

# **Sociological Research**

Vol. 50 No. 1

January–February 2011

## **The Poor in Russia Today**

N.E. Tikhonova

## **The Causes and Prospects of Low-Income Poverty in Russia Today**

N.E. Tikhonova

## **The Media Environment and Media Consumption in Contemporary Russian Society**

V.P. Kolomiets

## **Unrealized Possibilities**

L.B. Kosova

## **Contemporary Sociology**

N.V. Romanovskii



*Sociological Research*, vol. 50, no. 1, January–February 2011, pp. 24–43.

© 2011 M.E. Sharpe, Inc. All rights reserved.

ISSN 1061-0154/2011 \$9.50 + 0.00.

DOI 10.2753/SOR1061-0154500102

N.E. TIKHONOVA

## The Causes and Prospects of Low-Income Poverty in Russia Today

*The numbers of the low-income poor in Russia are unusually high in comparison to countries that have made the transition from the industrial stage to the late industrial stage of development, and this is due to the extreme depth of the social inequalities in Russia today and people's very low median incomes. The impact of the current economic crisis has strengthened these tendencies, and the worsening situation of the chronically low-income poor and the chronically poor requires new approaches to antipoverty policies in Russia.*

Methodological problems in the analysis of low-income poverty and several key characteristics of the condition of the low-income poor in today's Russia, which were examined in a previous article (*Sotsiologicheskii*

English translation © 2011 M.E. Sharpe, Inc. from the Russian text © 2010 the author: "Malooobespechenost' v sovremennoi Rossii. Prichiny i perspektivy," *Sotsiologicheskii issledovaniia*, 2010, no. 1, pp. 5–17. A publication of the Russian Academy of Sciences; the Department of Philosophy, Sociology, Psychology, and Law, Russian Academy of Sciences; and the Russian Union of Industrialists and Entrepreneurs.

Natal'ia Evgen'evna Tikhonova is a doctor of sociological sciences and deputy director of the Institute of Sociology, Russian Academy of Sciences, and professor at the State University–Higher School of Economics.

This article was prepared in the context of an individual research project of the Russian Foundation for the Humanities, No. 08-01-0068, which is being carried out with support from the State University–Higher School of Economics, and project No. 09-03-00538a.

Translated by Kim Braithwaite.

Table 1

**Socioprofessional Composition of Various Social Groups (% of respondents)**

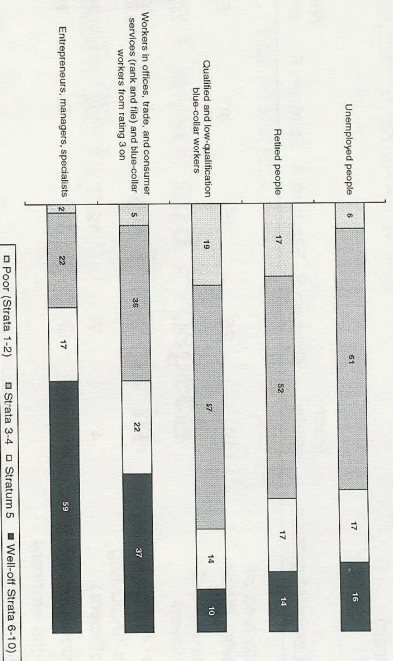
Socioprofessional groups	Poor strata	Stratum 3	Stratum 4	Stratum 5	Well-off strata
<i>Representatives of nonphysical labor</i>	17	25	35	40	60
Entrepreneurs and self-employed	—	—	1	1	3
Managers on all levels	2	1	2	2	7
Specialists (including military officers)	4	7	12	17	28
Office personnel	6	9	11	9	10
Rank-and-file workers in trade or consumer services	5	8	9	11	12
<i>Blue-collar workers</i>	30	34	32	37	26
from rating 5 onward	6	9	9	15	14
ratings 3–4	13	18	15	18	11
ratings 1–2, or no rating	11	7	8	4	1
<i>Not working</i>	53	41	33	23	14
Retired people	45	36	28	19	8
Students enrolled in higher educational institutions, technicians, and so on	2	1	1	2	5
Unemployed people and other nonworking people	6	4	4	2	1

*issledovaniia*, 2008, no. 10 [pp. 3–23 in this issue]). Left an unanswered question: How is low-income poverty linked to the structural positions occupied by individuals in the system of production relations and market relations as a whole?<sup>1</sup> In this connection it is important first and foremost to assess the specific character of the professional positions of the low-income poor as well as the assets they have and can offer to the markets of labor, capital, and goods and services (the reverse side of this problem involves determining the explicit character of these markets themselves, from their localization in space to the spectrum). We begin our analysis with the professional statuses of the low-income poor (see Table 1).<sup>2</sup>

Table 1 shows that the professional portrait of the low-income poor and the poor in Russia today is very similar to their traditional portrait in



**Figure 1. Likelihood That Representatives of Various Professional Statuses Will Be Included in Particular Strata, Broken Down Based on Standard of Living (%)**



societies with developed market economies: for the most part, they are retired people and blue-collar workers of low qualification or no qualification. In addition, if we look at the composition of particular professional groups, the likelihood of ending up in the poor and low-income strata is greater than 50 percent only for blue-collar workers with no qualifications, the unemployed, and nonworking retired people (see Figure 1).

