

Institutional Restrictions of Economic Freedom of Quality of Life in the Republic of Tatarstan

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Abstract: The article studies modern regularities in the influence of the evolution of the rules of institutional environment on the levels of economic freedom of the life quality of population. The author has used vast statistical material in order to justify the wave effects that the increased costs of using basic ownership rights have on the quality of life.

Key words: Economic freedom • The quality of life • Ownership rights • Competitive environment • Labour market of teachers and doctors • Transactional costs • Protection of ownership rights

INTRODUCTION

The most essential institutional indicator, reflecting a level of development of economic freedom and economic growth of the country, quality of life of the population is. We mean minimization of expenses of a voluntary exchange by the property rights of economic agents by economic freedom. Citizens possess the property right to qualitative life in which processes of use of their rights don't demand overcoming of high economic, administrative, organizational and any other types of expenses. The main inalienable property rights making structure of quality of life, for citizens the rights are in:

- Education, and in the 43rd article of the Constitution of the Russian Federation state guarantees on general availability and free of charge the preschool, obligatory basic of the general and average professional education are provided;
- Health protection medical help which is given citizens free of charge (article 41 of the Constitution of the Russian Federation);
- The private property protected by the law.

Data: In spite of the fact that by these criteria of RT is the undoubted leader in Volga federal district, situation,

for example, in the sphere of the general secondary education remains heavy. So, the Unified State Examination GPA on mathematics of graduates of the schools which were handing over in 2008 made only 37, 72; in 2009 - 41, 9; in 2010 - 43, 9. Thus 9.5% of school students actually "filled up" examination.

Graduates of schools can't master level of the school program for mathematics even for 50% that is a bright indicator of poor quality of secondary education. Among a complex of factors and the processes which have caused a similar situation, as the main institutional reason, in our opinion, lack of the competitive environment on a labor market of the school teachers, caused by low level of compensation in this sphere is.

So, the average monthly nominal salary of teachers of the public educational institutions made: in 2008 - 9314 rub; in 2009 - 10221 rub; in 2010 - 10500 rub.

These sums enter both an official salary and the sums of payments rendered on additional educational services. However, if to consider that the rate of inflation for these years made in 2008 - 13.3%; in 2009 - 8.8%; in 2010 - 8.2% - (data of the Ministry of Finance of the Russian Federation), dynamics of the real wage of teachers accepts more modest character:

Thus, position of elementary school teachers is more difficult as their salary makes only 5-7 thousand rubles a month.

Table 1: Salary of teachers of RT

Indicators	Unit of measurements	2008	2009	2010
Nominal salary	rubles.	9314	10221	10500
Inflation	%	13.3	8.8	8.2
Real wage	rubles.	8075	9322	9639
Rate of the real wage increase	%	-	13.38	3.4

Rate of teachers' real wage increase in 2010 will be reduced by 10% in relation to the level of 2009.

The system of additional educational services at high school creates condition which shifts motivational activity of teachers from the main educational programs in favor of the additional. It leads to decrease in quality of education that is visually reflected in negative dynamics results of delivery of Unified State Examination from 2008 to 2010.

This tendency is strategically dangerous as secondary education forms bases of the human capital of the republic on long prospect. Besides, decrease in quality of education leads to growth of the "grey" market of tutorial services that repeatedly increases the sizes of transactional expenses of the population in education.

So, up to 90% of entrants from 25233 graduates of schools in 2010 there were about 22700 people, paid services of the tutor in mathematics in an average rate - 700 rubles an hour. The average volume of studies on 1 entrant made 50 hours, thus, the general size of transactional expenses in education on tutoring on mathematics made, by our calculations, about 794,5 million rubles a year.

Besides, every fourth first-year student owing to weak school preparation, is compelled to continue studies with tutor for successful assimilation of the higher mathematics according to the program of the higher school. These expenses come out in the sum of 212 million rubles.

Total, the annual turnover of the gray market of tutorial services in mathematics makes more than 1,006 billion rubles that by 3 times exceeds nominal fund of compensation of 35065 teachers of the Republic of Tatarstan in 2010.

