Private consumption as a tool for the economic growth of the country

N V Roznina¹*, M V Karpova¹, D V Paliy¹, V A Borovisnkikh², and V M Flakina²

¹ Kurgan State Agricultural Academy by T.S. Maltsev, Lesnikovo, Ketovsky district, Kurgan region, Russia
² Kurgan State University, 63 Sovetskaya str., build. 4, Kurgan, Russia

*E-mail: Rozninanina@mail.ru

Abstract. The private consumption issue is classified as a global one. The urgency of the problem considered is due to the dramatic quantitative, qualitative and structural changes in the system of needs of the Russian population; a reduction in the level of financial resources of the predominant part as well as increased differentiation in terms of consumption between social groups. We consider the dynamics of changes in rational rates of food consumption on average per year by the Russian population from 1960 to 2020, as well as the actual values of consumed food and durable goods for 2018-2020. We have calculated the differentiation coefficient of food consumption based on the comparison of the food consumption by population groups, depending on the level of well-being. The dynamics of the monetary income of the Russian population for 2016-2020 is given. The structure of monetary income is presented. The largest share of it falls on the remuneration of employees.

1. Introduction
At the current stage of economic development, close attention is paid to the private consumption issue. This problem is considered not only as an element of market relations, but also as a part formed under the influence of the state and economic entities. The most common definition of the "private consumption" is the use by population of consumer goods in the form of services and tangible form to meet their needs for food and durable goods. A private consumption of the population corresponding to a deficit-free and balanced market is the key precondition for the transition to sustainable economic growth of the country. In this regard, it is essential to maintain control over the optimal ratio of production and consumption of goods and services. The ongoing dynamic changes in the Russian Federation's economy have had a considerable impact on the decline in the level of private consumption of certain types of food and durable goods. The policy of public authorities in the conditions of excess of expenditures over the revenues of budgets included in the budget system of the Russian Federation is aimed at reducing public spending. It affects the effective development of mechanisms to stimulate investment in the production process, which are aimed at domestic consumption. The underestimation of private consumption as the key factor of a country's sustainable economic growth can affect the deformation of the feedbacks of private consumption and production.

2. Materials and Methods
We have used several techniques to write the paper. The statistical method was applied in the initial collection of quantitative data and the identification of general patterns of food consumption per
consumer on average per year. Also, we have used the comparison technique for the recommended food consumption rates for the year and the actual rates, as well as when comparing the indicators of the base year with the past. Also, the coefficient technique of the study enabled us to determine the differentiation in the consumption of food products.

The website of the Federal State Statistics Service of Russia was used to provide the initial data for writing this academic paper (www.gks.ru).

3. Results and Discussion

The actual consumption of food per person per year should follow rational consumption standards, which have changed over the years, both in the direction of reduction and increase. A rational consumption rate is a conditional and rejustable rate.

Table 1 shows the rational consumption rates in the dynamics from 1960 to 2020.

| Indicator                  | Rates established by the Institute of Nutrition of the USSR Academy of Medical Sciences | Rates established by the Institute of Nutrition of the Russian Academy of Medical Sciences | According to WHO rates |
|---------------------------|-----------------------------------------------|-----------------------------------------------|------------------------|
|                           | 1960  | 1980  | before 2010 | after 2010 | 2013  | 2020  |               |
| Meat and meat products    | 90–100 | 84    | 86           | 72.5       | 96.1  | 73.0  | 78          |
| Milk and dairy products   | 481   | 380   | 404          | 330        | 291.7 | 325   | 405         |
| Eggs, pcs.                | 365   | 280   | 298          | 260        | 248   | 260   | 291         |
| Fish and fishery products | 16.2  | -     | 23.7         | 20         | 20.6  | 22    | 18.2        |
| Sugar                     | 40–44 | 38    | 40.7         | 26         | 33.6  | 25    | 47          |
| Fats and oils             | 10    | -     | 13.6         | 11         | 13.7  | 12    | 9.1         |
| Potatoes                  | 95    | 105   | 117          | 97.5       | 77.5  | 90.0  | 117         |
| Vegetables                | 164   | 146   | 145          | 130        | 112.2 | 140   | 139         |
| Bread and bakery products | 120   | -     | 107          | 100        | 96.1  | 96    | 117         |

In order to evaluate the level of food consumption at the present stage in Russia, the WOS rates have been used.

