease of the gross regional product physical volume index in 2015 and 2016, it can be concluded that the subjective estimates in this case coincided with the objective statistical indicators.
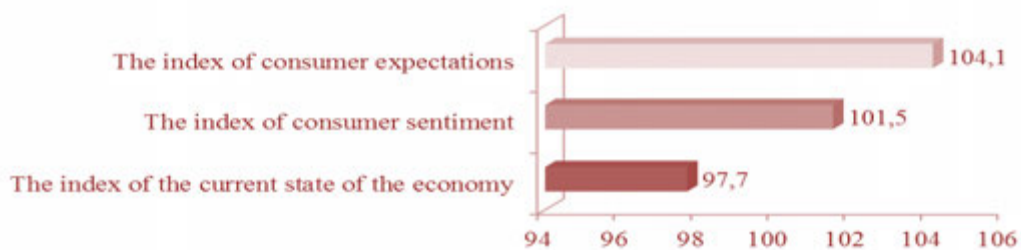

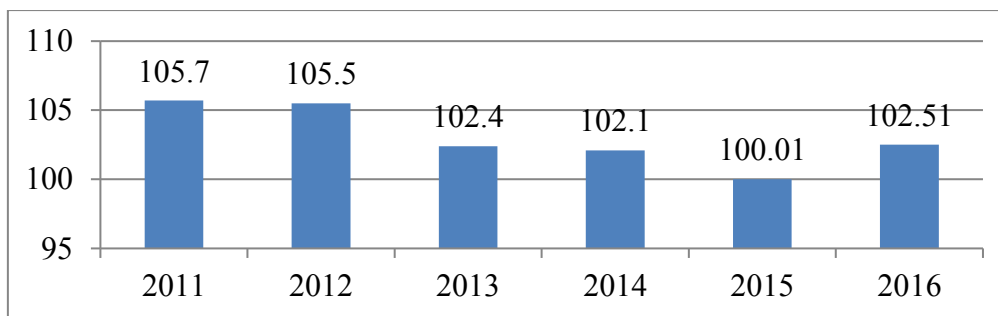**Figure 1**: Indices of population economic activity.

Figure 2: The dynamics of the gross regional product physical volume index (at constant prices) (Statistical collection of 2015, statistical compilation, 2016).

The self-esteem index shows the degree of population willingness to take the responsibility for the basic parameters of their lives, as well as the readiness for decision make. It also includes the assessment of local authority independence and shows their independence from external circumstances. Its value was 101.6 points, which indicates the presence of two polar groups.

A more detailed study of the questions made it possible to develop the following picture. One third of respondents believes that the independence of local authorities depends on the republic residents and local authorities (32.5%). Almost every fifth respondent (22.1%) says about the influence of external circumstances. Most of them note that everything depends on external circumstances and the republic residents in an equal measure (44.8%).

However, the picture looks more pessimistic concerning the financial situation. In this case, a greater percentage was demonstrated by the variant of personal and external factor mutual influence (64.3%). At the same time, the share of those taking their own part in this matter makes half the number of those who see the cause of life as the result of external circumstances (14.3 to 21.4%, respectively).

The Labor Resource Mobility Index characterizes the population assessment of the regional opportunities for the implementation of its labor potential. The index indicates the possibility of unemployment growth (reduction) in the region, as well as the possibility of internal migration of labor resources and is calculated on the basis of answers to these questions:

1) Do you think that the republic unemployment will grow, decrease or will remain approximately at the same level in the next 12 months?

2) Do you think that now is good or bad time to visit our republic and work in it?

3) Is it worth to stay to live and work in our republic or is it better go to another region of Russia?

