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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

M.E. Sharpe

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The Poor in Russia Today

Standard of Living and Lifestyle

During the economic growth of the early years of the 2000–2010 decade, the life chances of the lower 60 percent of Russians declined in relative terms, and the gap between them and the well-off segments of the population widened. During the current economic crisis it is likely that the gap will increase, and that the prospects of the low-income strata in Russia will not improve in the foreseeable future.

In the past two decades, specialists have vigorously discussed and debated the matter of what serves as the structuring criterion on the vertical hierarchy of status in Russian society today. Various criteria have been proposed. Some such as O. Shkaratan say that power is the deciding criterion of stratification because they view Russian society as a late state-ruled society, with its traditional “fusion” of ruling authority and

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property ownership, and moreover, ruling authority occupies the key position in that symbiosis. Others such as V. Mansurov see people's professional status as the foundation of stratification, which agrees with Western traditions of stratification analysis. Still others say that, first and foremost, people's material well-being, either alone or with other factors, should serve as this criterion (Z.T. Golenkova, L.A. Beliaeva, T.I. Zaslavskaya, and others).

Sociologists in Western Europe and especially in the United States actively use the criterion of well-being to determine an individual's place in the social hierarchy. At the same time, in contrast to stratification that is defined based on criteria for designating classes in the neo-Weberian or neo-Marxist traditions, which are usually only of academic interest, in developed countries stratification on the "poverty-wealth" scale leads to practical conclusions concerning state social welfare and tax policy. For example, if the basic criterion for designating such stratification uses income level, it finds a logical culmination in the determination of the scale of a progressive income tax. If it is possessions, then the corresponding analysis is reflected in the tax system in the form of differentiated taxation on such possessions. If, however, it is the standard of living, the identification of specific lifestyles of different strata and their living environment in terms of material possessions is reflected in the less common practice (although it is still used in different countries) of imposing various combinations of excise taxes on luxury items, or their direct taxation. Society's stratification on the scale of level of well-being is also widely utilized to combat poverty, enabling people to move up socially out of the poor and needy strata, and implementing the principle of social justice to enhance social integration and solidarity, and so on.

Stratification based on this scale is especially relevant in Russia, where the boundaries of the localization and legitimacy of poverty and wealth are traditional problems, along with the existence of an enormous low-income population, a relatively small middle-class segment, and a comparatively insignificant stratum of deep poverty.¹ If, moreover, we take into account the decline in standard of living because of the economic crisis, we can see how much worse the position of the low-income strata will become in the near future.

To understand the role of analyzing the stratification dynamics of Russian society according to the criterion of well-being, it is also important to note the view held by most of the Russian population that material well-being is the main criterion of stratification in Russian

society today. Attesting to this, in particular, are answers to the question of what respondents consider in rating their position in society. About 70 percent of the respondents usually name their level of material well-being as one of the three main criteria for determining their status.² In second place, at about 40 percent, is lifestyle. All other features (the prestige of profession, job position, education, the respect of others, etc.) are in the range of 11–22 percent. And this means that any changes in Russians' material condition also bring changes in their feelings about their place in society, which influences their general level of sociopsychological well-being. Considering a possible rise in social tension, this means it is essential to understand the specific sociopsychological state of the low-income population that has not become as lumpenized as the poor have, to the extent that they (the low-income population) would not even try to stand up for their interests, but also, in contrast to the better-off strata, lack sufficient resources simply to "wait out" the crisis. In this light, an analysis of the situation of the low-income strata is extraordinarily urgent and relevant in practical terms.

In 2008, when the study, whose results are being published here, was just in the planning stage, the problem of neediness and the prospects of this population stratum were basically of theoretical interest. In the developed market economies, the needy strata are viewed as a special social group, and they are "not of much interest" to anyone because, on the one hand, neediness is usually perceived as a direct consequence of membership in the lowest classes that are characterized by a particular professional composition, and, on the other hand, in contrast to the poor, they are not the object of social policy [1].

In the course of analyzing the results of a March 2008 survey, "The Low-Income Strata in Russia: Who Are They? How Do They Live? What Do They Strive For?" it became clear that the specific character of neediness involves the lack of a rigid connection between standard of living and professional status, although for the representatives of different socioprofessional groups the likelihood of ending up among the low-income strata, nonetheless, differed appreciably [2].

