

## **ANALYSIS OF THE SOCIO-ECONOMIC SITUATION OF LARGE FAMILIES: THE REGIONAL DIMENSION**

**Ekaterina Zaitseva – Svetlana Kostina – Galina Bannykh – Alexandr  
Kuzmin**

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### **Abstract**

During the twentieth century, in all developed countries, several waves of fertility decline were observed, determined by various historical events and socioeconomic cataclysms. These regression processes formed a one-family model of the family in society. The purpose of the work is to study the features of the functioning of a large family in the context of its social and economic situation. Methods of research – analysis of data from current statistical records and population censuses, selective surveys on the number of large families, the specifics of their regional distribution, and their socio-economic situation. The authors carried out a comparative analysis of the structure and level of consumer spending, the amount of cash and in-kind means available to households to finance their consumption and create savings; the level of employment of women. The families with many children are differentiated by sources of means of subsistence, types of social support, sources of their incomes are determined.

**Key words:** large family, social and economic situation of the family, demographic policy, social support

**JEL Code:** J13, J18, I38

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### **Introduction**

The socio-demographic situation in Russia in many aspects determines the current state of the family as a social institution and a small group. The Russian family, whose vital activity is determined by the laws of the development of society, is experiencing a contradictory and uncertain state today. The priority of modern state family policy is creating conditions for ensuring the well-being of the family, maintaining the social stability of the family. In Russia, a large family is a family with three or more children. Payments for children are paid by employers and the governance, but the policy of stimulating fertility puts on the government greater responsibility. At the same time, decisions on the payment of benefits to families with

many children (and for the birth of a child, and for the maintenance of life) in monetary, natural and other forms varies in the regional context.

The population of the Russian Federation as of January 1, 2017 was 146.8 million people, the number of children and adolescents under the age of 18 was 29,574 people or only 20% of the whole population. The number of children on whom the Government payments were allocated amounted to more than 7.7 million people in 2016 (more than 8.1 million people in 2015 and 8.2 million people in 2014). This means that the number of children in the proportion of the population is steadily declining and today it is only 5,24%. These trends are typical for all regions of the country, including Sverdlovsk region. The Sverdlovsk region occupies a central geographical position in Russia and has a strong social and economic potential. Sverdlovsk region is chosen as an example, since it has average fertility rates, the number of children and youth in Russia. The population of the Sverdlovsk Region as of January 1, 2017 was 4 329 341 people (2.9% of the total number of Russians), the number of children and teenagers under the age of 18 was 843 080 people (2.9% of the total number of children in the country). Thus, in terms of population and children, the Sverdlovsk region shows average indicators.

## **1 Fertility and large families: the theoretical and methodological foundations**

We propose to rely on the theory of life-course in the evaluation of large families and their socio-economical situation, proposed by the authors Johannes Huinink and Martin Conley. They insist that “social forces, both structural and cultural, are articulated in the life-course, and the individuals who act under their influence conceive of their actions in life-course terms” (Huinink, 2014). All of that directly relates to decisions taken by families in relation to the number of children and family size. And first and foremost, these are questions of the ratio of quality and quantity: how the number of children affects the quality of life of families. Recent studies by a group of authors have shown that the ratio of quantity and quality directly determines the behavior of children in adulthood and affects the development of their mental abilities (Juhn, 2015).

Also worthy looks is the assessment of the impact of three factors on the large families – support of the husband, the state and grandparents, proposed to analyze the situation in South Korea by the author of Soo-Yeon Yoon (Soo-Yeon Yoon, 2017). These three factors, in

our opinion, are among the leading and in the motivation of women to the birth of the third and subsequent children in Russia.

### **1.1. Policy on families with children: global trends and Russian solutions**

The decline in the birth rate was predetermined historically. This is a global world trend. The transition from high to low fertility is a common pattern for developed countries. Of course the population of each territory demonstrates different types of demographic reproduction.

We can note the growth trends of total fertility after the millennium in Europe as a whole (Sobotka, Skirbekk, Philipov, 2011). In their review of the trend of total fertility, researchers noted that European countries, including the countries of Eastern Europe and Russia, increased the total fertility rate. It is rather the results of the state's pro-natalist policy towards families with children. Pronatalist policy – a policy aimed at increasing the birth rate and reproductive behavior of the population towards increasing the birth rate, consists of two areas: regulating the living conditions in order to help families meet their existing needs for children and regulate the living conditions in such a way as to increase the need in the number of children to a level that allows our society to avoid a demographic catastrophe.