As for the respondent forecasts concerning the unemployment for the coming year, then, according to the majority, it will remain approximately at the same level (45.5%). A slightly smaller number of respondents believe that unemployment will grow (42.2%). And the smallest number of respondents suggests that its level will decrease (11.7%) (see Figure 3).
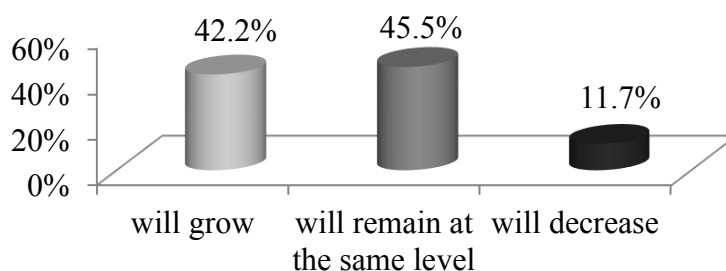

Figure 3: The predictions of the unemployment rate in the Republic of Tatarstan

In the opinion of every fourth person, it is the optimal time now to come to our republic in search of a better life (24%). A smaller number of respondents believe that it is the bad time now to move to and work in our republic (14.9%). The majority of respondents estimate the situation in the republic as a neutral one (61%).
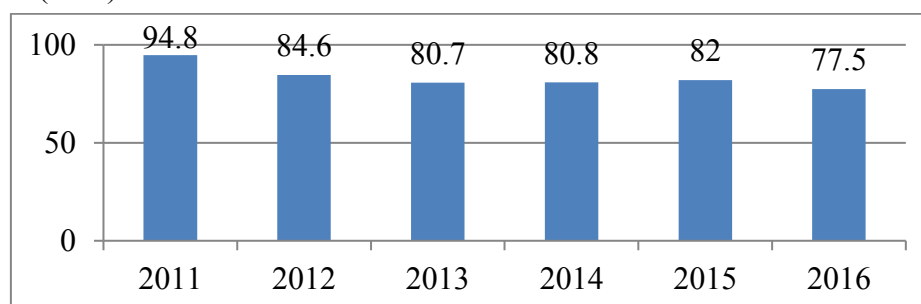

Figure 4: The dynamics of unemployed number (according to the methodology of ILO, on the average per year), thousand people (Statistical collection of 2015, statistical compilation, 2016).

Comparing the population polls on unemployment with real statistical indicators, we can conclude that the subjective estimates also coincided with the current situation. There are 3885 thousand people in the Republic of Tatarstan, and unemployment is about 1.9-2.11%. This is a small

Milyausha R. Zainullina, Alina V. Makhiyanova, Elmira F. Khuzieva, and Rustam M. Nagimov

percentage for the market economy, since an acceptable unemployment rate is 4-5% on the average.

Is it worth living and working in our republic or are other regions of Russia better for this? The majority thinks that it is better for someone to leave, and someone should stay (63%). 9.1% of respondents are sure that it is worth leaving the republic. And it is definitely worth staying in the opinion of 27.3% of respondents (see Figure 5).
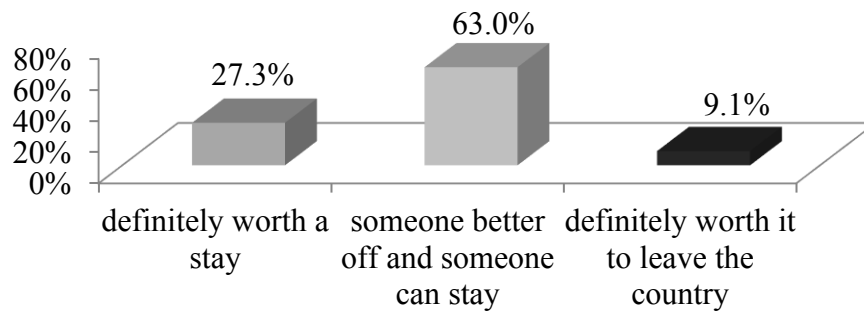

Figure 5: The answers to the question: «Is it worth living and working in our republic or are other regions of Russia better for this?»

The majority of the respondents believe that the increase of social benefits (57.8%) will lead to the reduction of poor people number in the country, while 22.7% of the survey participants believe that the expansion of their types will help. This measure, like the assistance in the search for additional work, is supported by 40.9%, in the organization of one's own business - 36.4% of respondents. 16.2% of the respondents say that no measures are needed (see Figure 6).

Thus, the presented measures were conditionally divided into two groups: active and passive one. The first supposed the assistance with the subsequent development of the actions by the one who needs most of all. This is the help during the organization of your own business and the search for additional work. Passive measures, in its turn, were focused on benefit type and amount increase.