Entrepreneurs, the self-employed, managers of all levels, and specialists (both civilian and military) do not generally fall into the category of the low-income strata, and, moreover, this principle is also maintained with respect to each of these socioprofessional groups in particular. The picture of the distribution of these groups by strata is very similar for so-called line personnel in offices and rank-and-file workers employed in trade, and when the data are processed in the CHAID subprogram of the SPSS program, they fall together (from the standpoint of the nature of their connection with the variable characterizing their membership in a given stratum) into one group. For the members of that group the likelihood of being included in the poor group is very low, the likelihood of being included in low-income Stratum 3 and Stratum 4, on the one hand, and the well-off Stratum 6 through Stratum 10, on the other hand, is practically the same, and the proportion of representatives in boundary Stratum 5 is at its maximum.<sup>3</sup> Blue-collar workers with no qualifications, retired people, and unemployed people, for the most part turn out to be

members of the low-income poor. Moreover, if we subtract householders from the number of unemployed people and include only people who are actually unemployed, the picture of their distribution by strata almost coincides with that of blue-collar workers who have no qualifications.

In Russia today, the low-income poor are mainly representatives of the professional statuses that specifically typify the "classic" lower classes. Their position in the labor market is characterized by the fact that all they can offer to the labor market is their "ordinary ability to do physical labor," which is not enough to provide them with an income sufficient for a good standard of living. This is because Russia's borders are virtually open to migrants, who are for the most part striving to secure a place in that segment of the labor market, and this creates a "buyer's market"; consequently, incomes plunge in this sector because of a surplus supply. And we certainly must agree with M. Castells that in a globalizing world the future of this group, which he calls a "hereditary workforce" (thus emphasizing its lack of any additional competitive advantages stemming from the quality of its human capital), is quite deplorable [1].

At the same time, we observe significant differences in the social and professional composition of both the low-income poor and the poor strata, on the one hand, and the different subgroups of the very lowest-income poor (see Table 1). Among the poor, a substantial majority (75 percent) consists of retired people, blue-collar workers with low or no qualifications, and unemployed people. Moreover, the past professional status of a large proportion of the retired people in this group was that of blue-collar workers of low qualifications or no qualifications. Their educational level is very low: it is sufficient to say that 44 percent of unqualified blue-collar workers and 40 percent of retired people who are members of the poor lack even a secondary general education, which absolutely does not characterize the situation in the country as a whole.

The picture is similar in Stratum 3, in which the standard of living teeters on the brink of poverty. However, all of the typical characteristics of the professional statuses of the poor in that stratum are slightly smoothed over, and the economically inactive population does not make up its majority. There is also a relatively smaller percentage of retired people in it, and moreover, as a rule, they do have a complete secondary education or even a secondary specialized education. As before, however, they remain the most massive group in its composition. Compared to the poor, Stratum 3 has a significantly higher percentage of blue-collar workers of midlevel qualifications, and a relatively smaller percentage of



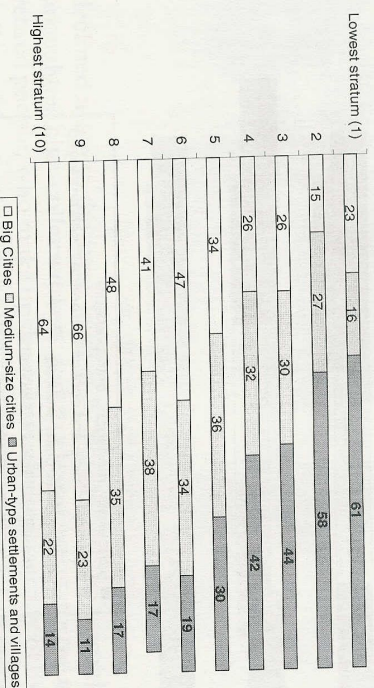
blue-collar workers with no qualifications. These characteristics are even more graphically shown in Stratum 4, whose members, in addition, have yet another important characteristic, namely, that here we begin to find, on quite a large scale (25 percent), the appearance of representatives of the “white-collar” professions, in particular specialists and line personnel working in offices.

In Stratum 5, the group of workers who are employed in nonphysical labor first become the most massive group, even though the proportion of managers and specialists—two types of professional statuses that all specialists implicitly classify as characterizing the middle class—does not even reach the level of 20 percent. This figure is almost two times smaller than in Strata 6 through 10 (which are more prosperous in terms of standard of living), in which more than 60 percent of all the representatives of these professional statuses are included. Accordingly, the educational level of those in this stratum is also higher, and, moreover, even among the retired people who are included in it more than 70 percent have a secondary specialized education (44 percent) or a higher education (27 percent). This stratum thus includes, first of all, the best-educated and well-off portion of retired people; second, rank-and-file workers whose labor, even though it is not physical labor, is still not classified as mental labor, nor does it require a high level of qualifications. Third, the stratum includes qualified blue-collar workers; and fourth, it includes a relatively small percentage of managers and specialists.