Table 2 shows the level of food consumption by the Russian population for 2018-2020.

| Indicator                  | Urban settlements | Rural settlements |
|---------------------------|-------------------|------------------|
|                           | 2018  | 2019  | 2020 r. | Deviation, (+;-) | 2018   | 2019  | 2020   | Deviation, (+;-) |
| Bakery products           | 89.9  | 90.6  | 78.36   | -11.54           | 112.9  | 109.8 | 124.21 | 11.31           |
| Meat and meat products    | 91.3  | 93    | 73.47   | -17.83           | 82.7   | 83.7  | 82.53  | -0.17          |
| Fish and fishery products | 21.5  | 21.9  | 23.64   | 2.14             | 22.4   | 22.3  | 32.15  | 9.75           |
| Milk and dairy            | 267.5 | 268.6 | 213.54  | -53.96           | 260.1  | 254.5 | 229.96 | -30.14         |
The analized data indicate that the diet of the rural population exceeds the diet of the urban one in almost all types of food except meat and meat products in 2018-2019, milk and dairy products in 2018-2019, eggs in 2018-2020, fruits and berries in 2018-2019. We have noted a reduction in the food consumption of the urban population in bread products by 11.54 kg, meat and meat products by 17.83 kg, milk and dairy products by 53.96 kg, eggs by 5.78 pcs., vegetables by 7.46 kg, berries and fruits by 5.17 kg for 2018-2020. Moreover, we have found the reduction in the food consumption by rural population. This is true for only three types of goods: meat and meat products by 0.17 kg, milk and dairy products by 30.14 kg, and eggs by 4.8 pcs. As a consequence, the actual consumption of meat and meat products, fish and fish products as well as vegetable oil in 2018-2020 is considerably lower than the WHO-approved rational consumption rate.

Table 3 shows the food consumption per person per year, depending on the income level.

### Table 3. Food consumption in households, depending on the level of per capita disposable resources; by 10 decile groups of the population (per consumer per year) (2020), kg

| Type of products          | The first group | The second group | The third group | The fourth group | The fifth group | The sixth group | The seventh group | The eighth group | The ninth group | The tenth group |
|--------------------------|----------------|-----------------|----------------|-----------------|----------------|----------------|------------------|-----------------|---------------|---------------|
| Bread and bakery products| 86.5           | 91.0            | 93.3           | 97.4            | 97.7           | 98.0           | 100.8           | 98.9            | 94.4          |
| Potatoes                 | 48.9           | 52.9            | 56.0           | 58.3            | 57.8           | 59.0           | 58.2             | 59.5            | 58.0          | 54.3          |
| Vegetables and melons    | 67.9           | 83.0            | 91.7           | 100.1           | 103.9          | 111.1          | 114.9            | 119.4           | 122.5         | 121.2         |
| Fruits and berries       | 43.2           | 55.0            | 62.3           | 68.6            | 79.0           | 79.9           | 85.3             | 94.6            | 97.3          | 105.6         |
| Meat and meat products   | 61.0           | 73.6            | 79.9           | 85.4            | 93.7           | 95.8           | 101.8            | 107.9           | 110.7         | 110.9         |
| Milk and dairy products  | 178.0          | 214.3           | 235.1          | 254.7           | 268.1          | 279.0          | 291.4            | 310.0           | 323.4         | 348.4         |
| Eggs, pcs.               | 179.0          | 203.0           | 214.0          | 227.0           | 234.0          | 238.0          | 252.0            | 268.0           | 282.0         | 285.0         |
| Fish and fishery products| 13.7           | 16.7            | 18.5           | 20.2            | 21.3           | 22.9           | 23.5             | 26.5            | 27.2          | 30.0          |
| Sugar and confectionery  | 24.1           | 27.7            | 29.0           | 30.8            | 31.7           | 31.8           | 32.2             | 34.8            | 34.2          | 33.5          |
| Vegetable oil and other fats | 8.9           | 9.7             | 10.2           | 10.6            | 10.7           | 10.6           | 10.7             | 11.0            | 11.2          | 10.5          |

Due to the comparison of the volume of food consumption by population groups, depending on the level of well-being, it can be concluded that the level of food consumption culture in households is
low. The data of statistical studies indicate an increase in food consumption with an increase in the income level of the population. For example, the consumption of meat and meat products of the low-income population in 2020 amounted to 61.0 kg per consumer per year, which is 49.9 kg lower than the consumption level of the population with the highest incomes (110.9 kg per year). The presence of high incomes is followed only by a quantitative increase in the consumption of groups of goods without qualitative substitution. There is a significant division between the population according to the consumption level. Therefore, by 2020, the most independent group of the population consumed fruits by 26.63% more, meat by 36.84%, milk and dairy products by 47.33%, fish and fishery products by 48.32% compared to the less well-off group of the population.

Table 4 shows the differentiation in the food consumption by the population of the Russian Federation.

