

# FROM THE CHIEF EDITOR



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## On the difficult way to strong civil society

The modern efficient economy is formed under the influence of not only economic but also governmental regulators. Civil society is an essential element of highly-developed economic, social, political and legal relations.

Modern civil society is a society that has partnered with the government and business, which is also able to control the state and country's wealth. Civil rights and obligations are supplemented, in this case, with the efforts of the state to ensure the economic and social security of the whole country and its citizens. The President of the Russian Federation Vladimir V. Putin spoke about the close links between these problems in his annual Presidential Address to the Federal Assembly of the Russian Federation made on December 12, 2012: **“A sense of responsibility for one's country cannot be instilled with slogans or appeals; people must see that the authorities are transparent, accessible, that they work hard for the benefit of the country, city, region, village and every citizen, and respond to public opinion. The authorities must not be an isolated caste. This is the only way to build a strong moral foundation for creative work, an affirmation of order and freedom, morality and civic solidarity, justice and truth, and nationally oriented consciousness”<sup>1</sup>.**

The level of population's trust in the Government is the most important characteristic of civil society. In this regard, there are two relatively independent periods in Russia's recent history from the 1990s to early 2000s.

The first period, or Yeltsin's ten-year plan, is presented in mass estimates and judgments as a chain of unreasoned radical measures, which have led to unprecedented robbing the state, impoverishment of a great heap of the Russians and which have thrown the country back for many years ago.

According to ISEDT RAS monitoring of the Vologda Oblast's population, the level of population's trust in the President accounted for 27.1% of respondents in November 1996 and only 8.6% of respondents in December 1999.

<sup>1</sup> Transcript of V. Putin's Address to the Federal Assembly of the Russian Federation. Rossiyskaya Gazeta. Available at: <http://www.g.ru/2012/12/12stenogrammapoln.html>

The second period associated primarily with Vladimir V. Putin is estimated by the people as a practical public policy turn towards society, establishing a constitutional order in the country and promoting the positive development of the country. In 2006 – 2007, the level of population's trust in the President exceeded 60% in the Vologda Oblast.

However, in recent years, despite a slight improvement of financial standing, public opinion polls have fixed the social and psychological deterioration of most Russians and increasing public dissatisfaction with their lifestyle due to the sharp social differentiation and social inequality growth. According to many economic and social indicators and the quality parameters of economic management, the country has fallen below the marginal critical points that are required for the normal functioning of the national society system (*tab. 1*).

The figures (*see pp. 14-21*) show the extended dynamic ranges of the indicators of trust in various levels of authority, as well as in economic structures and social groups, which are the results of public opinion monitoring that has been carried out in the Vologda Oblast since 1996.

These data show that trust in the President, which increased sharply during the first and second cycles of Vladimir V. Putin's presidency, decreased during the presidency of Dmitriy A. Medvedev. Trust in the Government rose again when the third Vladimir V. Putin's presidential cycle began, but it is still a long way off the 2006 – 2007 level (*tab. 2*).

According to a sociological analysis "Edelman Trust Barometer – 2012" covering 23 countries<sup>2</sup>, Russia has the lowest level of trust in the Government in this group – 32 percentage

<sup>2</sup> The survey was conducted from October 10 – November 30, 2011 and consisted of 30-minute interviews for 5600 respondents from the following countries: China, UAE, Singapore, India, Indonesia, Mexico, the Netherlands, Canada, Italy, Argentina, Austria, Brazil, Sweden, USA, South Korea, Poland, Great Britain, Ireland, France, Germany, Spain, Japan, Russia.

Table 1. Indicators of quality assessment of Russia's economy management

| Indicator  | Critical threshold value | Virtual state, 2010 | The ratio of virtual value to critical threshold value |
|--|--------------------------|---------------------|--|
| The share of shadow economy, % to GDP  | 25                       | 45                  | 1.8 times higher                                       |
| The share of illegal salary, % to official salary  | 25                       | 39.6                | 1.58 times higher                                      |
| Differentiation of federal subjects:<br>- according to GRP per capita, times   | 5                        | 21.1                | 4.22 times higher                                      |
| - according to cash income, times  | 5                        | 6.5                 | 1.3 times higher                                       |
| The share of corruption and shadow economy, % to GDP   | 5                        | 40                  | 8 times higher   |
| Total economic losses coefficient, % to GDP  | 7                        | 50                  | 1.7 times higher                                       |
| Level of satisfaction with the executive authorities of the federal subjects of Russia   | 40                       | 30                  | 1.3 times lower  |
| The level of trust in the central government authority, %  | 40                       | 30                  | 1.28 times lower                                       |
| Source: Glazyev S.Yu., Lokosov V.V. Assessment of the critical threshold values of the indicators of the state of Russian society and their use in the socio-economic development management. Bulletin of the Russian Academy of Sciences. 2012. Vol. 82. No. 7. |                          |                     |  |

points. It is comparable with 49 p.p. in the USA and Sweden, 41 p.p. in Great Britain, 40 p.p. in France and 39 p.p. in Germany.

It is possible to insure the establishment of efficient civil society if its elements are vertically and horizontally structured and its state and civil bases are strong. The number of civil society organizations is continuously increasing in almost all the modern states, particularly in the Western democracies. Thus, there are five thousand non-governmental organizations per one million people in the USA<sup>3</sup>.

<sup>3</sup> Golovenko V., Sereda Yu. Civil society organizations as potential of political culture formation and social mobility realizing. The world of transformations. 2012. No. 1. P. 136.

Table 2. The Vologda Oblast's population level of trust in governmental and public institutions\*

| Government and public institutions  | 1996 | 2000 | 2005 | 2010 | 2nd half year 2012 |
|---|------|------|------|------|--------------------|
| <i>Level of trust &gt; 40%</i>  |      |      |      |      |                    |
| President of the Russian Federation   | 26.5 | 57.1 | 57.7 | 56.8 | 45.7               |
| Church  | 37.9 | 42.3 | 46.5 | 47.0 | 41.4               |
| <i>Level of trust &gt; 35%</i>  |      |      |      |      |                    |
| Government of the Russian Federation  | 18.5 | 42.7 | 38.0 | 52.4 | 39.6               |
| Court   | 19.8 | 31.6 | 36.9 | 37.4 | 36.1               |
| <i>Level of trust &gt; 30%</i>  |      |      |      |      |                    |
| Government of the Vologda Oblast  | 14.2 | 31.3 | 32.8 | 41.0 | 34.6               |
| Procuracy   | 18.2 | 30.9 | 34.3 | 36.1 | 33.9               |
| Federal Security Service  | 12.6 | 34.2 | 35.6 | 36.0 | 33.2               |
| Federation Council of Russia  | 13.4 | 28.3 | 30.4 | 38.1 | 32.3               |
| Army  | 34.2 | 37.0 | 25.9 | 34.5 | 31.3               |
| State Duma  | 14.8 | 23.0 | 27.1 | 33.5 | 30.5               |
| <i>Level of trust &gt; 25%</i>  |      |      |      |      |                    |
| Mass media  | 15.4 | 33.4 | 30.4 | 29.2 | 29.5               |
| Local self-government   | -    | -    | -    | 35.6 | 29.3               |
| Police  | 14.1 | 27.2 | 27.1 | 32.7 | 29.3               |
| Public organizations  | -    | -    | -    | 26.7 | 26.5               |
| Trade unions  | 20.2 | 28.4 | 27.9 | 29.9 | 25.6               |
| CEOs  | 5.2  | 19.6 | 23.6 | 22.8 | 25.1               |
| <i>Level of trust &lt; 25%</i>  |      |      |      |      |                    |
| Banks and entrepreneurs   | 8.5  | 12.4 | 20.6 | 21.5 | 21.3               |
| Political parties movements   | 6.8  | 10.7 | 16.0 | 22.8 | 20.9               |
| * Ranking has been achieved by the values of the indicators for the 2nd half of 2012. |      |      |      |      |                    |

Today, the number of such organizations is also growing in Russia. According the Federal State Statistics Service, if there were 275 thousand non-profit organizations in Russia in 2000, then there were about 342 thousand of them in 2011. According to the RF Ministry of Justice, there were 219.8 thousand organizations as of October 1, 2011, including 85.1 thousand non-govern-

mental organizations, 110.3 thousand public associations and 24.4 thousand religious organizations<sup>4</sup>.

The establishment of the Public Chamber of the Russian Federation, according to the Federal law No. 32FL as of April 4, 2005, was a logical step in the development of civil society. The Chamber cooperates with the authorities based on the needs and interests of citizens; it protects their rights and freedoms in the development and implementation of public policies and organizes public control over the activities of state government bodies. The annual Report on the status of the civil society in the Russian Federation is heard and approved by the Chamber. It also promotes the development of regional public chambers, which have been established in 71 regions of Russia over the recent seven years.

However, it should be noted that the establishment of regional public chambers is significantly delayed. It was formed in the Vologda Oblast 4 years later than at the federal level. The Public Chamber of the Arkhangelsk Oblast started working in October 2012.

The author of this article has been the Chairman of the Public Chamber in the Vologda Oblast since its establishment in April 2009.

The Chamber comprises on a voluntary basis 45 members from among the permanent residents of the oblast who are delegated in equal proportions by the Governor, the Legislative Assembly of the Vologda Oblast and public organizations that are located in the municipalities. The members of the Public Chamber are reputable and respectable citizens known for their public activity.

