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**THE ROLE OF NON-ECONOMIC FACTORS IN THE USE
OF ECONOMIC GROWTH POTENTIAL, MODERNIZATION
AND CONSOLIDATION OF THE RUSSIAN SOCIETY AND REGIONS
OF THE RUSSIAN FEDERATION**

SUMMARY. The author considers conceptual approaches to the analysis of non-economic factors as key components of economic modernization potential and consolidation of society, taking into account the analysis of results of long-term researches of Institute for Sociology of the Russian Academy of Sciences. Special emphasis is placed on the theoretical and methodological analysis of scientific and practical axioms, which define a place and a role of scientific knowledge in a society control system. Ten basic axiomatic provisions are introduced, allowing to systematize non-economic components of social and economic modernization and welfare consolidation not only for the elite, citizens, but also sociologists of Russia. On the basis of the research the author puts forward several formation priorities for Russia, such as a new configuration of society and effective model of the social policy, that would meet expectations of every segment of the population, thus, providing successful modernization and intrinsic consolidation of the society and regions of the Russian Federation.

KEY WORDS: economy humanization; axioms, society control system; social policy; social integration, consolidation of nation; ideology of realism.

Worldwide and Russian transformation practices serve as convincing evidence that a cluster of impartial and firm regulations shape the basis and the texture for social relations of a contemporary society. These regulations are time-tested, and even those skeptics who never take the obvious for granted doubt that further testing is necessary. The mere presence of such postulations, axiomatic in their nature, allows putting forward the idea of the existence of certain scientific and practical axioms that determine the role and place of scientific knowledge in the system of social control.

We shall postulate several of such axioms attracting non-economic factors as essential constituents of economy modernization and society consolidation potential. Herewith we shall take into account the analysis of the results obtained by the Institute for Sociology of RAS in the course of its long-term research.

Before providing these axioms, we shall note that special interest to the problem how various factors impact the tempo and stability of social and economic development has arisen since 1950s. This interest was caused by the rise in the World economy. The assumption that not only gross accumulation and scientific and technical progress,

but also human factor can be regarded as major determinants of economic growth belongs to the same period [1; 12-13]. Such assumption was rooted in numerous studies of key works on economic development that failed to confirm a widely-spread opinion that in this accumulation process the role of “physical capital” (including means of production and services) is decisive or, even more, exclusive.

Thus, the first axiom can be postulated: **The complication of social reproduction structure makes it necessary to develop new models of economic growth taking into account the impact of non-economic resources, such as information, geographical environment conditions, institutional structures, extensive spiritual and psychological groups, quality and productive labour, life quality, the level of culture as well as the level of education, professional competence and performance and population health level. In other words, the economic growth is liable to the influence of those components of human factors that in the course of social practices proved to act successfully as “motivators” of long-term and stable economic development.**

Still to a greater extent the global economic crisis of 2008-2009 and its consequences revealed the importance of non-economic factors in the system of anti-crisis steps and opportunities to restore economic growth. Herewith, the attention of scientific community focused upon the interaction peculiarities between economic and non-economic constituents of national economies’ growth, as well as upon the development of the directions and ways to regulate the crisis with the use of non-economic factors [2; 84].

Taking this into account, we postulate the *second axiom: Humanization of economy, meaning the priority of an individual in the system of targets and factors of economic development is the major imperative for the new models of economic growth.*

The priority of this axiom is obvious as an individual’s well-being is the very essence of social development. Human potential is an indispensable wealth of any society while the increased production of benefits and services that provide a higher level and quality of life is taken as a central target for economic growth.

During anniversary session of the Valdai club V. Putin, president of the Russian Federation precisely expressed his point about it: «...it is necessary to be strong when regarding military, technological and economic factors yet the main factor that will promote for the success is to be found in the quality of the population and society in general, intellectual, spiritual and moral. For, in fact, economic growth, prosperity and geopolitical influence depend upon the state of the society itself, namely, to what extent the population of this or that country perceives itself as one people»[3].

The problem of the search for the national economic growth model and the ways of further economic development is especially urgent for contemporary Russia, whose economy for a long time provided the economic growth predominantly at the expense of the external factors. The recent crisis has definitely revealed that the Russian society is at the new stage of its development, in fact, at the turn of its social and economic development.