This type of expenses represents obvious expenses which citizens when using the rights for the education guaranteed by the Constitution are compelled to bear. Poor quality of the general secondary school education every year leads to decrease in the real income of the population for the specified sum that as appropriately reduces level of economic freedom of quality of life in education. taking into account that the sphere of

additional educational services makes progress in recent years at schools in which about 34% of school students are involved, the actual expensive restrictions are much higher.

RESULTS

The American economist Artur Madison proved characteristic dependence: the increase in provision for education at 1 percent leads to increase in gross domestic product of the country at 0,35 percent. In our case, citizens are compelled to pay that the state underpays to teachers.

The similar situation developed in the health care sphere. According to official figures of the RT Ministries of Health the average nominal salary of doctors in 2010 made 18918 rub. However, this figure doesn't reflect the real income of bulk of doctors of the republic as includes also the sums of payments on paid services. In many healthcare institutions these paid services are developed poorly. High income is gained only by those doctors who work at the medical equipment most demanded by the population that forms a basis for rendering paid services. They make no more than 8% of 11145 doctors of RT, *i.e.* less than 1 thousand that is confirmed by data of table 2 below.

Bulk of doctors (more than 10,2 thousand people) are compelled to take additional night watches, different combination both on the main job, and on others, at the same time working for 1,5-2 wages. They are engaged in medical "workmanship" as they are put in self-sufficiency conditions that considerably reduces quality of medical care of the population. Thus, satisfaction of the population with medical care (in % of number of respondents) in 2007 made 41.9%; in 2008 - 45.5%; in 2009 - 46.5% - that is less even than a half.

Current situation generates a nutrient medium for informal types of payment of medical services that for the population are additional transactional expenses in health care sphere.

So, according to judicial statistics of RT, the number of cases on bribes in the sphere of health care considered by courts increased from 145 in 2008 to 161 in 2009.

The turnover of informal types of payments of medical services according to different estimates makes from 80 to 120 million rubles-these sums make a half of nominal fund of compensation of doctors of the Republic in 2009. Low compensation of teachers and doctors from the state is compensated by transactional expenses of the population which made 1126 million rubles. This sum is

Table 2: Distribution of the income of doctors of RT

Salary (ths.rubles.)	Number of doctors (%)
Over 20	8%
17 to 20	5%
15 to 17	9%
12 to 15	17%
10 to 12	23%
Under 10	38%

equivalent to 16% of the excise income of the consolidated budget of RT in 2009 and forms 763 rubles a year as an additional voluntary tax on 1 economically active inhabitant of the republic.

The situation in the sphere of protection of the property rights in RT remains rather intense. This institutional factor especially significant as it forms basis of economic stability and investment appeal of the republic.

According to RT Ministry of Internal Affairs in 2009 out of 70623 registered crimes 45813 or 64.9% were crimes against property of citizens and legal entities.

In recent years the number of economic disputes annually increases by 18-20%. In 2009 the number of cases considered by arbitration court increased by 30% and made 38138 cases, and in 2008 more, than for 20%, and made nearly 28081 thousand. The number of judges of arbitration courts-is invariable. In 2009 each judge on the average in the Republic of Tatarstan considered 76 cases in a month.

By district courts and judges in RT in 2009 it was considered 27, 713 criminal, 368404 civil and 55, 227 administrative cases. In comparison with 2008 the volume of work of the courts increased by a third, at invariance of number of judges. How to provide quality and efficiency of justice under such circumstances?

According to sociological researches 34% of the questioned businessmen have no hopes for judgment execution, and with increase in practical experience of participation of respondent this indicator increased to 49%. In 2009 only 24.3% of number of the issued court orders were executed. This situation increases mistrust of citizens and economic agents to efficiency of justice as to a security measure of their property and essentially reduces level of economic freedom of quality of life.

CONCLUSIONS

All above is an evidence of existence of steady system institutional restrictions of economic freedom of quality of life of the population of the Republic of Tatarstan. Unfortunately, in recent years they accepted

irreversible character of self-amplifying tendencies and therefore in overcoming of these problems there can't be simple separate unbalanced unsystematic decisions.

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