

## **THE STATE OF WELFARE: WHAT IS FURTHER**

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All the previous centuries' models of development are based on the cheap resources – natural in the period of industrial revolution and mostly human in XX and even XXI cc. The most powerful urban centers (at least in European history) could be viewed as the big machines focused on attracting and transformation of human resources into added value. Nowadays, we have to meet the paradox of this type of social evolution – the most developed countries find themselves in the “trap of development”. The state of welfare model with its paternalist system of support is in a serious crisis – as far, as the growing price of labor in these countries can't be harmonized with the adequate growth of productivity and added value. The main problems could be seen in the developing countries, where the main social infrastructure (pension and health system, education, etc.) is already built, and on occasion guaranteed by a constitution, but the productivity and technological level falls behind.

The crisis we witness drastically differs from the ones we had in the previous decades. It is the crisis of the aims all developed countries tried to achieve for almost two hundred years.

The concepts of the knowledge economy, green economy, and informational economy and so on give only partial answers for the put questions. It is clear, that the national states, regions and big cities are forced to give their specific answers to this global challenge and to accordingly transform their system of governance and social and economic priorities.

Each system of state administration stands before a dramatic choice. From one side, there is no doubt about a sharp necessity to invest in a human capital, that, in fact, is basic, if by the not only method of maintenance of strategic competitiveness in a modern global economy. From this point of view, all main elements of social politics (pensions, health protection, education) is the absolute priority for public policy and takes away the considerable proportion of public budget. On the other hand, the concentration of resources in a social sector inevitably results in a rise in prices of human capitals, which in turn, results in the accumulation of contradictions, and misbalances between a price for labor and level of the productivity of national economy.

The traditional state accumulating a number of absolute covenants (exactly on them a "public contract" is built in developed and to considerable part in developing countries) during XX of century appears unable to support social stability due to the traditional institutes of redistribution and investing in a social sphere. Partial, but already a problematic exit is bringing in of cheap human capitals from global labor-markets. But even from the economic point of view, not to mention about political and sociocultural factors, the extensive way of bringing in of additional working resources becomes more risky. A situation looks so that the

more resources will be inlaid in the paternalistic systems of the "welfare state", the steeper will appear the postponed crisis.

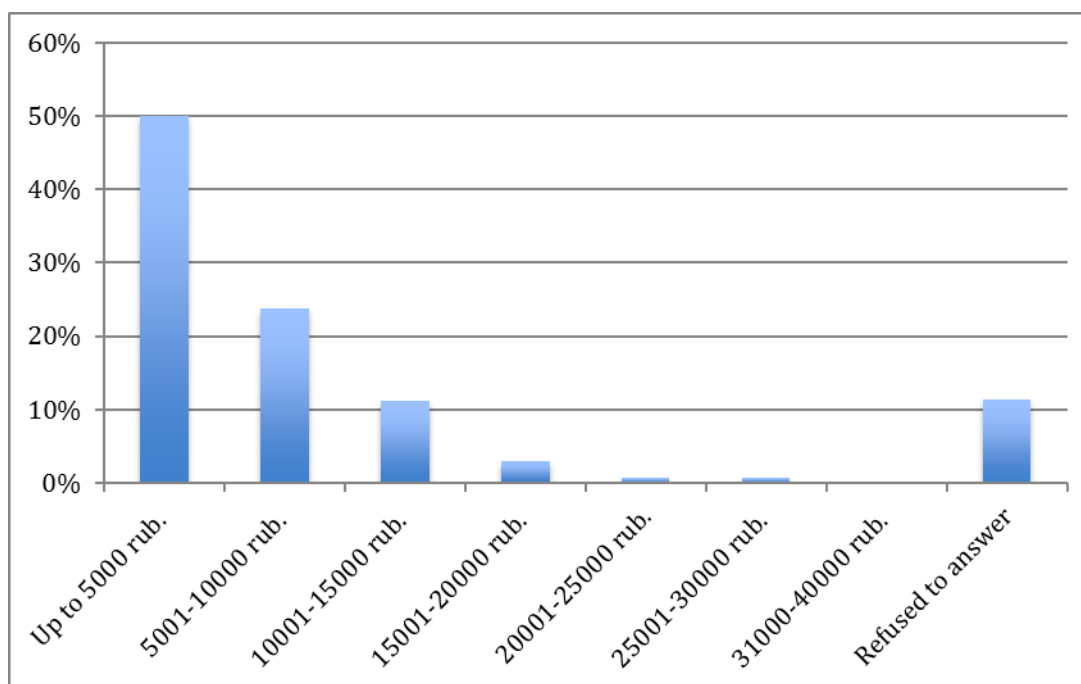
The "trap of development" forces to search non-trivial answers for the challenges characteristic for a good number of countries and regions. So, in particular, in an academic environment and in the field of practical public politics the special meaning is acquired by conceptions of "social capital". The applied importance of this concept is constrained, foremost, with an attempt to find the additional (often alternative to monetary) resources of maintenance of social stability and public productivity.