Milligan, K. also determines the influence of the pro-natalist policy on the reproductive attitudes of families with children and indicates the high elasticity of fertility and the effectiveness of such policies and estimates its impact in the amount of 25% of the increase in fertility for families eligible for subsidies, and also determines the dependence of reproductive behavior from the size of this benefit (Milligan, 2005).

Fanti and Gori (Fanti, Gori, 2009) show that a child tax can increase the birth rate. They argue that, on the one hand, the child tax reduces the birth rate, because the cost of raising children is directly increased, but on the other hand, it represents income that helps to increase the birth rate. Miyazawa K. also studies the impact of child benefits on fertility. She assesses the impact of childcare policies and determines that the correlation between fertility and children's benefits depends critically on individual preferences and technologies for household production, and whether grandparents are involved in parenting and care for children or not. Therefore, the authors conclude that small child allowances can increase fertility in situations where there is little parental care for children, and parental labor is accordingly shifted to grandparents. (Miyazawa, 2016).

Pronatalist demographic policy in Russia has been implemented for 10 years and the population demonstrates high support for pro-natal measures. Currently, the main directions of the state family policy are: to provide conditions for overcoming negative trends in

stabilizing the financial situation of Russian families, reducing poverty and increasing assistance to disabled family members; providing workers who have children, favorable conditions for combining work with the performance of family responsibilities; cardinal improvement of family health care; strengthening of assistance to the family in the upbringing of children.

The positive attitude of the population towards the measures of the current pro-natalist policy in the country and especially of the mother's capital, as well as the current socioeconomic and demographic situation, is unfavorable for ending the government's program of maternal (family) capital provided from the budget (Maleva, Makarentseva, Tretyakova, 2017). Lezhnina defines the family and children as one source of support to complex life situations, and on the other hand, imperfect children represent a certain type of economic burden – the dependent one. "Three or more children live mainly in households of low-income Russians (6%), for others, their share is insignificant. At the same time, the load of children is minimal for middle income groups. Among them, the proportion of households with one minor child is 74%, while for less and more affluent layers this figure is 60% and 69%, respectively." (Lezhnina, 2017).

One of the factors influencing the indicators of large families is the employment of women and the level of education. This is confirmed by foreign studies (Arias, Azuara, Bernal, Heckman, Villarreal, 2010). The experience of the USA in providing Paid Family Leave is interesting, however, indicating a positive experience (Bartel, Bezruchka, 2016).

## **2. Results of the study**

The main methodological approaches for the study of the socio-economic situation and the region of residence), the reproductive-economic approach (assessment of employment opportunities, reproduction potential etc.).

The main sources of this study were statistical data on the population of Russia and the Sverdlovsk region, the 2010 census data, the results of a sample survey of households in the Sverdlovsk region (950 households) and Russia. When writing the article, the authors experienced difficulties in terms of the collection of statistical material, its comparison. Many indicators in the context of this topic were taken not only from censuses of the population, but also selective studies: federal and regional. At the same time, the lack of statistical material at the regional level and the differences in methodological approaches to the collection of statistical data on families with children were identified. Demographic reproduction of the

twentieth century in Russia has its own specifics. The process of transition from high fertility to low was reinforced by serious social catastrophes. All these events shortened the passage of certain phases of the demographic transition. Some attempts by the state to change the demographic situation throughout the twentieth century did not lead to positive changes, but only gave a temporary slight increase in the total fertility rate, and a change in the timing of the births of women of the real generation. Consider the change in reproduction in terms of modern demographic policy: the natural increase in population in the Russian Federation in 2014 was 0.4 ppm, in 2015 - 0.3 ppm, in 2016 – minus 0.01 ppm. The total fertility rate (TFR) for the country has grown over the past ten years and reached its maximum at 1.777 per woman in 2015, but already in 2017 it fell to 1.621. The Sverdlovsk region shows a slightly more positive trend, despite the fact that the number of women of reproductive age has been decreasing more intensively in the last five years than in Russia as a whole, 4.5% versus 2.6%, the maximum value of TFR in 2015 was 1.945. Russia is a multicultural and multinational country, in connection with which there is a differentiation among subjects according to the indicator of many children. For example, the average number of children in the family varies – from 1.25 to 3.04. So the last, these regression processes formed a one-family model of the family in society. The Russian Federation among family units with children (with two or one parent), 67.4% are families with one child, 26.8% have two children, and only 5.8% are families with three or more children. Hence, the share of large families in the Russian Federation is extremely low. According to the Sverdlovsk region the share of families with three or more children is only 4.2% (see Table 1).

