

## FINANCIAL EFFICIENCY AND EFFECTIVENES OF COMPULSORY RETIREMENT INSURANCE IN THE RUSSIAN FEDERATION

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**Keywords:** efficiency of state finances, compulsory retirement insurance, method assessment of economic efficiency of compulsory retirement insurance, financial stability of pension system, effectiveness of compulsory retirement insurance in the Russian Federation.

The article deals with the questions of compulsory retirement insurance efficiency in the Russian Federation. Assessment grounded method of economic and social efficiency of retirement insurance. The indices dynamics of compulsory retirement insurance economic efficiency and effectiveness for the period of time from 1995 till 2009 is presented in the article.

Nowadays the development of compulsory retirement insurance is still regarded as a topical issue of state financial policy of the Russian Federation. It is necessary to evaluate the efficiency of compulsory retirement insurance functioning in order to work out and settle economic suggestions concerning the development of such type of insurance.

Taking into account the above-mentioned method, as well as considering the fact that the Retirement Fund of the Russian Federation is the financial and credit organization functioning as an insurer on compulsory retirement insurance, it can be stated that the system of economic efficiency indices of the latter, estimation of which for every year can be implemented according to the data overrepresented in the act on the administration of the Retirement Fund budget of the Russian Federation: the return of circulating assets, balance coefficient, financial risks coefficient, financial dependence coefficient.

The quantitative assessment of economic efficiency indices of CRI system in RF is represented in Table №2. Their analysis makes it possible to conclude that among the results of a 12-year reforming of the Retirement Fund of the Russian Federation (established in 1995) are:

- 1) increase in efficiency of current expenses on the implementation of compulsory insurance system by 47%;
- 2) decrease of equivalent of incomings and payments on retirement insurance by 45%;
- 3) considerable (400 times) reinforcement of CRI system dependence from budget system incomings (firstly, federal budget) and financial dependence of the Retirement Fund of the Rus-

sian Federation from non-repayable incomings (300 times);

The calculation of compulsory retirement insurance efficiency should be conducted with the assessments of the degree of final aim achievement that is the ensuring of the constitutional right of the citizens of the countries with social and market economics and in Russia for worthy level of life on a pension. The appropriate indicators are named after social efficiency and effectiveness indices of retirement insurance: dynamics of average monthly labor old-age pension, dynamics of minimal labor old-age pension, minimal pension effectiveness, CRI effectiveness (substitution coefficient).

Quantitative assessments testify the fact that the implementation of compulsory retirement insurance effectiveness in the process of its reforming was a failure. In spite of the positive dynamics of actual size of average monthly labor old-age pension and real size of minimal labor old-age pension, the latter is 37% from living-wage (3 times more than in 1995), substitution coefficient increased by 28% and in 2009 lower than criterion level at 0,21 (in 1995 at 0,1).

Thus, it is necessary to implement further reforming of compulsory retirement insurance in the Russian Federation, the problems of which are determined, first of all, by the lack of financial resources volume and insurance fees that come in distributive component of compulsory retirement particularly.

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*Received for publication on 26.04.2010*