Population segments that are well off in terms of standard of living have a fundamentally different professional structure: most consist of people who are not employed in physical labor, the proportion of college students is at the maximum and the proportion of retired and unemployed people is at the minimum, while the retirees included in their composition have, for the most part (59 percent) a higher education, and only 15 percent do not have higher than a secondary general education.

As we can see, today low-income poverty in Russia is tied quite explicitly to professional statuses. However, considering that the low-income poor includes a fairly high proportion (13 percent) of managers and specialists who generally do not end up in that number in the developed market economies, it is important to find out who these people are and how they differ from their better-off “colleagues.” The analysis that was carried out shows in general that three features typify them. First, on average they have less education in comparison with those of the same professional statuses who are better off and they have spent

Figure 2. Place of Residence of Representatives of the Different Strata, Broken Down by Standard of Living (%)

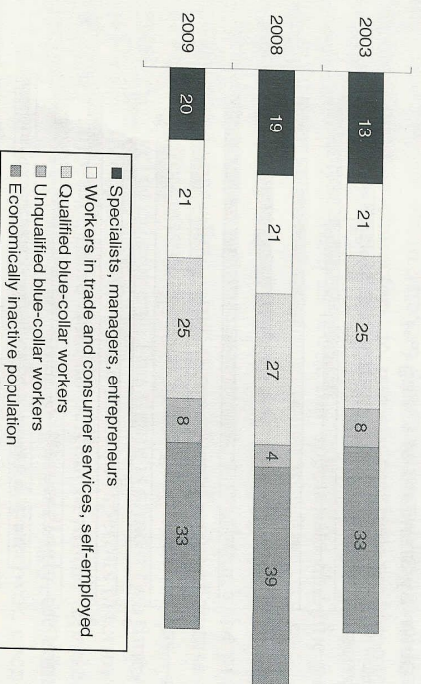


fewer years in regular daytime school enrollment even in cases where educational level is, in formal terms, the same. Second, they have less ability to have an influence in their jobs, a smaller degree of autonomy in terms of their work and degree of social protection.<sup>4</sup> And third, they are concentrated relatively more frequently in what is called “small-time, Russia” (the small towns, urban-type settlements, and villages in which, as a general rule, low-income poverty is significantly more common; see Figure 2). This tendency persists even when we consider differences in the professional structure of various communities—that is, a specialist or a rank-and-file worker employed in trade in a small town, urban-type settlement, or village has significantly greater chances than someone in a big city of ending up among the low-income poor.<sup>5</sup>

All three characteristics enumerated above directly reflect the specific nature of the positions of the low-income poor whose professional statuses in production relations are not characteristic of this social segment; they show that their economic status is not a matter of random chance. The first characteristic does so because it indicates the qualitative characteristics of the human capital that they are prepared to offer to the corresponding market. The second characteristic does so because it reflects the weakness of their negotiating position in relations with employers, which is due to the surplus supply of manpower offering the same quality as what they are able to offer to the labor market. The third characteristic does so because it demonstrates the role played by the situation in the local labor markets regarding opportunities to occupy



Figure 3. Socioprofessional Makeup of the Low-Income Poor (%)

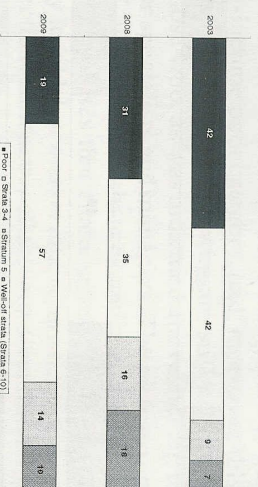


certain professional positions (thus, for example, to occupy the position of a specialist in an urban-type settlement or a raion center, it is enough to offer a relatively lower quality of human capital than in the big cities, while, on the reverse side, the pay is also relatively lower). Together, these three characteristics reveal that we have structural positions that are peripheral to these professional statuses, which, specifically because they are peripheral, do not provide the workers in these positions with a standard of living comparable to that enjoyed by those of the more prosperous professional statuses.

Thus, to assess the prospects of low-income poverty in Russia it is very important to determine the exact nature of the vector of change in the professional structure of the low-income poor, and whether the percentage among them of the professional statuses that are not characteristic of the low-income poor segments in the developed economies is increasing or decreasing. Moreover, this question falls into two separate subquestions: How did the situation develop in this field in the prosperous period (2003–8), and how is it being influenced by the development of depression tendencies in the country's economy (2008–9) (see Figure 3)?