In general, as of January 1, 2017, in the Russian Federation, there were 1,566,863 large families with 5,354,440 children, thus the average size of a large family is 3.3 children. To date, a large family is understood as a three-child family. In the country there is a system of measures to support families with children. One of the main, with the introduction of which it is believed that the pro-natalist policy began in the country, is maternal (family) capital. Traditionally young families and families with children have problems with the acquisition of housing, so most use maternity capital to repay the loan for housing. In the regions of the Russian Federation, children's allowances are divided into two large groups: federal and regional. The former operate throughout the territory of Russia, and regional ones are provided only to families permanently residing within the region. These two groups differ in the sources of funding payments. Assistance is provided mainly to the needy families. Local benefits are tied to the income of the family and the subsistence minimum.

Consider the resources of households, including those with children in the Russian Federation and the Sverdlovsk region. It is interesting to consider the available resources of households with children, which represents the amount of money, both in cash and in kind.

**Tab.: 1. Structure of families by the number of children under the age of 18**

	Families with children under the age of 18 *)	percentage of family units (%)		
		with 1 child	with 2 children	with 3 or more children
	Families cells with children under the age of 18 *)	percentage of family units (%)		
		with 1 child	with 2 children	with 3 or more children
Russian federation				
Number of family units including	17555160	67,4	26,8	5,8
married couples with children	11813143	61,1	31,7	7,2
mothers with children	5087048	80,0	16,9	3,1
fathers with children	654969	84,0	13,7	2,3
Sverdlovsk region				
Number of family units including	521377	69,8	26,0	4,2
married couples with children	350361	63,9	31,0	5,1
mothers with children	156252	81,3	16,1	2,6
fathers with children	14764	87,0	11,4	1,6

Source: Compiled by the authors drawing from the Central Base of Statistical Data and the Regional State Statistics Service (according to the All-Russia Population Census of 2010 in the Russian Federation and the Sverdlovsk Region), 2018

Resources of all households in the Russian Federation for the period 2012-2016 person increased by 30%, but the resources of households with children under the age of 16 increased by 24.8%, but the resources of households with 3 or more children increased by 47%. So in small households, disposable resources changed insignificantly, of them, consisting of one person, resource provision increased by 1%, consisting of two people, decreased by 14%. For comparison, in households of 4 or more, disposable resources have increased by almost 30% (the statistical observation here is made without taking into account children in households, only their size is taken into account, but we assume that households are family groups and their number is more than two people, speaks about the presence of children). This is confirmed by data on households with children of the Sverdlovsk region. So in families with one child, disposable resources per family member decreased by 4.9%, in absolute terms they amounted to 298 920.6 rubles in 2012, and in 2016 – 261 775.6 rubles per person per year. The resources of households with 2 or more children showed an increase, it amounted to

45.6%. Thus, the economic conditions for living both small and large families in the Sverdlovsk region are equal (in general, this dynamics is not traced in the country – the available resources on average for a member of households with 2 or more children is 16,407 rubles a month). This is due to the strong regional support of large families.

The amount of child support established in the constituent entities of the Russian Federation is different, so in 2016 the Sverdlovsk Region is among the three leaders in terms of the size of the basic allowance, second only to Moscow and Kaluga oblasts. A monthly allowance of up to 3 years for a third child was proposed by the president in 2012 (introduced selectively by region) and until 2018 was not mandatory for the Sverdlovsk region. However, it was paid here to large families. This indicates a positive pro-natalist demographic policy in the region. Regional socio-economic support for large families opens up additional opportunities for families with facilities for the average child and large families to implement their reproductive attitudes (this is confirmed by the regional TFR in 2015 – 1.945, and in the country as a whole – 1.777). The structure of consumer spending in households that have children in Russia and the Sverdlovsk region in 2016 is as follows: 33.7% spend on purchasing food for household meals and meals outside the family's home, 28.5% for the purchase of non-food products, 26.3% for the payment of services, for the purchase of alcoholic beverages – 1.5%. In the Sverdlovsk region, the structure of consumer spending looks like this: 29.2%, 34.9%, 31.1%, 1.5%, respectively. The regional structure of consumer spending is presented somewhat asymmetrically in the direction of an increase in spending on non-food goods and services due to a reduction in spending on food products. What measures of state and regional support for large families affect the positive socio-economic indicators of families and TFR. For 6 years, in addition to the state maternity capital program, in the territory of 69 constituent entities of the Russian Federation, the families in which the third child or subsequent children were born are supported. These families, along with federal measures of social support for families with children, are granted a cash payment stipulated by Presidential Decree from 2012.