Considering that in the global market economy into which Russia is becoming more and more strongly integrated, and that this discrepancy between professional and economic status will not persist for very long, it remained only to suggest that the most typical characteristic of the Russian version of neediness is the huge role played by factors not related to class (place of residence, age, household composition, etc.).

Consequently, it is a temporary phenomenon resulting from the particular Russian model of transition to the market path of development and from mistakes made in social policy, and, in the next five to ten years, this group may either become part of the lower-middle class, increasing the latter's size, or squander its resources and "slide down" into the ranks of the lowest classes.

In the spring of 2008 it appeared that if economic market conditions favorable to Russia persisted, a scenario signaling the way out of neediness would be highly probable. However, the economic crisis changed all that. On the one hand, it became clear that under crisis conditions it made no sense to examine the characteristics of the needy segment that had a high probability of moving into the relatively well-off population strata. Also taken off of the agenda was the problem of analyzing the composition and characteristics of the condition, behavior, and consciousness of today's poor segment, who based on a rise in their real current incomes could likely end up among the low-income strata in the next few years. On the other hand, it became much more important to draw a "social portrait" of the needy, considering the internal diversity of that stratum, the assessment of their prospects for becoming one of the lowest classes in Russian society, and also the consequences of this in terms of the socioeconomic development of the country as a whole.

The starting point for analyzing this social stratum, as before, remains the question of who should be seen as belonging to the low-income strata. Methodologically, when designating social strata according to level of well-being, it is possible to use various criteria, such as income, possessions, sphere of consumption, and so on. The approach used in the present was based on singling out strata that differ according to specifics in the consumption sphere, since these chances, on the one hand, determine differences in lifestyles, and, on the other hand, because of different possibilities for growing human capital, these chances predetermine life prospects in the production sphere. Naturally, such models cannot be seen as an analogue of class structures because they are ordinary, one-dimensional stratifications that are constructed in the framework of gradational approaches. However, they are more effective than models based on divisions according to income levels because they make it possible to single out groups that really do differ in levels of well-being, considering both the current level and the level that has been built up over many years, and also the character and level of consumption.

Taking into account all these considerations, in this study we used a

special standard of living index (SLI) that we developed in collaboration with N.M. Davydova and I.P. Popova [3]. Based on the SLI figures, we put together a corresponding scale of vertical stratification. Its basis was a hypothesis that under the conditions of deep-seated social differentiation (average wages in February 2009 were equivalent to US\$500,³ and the decile coefficient in 2007 was 16.8⁴) any examination of the real standard of living must include an assessment of not only well-being but also deprivation levels—that is, the experience of deprivation. Thus, the starting hypothesis for constructing the SLI was the proposition that the differentiation of the Russian population is manifested not only in what a family has but also in what it does not have. Moreover, among the population that does not experience any real deprivation the features of well-being should include not only possessions but also access to services, inasmuch as one segment of a population that finds itself on the exact same level of material well-being will convert its resources first and foremost into components of its environment that relate to possessions, while another segment may channel its resources into the consumption of services, leisure, and recreation. Accordingly, in the course of calculating the SLI, groups of indicators were used, such as the respondents' subjective assessments of: (1) the most significant forms of deprivation; (2) level of ownership of possessions; (3) real estate; (4) the quality of housing conditions; (5) savings; (6) the ability to use fee-based services; and (7) leisure opportunities that involve additional expenses.

The total number of indicators considered in constructing the SLI was forty-six items, and the range of numerical values on the scale, taking into account differing numbers of points scored for the presence of various features,⁵ was from -19 to +44 points within the data sets of nationwide Russian representative surveys in different years. At first glance, the model of social stratification that was constructed on this basis did not change significantly in its contours over those years (we have written about this model in detail earlier [3, 4]). In spite of the outward similarity of the models, however, their specific indicators differed appreciably (see Table 1).

As Table 1 shows, the minimum numerical values of the model (which reflect the depth of deprivation) declined over those years, while the maximum ones rose. However, something else is much more important—the arithmetic mean and median indicators of the standard of living index rose almost twofold from 2003 to 2009. This may seem to signify such a substantial rise in well-being that neediness in the country must have declined appreciably. But is this really true?