Since the first days of establishing the Chamber, its special attention has been focused on organizing systematic activity: working

<sup>4</sup> Report on the status of the civil society in the Russian Federation in 2012. Moscow: Public Chamber of RF, 2011. P. 17.

bodies, specialized commissions and normative base were created in a very short time. Nowadays, a systematic approach is developed by the Chamber's members of the second convocation.

The continuing body of the Chamber is the Council that is composed of 9 members. 81 Council meetings and 27 visiting sessions in the districts have been held over three and a half years. The plenary sessions and meetings of the Council dealt with the main issues related to the implementation of civic initiatives and the Chamber's functions in monitoring the activities of the executive government and local self-government. The implementation of the Programme for the development of housing and utilities sector and legal requirements for the budget tariff policy in the Russian Federation and the Vologda Oblast, as well as the measures to develop scientific and technical potential of the region and its infrastructure adopted by the regional authorities were discussed at the enlarged meetings last year. These discussions resulted in the guidance for the administrating authorities on the use of organizational and economic tools and financial resources to solve the current problems.

Over the working period of the Public Chamber, 33 opinion letters for the regional draft laws and programmes have been prepared due to the assistance of qualified experts, including those related to the regional budget approval.

Having discussed the initial draft budget for 2013 and the planned period from 2014 to 2015 submitted by the Government to the Legislative Assembly, the Public Chamber has given a negative opinion letter and made its proposals aimed at the better use of opportunities to increase the revenue side of the budget and rationalize budget expenditures (*the full text of the opinion letter is given on pp. 11-13*).

This opinion letter was quickly examined by the first Deputy Governor who was in charge of economic affairs. On his behalf, the meetings

of the Public Chamber representatives with the heads of the economy and finance departments were arranged; the mediation committee, which included the deputies of the Legislative Assembly, head policy makers and members of the Chamber Council, was formed. As a result, a number of significant amendments were introduced into the draft budget, in particular, guaranteeing the raise in teachers' salaries in 2013 up to the average regional wage. The budget was enacted on December 12, 2012.

Regional civil forums are one of the forms of intensifying the activity of the regional public organizations. The First Civil Forum attended by over 500 people was organized by the regional Public Chamber in November 2010. Most of the proposals made at the Forum have been put into practice. The Coordinating Council of non-profit organizations has been established; it is efficiently functioning now. There have been more social councils under the federal and regional state administration bodies and the practice of their activity has been expanded. Nowadays, there are social councils in the half of municipalities.

Working contacts between the representative and executive branches of the regional authorities were intensified after the election of deputies of the Legislative Assembly in December 2011 and subsequent vesting Oleg A. Kuvshinnikov with the Governor's power. Some people took part meaningfully in decision-making at the Chamber's sessions in 2012: they were the Governor (February), his deputies A.I. Sherlygin (April), A.A. Travnikov (July) and the deputy of the RF State Duma V.E. Pozgalyov (June).

The Second Civil Forum of the Vologda Oblast was held by the Public Chamber together with the Government of the oblast in November. Within the frameworks of the preparation for the Forum, there were eight zonal meetings of the Chamber in the period from February to October, which were attended by about 600 local and regional voluntary group activists.

The Forum had nine sections, which focused on the role and tasks of the regional public organizations in solving the most urgent problems of the region. The proposals made in the sections were developed at the plenary meeting, which was attended by over 300 people. The Governor of the Vologda Oblast Oleg A. Kuvshinnikov spoke there and noted the importance of not only the quantitative growth of non-governmental organizations, but also improving the quality of their working in order to overcome the barriers hindering the region's economic and social development.

However, it is not easy to do this: the development of civil society institutions is hampered by a number of unsolved juridical problems (imperfection of regulatory field), organizational and economic problems (weak resource security of a non-profit sector) and social problems (lack of the population's civil activity). Low civic culture, a lack of civic engagement technologies, underdeveloped mechanisms for the interaction between the population and authorities and public engagement in discussing and making important decisions are resulted in continuous social apathy and paternalistic sentiments.

According to the results of ISED T RAS opinion polls, personal influence of most people on one or another sphere of life is bounded by family; about half of respondents extend their influence over their jobs, but the influence has decreased sharply at the city, district and regional levels. Less than 10% of respondents find their influence over the country conceivable (*tab. 3*).

It is noted that the population is tired of permanent waiting for the real steps of power elite towards solving the problems of industrial and social spheres, decline in inflation, increasing the standard and quality of living, reducing the excess population differentiation according to income and consumption of life amenities. Russian society is more sensitive

to two major problems – low government efficiency and overgrown corruption.

The discussions at the Second Civil Forum resulted in preparing and adopting the recommendations to the President, the Government, the Federal Assembly, the Public Chamber of the Russian Federation and regional authorities to make the conditions for increasing the efficiency of public and non-governmental organizations.

It has been noted that it is necessary to expedite the consideration of draft federal laws “On public control in the Russian Federation and its objects” and “On the basic principles of organizing the public chambers in the subjects of the Russian Federation”. Based on the practice of the Public Chamber in the Vologda Oblast, it is necessary to provide for the following issues in these laws:

- ✓ increasing the term of regional chambers' office up to three years;
- ✓ establishing a government institution “The Administration of the Public Chamber” acting as a legal entities in every region;
- ✓ appropriation of funds to support the activity of regional public chambers (up to 4% of the total maintenance expenditures for the region's Legislative Assembly).

The meeting of the Public Council of the North-West Federal District, held under the chairmanship of the Presidential Envoy to the North-West Federal District N.A. Vinnichenko in November 2012 in Arkhangelsk, dealt with the key issues of increasing the efficiency of regional public chambers of the District and expanding the constructive mechanisms and forms of their working.

It was decided to hold the next meeting of the Public Council of the North-West Federal District in the second half of April 2013 in the Vologda Oblast with the involvement of the chairmen of the regional public chambers and the chief executive officers of the regions that are the parts of the district. It was recommended to arrange an extensive public debate on the

Table 3. Distribution of responses to the questions that deal with the personal responsibility for the situation and the opportunity to influence this situation (December 2011, in % of the number of respondents, without the people who were undecided)

| Responses   | Spheres of influence |         |                         |                          |               |                |
|---|----------------------|---------|-------------------------|--------------------------|---------------|----------------|
|   | In the family        | At work | At home/<br>in the yard | In the city/<br>district | In the oblast | In the country |
| Question: «Do you find yourself responsible for the situation...?»      |                      |         |                         |                          |               |                |
| Yes   | 77.9                 | 52.7    | 38.0                    | 15.6                     | 9.2           | 9.8            |
| No  | 13.3                 | 27.8    | 40.7                    | 57.1                     | 63.5          | 62.9           |
| Question: «Do you think you can personally influence the situation...?» |                      |         |                         |                          |               |                |
| Yes   | 77.1                 | 50.7    | 35.6                    | 12.1                     | 7.7           | 6.6            |
| No  | 12.7                 | 29.6    | 42.7                    | 62.1                     | 66.1          | 67.4           |

most important local legislative acts in 2013, including draft budgets of the subjects and the reports on their implementation, as well as involve public associations in creating a system of public monitoring of corruption and conflict of interest in the territorial bodies of federal executive authorities, government authorities of the federal subjects of Russia and local self-government.

The experience increasingly convinces that it is impossible to implement modernization in Russia without practical interaction in the system “society – authority – business”. For the present, there are a lot of inconsistencies in this system. The authorities’ response to public opinion is always late.

It took the central authorities a few years to hear the population and experts’ opinion on the required deoffshorization of Russia’s capitals and introduction of luxury tax. Russian society notes the inadmissibility of excessive population’s income differentiation. However, this gap is constantly growing in the recent years. Low-income groups have been

recruited with the army of school teachers, university professors and research institutions employees – in short, the people who provide for the intellectual potential of the country and the employees that meet the requirements of innovation development.

Such persons as M. Yu. Zurabov, T.A. Golikova, A.A. Fursenko, A.Ye. Serdyukov were evaluated negatively as the heads of ministries in public opinion. But there was no timely provided response to the public sentiments. Incidentally, this was one of the reasons for the loss of 12 million votes by the party “United Russia” in December 2011. People are dissatisfied with the fact that many urgent problems are only declared but their solution is not attended with the specific system actions of the authorities understandable to most people.

This journal contains an article “Budget crisis of the regions in 2013 – 2015: a threat to Russia’s security” (*see pp. 25-35*) that shows that the long-standing reluctance of the federal government to limit the outflow of Russian capital abroad in offshore areas does not allow them to increase the revenue bases of national and regional budgets. This is the main reason of the fact that a lot of indicators approved in the budget of the Russian Federation for 2013 and the planning period from 2014 to 2015 do not meet the targets set by the RF President Vladimir V. Putin in his decrees No. 594-606.

Government’s ignoring of traditional moral and ethical values, as well as the breach of the principles of social justice do not promote the development of civil society. The regions and, therefore, Russia in general, do not use the potential of civil society that is an important tool for increasing the efficiency of state management, ensuring sustainable economic growth with the continuous improvement of living standards of most people in the country.

## Opinion letter of the Public Chamber of the Vologda Oblast on the draft budget “On the oblast’s budget for 2013 and the planning period from 2014 to 2015” as of November 11, 2012<sup>1</sup>

The analysis of the draft budget for the period from 2013 to 2015 allows making the following conclusions.

1. Projected budgetary framework indicates that **the pre-crisis showings of own revenue sources in real terms will not succeed** in the period from 2013 to 2015. Russia’s lag in the indicators that show providing the population of the Vologda Oblast with budget revenues will increase (from 12 thousand rubles in 2012 up to 16.5 thousand rubles in 2013, up to 19 thousand rubles in 2014 and up to 24 thousand rubles in 2015).