Indeed, in opinion of many authors and practical administrators "the release of public energies" (term of J. Habermass) is an alternative to the paternalist state. Moreover, the density of social communications and connections is quite able in one or another way to compensate the deficit of public benefit the basic source of which was the state and state institutes during all XX century.

A theoretical comprehension of this thesis could, by no means, be a separate and fully interesting task. However, in practical public politics one can pay attention to serious risks constrained with the use of this approach. The thesis is mostly true for the well developed and highly urban territories. But its implementation towards the other territorial types shows the big area of uncertainty. For illustration of this we will cite the sociological data, related to the attempts to estimate the level of social capital (the social solidarity) in the different regions Russia.

The "paradox of Dagestan" is characteristic in that behalf. Dagestan is one of federal subjects, being situated on east of Russian part of North Caucasus. It is the most poor, from the point of view of profit per capita among the territories of Russian Federation (Table 1).

Table 1. Average monthly income per family member in Dagestan

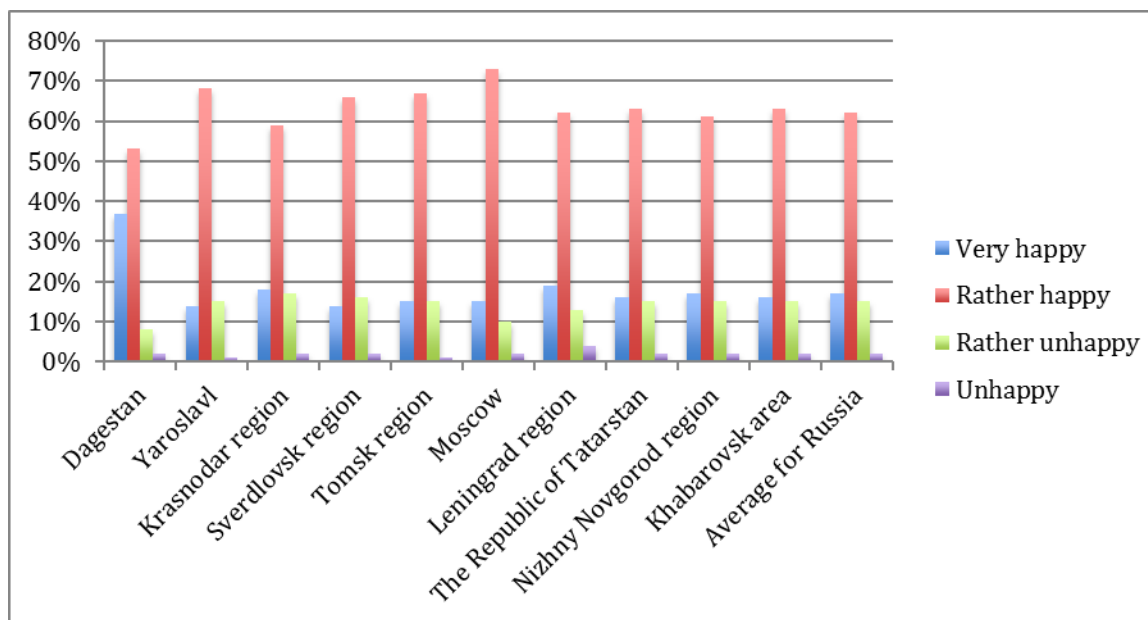


Thus, however, index of of social capital and correlating with it "index of happiness" is the most high in a country (Table 2). Paradox of satisfaction in contrast to economic indicators finds its explanation, from the point of view of researchers, in the density of social connections and in the high level of trust to the nearest surroundings (strong connections).

Dagestan is a region with the extremely low level of trust to local authorities and the weakest satisfaction with political authorities in a region. The habitants of this region stably talk about plenty of economic problems and problems in-process state institutes and it is often talked about a desire to move in other region. Nevertheless, in this republic there is a most high level of economic and political optimism and almost the lowest concern about the nowadays economic crisis. The substitution of formal institutes by informal connections model works extremely effectively. Or, in other words, the social capital starts to be a compensation for the serious lacks of socio-economic politics.

Nevertheless, such method of "social pacification" at the great number of accumulating social and economic problems entails strategic risks of development. A density and level of social capital in this case lean against the traditional (and in a number of cases - archaic) methods of social life, that promote sense of "socio-economic safety" on comparison, say, with metropolises or economically developed regions. However, simultaneously, it occurs to be a barrier to the start of modern forms of economic and social organization.

Table 2. Dagestan is the happiest region of Russia



A social capital of traditional type is in this case the means of tactical deterrence of the most obvious lacks of socio-economic development, but in no way is a response to strategic challenges facing the welfare state.