### Table 4. Differentiation in food consumption

| Product type                | The consumption ratio of the tenth and first decile groups by income level | Deviation of 2020 from 2016, (+; -) |
|-----------------------------|---------------------------------------------------------------------------|------------------------------------|
|                             | 2016 | 2017 | 2018 | 2019 | 2020 |                                   |
| Bread and bakery products   | 1.06 | 1.03 | 1.20 | 1.22 | 1.09 | 0.03                              |
| Potatoes                    | 1.10 | 1.11 | 1.17 | 1.19 | 1.11 | 0.01                              |
| Vegetables and melons       | 1.92 | 1.86 | 1.38 | 1.44 | 1.78 | -0.14                             |
| Fruits and berries          | 2.63 | 2.40 | 1.27 | 1.27 | 2.44 | -0.19                             |
| Meat and meat products      | 1.98 | 1.88 | 1.39 | 1.37 | 1.82 | -0.16                             |
| Milk and dairy products     | 1.86 | 1.83 | 1.43 | 1.47 | 1.96 | 0.1                               |
| Eggs, pcs.                  | 1.62 | 1.57 | 1.36 | 1.38 | 1.59 | -0.03                             |
| Fish and fishery products   | 1.97 | 1.96 | 1.40 | 1.48 | 2.19 | 0.22                              |
| Sugar and confectionery     | 1.36 | 1.33 | 1.21 | 1.26 | 1.39 | 0.03                              |
| Vegetable oil and other fats| 1.29 | 1.17 | 1.33 | 1.33 | 1.18 | -0.11                             |

We used data from https://rosstat.gov.ru/folder/11110/document/13292?print=1# to fill in the table. In 2016-2020, the consumption differentiation of the following main food products decreased: melon and vegetables 0.14, fruits and berries 0.19, meat and meat products 0.16, eggs 0.03, and vegetable oil 0.11. The increase in the differentiation level in consumption was found for the following types of products: bread and bread products by 0.03, potatoes by 0.01, milk and dairy products by 0.1, sugar by 0.03. It should be pointed out that statistical data do not reflect the quality of products consumed by the population. The habits of consumers of products, both in the Russian Federation and in the world, have been subject to considerable changes in recent years. There was an increase in the consumption of products from manufacturers with prestigious brands.

Table 5 shows the provision of the Russian population with certain types of durable goods.

### Table 5. The provision level of the population with some types of durable goods, in % of the total number of households.

| Indicator | 2016 | 2017 | 2018 | 2019 | 2020 | Deviation of 2020 from |
|-----------|------|------|------|------|------|------------------------|

The analyzed statistical data provides a conclusion concerning an increase in the provision of durable goods to the population. In 2020, 66.9% of households were provided with personal computers, which is 3.2% higher than in 2016. The availability of refrigerators has been 100% over the past three years, which is 0.3% higher than in 2016. In the analyzed period, there was a decline in the provision of households with televisions by 0.5%, freezers by 1.3%, and music centers by 3.1%.

For increasing the level of economic growth of the country, public authorities have to systematically develop and implement a set of activities aimed at increasing the differentiation coefficient due to an increase in the income level of population, and above all those with low incomes.

Table 6 shows the dynamics of the volume and structure of monetary incomes of the Russian population for the last five years.

| Indicator                          | 2016, (+;-) |
|-----------------------------------|-------------|
| Televisions                       | 98.4 98.3 97.8 98.4 97.9 -0.5 |
| Music centers                     | 12.2 13.2 11.3 11.4 9.1 -3.1 |
| Personal computers                | 63.7 64.9 68.3 70.4 66.9 3.2 |
| Refrigerators                     | 99.7 99.8 100.0 100.0 100.0 0.3 |
| Freezers                          | 40.9 43.5 41.4 42.0 39.6 -1.3 |
| Dishwashers                       | 1.5 3.3 3.6 4.4 4.6 3.1 |
| Microwave ovens                   | 69.6 71.9 74.0 74.7 76.9 7.3 |
| Washing machines                  | 95.6 95.9 95.4 95.7 96.7 1.1 |
| including automatic washing       | 85.9 87.7 90.0 89.4 92.3 6.4 |
| Electric vacuum cleaners          | 86.4 88.4 88.0 89.3 88.6 2.2 |

The total volume of financial resources of the Russian population increased by 8375.5 billion rubles in 2016-2020 and reached the level of 62700.8 billion rubles in 2020. The largest share in the structure of monetary income is the remuneration of employees. In 2020, the maximum value was reached 58.5%; the minimum in 2016 was 54.0%. There was a decline in the share of property income in the total amount of financial resources of the population for 2016-2020 by 0.7%. The share of property income in the total financial resources of the population has reached the level of 4.4%.
4. Conclusion

According to the findings of the study, the following conclusions can be drawn. In 2018-2020, there were declines in the consumption of the following types of food by urban population of the Russian Federation: bread, meat, milk, eggs, vegetables, and fruits. The decrease in food consumption by the population of rural settlements was found only in meat, milk, and eggs. Therefore, the level of food consumption of the rural population is higher than that of the urban population. The level of food consumption culture in households of the Russian Federation is low. In 2020, as in previous years, there was a trend in Russia to increase food consumption with a reduction in the financial resources of the population. The disadvantage is not a qualitative, but a quantitative increase in food consumption with a growth in income levels. There was an increase in the differentiation coefficient in the consumption of most types of food in 2018-2020. The provision of the Russian population with some types of durable goods is increasing (personal computers, refrigerators, dishwashers, microwave ovens, washing machines, and electric vacuum cleaners).

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