2. It is necessary to pay attention to **the negative dynamics of budget expenditures in all the financing areas of social sphere**: educational expenditures will have been reduced by 12% over three years, culture expenditures – by 30%, social policy expenditures – by 23%, physical education and sports expenditures – by 52%. The deficit of budget recourses will not allow the government to ensure all the social safeguards and solve the current social problems.

3. **Extremely high debt burden** will remain one of the key factors restraining the social and economic development of the oblast. The public debt will account for 28 billion rubles, which corresponds to 87% of own budget revenues. Servicing costs of debts will increase 2-fold, and they will be 2 times higher than most regional budget expenditures in terms of absolute amount in 2013 – 2014 years (2.5 billion rubles).

4. The crisis profit slump of organizations will not be restored in the forecast period (the return of profitable companies will account for 92% in 2015 as compared with the profit in 2012 and 29% as compared with 2008). As a result, **profit tax will cease to be the main income source of the regional budget** in 2013. Profit tax revenues are expected to decrease by 1.6 billion rubles or 15% as compared with the level of 2012. Moreover, even in 2015, profit tax revenues will be lower than not only the level of 2008 but also the level of 2010 – 2012.

5. Income tax revenues will grow moderately (15% per year as compared with 20 – 26% in the pre-crisis period), and it will increase by 5 billion rubles over three years. **Average wage will be lower than the national average** (by 4.4 thousand rubles in 2012, by 4.5 thousand rubles in 2013, by 5 thousand rubles in 2014, by 5.9 thousand rubles in 2015).

6. **Reserves to achieve a balanced regional budget due to investment expenses will be exhausted**. Capital investment will be reduced 4.3-fold, and it will account for 2.8 billion rubles in 2012, 1.7 billion rubles in 2013, 1.1 billion rubles in 2014 and only 0.6 billion rubles in 2015.

7. **Limited own budgetary resources threaten the enforcement of the RF President’s decrees** that deal with the raise in salaries of public sector employees.

The expenses necessary for the implementation of presidential decrees have been left out of account at this stage of budgeting.

Having regard to the fact that the Vologda Oblast should return 16.2 billion rubles of credits in 2013 – 2015, and the raise in salaries of public sector employees will demand almost 18 billion rubles, we can conclude that the oblast has no funds to implement the task set by the RF President without the support from the federal budget. Meanwhile, the transfers, which are provided for this purpose in the federal budget for the Vologda Oblast in 2013, will not compensate even for 25% of funding needs.

<sup>1</sup> The opinion letter was prepared by virtue of the authority of the Vologda Oblast’s Public Chamber. It was sent to the first Deputy Governor of the Vologda Oblast A.A. Travnikov and the Chairman of the Legislative Assembly of the Vologda Oblast G.E. Shevtsov.

8. **The centralized system of intergovernmental fiscal relations will be one of the main risks in functioning of the budgets of the Russia's federal subjects.** State authorities are increasingly shifted to the regional and local government without adequate financial reinforcement. The federal budget provides a consecutive in intergovernmental transfers to the federal subjects of Russia: from 1.4 trillion rubles in 2012 down to 1.3 trillion rubles in 2013 and 1.2 trillion rubles in 2015.

Only the subsidies and subventions for the Vologda Oblast's budget will have been reduced by 1.1 billion rubles for the period from 2013 to 2015, which will be equivalent to the regional budget losses due to the changes in the federal law on excise tax.

However, the current tax policy, especially with regard to big business, does not increase the budget revenues, but it purposefully makes the conditions for expatriation of companies' profits and personal incomes abroad. As a result, the major budget revenue generating enterprises reduce their participation in forming of budget revenues. Thus, over the period from 2000 to 2011, the tax revenues to the federal budget from the Cherepovets Metallurgical Plant have decreased from 14% to 3.4%, NLMK – from 20% to 6%, MMK – from 12% to 6.5% (*tab. 1*).

Due to reducing the tax burden, the share of tax revenues from the steel production in the total amount of regional budgets' own revenues have declined from 76% to 20% in the Vologda Oblast, from 81% to 32% in the Lipetsk Oblast, from 40% to 15% in the Chelyabinsk Oblast (*tab. 2*).

Meanwhile, many experts point out that there are reserves to fill the federal and territorial budgets. They include the introduction of a progressive scale of personal income tax; the cancellation of VAT refund for the large exporters; the introduction of a diversified property tax; the increase in a dividend tax rate from 9% up to 13-15%; the taxation of exported Russian capital, dividends and other excess profits. According to experts, the involvement of these reserves could potentially increase Russia's federal budget revenues by 4.6 trillion rubles, which would solve a lot of problems of the regional budgets.

Table 1. Tax payments of metallurgical plants to the federal budget of Russia in 2000 – 2011, mln. rub.

| Indicators  | 2000 | 2001 | 2002 | 2003 | 2004  | 2005  | 2006  | 2007  | 2008  | 2009 | 2010  | 2011  |
|---|------|------|------|------|-------|-------|-------|-------|-------|------|-------|-------|
| <b>ChMK</b>   |      |      |      |      |       |       |       |       |       |      |       |       |
| Taxes, total  | 8219 | 5582 | 4860 | 9081 | 17498 | 16747 | 14450 | 23633 | 26999 | 3990 | 9186  | 8733  |
| In % to the profit                                  | 13.9 | 10.7 | 8.0  | 11.1 | 13.4  | 11.7  | 9.0   | 12.2  | 11.1  | 2.8  | 4.4   | 3.4   |
| <b>NLMK</b>   |      |      |      |      |       |       |       |       |       |      |       |       |
| Taxes, total  | 7694 | 4237 | 5827 | 9117 | 16451 | 13987 | 19295 | 15557 | 20703 | 6809 | 11529 | 12820 |
| In % to the profit                                  | 19.9 | 11.4 | 10.9 | 12.2 | 13.0  | 11.7  | 13.8  | 10.0  | 10.2  | 5.3  | 6.4   | 5.8   |
| <b>MMK</b>  |      |      |      |      |       |       |       |       |       |      |       |       |
| Taxes, total  | 7272 | 3897 | 4487 | 9565 | 12071 | 14367 | 16043 | 15315 | 17400 | 5082 | 10243 | 15988 |
| In % to the profit                                  | 12.1 | 7.4  | 7.4  | 10.8 | 9.0   | 9.8   | 9.9   | 8.0   | 7.7   | 3.7  | 5.1   | 6.5   |
| Source: Annual reports of JSC Severstal, NLMK, MMK. |      |      |      |      |       |       |       |       |       |      |       |       |

Table 2. The share of steel production tax revenues per capita in the total amount of budgets' own revenues in the federal subjects of Russia for 2000 – 2011, %

| Subject            | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Vologda Oblast     | 75.7 | 37.3 | 38.6 | 36.0 | 48.0 | 43.3 | 38.2 | 37.8 | 34.3 | 14.8 | 22.1 | 19.9 |
| Lipetsk Oblast     | 80.7 | 43.1 | 47.3 | 51.4 | 61.5 | 54.3 | 54.8 | 50.2 | 48.5 | 19.5 | 30.7 | 31.5 |
| Chelyabinsk Oblast | 40.0 | 23.7 | 21.7 | 31.4 | 29.2 | 28.4 | 22.5 | 16.8 | 14.1 | 6.9  | 11.2 | 15.4 |



9. The oblast's draft budget does not take into account the current reserves to increase revenues.

The Public Chamber considers the following measures are reasonable:

– when forming the revenue side of the regional budget, it is necessary to consider the current debts for taxes, fees, fines and tax penalties as a potential source of revenues, which, according to tax accounts, amounted to 2.4 billion rubles as of November 1, 2012, that corresponded to the amount of funds necessary to increase the wages of public sector employees in 2013;

– a range of administrative measures should be implemented in order to regulate non-tax revenues and strengthen their function; in particular, it is necessary: to make an inventory of all the standard acts that deal with the state property management; to develop objective methods for calculating rental rates; to exclude the disposal of regional property for the free use by the federal entities;

– under the conditions of the regional budget deficit, it is necessary to discuss the opportunity to suspend the Law of the Vologda Oblast “On the long service pensions for the persons who hold public posts and civil service posts in the Vologda Oblast” as of July 5, 1996 No. 87- OZ;

– taking into account that the implementation of the Vologda Oblast's budget becomes more dependent on the financial support from the federal budget, it is necessary to continue the discussion of the issues with the Government of the Russian Federation:

- the repeal of federal property tax relief for the organizations, which allow the government to increase the tax revenues of the regional budget by 3.5 billion rubles and significantly reduce budget deficit and debt burden;

- considering the opportunity to extend the credit payment period for the regional budget up to January 1, 2014 and the replacement of commercial loans planned to be received in 2013 by federal budget loans;

- increasing free financial support for the enforcement of the RF President's decrees as of May 7, 2012.