Is there any ground to speak about such a problem? Undoubtedly, there is. Post-reform Russia faces the necessity to use every resource and every reserve of labour productivity more intensively as the possibilities to employ the previous model of economic growth having been practically exhausted. There exists quite a convincing explanation, as both the goals of social and economic development of the country and the conditions for this development differ a lot from those after 1998 crisis.

The major objective of the current period is to be found in the search of the ways for a steady and balanced growth in order to renovate the society, to pass over to the innovative stage of economic development and to foster a corresponding infrastructure of a postindustrial society rather than in the search of the ways how to solve the problems of a transformation decline as it was at the end of the XX c.

That is why the central proposal of “*The summary report on the results of expert work on the topical problems of social and economic strategies of Russia for the period up to 2020*” runs that the immediate development of the Russian Federation should be rooted in the two interrelated foundations: a new model of economic growth and new social politics [4, units I and III].

At the same time we witness a certain inconsistency between economic growth rates and the quality characteristics of social development. Quite a lot of statesmen publicly recognize the necessity of the humanistic approach to implementing economic projects, yet they fail to outline the ways for revealing and analyzing such an approach that would meet the demands of the moment.

In fact the assessment of economic growth rates without taking into account the indicators of its humanistic factor deprives the economic development of any sense, as the economic growth that does not cause the increase in standard of living and life quality goes against its major purpose to provide wellbeing of all people and to promote for their self-esteem and self-fulfillment. Hence a necessity arises to postulate **the THIRD AXIOM: To genuinely and profoundly comprehend the economy and its processes, as well as to outline its perspectives it is necessary to implement methods of sociological research, primarily the methods of regular monitoring of social efficiency of economic projects, rather than to exclusively implement the methods of pure economic research.** Undoubtedly, we shall take into consideration socio-philosophic, ethic and aesthetic categories because these very categories make it possible to perceive economy within the framework of common, fundamental values and social imperfections that shape the essence of human life, i.e. the categories of good and evil, of justice and injustice, of love and hatred, of the true and the false, of freedom and dependence. It is these values and imperfections and their interrelation that regulate any social progress or degradation.

In this regard it will be logical to postulate the **FOURTH AXIOM: The success in modernization of the Russian society does not entirely depend on the efforts of economic, scientific and technical character; it equally depends on the recovery of the social sphere as a whole. In the social system named “society” the economy as its subsystem is inseparable of the state structure, politics, spiritual**

development, while the economic behavior of people is controlled predominantly by their political preferences and morals.

It is possible to go further with this list. To attain these goals society's solidarity and the confidence of people that their social system is fair and viable, and their state leaders are trustworthy, as well as federal, regional state and public institutions, are of no less importance. In other words, we point to the so-called "social capital" whose building, as well as human capital building is nowadays increasingly recognized as half the battle for any economic transformations.

Undoubtedly, the acquisition of the most effective model to regulate social and economic processes is one of the main preconditions of the after reform increase in Russian economy. What is more, as it is obvious now, this model should combine strong features of both market and planned economies. To a great extent choosing such a model is the matter of the state itself, for the very choice has not only economic character, but a pronounced political and ideological or strategic character.

It should be admitted that the market reforms in Russia that started to be implemented after the disintegration of the USSR were carried out upon the ideology of western theoretical grounding. Life itself proved that they were inadequate for the post-soviet society. This inadequacy is equally confirmed by the consequences of the global economic crises that provided the ground to launch the process of redefining neoliberal theories, not only in Russia but in the Western countries. As well-known western economists point out, «market fundamentalism... of the past 20 years has drastically failed the examination [5; p. III]. As a consequence «...the world witnesses the rise of a new economic hybrid that could be called "state capitalism"» [6; p.22].

Any contemporary state (including those of relatively safe in a social sense western society) takes the responsibility to prevent and smooth the failures of market mechanisms. Moreover, in post-reform Russia it is impossible to disentangle a number of urgent problems without the participation of the state. These problems include the necessity to eliminate the consequences of dangerous property stratification of the population, ruinous inflation, large-scale brain-drainage, economically unjustified and unfair salaries and wages as well as promoting for the revival and development of culture, science, education and healthcare. We should add to this list unemployment rate decrease, the defense of civil rights and liberty, and the fight against criminality and corruption.