As we can see, in recent years, trends in the composition of the low-income poor have been characterized by two basic tendencies. First, the proportion of the economically inactive population among the low-income poor rose slightly during the prosperous period for the country's economy (from 33 percent to 39 percent), and later, under the crisis conditions, it

Figure 4. Likelihood That Unqualified Blue-Collar Workers Will Be Included Among the Low-Income Poor (%)



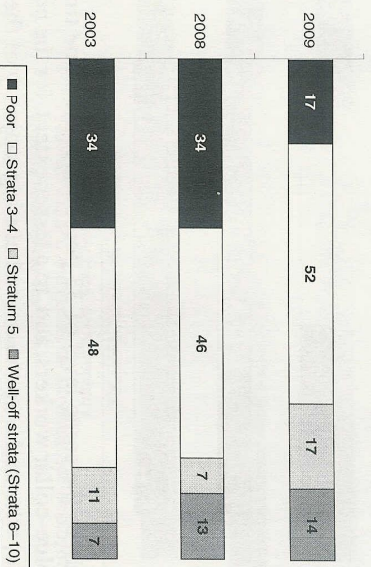
declined again to the same level of 33 percent. At the same time, for the unqualified blue-collar workers, and, to a lesser extent, for the nonworking retired people, who make up the overwhelming majority of the economically inactive portion of the low-income poor, the risk of ending up in the condition of low-income poverty rose during the crisis period, although their risk of becoming poor did not rise (see Figures 3 and 4). Second, however, the proportion of the professional statuses that are not characteristic of the low-income poor (specialists, managers, entrepreneurs, and others who employ hired personnel) in the employment structure of the low-income poor decreased 1.5-fold during this period, which means that, as the period of Russian economic transformation came to a close they very quickly began to emerge from the state of low-income poverty, and even the crisis was unable to affect this general picture.

During the period of economic growth and the beginning economic crisis, these tendencies manifested themselves in different ways in the different professional groups. Unqualified blue-collar workers, for example, came out as winners as a result of the economic conditions that were favorable to Russia during the period of high oil prices, but the economic crisis rapidly put everything back in its place, and low-income poverty began to characterize the larger half of this group, although the risk that they would end up in deep deprivation decreased (see Figure 4). At the same time, this decrease was linked first and foremost to the overall decline in numbers of poor, and in the past six years, for blue-collar workers without qualifications the likelihood of ending up among the poor declined to a much smaller extent than for other population groups. As a result, the proportion of the poor in this group has remained 2.5 times higher than in the other socioprofessional groups.

The risk of becoming poor also decreased for retired people (see Figure



Figure 5. Likelihood That Nonworking Retired People Will Be Included Among the Low-Income Poor (%)



5). However, for them, to an even greater degree than for unqualified blue-collar workers, it is correct to conclude that their situation has *relatively* worsened against the background of the improvement of the *absolute* indicators regarding the proportion of the poor. As a result, while in 2003 the proportion of the poor among the group of retired people was 1.6 times higher than the analogous indicator for the population as a whole, in 2009 it rose, in relative terms, exceeding it by a factor of 2.1.

On the other hand, for those in this group, emerging from poverty only meant a transition into the boundary between poverty and low-income poverty (into Stratum 3). Furthermore, the crisis had an appreciable impact on worsening the ratio between their current income and new price levels for groceries, medicine, and other prime necessities, which, so far, has not been reflected in the more inertial indicators on which the standard of living index is calculated.

A slightly different picture emerges for professional statuses that characterize the middle class among the low-income population, and also for the working class and rank-and-file workers employed in trade and consumer services. Only 25 percent of the managers and specialists were included among the low-income poor and the poor, and, moreover, the figure was only 21 percent for those with a higher education, which, in the Western countries, is generally assumed to be an essential condition for occupying the corresponding professional statuses. In that context, the picture in 2009 appeared more similar to the classic stratification models than it did in 2003, when 27 percent of the low-income poor and

the poor consisted of managers and specialists with a higher education. We can thus detect that this group of Russians is gradually emerging from the low-income poor category, and, moreover, this process has now almost ended, and the very few who are still included in Strata 3 and 4 are mainly those who, as was indicated above, belong to statuses that are peripheral for specialists and managers. The picture is more complicated in Stratum 5, in which life chances and the standard of living of those in professional statuses that characterize a middle class are very much influenced by local labor market characteristics and employment sectors, and moreover this influence is often very diversified. Therefore, theoretically, this group forms prospective reserves for the Russian middle class to grow, but the group is not very large, and in 2008—the period of the maximum size of the Russian middle class, when it was one-third of the entire population—the reserves were almost completely exhausted [2].

The picture is not clear-cut for rank-and-file workers employed in trade and consumer services because, in and of itself, this group is extremely variegated: one pole consists of highly educated people who work in offices that meet the international standards of trade networks, while the other pole consists of street traders, salesclerks working in trade stalls, or even people peddling whatever they have at hand. Nonetheless, the overall vector of development of the situation is clear even in their case. In the past six years the group's membership has started to include slightly fewer poor and low-income poor, and at the same time their proportion among the economically active portion of the low-income poor has also shown a tendency to decline by a small amount.