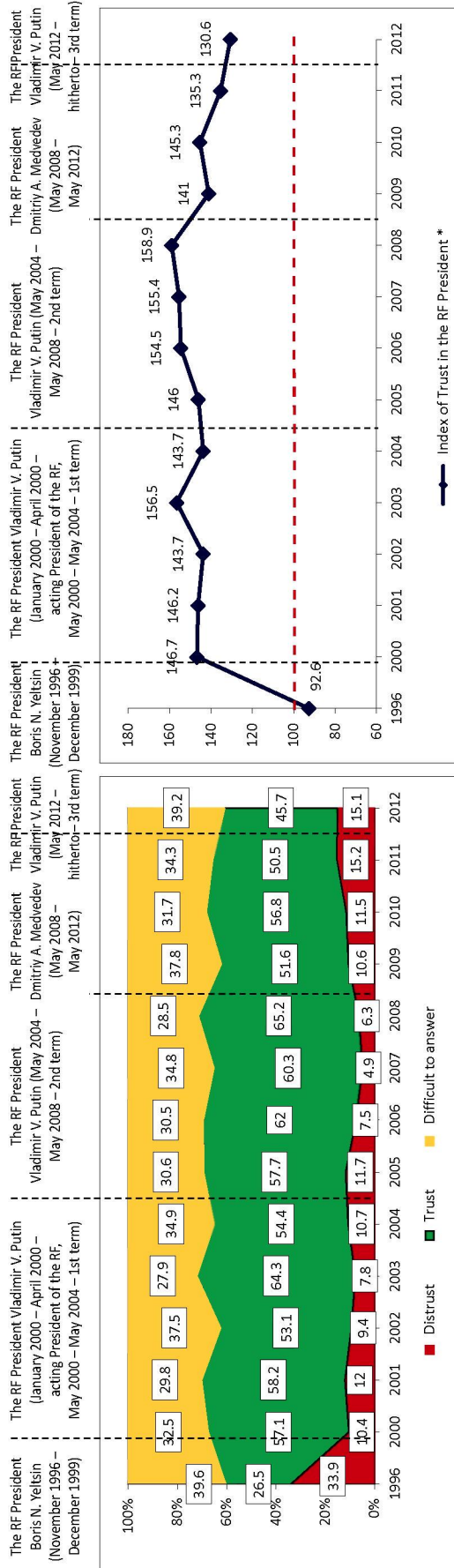
**Based on the above, the Public Chamber of the Vologda Oblast finds it impossible to support the oblast's draft law “On the regional budget for 2013 and the planning period from 2014 to 2015” because it does not meet the objectives of social and economic development of the country and regions that were stated by the President of the Russian Federation Vladimir V. Putin in his pre-election policy articles and decrees as of May 7, 2012 aimed at improving the living standards of the population in the regions due to the development of economy, increasing government efficiency, reducing excessive social inequality and ensuring social justice.**

The Chairman of the Public Chamber  
of the Vologda Oblast

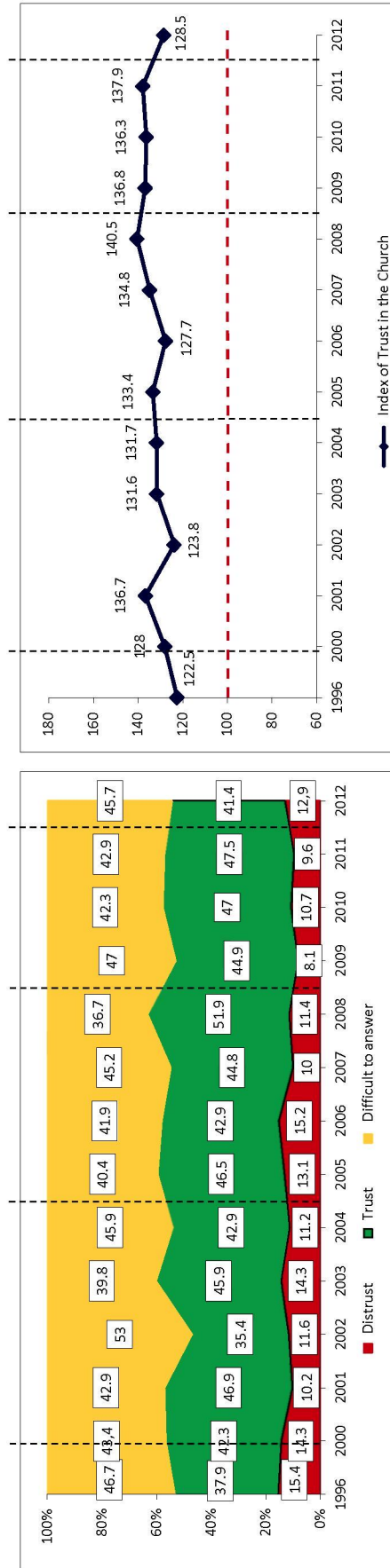
V.A. Ilyin

Trust of the Vologda Oblast's population in government and non-governmental organizations, 1996 – 2012  
(in % to the number of respondents)

Attitude toward the President of the Russian Federation

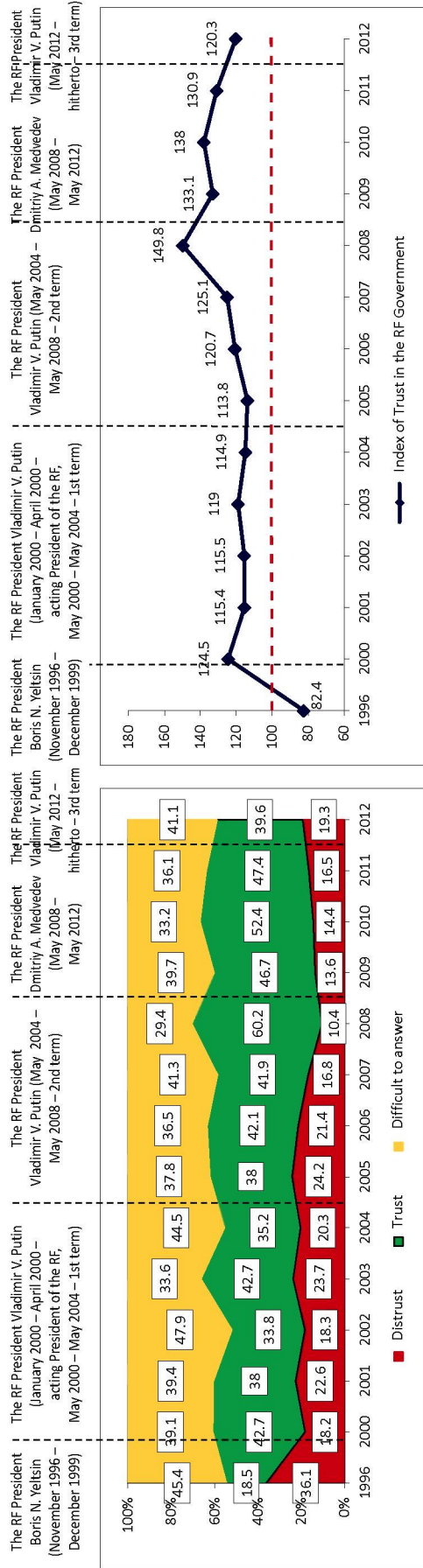


Attitude toward the Church

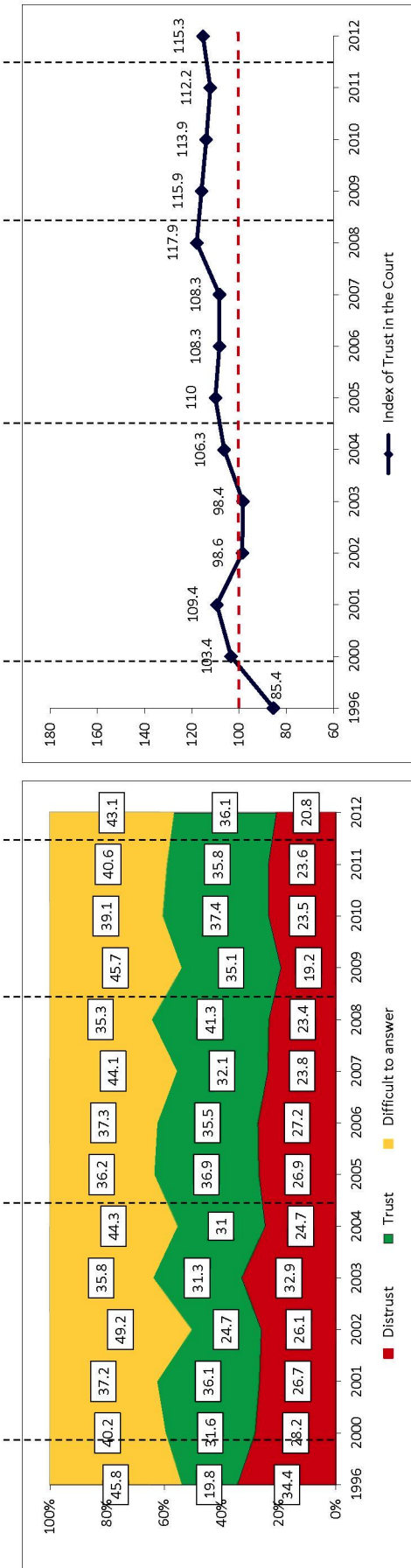


\* Index of Trust has been calculated by subtracting the negative responses from the number of positive ones, and then adding 100 to the obtained value in order to avoid a negative value. The balance of positive and negative responses has been marked by a red dotted line (index is equal to 100 points) Index above 100 points indicates the predominance of positive responses over negative ones, index below 100 points — the opposite situation.