In this regard it is worth mentioning the World Economic Outlook of IMF Supporting Studies, that literary postulates: «the major lesson of post-communist transformation lies in the fact that state institutions are of critical importance. A market without a strong state causes the substitution of irresponsible state power by non-regulated private beneficitation, which leads to economic and social decline» [7; p.35].

The main conclusion that could be derived from such an assumption is as follows: the frequency of the state's interference into social and economic life is of less importance than the quality of this interference. Hence another axiomatic postulation arrives, i.e. *the FIFTH AXIOM: Program-targeted, financial and personnel*

participation of the state in the economic sphere is a managerial imperative, while any large scale renovation and society transformations are inseparable from the dominant contemporary ideology, progressive ideas that can become a momentum for the innovative breakthrough of the country.

As mass sociological surveys reveal, just after first years of the reforms the majority of Russian people insisted and continue to insist that the state should play a key role not only in the economic but also in the social sphere [8; 9; 10; 11]. And this is quite obvious. Notwithstanding great efforts of the state to improve the situation in the social sphere real increase of the per capita incomes, material wellbeing as a whole, as well as authority activity in this sphere are rather reservedly assessed by the population. Alongside well-known defects and omissions this is also determined by the fact that the very notion of social politics is still obscure not only for the experts but for the public in general. In addition, the scope of social politics with regard of possibilities and responsibilities are equally obscure in the terms of its federal, regional or social implementation. Moreover, another extremely important problem remains unresolved: the choice of proper social orientations that would meet the demands of contemporary post reform Russian society.

Thus we arrive at the necessity to postulate *the SIXTH AXIOM: A MODEL FOR SOCIAL POLITICS* that meets the demands of every layer of the population is the most important factor of economic development of the country, a precondition of successful modernization and promoting for the consolidation of Russian society and the regions of the Russian Federation.

It should be noted that, with respect to the strategies for social and economic development there are several approaches to outlining social politics, American and European approaches are among them. After the disintegration of the USSR, being in the complicated situation of the transition from social paternalism to the new market paradigm, Boris Eltzin's government employed the American model of social development. That model clashed with the new conditions of social and economic development in the post-soviet society as well as with the mentality of the peoples of Russia.

The consequences of the American model application turned to be deplorable and not for a short period. Sharp social differentiation, a rise of social inequality in every sphere of life, social and civil indifference of the population, a turn to the purely consuming society, and rampant crime – such are few negative social consequences of the implementation of the American model. In Russia they are large-scale and dreadful.

Nowadays, we can only regret that the Russian reformers of the 1990s rejected another model of social politics, more appropriate for history of Russia and mentality of its people. Here we mean the European model that is characterized by the experts as “Capitalism with a human face”. Germany, Switzerland, Netherlands and Sweden and to a certain extend Japan implement this model.

Unlike the American model, the European one is focused to a greater extent upon social problems. Social interests have priority over private ones, the mechanisms of

social partnership are of supreme importance. Qualified workers, viewed as a driving productive force, as an “engine” of economy modernization are treated as a genuine wealth of any country.

If the American model is free market-centered, i.e. there is no economic and political limitations for market activity, European model has a synthetic character, i.e. there are some mechanisms that integrate market into the system of state government. There great importance is laid upon balancing “socially dangerous” tendencies of capitalism that cause monopolization and mass inequality.

Touching upon the effective and appropriate model of Russian social politics, we should note that its key issues would be not only the bulk of resources necessary to resolve urgent social problems, but also its target character and the efficiency of undertakings.

If the maintenance of stability is the main target of social politics, the resources are directed first and foremost to those layers of the population that are predisposed to a protest activity or to the support of such activity on the part of opposition. In its turn putting forward humanitarian mission as the most important objective causes the increase in the concrete targeting of social support. It also causes preferential care of the less well-off social groups (the latter objective is constantly declared, but not implemented).

If we rely on the often repeated statement that nowadays social politics is a powerful tool to increase the quality of a country’s human capital and to promote for its worldwide competitiveness we should primarily tackle the investments into human capital, predominantly into the sphere of high quality education and into the sphere of high quality healthcare the access to which has become in the RF “the rock of the social split”.