The well-being of the family depends on the solution of the problem of employment of the husband and wife, moreover it is important that this employment is effective and it is important here that the labor market form labor offers for women. The problem of women's employment is part of the overall social problem of ensuring their employment. We know that the proportion of women in the total number of unemployed is more than 50%. However, employers, when applying for vacancies (mainly working professions), expect that the main

working personnel will be men, not women, since the performance of work functions presupposes the presence of physical strength inherent mainly to men.

The number of unemployed, regardless of gender, raising underage children is 29.6% of the total number of unemployed. So for the country as a whole, women who have children under the age of 18 show an unemployment rate of 5.6%. Women who have children under the age of 18, including children of preschool age (0-6 years) – 10.2%. That is explained by the unwillingness of employers to enter into or extend labor contracts with women burdened by young children, these relations inevitably entail many production problems due to the frequent absence of such women at work (leave, sick leave, etc.) Within the group of women with children under 18, the unemployment rate is very differentiated and the dynamics within the group is 6 times. So in a group of women with one child, the unemployment rate is 3.9%, having 2 children - 6.8%, three children - 23.7%.

## **Conclusion**

Modern socio-economic living conditions of the population, form responsible reproductive behavior of families and birth planning. Today, the socio-economic support of large families is a differentiated activities of the state. Before each region is the task of forming the labor potential of economic modernization based on the solution of key demographic problems. We found that in the territory of the Russian Federation and the Sverdlovsk region, a pro-natalist policy, selective influence and support is being implemented, aimed mainly at regulating the living conditions in order to assist families in meeting their existing needs for the number of children. It is less aimed at increasing the population's need for children to a level that allows our society to avoid depopulation. The multidirectional change TFR confirms the reduction in attitudes towards the number of children in the family, the weakening of their intensity with the change of generations, the extinction of social and economic motives for procreation, and the compensatory effect of children's allowances and material assistance on the more complete realization of the needs of the spouses for children, but not the very need for them. We found that the average size of a large Russian family is 3.3 children. A study of household resources showed that over the past five years, on average, without taking into account the number of children, grew by 30% in absolute terms (do not reflect purchasing power), having children increased by 24.8%, but the resources of large families increased by 47%. The disposable resources per family member in the Sverdlovsk region, thanks to their growth in recent years, have equalized and leveled the economic conditions for families with many



children and families with many children. This indicates a positive not state, but mostly regional support for large families.

Comparison of consumer spending of families shows that large families with children, having a positive dynamics of income growth, in comparison with the average families show similar indicators of consumer spending in the whole country. In the Sverdlovsk Region, the consumption of families with two or more children is somewhat displaced on services and manufactured goods, which we also see as a positive factor, which speaks of a rather high subsistence level. An analysis of the level of participation in the labor force of women aged 20-49 with and without children under the age of 18 showed that this comparison is not so positive. So the situation with the participation of large mothers in the labor force is differentiated significantly. A correlation was established between the number of children growing in number and the increase in the share of the unemployment rate of many women.

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### **Contact**

Ekaterina Zaitseva

Institution: Ural Federal University

620002, Russian Federation, Yekaterinburg, Mira str. 19

Mail: [katia\\_zai@mail.ru](mailto:katia_zai@mail.ru)

Svetlana Kostina

Institution: Ural Federal University

620002, Russian Federation, Yekaterinburg, Mira str. 19

Mail: [kostinasn@mail.ru](mailto:kostinasn@mail.ru)

Galina Bannykh

Institution: Ural Federal University

620002, Russian Federation, Yekaterinburg, Mira str. 19

Mail: [gbannykh@gmail.com](mailto:gbannykh@gmail.com)

Aleksandr Kuzmin

Institution: Ural Federal University,

Institute of economics, the Ural branch of Russian Academy of Sciences

620002, Russian Federation, Yekaterinburg, Mira str. 19

Mail: [kuz53@list.ru](mailto:kuz53@list.ru)