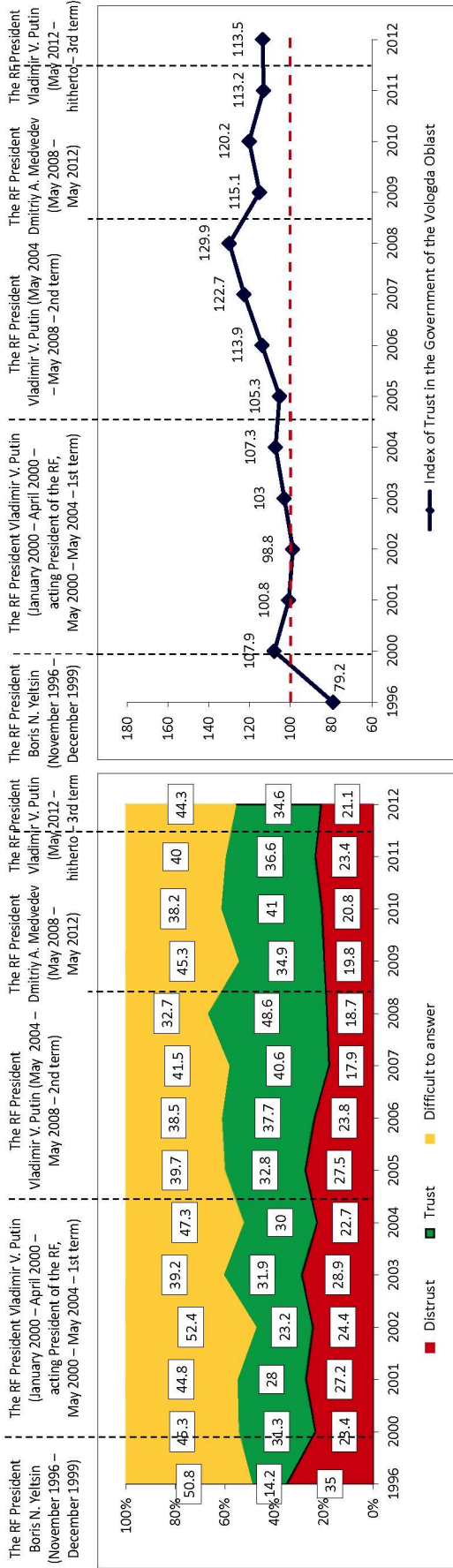
**Attitude toward the Government of the Russian Federation**



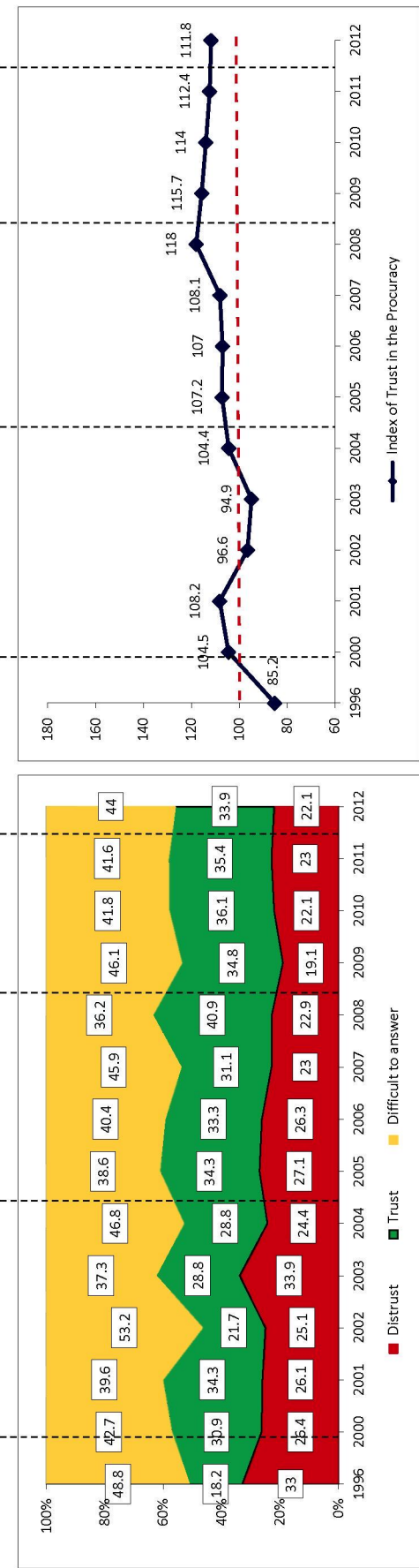
**Attitude toward the Court**



**Attitude toward the Government of the Vologda Oblast**

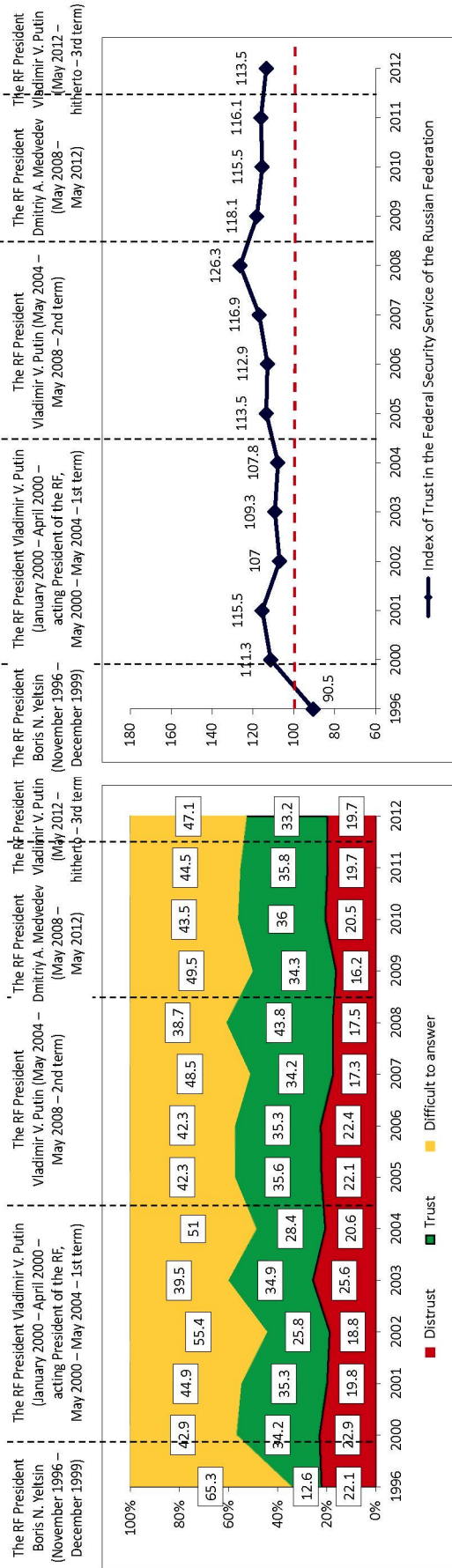


**Attitude toward the Procuracy**

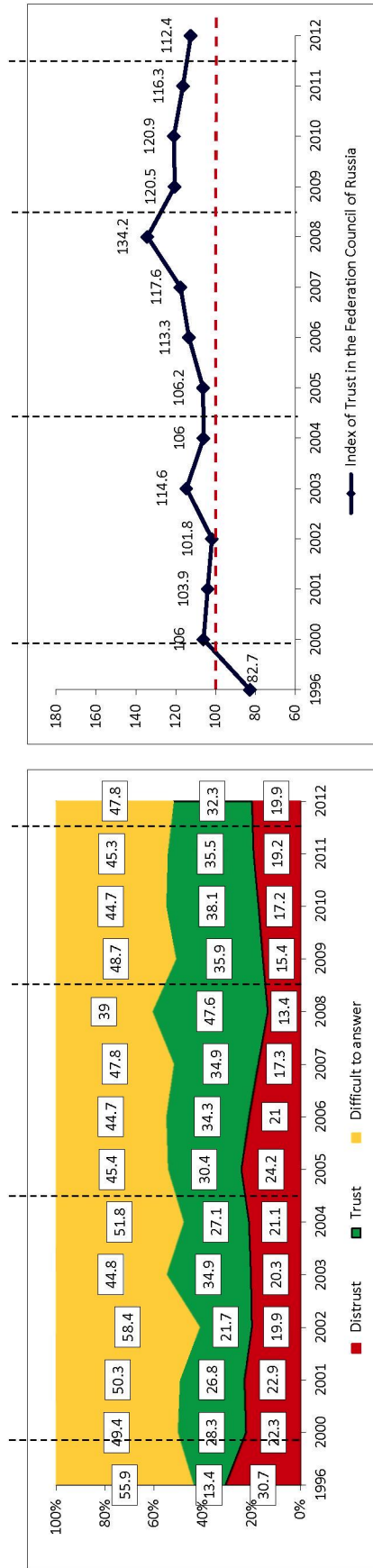




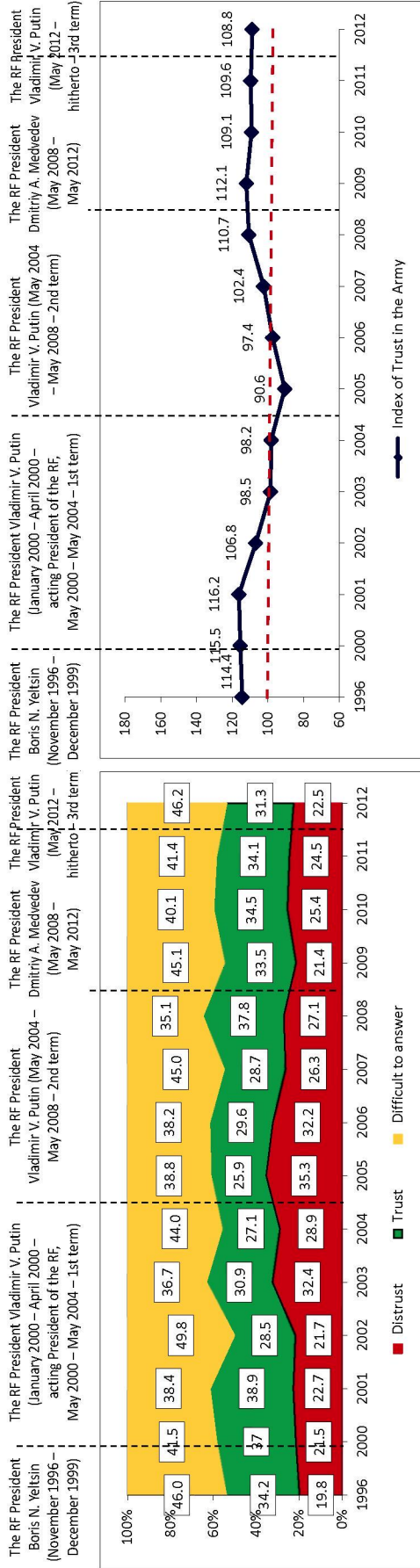
**Attitude toward the Federal Security Service of the Russian Federation**