Thus, in the last precrisis years, the low-income poor in Russia became increasingly characterized specifically by the traits of their composition that typify the makeup of the low-income population segments in the developed countries. On the other hand, in recent years, well-off segments in Russia have grown relatively more often out of the ranks of the low-income poor, who were working mainly as specialists and managers on different levels—that is, professional statuses that are atypical of them. As a result of migration between the segments, during which the least lumpenized portion of the former poor transitioned into the low-income poor segment, while the growth of the well-off segments was a result of the best-qualified portion of the former low-income poor, the profile of low-income poverty changed and became more similar to the “classic” profile. At the same time, the numbers of the low-income poor, to this day, remain incommensurably high from the standpoint of the typical



structure of countries that have made the transition from the industrial stage to the late industrial stage of development, which is due to the extreme depth of the social inequalities in Russia today and people's very low median incomes.

The impact of the economic crisis has strengthened these tendencies. As a result, it is possible to discern significant changes in the professional structure of the low-income poor and a further decline, among them, in the proportion of professional statuses that do not characterize the low-income poor strata in developed economies. It is interesting to note that this tendency has been manifested more graphically in Russia specifically during the period of worsening of the overall economic situation, when, clearly, the laws of the market economy have begun to operate more harshly, and the connection between the quality of human capital, professional status, and standard of living turns out to be more rigid. Even though from a humanitarian standpoint the consequences of the crisis are very tragic for millions of people, there can be no doubt that this is a positive trend.

In connection with the increasing strength of this trend it is necessary to talk in more detail about the *human capital* characteristics of the population segments, and also about their behavioral patterns in this respect, because, after all, this specifically determines the chances that today's low-income poor have of occupying a more effective job, even when such chances arise in the Russian economy. We start with a formal indicator, educational level. In the well-off population segments (Strata 6–10), the overwhelming majority of working people (86 percent) have at least a secondary-level professional education, and of them, almost half have a higher education. Their proportion is lower (72 percent) in Stratum 5, but about one-quarter of them have a higher education. A similar picture is seen in Strata 3 and 4. However, half of the poor do not have a specialized professional education, which is not surprising when we consider the professional status that most characterizes them (unqualified blue-collar workers).

We note in particular that at present, having access to an education not only is objectively different for representatives of the different strata but also is something that they perceive objectively as one of the most significant social inequalities: the low-income poor estimate their own chances of acquiring the education and skills that they need as not good about two times more often than do those in the well-off population segments. Furthermore, a 1.5–2-fold gap persists in each of the subgroups of

these segments that differ in educational level. For example, among those with a higher education who belong to the low-income or the well-off strata, the ratio of those who assess their chances as not good is 23 : 11; for those with secondary general education, the ratio is 45 : 27.

Because of the combination of a worse basic education and the lack of opportunities to “catch up” on acquiring essential knowledge after its completion, not only the level of education but also the set of skills demanded in the labor market—that characterize the low-income and well-off strata—also turn out to be substantially different: 56 percent of the working low-income poor, compared to only 26 percent of working people in the prosperous strata, do not know how to use a computer, and 70 percent and 38, respectively, do not know how to use the Internet. The mastery of a foreign language is almost entirely the prerogative of the well-off strata, although even for them it is quite rare. Moreover, the skills of working with a computer are no longer looked upon as a significant competitive advantage in the labor market in the cities, but are considered an essential element of the workforce. This means that for the low-income poor, the lack of this skill may prove to be an obstacle to their professional and career mobility even if the economic situation improves.

Incidentally, the specific nature of the structural positions occupied by the low-income poor in the system of production relations and market relations on the whole, is affected not only by the characteristics of their human capital but also their cultural capital. The most important characteristic of that capital is the environment of primary socialization, in particular, the educational level of the adults in the family where the socialization takes place. As Table 2 shows, in order to belong to the well-off population strata in Russia today, it is necessary, as a rule, to come from a family in which the father had at least a secondary specialized education.<sup>6</sup>

Looking at this situation from a different angle and rating the likelihood of ending up in a given segment, it turns out that for people whose father had a secondary specialized education the likelihood of ending up in the prosperous Strata 6–10, is slightly less than 50 percent, although among those from families in which the father had a higher education the figure is more than two-thirds. In Russia today we find confirmation of Bourdieu's conception of the role of cultural capital in the reproduction of classes and the reinforcement of privileged class positions depending on the possession of precisely this kind of capital. At the same time, as a result of the presence of a fairly large number of factors that are by nature unrelated to class (place of residence, specifics of health, house-



Table 2

**Functional Relation Between the Standard of Living of Representatives of the Different Social Strata and Their Fathers' Educational Level (%)**