Finally, if social integration and national consolidation are presupposed, the state should elucidate, what exactly the society (or at least its major part) understands under the notions of socially fair and socially unfair inequalities and only after it can correspondently construct social politics.

The data of social surveys reveal that half of Russian population conceptualizes the optimal model of state government in the social sphere as the following formulae postulates: The state must provide a certain minimum to every member of the society while the rest of social benefits should be gained individually. At present this point of view is shared by 45% of the population [12, c.162].

At the same time it is clear what models of social politics are unpopular or not so popular. Thus, only 14% of responders are ready to accept a liberal model of social politics, that presupposes either a complete noninterference of the state into the social sphere or a limited assistance to the weakest [12; 162-163].

Undoubtedly, it is not easy to work out an optimal model of social politics for a post reform Russian society where interests of different population layers and groups deviate a lot. It is also evident that it is impossible not to take into account the idea of social justice, which was always a key idea in Russian social and cultural model. As our recent research reveals, when choosing slogans, which could most exactly

express personal dreams of the Russians about the future of the country the majority of responders supported those that had such constituents, as social justice, equal rights for all, and a strong state, that takes care of its people. It is this combination of ideas that half of the population supports while other options are considerably behind.

Thus we are ready to postulate *the SEVENTH AXIOM*: **Readiness of the state to provide social care for its people is, in fact, the core of the whole system of relations in Russian society, and the basis for the state power legitimacy and for similar readiness of people to comply with the demands of the state. In the system of relations of this type *the social function of the state will always dominate over economic* for such symbiosis rests upon the responsibility of the strong (the state) for the weak (an individual).**

It is noteworthy that the dream of people in Russia to live in a fair and reasonably organized society (a top three of their main recent dreams!) is closely connected with the dream of promoting human rights, democracy and freedom of expression, as well as with the idea of a strong government capable of ensuring order in the country.

All this demonstrates a remarkable link of “power – justice,” existing in the minds of our fellow citizens: those who want to live in a society where justice reigns perceive the state as a major *actor* of their well-being and of this very justice.

As the data of sociological surveys reveal, the semantic contents of the idea of social justice, immensely important for the people of Russia, can differ a lot. What exactly do people perceive as fair or unfair when they assess the present state of affairs in the country?

Pointing at the most obvious negative indicators we single out the fact that nowadays the majority of people in Russia consider the deviations in personal incomes to be too great (83%). Alongside two thirds of our fellow-citizens observe the national system of private property distribution as unfair, the same number of responders thinks that people do not get decent remuneration for their labour skills, abilities and qualification. In this case it should be noted that 54% of responders refer to their personal experience considering that their qualification and hard labour are undervalued, that they are paid less than they deserve. We should also take into account that half of the population takes negatively the current conditions of access to quality medical care which in most cases is predetermined by the size of their bank account (or their purse). [12; 31, 38]; [13; 17-18].

It is also important to emphasize that all types of social inequality that exist in a post reform Russia seem unfair to every layer of population disregarding its living standard and the dynamics of personal well-being. As a consequence it is possible to arrive at the assumption: while assessing the current state of affairs from the viewpoint of its justice or injustice people in Russia are guided by their personal concept of the fair for the society rather than by their personal interests. This concept of the fair proves that a certain normative and value model exists in the minds of people in Russia. Moreover, this model impacts, often implicitly, the response of the population to the authorities' actions.

On the one hand, this social and cultural model, dominant in the minds of people in Russia, confronts neoliberal social politics, especially its implementation in Russia,

and “targeted assistance” exclusively to the neediest as its supergoal. On the other hand, however, this model that was completely and extensively developed in Europe conforms to the idea of social state, proclaimed in the constitution of the RF.

At the same time, a lot of people in Russia refuse to comprehend that to implement the ideas of a social state has nothing to do with philanthropy and the encouragement of dependency mentality. For the state is called social precisely because it is considering economic efficiency, not as an end in itself but as a means to meet the material and spiritual needs of the citizens.