In the aggregate, the picture of economic activity indices is the following one. The index of labor mobility is the leading one, which indicates a positive assessment of the employment situation by respondents in their place of residence. The index of consumer expectations is the second one in the rating, being a kind of social well-being indicator and social optimism in general.
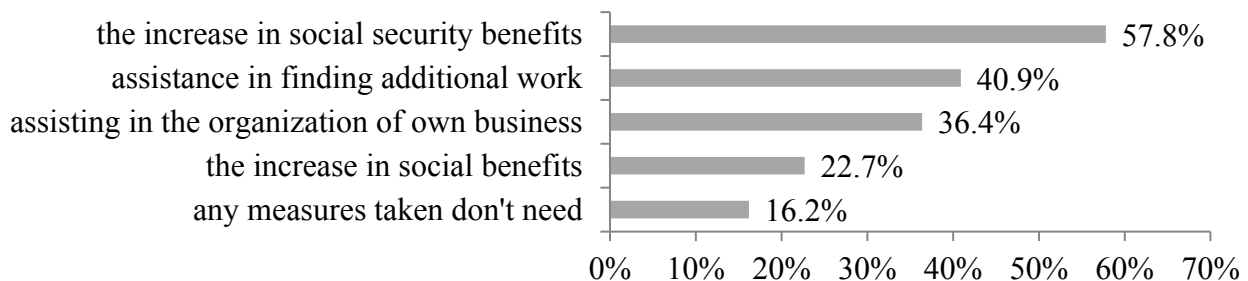

Figure 6: The measures reducing the number of poor people.

The fact that the indices of consumer sentiment and independence-self-worth have taken the average values, indicates an internal differentiation within the surveyed group. In other words, the number of respondents willing to take the responsibility for the basic parameters of their lives is approximately equal to the number of those who are not ready for such responsibility and making

decisions as a whole. The index of the current state of the economy took a negative value and indicates a negative assessment of the respondents' life economic circumstances (see Figure 7).

As can be seen by Figure 7 and 8, the index of the current state of the economy is negative and this is confirmed by the statistical values of the industrial production index. Since 2013 this rate has slowed down and could not reach the level of 2011 and 2012 even by 2016.

One of the tasks of the study was the development of copyright indices, in accordance with which they planned to supplement the economic portrait of the poor people.

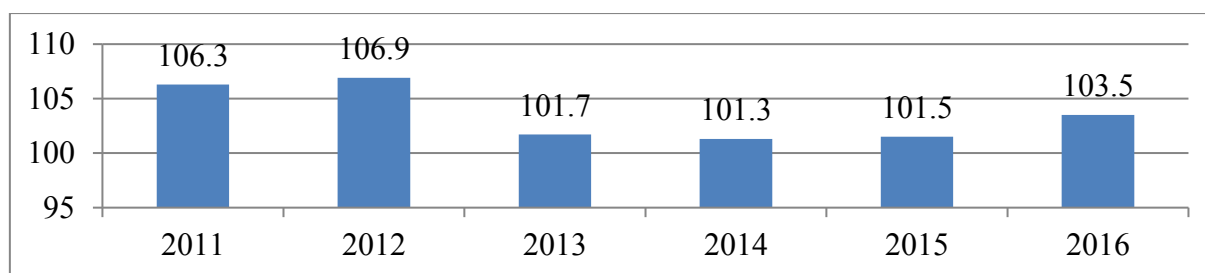**Figure 7**: The rating of economic activity indices

Figure 8: The dynamics of industrial production index (Statistical collection of 2015, statistical compilation, 2016).

In particular, the respondents were asked, on whom (or what) their financial well-being mainly depends. According to the information received, 21.4% of the respondents believe that external circumstances provoke the situation. 14.3% of the respondents believe that the financial situation is entirely the result of their personal efforts and achievements. The majority believes that the financial well-being is equally dependent on the person himself and on external circumstances (64.3%). Thus, to some extent, the proposed assumption was confirmed (see Figure 9).
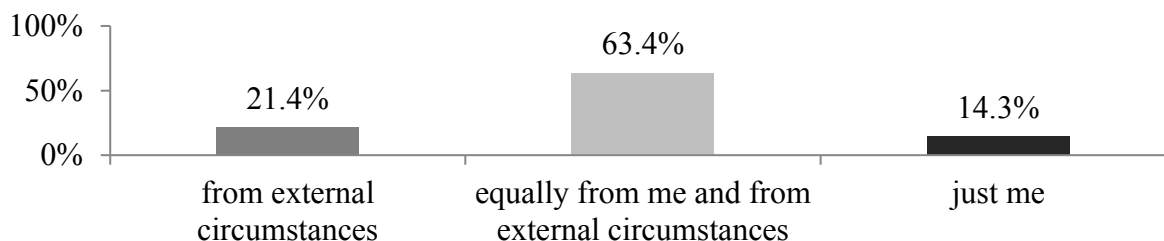