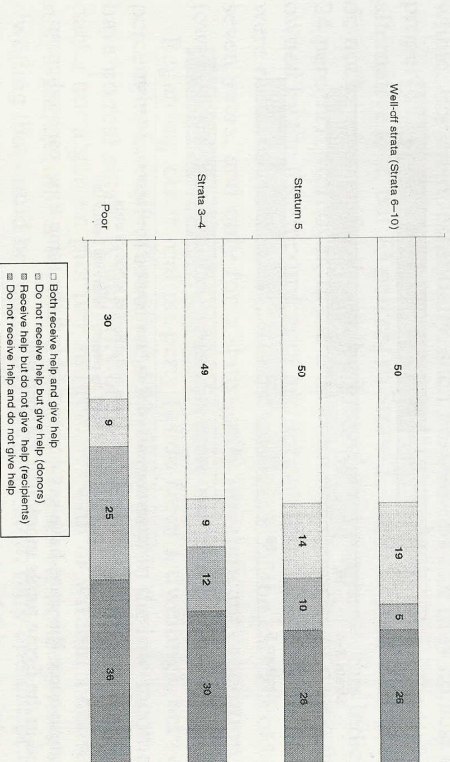
Father's educational level	Strata				Well-off strata (Strata 6-10)
	Poor	Strata 3-4	Stratum 5		
Incomplete secondary	51	36	28	12	
General secondary	17	28	27	20	
Secondary specialized	18	23	26	35	
Incomplete higher	4	1	1	3	
Higher	2	5	11	22	
Two higher educations or master's degree, candidate or doctor of science	0	0	0	3	
Did not answer or do not know	8	7	7	5	

hold composition, etc.) that exert a significant influence on a person's standard of living, by no means all people from educated families end up among the well-off.

Nonetheless, looking at the situation as a whole, it is reasonable to confirm that the human and cultural capital of the low-income strata differ quite significantly both from the situation prevailing among the working portion of the poor, on the one hand, and the situation of the well-off strata, on the other hand. This makes it possible for those of the latter strata to aspire to jobs that differ in quality, even if the formal professional statuses are similar. Moreover, the specific character of the local labor markets is mainly manifested in the fact that for people from groups with differing qualities of cultural capital, migration to bigger population centers that have effective (solvent) demand for sufficiently high-quality human capital makes sense only for those among them who have not only well-developed human capital (in terms of education and qualifications) but also well-developed cultural capital [4]. Consequently, considering the relatively low indicators of cultural capital of the majority of the low-income poor, migration is also, for them, not an effective way to get out of their present condition.

Human and cultural capital are by no means the only kinds of assets that influence people's level of well-being. People's social resources—

**Figure 6. Involvement in Social Networks of Representatives of Various Social Strata (%)**

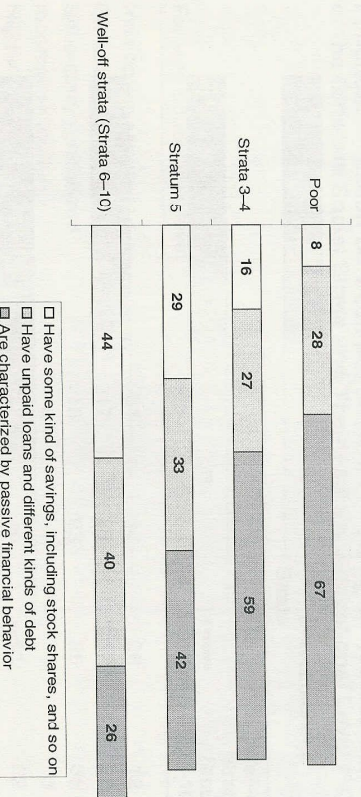


their access to social networks of support and mutual assistance—are a no less important asset. However, since a social network must involve the reciprocal exchange of goods and services, the prospects of an individual's participation in social networks depends directly on his membership in a particular social stratum (see Figure 6). Without dwelling in more detail on this matter (on this, see [5]), I will just point out that under crisis conditions, the picture of the inclusion of all strata of the population in social networks is practically unchanged so far.

The specific nature of the low-income poor in regard to social networks consists of the fact that they are mainly, just as are those of the well-off strata, active and full-fledged participants in such networks. At the same time, if we are talking about the mechanism of the functioning of these networks, we have to emphasize that in contrast to the relatively prosperous strata, the low-income strata are characterized by a lack of access to the scarcest and most important forms of support from social networks (help in getting a "good" job or in having the opportunity to earn more money, assistance in gaining access to official people on whom solving particular problems depends, etc.). In the case of all such resources, the indicators for the low-income poor are 2-2.5 times lower than for the well-off strata. As a result, the members of the low-income strata actually get everyday routine support from people around them. On the



**Figure 7. Models of Financial Behavior of Representatives of the Different Strata (%)**



*Note:* Because some Russians have savings and debts at the same time, each subgroup represented in the figure totals more than 100 percent.

other hand, this type of support is unable to bring about any qualitative changes in their present condition, so that, consequently, the resources of their networks cannot be considered a genuine asset that is capable of having any significant effect on their situation and the prospects of improving it.

We also look at the components of the socioeconomic status of the low-income poor involving their possession of other assets that can be sold or utilized in the markets of capital, goods, and services. We start with financial resources. As the data in Figure 7 show, a majority of the low-income poor have almost no savings, or any stock shares or other financial instruments. Only 29 percent in Stratum 5 and 16 percent in Strata 3-4 report having them. In regard to having relatively large amounts of savings (i.e., sufficient to enable a family to live on them for at least a year, so that the savings can be seen as capital), in February 2009 a statistically insignificant proportion of the low-income poor had savings (compared to 12 percent of the members of the well-off strata). Thus, while the low-income poor come into the labor market with relatively low-quality human capital, they simply have nothing to bring into the financial capital market.