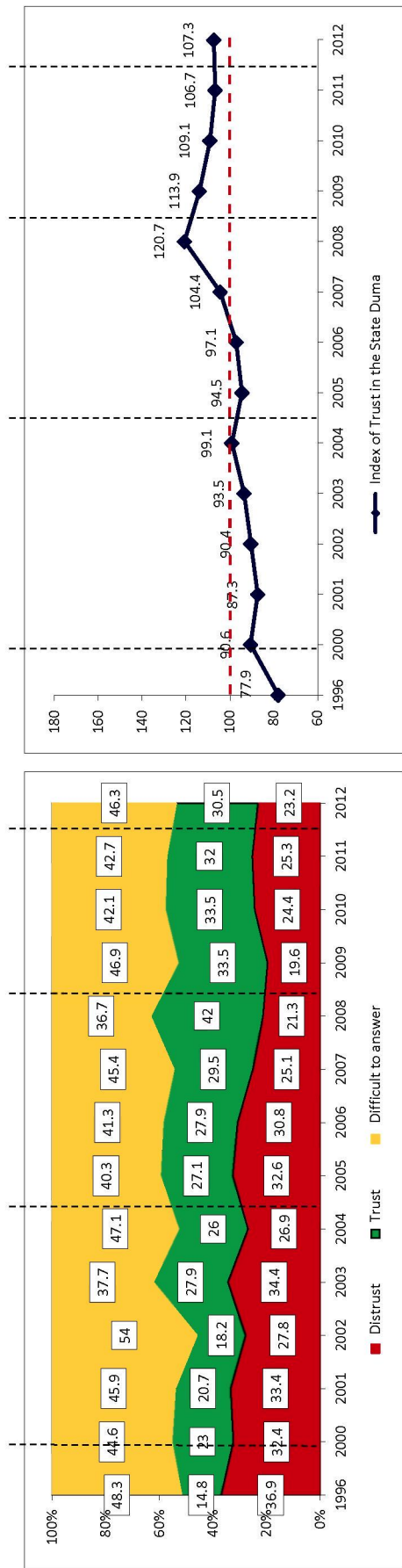
**Attitude toward the Federation Council of Russia**