Figure 9: The answer to the question: "In your opinion, does your financial well-being mainly depend on you or on external circumstances (other people, leadership, etc.)?"

We asked the respondents to specify in which case the ability to make savings depends on external circumstances, and in which on them. An equal number of respondents answered that everything depends on them personally and on external circumstances (22.1% for each option). The

Milyausha R. Zainullina, Alina V. Makhiyanova, Elmira F. Khuzieva, and Rustam M. Nagimov

rest consider that one should blame themselves and external circumstances (55.4%) (see Figure 10).
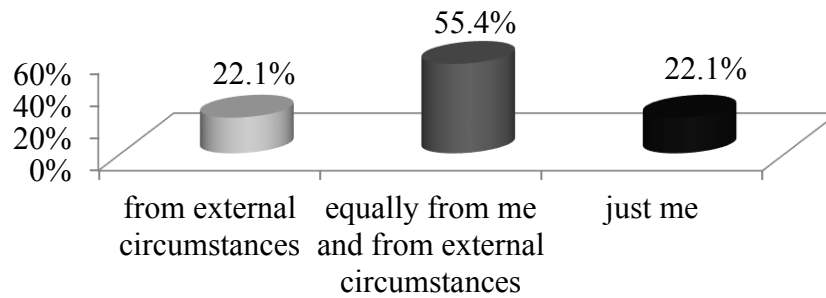

Figure 10: The answers to the question: "Do you think your ability to make savings depends mainly on you or on external circumstances (other people, bosses, etc.)?"

Thus, the calculation of indices is based on the calculation of the arithmetic mean between positive and negative answers. Therefore, the rating of author's indexes was compiled, according to which the leading position was taken by the index of the possibility to make savings. The index of the opportunity to make purchases is slightly behind in terms of indicators. The remaining indicators took a negative value, which indicates that the respondents explain the existing financial position and the level of income that they have, rather by the influence of external circumstances than by their personal actions (see Figure 11).
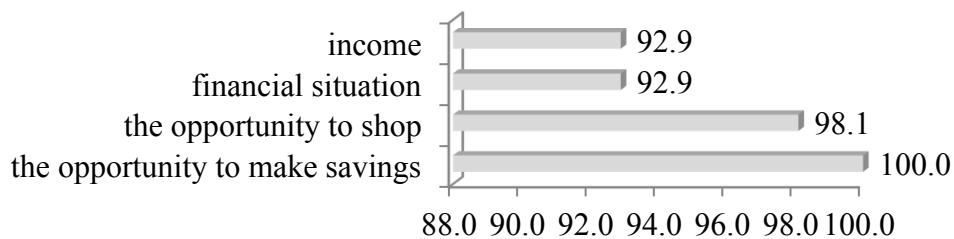

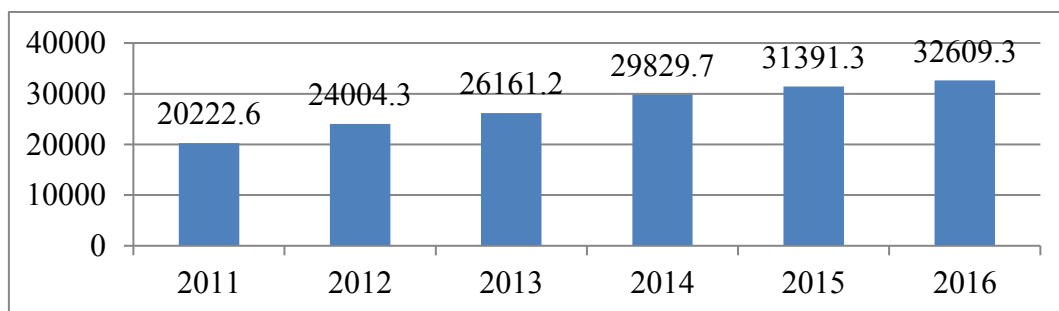**Figure 11**: The rating of capability evaluation indexes

Figure 12: The dynamics of monetary monthly income in rubles per capita on the average (Statistical collection of 2015, statistical compilation, 2016).