Speaking of various kinds of possessions that are sufficiently liquid that in the event they have to be sold they will yield funds comparable to

an income from being employed or running a business, at least for a few months, also reveals an unenviable picture of the low-income poor as a whole. For them, essentially, such possessions can only consist of real property, in particular, a dwelling. A relatively new car might serve as an alternative to it, but 73 percent in Strata 3-4 and 50 percent in Stratum 5 do not have a car (for the well-off population segments, this indicator is 24 percent). Moreover, in the overwhelming majority of cases, the cars owned by the low-income poor are not just cheap cars but old ones that were made in this country. Almost two-thirds of the cars are older than seven years, and only for a statistically insignificant proportion of the low-income poor are their cars less than one year old.

Regarding other real property (aside from a dwelling), between 31 percent in the well-off strata and 50-68 percent in the low-income strata have no real estate. A majority of the low-income strata have neither a dacha nor a garden plot nor an orchard (with or without a house on it) nor a garage, nor a second dwelling. Moreover, none owns a second dwelling that could be rented out or easily sold; only one out of ten has a garage or a parking place in a collective facility; 16 percent have land (as was mentioned above, many representatives of the low-income strata are rural inhabitants); 12 percent have a garden plot without a house, and 18 percent have a garden plot with a house. For the most part, these are rather cheap possessions. This means that when analyzing the prospects of low-income poverty in Russia, even if the possessions are taken into the corresponding commodities markets, they cannot be seen as constituting a genuine economic resource for this stratum that would be capable in principle or, at any rate, for a lengthy period of time, to change the condition of their owners.

It is especially alarming, moreover, that the proportion of those in the low-income strata who have even this kind of real property has declined significantly in recent years. For example, in 2003 about 40 percent in Strata 3-4 did not have such property (the 2009 figure is 58 percent), while one-third in Stratum 5 did not (the 2009 figure is 50 percent). This means that in the past six years there has been a gradual sell-off or simple loss of the corresponding kinds of real property by the low-income poor (e.g., a garden plot might have been abandoned, a movable metal garage might have been torn down, etc.), along with the simultaneous renovation or sometimes even an increase in the amount of movable household possessions. Therefore, hidden behind the confirmation of the new consumption standards is a real decline in the resource base of the low-income poor,



including, and as a result of, a decline in investments in their human capital and children. In the segments of the labor market that they have entered by and large, their qualitative human capital does not, in and of itself, do much to enable an improvement in the worker's ability to compete. Consequently, for many of them such priority setting has been rational and economically justified. The Russian economy simply does not offer them any other kinds of jobs.

From the standpoint of the strategic perspectives of the evolution of low-income poverty in Russia, the degradation of the resource potential of the low-income poor is a signal of the further worsening of their position and further deepening of the gap between them and the well-off strata. In fact, even during the period of rapid economic growth, this gap only widened, and now, under the economic crisis conditions, it has clearly become insurmountable. Later, in its social policies, the Russian state will have to proceed based on the fact that about 60 percent of the population rather than the 8–12 percent who, depending on the situation in the Russian economy, are included among those experiencing deep poverty, have inadequate resources (i.e., they do not have any significant resources to satisfy their basic social requirements, housing, fee-based medical services, additional education).

Furthermore, the low-income poor are characterized by a number of specific traits of consciousness, social circles, behavioral practices, and so on (see [5]), which are also capable of keeping them in their present situation. It is also important that the process of widening of the gap between them and those of well-off population strata has also, in recent years, had a very definite impact on Stratum 5, whose members today possess far fewer economic resources and also a level of human capital worse than it was in 2003, and, as indicated above, in terms of qualitative characteristics their lives have turned out to be much more similar to Strata 3 and 4 than to the well-off population strata.

Therefore, the kind of conspicuous current consumption that Russians got so carried away with in recent years, and for the sake of which they have gone into debt and even, in part, have sold off the real property that they had, has led, on the one hand, to an apparent decline in numbers of the country's low-income poor (and in this regard it is reasonable to say that such consumption accomplished its purpose). In fact, however, the size of the low-income population has not declined but has actually risen, due to the fact that a portion of the former poor segments have made a transition into the ranks of the low-income poor. As a result, after a

number of years of "successful" economic development, the low-income and poor strata now in the aggregate, as before, make up about 60 percent in Russia, and about half of the country's population is classified among the low-income poor.

The lifestyle and the standard of living of the low-income poor are very specific in character, which has to be considered when planning measures of state social policy. Their living standards are such that on the whole, their current income makes it possible for them to satisfy their most essential needs, to have enough to eat (although not very much in the way of delicacies), and to purchase the clothing that they need even if it is very cheap. At the same time, attempts to give their children any kind of additional education, to pay for even a fairly inexpensive operation, or to purchase even the simplest kind of household appliances, demand that they economize drastically on other expenses. Moreover, while one thing that characterizes the difference between the poor and the low-income poor is that the latter have sufficient funds to meet their current consumption needs, the low-income poor are distinguished from the middle class and even the working class by the fact that the majority of them (as in the case of the poor) have no significant strategic resources that could be used if their current income situation worsens. This involves real property as well as savings and social resources, and also qualitative human capital, that might be mobilized in case of extreme necessity. This is why the only market that they might be able to enter is the labor market, but even there, as a rule, the only real asset they have is their "ordinary ability to work." Furthermore, in the foreseeable future, as a result of the exhaustion of their resources, it is reasonable to expect an intensified process of the lumpenization of a substantial portion of the low-income poor. Moreover, judging from the pace of the dynamics of their composition and the decline in their resources in recent years, unless the model of state socioeconomic policy changes, it will not be long before this kind of mass lumpenization begins.