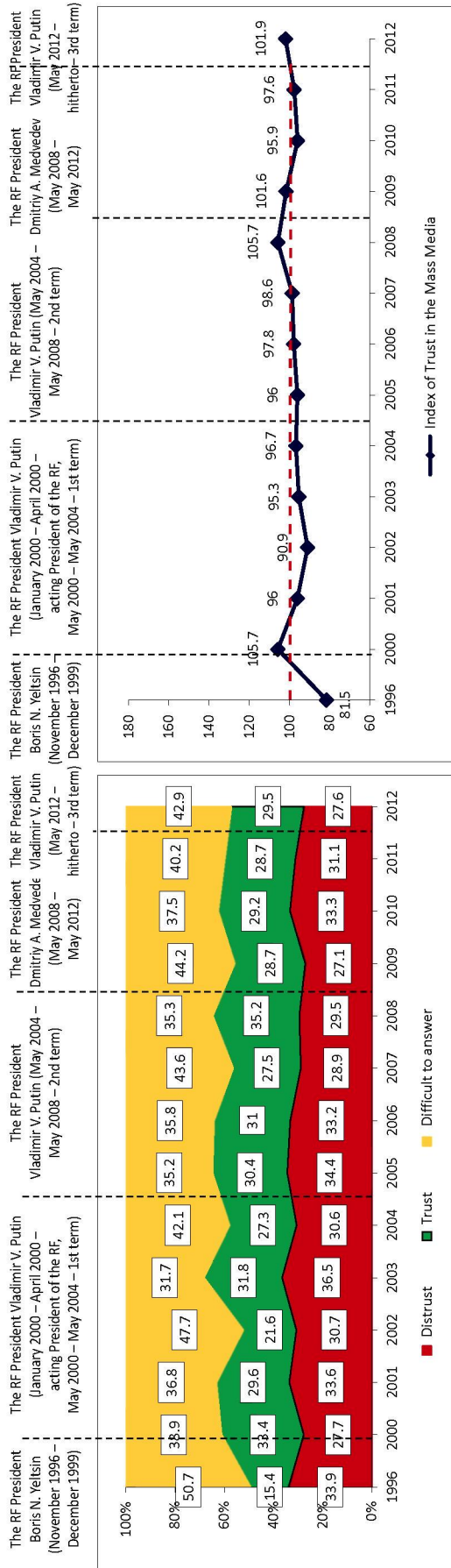
Attitude toward the Army



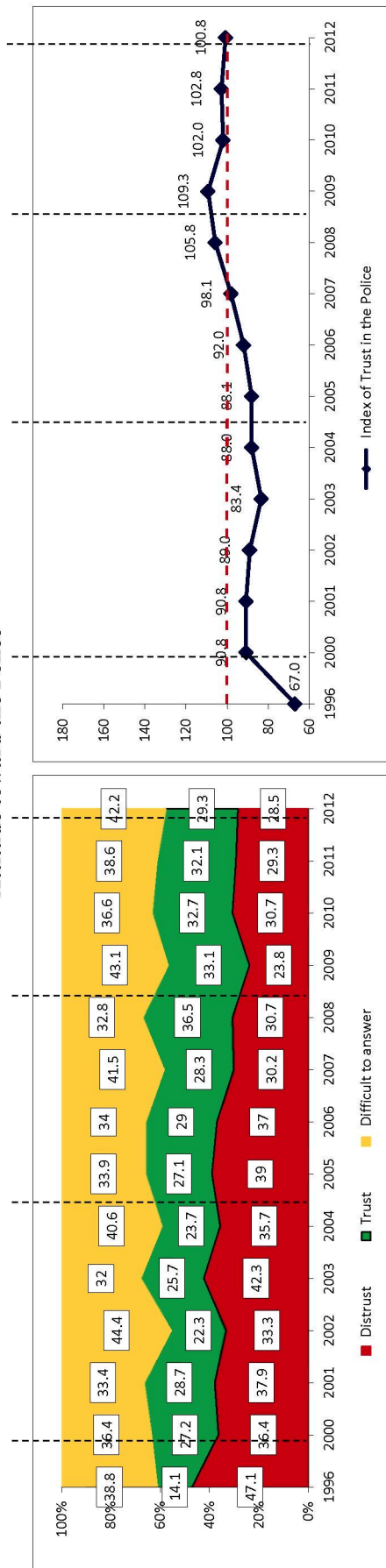
Attitude toward the State Duma



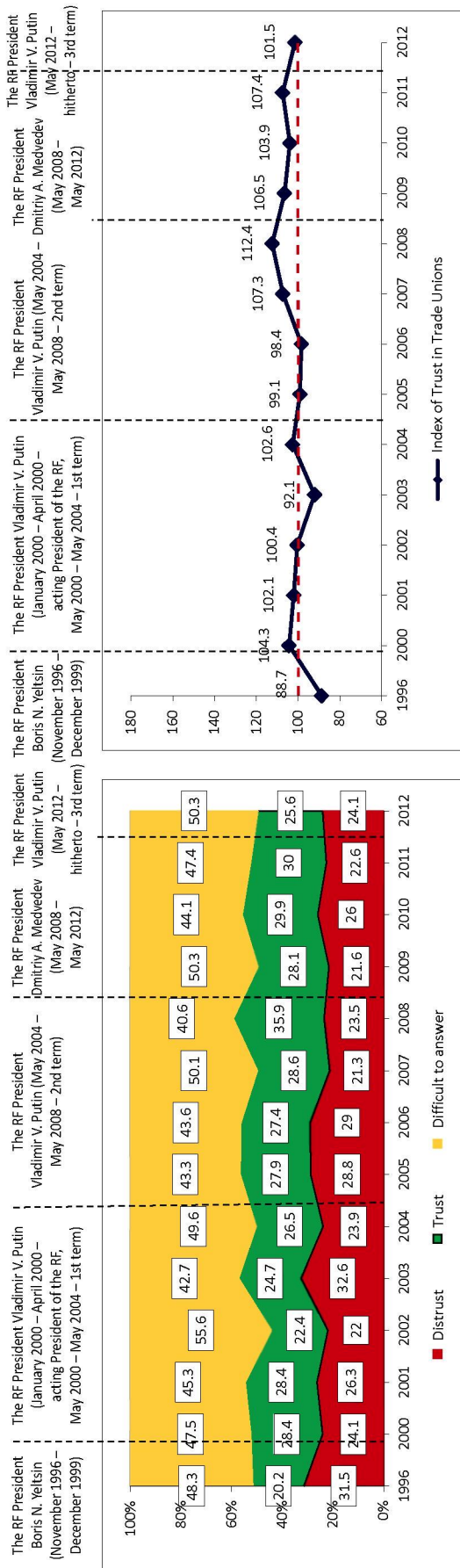
Attitude toward the Mass Media



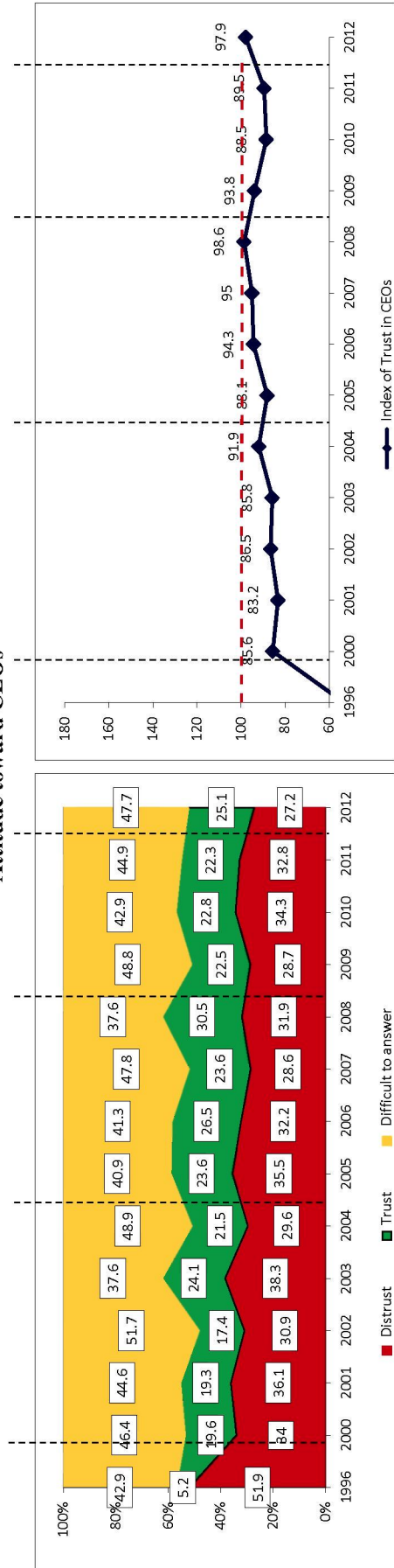
Attitude toward the Police



Attitude toward Trade Unions

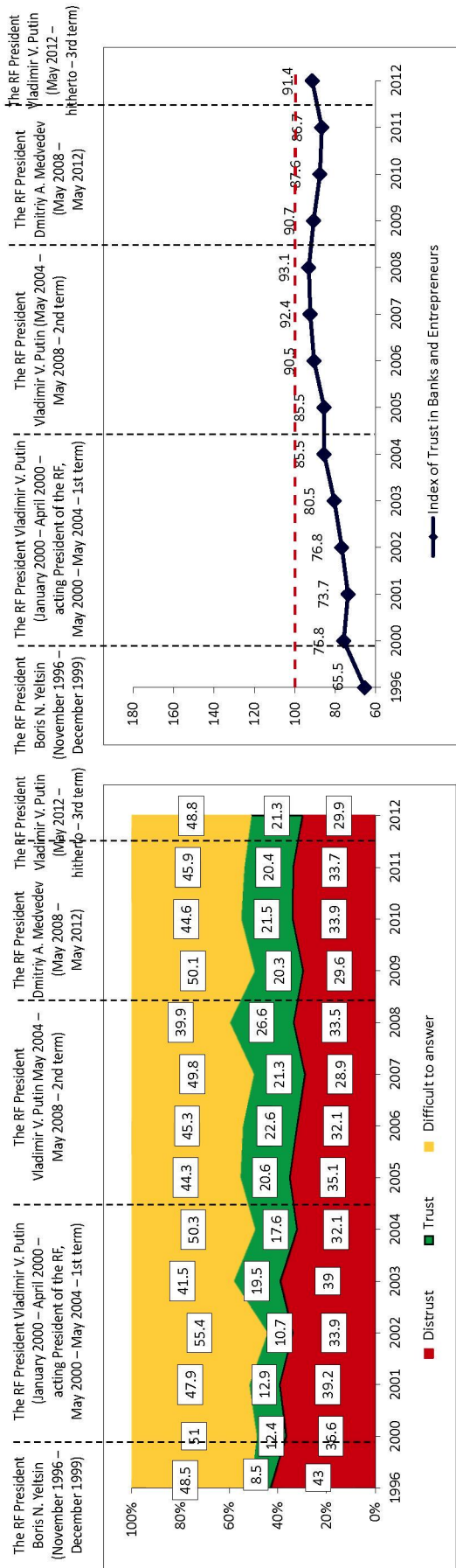


Attitude toward CEOs

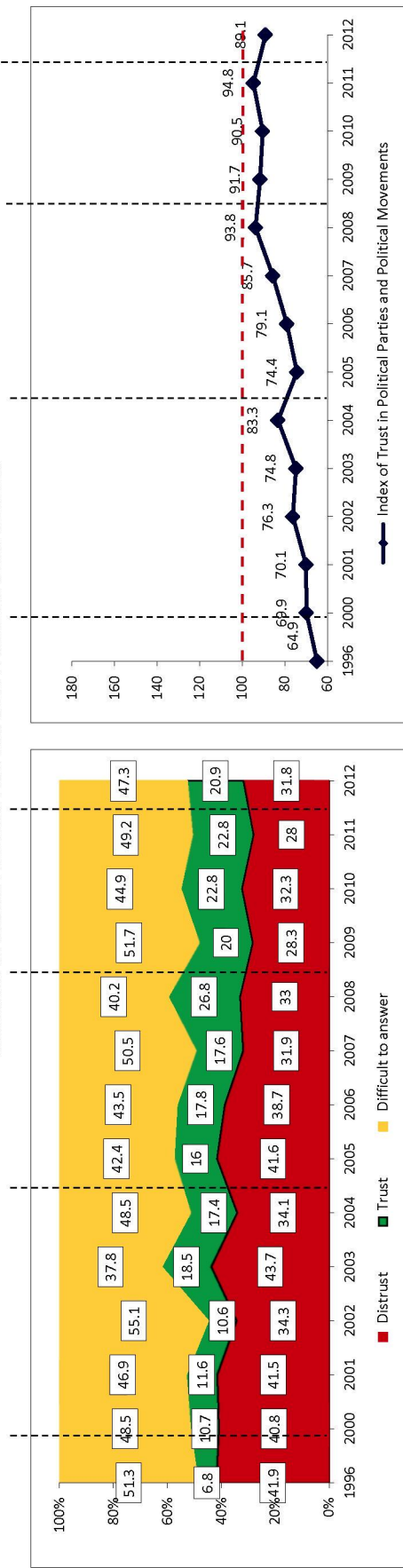




**Attitude toward Banks and Entrepreneurs**



**Attitude toward Political Parties and Political Movements**



# J

As in the previous issues, we publish the results of the recent public opinion monitoring of the state of the Russian society\*.

The following tables show the dynamics of some parameters of social well-being and socio-political sentiments in the Vologda Oblast for the period from December 2011 to December 2012. The data for 8 months of 2008 are used to characterize pre-crisis social sentiments.

Table 1. Estimation of power activity  
(How do you assess the current activity of..?)

| Vertical power structure                 | Approval,<br>in % to the total number of respondents |              |              |              |              |              |              |              | Dynamics indices,<br>Dec. 2012 to<br>8 months 2008 | Dynamics indices,<br>Dec. 2012<br>to Dec. 2011 |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
|  | 8 mnth.<br>2008                                      | Dec.<br>2011 | Feb.<br>2012 | Apr.<br>2012 | June<br>2012 | Aug.<br>2012 | Oct.<br>2012 | Dec.<br>2012 |  |  |
| The President of the RF                  | 75.0   | 51.7         | 47.3         | 50.3         | 54.5         | 53.7         | 50.9         | 53.3         | <b>0.71</b>  | <b>1.03</b>                                    |
| The Chairman of the Government of the RF | 76.4   | 52.9         | 52.6         | 51.7         | 49.5         | 48.5         | 47.1         | 48.3         | <b>0.63</b>  | <b>0.91</b>                                    |
| The Governor of the Vologda Oblast       | 57.8   | 41.9         | 37.7         | 37.7         | 44.7         | 45.3         | 43.6         | 42.5         | <b>0.74</b>  | <b>1.01</b>                                    |

| Vertical power structure                 | Disapproval,<br>in % to the total number of respondents |              |              |              |              |              |              |              | Dynamics indices,<br>Dec. 2012 to<br>8 months 2008 | Dynamics indices,<br>Dec. 2012<br>to Dec. 2011 |
|--|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
|  | 8 mnth.<br>2008   | Dec.<br>2011 | Feb.<br>2012 | Apr.<br>2012 | June<br>2012 | Aug.<br>2012 | Oct.<br>2012 | Dec.<br>2012 |  |  |
| The President of the RF                  | 9.3   | 35.7         | 35.7         | 33.3         | 28.9         | 31.1         | 32.1         | 34.6         | <b>3.72</b>  | <b>0.97</b>                                    |
| The Chairman of the Government of the RF | 10.4  | 32.7         | 32.0         | 33.1         | 31.5         | 34.5         | 32.8         | 35.9         | <b>3.45</b>  | <b>1.10</b>                                    |
| The Governor of the Vologda Oblast       | 19.9  | 36.1         | 33.8         | 32.6         | 31.8         | 32.7         | 33.7         | 35.4         | <b>1.78</b>  | <b>0.98</b>                                    |