As can be seen on Figure 11, the material situation and income level are estimated by respondents as the decrease, although Figures 12 and 13 indicate an average increase of revenues and an average monthly nominal payment. This mismatch is explained either by the high rate of inflation, which devalues the income received, or by the fact that the average indicators do not characterize the general trend in income generation among poor. That is, the distribution of income in society is highly differentiated.
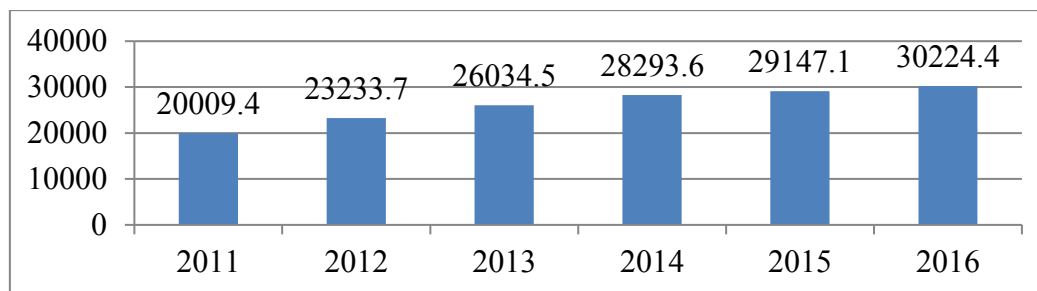
Figure 13: The dynamics of the average monthly nominal accrued employee wages in rubles (Statistical collection of 2015, statistical compilation, 2016).

4. CONCLUSION

The indices of population economic activity acted as the basis for an economic portrait development among the poor people. According to the obtained results, against the background of fairly negative assessments concerning the current state of the economy, the representatives of this layer are still optimistic about the future and believe in their financial situation improvement.

In terms of consumer sentiments, they recorded the presence of two polar groups, whose representatives can be conditionally called pessimists and optimists. A similar differentiation is present in the index demonstrating the respondent's willingness to bear personal responsibility for the basic parameters of his life. At the same time, the majority assesses the conditions for the implementation of their labor potential positively and is ready for its practical implementation in general.

5. SUMMARY

According to the obtained data, the survey participants can be conditionally divided into two roughly equal groups: positively and negatively assessing their ability to make savings. In terms of the ability to make purchases there was a similar situation with the only difference in the fact that the number of those responsible for the existing financial situation is somewhat less than those who accuse external circumstances.

Among the measures improving the situation of the poor people, the paternalistic measures, aimed at the size and the types of social benefit increase, are the leading ones. In its turn, the measures aimed at life strategy activation are less demanded, although they are not excluded by a certain percentage of respondents.

Thus, the proposed methodology, developed and tested indices can be used to monitor the current trends and changes in the economic portrait of the poor people.

Also, statistical indicators were analyzed after the study that either confirmed or denied the survey results. In most cases, respondents' responses correlate with the statistical indicators. The discrepancy between the estimates is observed only in terms of income levels. This is because the averaged data do not always characterize the total amount.

6. ACKNOWLEDGEMENTS

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Dr.Milyausha R. Zainullina is an Associate Professor of General Management Department, Institute of Management, Economics and Finance, Kazan Federal University. Dr.Zainullina obtained a PhD in Economics. Dr.Zainullina is also Head of Department of Micro and Mezo-research Center of Advanced Economic Research Academy of Sciences of the Republic of Tatarstan.

Dr. Makhiyanova Alina Vladimirovna is an Associate Professor of Institute of Management, Kazan State Power Engineering University. She received a Doctor of Sociological Sciences degree. She is interested in strategic managements.

Dr.Elmira F. Khuzieva is an Associate Professor of Institute of Management, Kazan State Power Engineering University, Kazan, Russia.

Dr.Rustam M. Nagimov is associated with Kazan Federal University.