Hence the *EIGHTH AXIOM* arises: **The main objective of a social state is not to be found in the distribution of benefits, but in creating the conditions for the free activity of individuals, capable to promote for themselves and for their family. The conditions should be equally created for everyone to be properly educated, to be skilled, to obtain a profession, to get a job, as well as to be able to save money and to obtain private property. All these present the most important policies of a social state.**

People of a post reform Russia should learn many lessons of the two decades of market reforms. One of them is the following: people should be aware of what type of society the country’s systemic transformations lead. Meanwhile, at present, in the constitution the semantics of the definition of Russia as a social state remains obscure. Moreover, suggested definitions of scholars, including sociologists (here, for instance) are not supported officially.

As a result, people lack the most important guiding point, that is their comprehension of the potential of the after-reform social structure of the Russian Federation and its benefits for common people. This state of affairs allows postulating *the NINETH AXIOM: the lack of people’s comprehension of the perspective objectives of social transformations, as well as the lack of the national idea that would promote for the spiritual drive of people, is in fact the same essential obstacle for the country’s modernization, as the scientific and technological retard.*

This axiom is of utmost importance. Those who participated in the events after 1991 or witnessed them remember that the then state authorities were under the illusion that a new national ideology would come into life naturally, that is why neither the state, nor political class, or society’s elites should formulate or interpret a national idea. Yet, real life revealed, as V. Putin remarked during the session of “Valdai”, the international discussion club “... a new national idea never comes into life and develops according to the market regulations” [3].

In fact, disengagement of the state, its absence from the ideological sphere resulted in the effect analogous to making a mechanical copy of a foreign experience. We mean that rough attempts, hostile to Russia’s traditions and mentality, to civilize it from the outside, to plant in the minds of its people odd values were rejected by the majority of people. It was convincingly made evident both by the sociological surveys of the 1990s, and by the surveys in the current period [12; 145-160].

Still, another aspect of comprehension how the national idea comes into life should be taken into consideration. This aspect is also predetermined by the social

experience of people. Any national idea, any traits of national, social and cultural identity can never be imposed by the authorities, and cannot be rooted in any ideological monopoly. The ideas capable to transmit spiritual force to people, and capable to transform themselves from the nonmaterial into material and economic factor of social development come into life as the result of studying the synthesis of the nation's experience, and its spiritual, cultural, ethical, political traditions and values.

Accepting the above mentioned axiom does not make the role of ideas in social development absolute, and it does not deny one of the key postulation of general philosophy running that "practice is the criterion of the truth". Ideology of realism, being the most reliable type of ideology, comes from the fact that any idea had ridiculed itself the moment it was torn off the interest and above all the interests of people and the society in general. In this very context of *Ideology of realism*, ideology of everyday life we should postulate a concluding **TENTH AXIOM: Systemic advance in economic development and large-scale modernization are possible only when the implementation of the cause proclaimed by the state will bring tangible benefits for the population, promote for the increase in people's well-being, thus strengthening in the public mind a sense of social optimism, confidence in the success of reforms.**

Many people remember the famous feature film "Officers", that is popular till these days. One of the main personages of this film utters the famous phrase: "There is a profession – to defend the Motherland".

I believe that today among social scientists it would be quite appropriate to give life to another dictum: "There is a profession - to study their homeland". This dictum obliges to explore the society we live in, to determine its different states according to the quantitative and qualitative data, to reveal and comprehend the reasons why certain social groups in Russia live better in their regions and have better prospects while in other regions life brings to similar social groups frustration and even despair. It is sociology that is both a science and a profession "of the people" and "for the people".

We should confess that we take a very high responsibility when we assess, judge, interpret, and even more, sum up the revealed perceptions of the state and dynamics of everyday life. We should also remark that to describe from a scientific perspective and to outline the profile of our society of our Homeland means to a certain extent to defend it. Who is an adversary, you may ask, and how you are going to defend the country having at your disposal exclusively sociological means? Our adversaries are non-objective assessments, unfair reproaches, tendencies to impose misconceptions about ourselves, about the past, present and the future of our Homeland. It turns in fact that the profession of a social scientist due to its proximity to the sources of everyday life has not only a professional but a civil significance. That is why nowadays it is very important for social scientists to achieve a high level of professionalism and immaculate civil responsibility. This attitude will regulate political and social status of sociology as well as of other social sciences in Russia.

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