Table 2. What party expresses your interests?

| Party                    | In % to the total number of respondents |              |              |              |              |              |              |              | Dynamics indices,<br>Dec. 2012 to<br>8 months 2008 | Dynamics indices,<br>Dec. 2012<br>to Dec. 2011 |
|--------------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
|                          | 8 mnth.<br>2008                         | Dec.<br>2011 | Feb.<br>2012 | Apr.<br>2012 | June<br>2012 | Aug.<br>2012 | Oct.<br>2012 | Dec.<br>2012 |  |  |
| United Russia            | 40.5                                    | 26.1         | 26.0         | 28.3         | 31.9         | 31.4         | 26.6         | 30.4         | <b>0.75</b>  | <b>1.16</b>                                    |
| KPRF                     | 6.8                                     | 13.4         | 10.1         | 11.4         | 10.0         | 9.5          | 10.4         | 12.2         | <b>1.79</b>  | <b>0.91</b>                                    |
| LDPR                     | 7.7                                     | 9.2          | 9.1          | 9.5          | 7.7          | 6.7          | 6.8          | 7.2          | <b>0.94</b>  | <b>0.78</b>                                    |
| A Just Russia            | 5.0                                     | 13.9         | 10.2         | 8.2          | 4.6          | 5.6          | 5.5          | 5.5          | <b>1.10</b>  | <b>0.40</b>                                    |
| Other                    | 1.4                                     | 4.6          | 3.1          | 3.2          | 2.8          | 2.3          | 2.4          | 3.5          | <b>2.50</b>  | <b>0.76</b>                                    |
| No party                 | 20.1                                    | 23.9         | 25.7         | 28.6         | 31.5         | 33.2         | 36.1         | 32.5         | <b>1.62</b>  | <b>1.36</b>                                    |
| It's difficult to answer | 13.7                                    | 9.0          | 15.8         | 10.8         | 11.6         | 11.1         | 12.3         | 8.7          | <b>0.64</b>  | <b>0.97</b>                                    |

\* The polls are held six times a year in Vologda, Cherepovets, and in eight districts of the oblast (Babayevsky District, Velikoustyugsky District, Vozhegodsky District, Gryazovetsky District, Kirillovsky District, Nikolsky District, Tarnogsky District, Sheksninsky District). The method of the survey is a questionnaire poll by place of residence of respondents. The volume of a sample population is 1500 people aged from 18 and older. The sample is purposeful and quoted. Representativeness of the sample is ensured by the observance of the proportions between the urban and rural populations, the proportions between the inhabitants of settlements of various types (rural communities, small and medium-sized city), age and sex structure of the adult population of the region. Sampling error does not exceed 3%.

The coefficient of change shows the ratio of data for December 2012 to December 2011 and 8 months of 2008.

The results of the ISEDT RAS polls are available at [www.vscs.ac.ru](http://www.vscs.ac.ru)

Table 3. Estimation of social condition

| In % to the total number of respondents   |              |              |              |              |              |              |              | Dynamics indices,<br>Dec. 2012 to<br>8 months 2008 | Dynamics indices,<br>Dec. 2012<br>to Dec. 2011 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|--|
| 8 mnth.<br>2008   | Dec.<br>2011 | Feb.<br>2012 | Apr.<br>2012 | June<br>2012 | Aug.<br>2012 | Oct.<br>2012 | Dec.<br>2012 |  |  |
| <b>What would you say about your mood in the last days?</b>                     |              |              |              |              |              |              |              |  |  |
| Usual condition. good mood  |              |              |              |              |              |              |              |  |  |
| 70.2  | 64.2         | 62.9         | 63.4         | 69.0         | 71.3         | 69.0         | 68.0         | 0.97   | 1.06   |
| Feeling stress, anger, fear, depression   |              |              |              |              |              |              |              |  |  |
| 22.1  | 30.2         | 33.5         | 30.2         | 23.4         | 23.3         | 25.5         | 26.5         | 1.20   | 0.88   |
| <b>What statement, in your opinion, suits the current occasion best of all?</b> |              |              |              |              |              |              |              |  |  |
| Everything is not so bad; it's difficult to live, but it's possible to stand it |              |              |              |              |              |              |              |  |  |
| 81.0  | 78.6         | 74.9         | 76.5         | 77.3         | 73.2         | 77.5         | 79.9         | 0.99   | 1.02   |
| It's impossible to bear such plight   |              |              |              |              |              |              |              |  |  |
| 10.9  | 14.1         | 18.1         | 16.8         | 13.6         | 17.0         | 15.6         | 13.7         | 1.26   | 0.97   |
| Consumer Sentiment Index  |              |              |              |              |              |              |              |  |  |
| 107.5   | 85.6         | 89.8         | 90.1         | 93.4         | 92.3         | 91.7         | 91.7         | 0.85   | 1.07   |
| <b>What category do you belong to?</b>  |              |              |              |              |              |              |              |  |  |
| The share of people who consider themselves to be poor and extremely poor       |              |              |              |              |              |              |              |  |  |
| 39.8  | 41.9         | 43.2         | 43.6         | 45.0         | 44.2         | 44.1         | 47.0         | 1.18   | 1.12   |
| The share of people who consider themselves to have average income              |              |              |              |              |              |              |              |  |  |
| 50.7  | 42.2         | 44.9         | 46.5         | 45.3         | 43.4         | 44.7         | 43.4         | 0.86   | 1.03   |

## j

As in the previous issues, we publish the journal articles rating in this one.



The first ten articles, published in 2010 - 2012, according to the frequency of their viewing for the recent 12 months (January — December 2012)

| Rating | Article  | Total time of reading for the recent 12 months, minutes | Total time of reading, for the whole accounting period*, minutes | Number of views for the whole accounting period | Number of views for the recent 12 months | Number of views for the recent 3 months | Average time of viewing for the whole accounting period*, minutes | Issue | Release date   | Authors  |
|--------|--|---|--|---|--|---|---|-------|----------------|--|
| 1      | Modernization of the Russian economy as the imperative of the country's prospective innovative development | 4637  | 5139   | 185   | 155                                      | 155                                     | 28  | No.16 | August 2011    | Kondakov Igor Anatolyevich   |
| 2      | Agriculture of the Vologda Oblast on the eve of Russia's accession to the World Trade Organisation         | 4261  | 4261   | 125   | 125                                      | 121                                     | 34  | No.21 | June 2012      | Anishchenko Nikolay Ivanovich<br>Ivanova Marina Nikolayevna<br>Bilkov Valentin Alekseyevich  |
| 3      | Fiscal federalism and inter-budget relations in the Russian Federation                                     | 1760  | 2767   | 198   | 114                                      | 14                                      | 14  | No.13 | March 2011     | Avelitsyan Ishkhan Artashovich   |
| 4      | Threats to the region's economic security and the ways to overcome them                                    | 1605  | 3012   | 153   | 73                                       | 0                                       | 20  | No.14 | April 2011     | Uskova Tamara Vitalyevna<br>Kondakov Igor Anatolyevich   |
| 5      | Methodology of the comparative estimation of the scientific and technical potential of the region          | 1211  | 3478   | 180   | 62                                       | 0                                       | 19  | No.12 | December 2010  | Zadumkin Konstantin Alekseyevich<br>Kondakov Igor Anatolyevich   |
| 6      | The post-crisis economic development and prospects of innovation activity in the Tomsk Oblast              | 1063  | 1259   | 44  | 36                                       | 0                                       | 29  | No.15 | June 2011      | Myakota Ekaterina Aleksandrovna<br>Vorobyov Aleksandr Grigoryevich<br>Putilov Aleksandr Valentinovich<br>Zhiganov Aleksandr Nikolayevich |
| 7      | Demographic problems of the Republic of Belarus and their solutions  | 993   | 1202   | 90  | 73                                       | 0                                       | 13  | No.16 | August 2011    | Shakhotko Lyudmila Petrovna  |
| 8      | Agriculture on the European North: All-Russian agricultural census results                                 | 815   | 2050   | 132   | 69                                       | 0                                       | 15  | No.11 | September 2010 | Ivanov Valentin Aleksandrovich<br>Ivanova Yelena Valentinovna  |
| 9      | Programmed project modernization of the federative structure in Russia                                     | 669   | 669  | 30  | 30                                       | 0                                       | 22  | No.18 | December 2011  | Tatarkin Aleksandr Ivanovich<br>Lavrikova Yuliya Georgievna  |
| 10     | Topical issues of the improvement of intergovernmental dealings in the system of local government          | 588   | 588  | 40  | 40                                       | 0                                       | 15  | No.19 | March 2012     | Uskova Tamara Vitalyevna<br>Pechenskaya Mariya Aleksandrovna   |

\* Account of the site's viewing has been carried out since 2009, December, 12.