Both in assessing the causes of low-income poverty in Russia and in determining its prospects, it is clearly necessary to take into account that in our society low-income poverty is no longer a phenomenon linked randomly on the microlevel with transformation processes, but a result of the presence in it of groups of special positions in the system of production relations. The specific character of these positions is determined by whether those who occupy them have or do not have any assets that are in demand in the corresponding markets and are decently paid.



Under the conditions that are taking shape, clearly, it would be more correct to speak not about low-income poverty but about a vigorously ongoing process of transformation of the low-income poor into a special class that, in the vertical stratification of society, finds itself between the middle class and the working class, on the one hand, and the underclass that is forming, on the other hand. In other words, we are talking about a new lowest class that is forming in parallel with the underclass into which the poor in Russia were being increasingly transformed even before the crisis. Under the crisis conditions, in turn, the ranks of the poor are being replenished, incidentally, by former members of the low-income poor. This will partially change the profile of Russian poverty, at first glance slowing down the transformation of the Russian poor into the underclass, with all its attendant characteristics of culture and behavior. But this improvement (first and foremost from the standpoint of resources of qualification and physiology) will be just as illusory as was the decline in numbers of the low-income poor in the precrisis period. Both of these things only serve to mask the ever worsening situation of both the chronically low-income poor and the chronically poor, which makes it difficult to realize the necessity of working out a new model of state socioeconomic policy that is consistent with the realities that are forming.

## Notes

1. Other factors and causes of low-income poverty that are not directly related to the market positions of individuals (low transfer payments, in particular pensions, high levels of both dependency and responsibilities, etc.) are topics for special analysts, and are outside the framework of my own discussion.
2. The data about the methodology, the representativeness of the survey, and the number of respondents were presented in the previous article [pp. 3–23 in this issue].
3. As was shown in the first article, the most typical characteristic of the present representatives of this stratum is that by and large, they are representatives of the low-income strata who were able, literally on the eve of the economic crisis, to provide themselves with a standard of living that at first glance does not make it reasonable to say that they belong to the low-income poor. In fact, however, this is just a "mutated" variant of low-income poverty, with its typical characteristics: the impossibility of achieving any qualitative shifts for the better in their lives let alone of purchasing a cheap new television, the instability of their economic position, the almost complete absence of any "safety margin," and so on.
4. While they differ by 5–15 percent on each of the indicators that pertain to these three figures, for those with statuses that characterize the middle class who have ended up among the low-income or the well-off strata of the population, these

differences have, owing to the cumulative effect, taken on a qualitative character and have demonstrated a picture of substantial differences in the job positions that they occupy.

5. In this case I refrain from any connection between their position and their household characteristics, as well as sex, age, health, or other demographic characteristics.

6. In this connection it is worth pointing out that the indicators of statistical significance of membership in a particular social stratum and the characteristics of the father's education were very high. At first glance, this would seem to be strange: in stratification theories it is generally thought that the mother's level of education makes it possible to more accurately measure a person's membership in a given social stratum during his period of primary socialization. In Russia, however, households that are marginal in terms of their composition and in which the woman has a higher education are widely prevalent, with the woman, as a rule, working in the budget-funded sphere, while the man is employed in highly paid physical labor [3]. If under these conditions the respondent's father had a higher education, it meant that the household of the respondent's primary socialization was firmly included among the well-educated strata. This means that such a household definitely provided a better intergenerational relaying of the attitudes and behavioral practices in life that characterize specifically these strata.

## References

1. Kastel's, M. [Castells]. *Informatsionnaia epokha: ekonomika, obshchestvo i kul'tura* [The Information Age: Economy, Society, Culture]. Trans. and ed. O.I. Shkaratan. Moscow: GU VShE, 2000.
2. Tikhonova, N.E., and S.V. Mareeva. *Srednii klass: teoriia i real'nost'*. Moscow: AI Fa-M, 2009.
3. Iudina, O.A. "Chislenost' i demograficheskie osobennosti srednikh sloev rossiiskogo obshchestva." *Sotsiologicheskie issledovaniia*, 2008, no. 10.
4. Lezhnina, Iu.P. "Sotsial'nye neregulirovannye i sotsial'naia mobil'nost'." In *Sotsial'nye neregulirovannye i sotsial'naia politika v sovremennoi Rossii*. Moscow: Nauka, 2008.
5. Tikhonova, N.E. *Sotsial'naia stratifikatsiia rossiiskogo obshchestva: opyt empiricheskogo analiza*. Moscow: IS RAN, 2007.