

DESCRIPTION OF FORMAL AND INFORMAL INSTITUTIONAL RESERVES OF LIFE QUALITY

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Abstract: The paper analyzes different definitions of term «institute». The classification of reserves of life quality and formulas of life quality as function of formal and informal institutional environment is developed.

Stabilization of socio-economic situation after the transformation period at the beginning of 90s has put forward the issue of improving the people's life quality. Global financial-economic crisis has shown the importance of this sphere.

One of the ways of life quality improvement is to find different reserves. In our opinion, in today's social-economic conditions of Russia one of the most important is the institutional reserves.

In order to find out the characteristics of institutional reserves of life quality we should analyze the term «institute». The analysis of fundamental scientific works enables to find out the basic definitions of this term (table 1).

Having analyzed different approaches to the definition of the term «institute» it is possible to find out the meaning of institutional reserves of life quality, classify them by types and give detailed characteristic.

Since we divide institutions into formal and informal, the institutions of life quality should be divided into formal and informal as well. A formal institute of life quality includes some standard, which prescribes the rule, custom or way of behavior and formulates a certain level of life quality; an informal institute of life quality is an informal norm, which prescribes the rule, custom or way of behavior and formulates a certain level of life quality.

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Table 1

Basic definitions of the term «institute» [1–3]

Way/Author	Definition
Lat. «institution»	Way of action, habit
«Classical» institutionalism	Any arrangements, establishments, orders, created by peoples
T. Veblen	Established models of behavior, which are habitually repeated as “habitual ways of social life process implementation”
Y. Mitchell	Habits, which are predominant in standardization society
Y. Hamilton	Word symbol for better marking of group society habits, «wide-spread and constant way of thinking or action, which is rooted in habits of group of people or in habits of nation»
F. Hayek	A set of rules (norms, traditions, customs, state laws), restricting actions of economic subjects

On the basis of the given definitions, the formal institutional environment of life quality is a set of official institutes of quality of life, while the informal institutional environment of life quality is a number of informal institutes of quality of life.

The formal institutional reserve means a new formal norm, which prescribes a new rule, custom or way of behavior and changing of life quality; informal institutional reserve is an informal norm, which prescribes a new rule, custom or way of behavior and changing of life quality.

Realization of the institutes and institutional reserves involves some financial costs, which include the following:

- a) «Financial supply of life quality institute» is the amount of available funds required for the realization of life quality institute;
- b) «Financial supply of life quality institutional reserve» is the amount of available funds required for the realization of life quality institutional reserve;
- c) «Financial supply of life quality institutional environment» is the amount of available funds required for realization of life quality institutes.

It is possible to use the index of effectiveness for the estimation of institutional reserves. As a result we can formulate the following definitions of life quality and effectiveness:

- a) «effectiveness of life quality institution » is the correlation between financial costs and the level of life quality provided by the life quality institute;
- b) «effectiveness of life quality institute reserve of» is the correlation between financial costs and the life quality level provided by the life quality reserve institute;
- c) «effectiveness of formal institute environment of life quality» is the correlation between quantity institutes of life quality or financial costs and the life quality level.

Institutional reserves of life quality can be divided by several characteristics including:

1. The subject forming the institutional reserve.

1.1. State power (legislative, executive and judicial), forming the following types of institutional reserves: federal constitutional laws, federal laws, under laws acts, decisions, statements, edicts.

1.2. Municipal power forming the following types of institutional reserves: statements, disposals.

1.3. Organization forming the following types of institutional reserves: official norms, which have inside organization character.

1.4. A person who forms the following institutional reserves of life quality: rules, traditions, customs of behavior in different spheres of life.

2. Availability for realization: the ones which are easy to realize and those which are difficult to realize.

3. The influence on the life quality: positive and negative.

4. The level of influence on life quality: significant and insignificant.

5. The sphere of life which they regulate: national security and law enforcement, national economy, housing and communal economy, environment, education, culture, social politic, health, etc.

6. The level of action: international, national, regional and local.

The institutes are one of the major factors, which formulate a certain level of life quality. Thus, life quality can be defined as function from institutional surroundings (1), which exists on several different levels: internationals, nationals, regional and locals

$$y = f(x_1, x_2, x_3, \dots, x_n), \quad (1)$$

where y – some level of life quality; x_1 – institute 1; x_2 – institute 2; x_3 – institute 3; x_n – institute n .

As we divide institutes into formal and informal, we can represent formula (1) as the result of connection between formal and informal institutes (2), which are closely connected and depend on each other

$$y = f(y_1, y_2), \quad (2)$$

where y – some level of life quality; y_1 – some level of life quality formed under the influence of formal institutes; y_2 – some level of life quality formed under the influence of informal institutes.

Today it is possible to evaluate the level of quality formed by formal and informal reserves. In is not easy, but it possible.

If $y_1 > y_2$ it means, that formal institutional environment has more influence on the life quality than informal environment.

If $y_1 = y_2$ it means, that formal institutional environment has as great influence on the life quality as informal environment.

If $y_1 < y_2$ it means, that formal institutional environment has less influence on the life quality than informal environment.

The given comparison enables to produce very important information, and find out which institutional area has made bigger progress and which one correction and improvement, etc.

Since life quality is the function from the existing formal and informal institutional environment (2), we should define the dependence of the life quality on the changes in formal and informal institutional environment; this issue is in the focus of attention in our further research.

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Характеристика официальных и неофициальных институциональных резервов качества жизни

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Ключевые слова и фразы: институт; качество жизни; неофициальная институциональная среда качества жизни; неофициальный институциональный резерв качества жизни; официальная институциональная среда качества жизни; официальный институциональный резерв качества жизни; резерв.

Аннотация: Проанализированы различные определения термина «институт». Разработана классификация резервов качества жизни и формулы качества жизни как функции от официальной и неофициальной институциональной среды.

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