Table 1
Basic Parameters of the Model of Social Stratification of Russian Society According to the Standard of Living Index (SLI)

Model characteristics	2003	2009
Minimum numerical SLI values	-18	-15
Maximum numerical SLI values	39	44
Arithmetic mean SLI values	5.53	9.33
Median SLI values	5	9
Modal SLI values	5	5

Naturally, in the case of a scale with such a large number of indicators, for the purpose of further analysis it is necessary to consolidate the indicators, singling out the social strata that are characterized by a standard of living and life chances that are more or less similar in quality. This task was accomplished in the CHAID subprogram of the SPSS program in the course of analyzing the distribution of answers to seven control questions (on the respondents' self-assessment of their material condition and social status, their satisfaction with their place in society and their material condition and life as a whole, the ratio of their income to the level of the regional median, and whether they won or lost as a result of the reforms). As a result, we singled out ten basic strata of Russian society whose representatives are included in the representative surveys, and one other stratum consisting of elite and subelite groups that are not included in the mass surveys.

Survey data of the Institute of Sociology of the Russian Academy of Sciences⁶ shows that the years 2003 through 2009 were marked by appreciable growth (more than 10 percent of the population as a whole) of the medium-well-off and well-off segments, along with a similar reduction in the number of poor, and, moreover, with the biggest jump in this regard in 2008, the most prosperous year in the period after the reforms (see Table 2). At the same time, the proportion of the low-income population hardly changed at all—in 2003 it was 40 percent, and in 2009, 37 percent. At first glance, it seemed that a "transfer" of a some of the poor into the low-income segment was occurring, and a transfer of a portion of the low-income population into the medium-well-off segment. As a result, in 2009, Stratum 5, which straddles the boundary between the needy and the medium-well off, began to consist largely

Table 2
Size of the Basic Segments and Strata of Russian Society, Designated by the Standard of Living Criterion (% of the population as a whole)

Segments, strata	2003	2005	2008	2009
<i>Poor segments</i>	21	16	16	8
Lowest (Stratum 1)	8	6	6	3
Actually poor (Stratum 2)	13	10	10	5
<i>Low-income segments</i>	40	42	39	37
Teetering on the brink of poverty (Stratum 3)	13	13	11	10
Actually low-income (Stratum 4)	27	29	28	27
<i>Medium-well-off segments</i>	33	36	37	43
Stratum 5	16	16	17	19
Stratum 6	6	7	6	8
Stratum 7	7	8	8	9
Stratum 8	4	5	5	7
<i>Well-off segments</i>	6	6	8	12
Well-off (Stratum 9)	4	5	6	9
Wealthy (Stratum 10)	2	1	2	3
Elite and subelite (Stratum 11)*	—	—	—	—

*Representatives of this stratum are not included in the mass surveys, and for this reason they are not shown in the table. Also understated in it is the size of Stratum 10 is also understated, and for the most part was left out of the mass surveys.

of those who had only recently "extracted themselves" from the state of neediness and did not have the same "margin of safety" as did those in households that are firmly established as members of the relatively well-off segments. We will revisit this conclusion when we analyze the composition of the various strata and the consequences that the economic crisis has had on them.

Taking account of the characteristics of consumption standards and life chances of the representatives of the various strata, we examine the specific nature of the latter as well as the lifestyle and standard of living of the low-income segments. Over all of the past few years, the latter have consisted of two segments, Stratum 3 and Stratum 4, which, while they are quite similar to each other, also have several differences. For example, Stratum 3 is intermediate in nature, and it includes Russians who are teetering on the brink of poverty. During the prosperous years

prior to the crisis the most characteristic tendency was that this stratum included the formerly poor, and to a large extent the chronically poor, who had sometimes been so for several years. A characteristic feature of Stratum 3 compared to the two lower strata is not so much its standard of living (which according to many features could be characterized as poverty) as it is a weaker form of poverty. Its representatives have not yet become lumpenized, and (from the standpoint of employment, social contacts, etc.) they lead the same lifestyles as their better-off fellow citizens, which makes it easier for them, if conditions are favorable, to move into segments characterized by a higher standard of living. Furthermore, its representatives still hardly ever rise up from the needy segment, and for them the "path upward" means nothing more than a move into Stratum 4, while the path downward means "a slide" into the poor segment (concerning the characteristics of the life trajectories of the various types of poor people according to data from many years of observations of a panel of households [5, 6]). Therefore, of most interest from the standpoint of the future fate of the low-income segments is Stratum 4 of the "classic" needy, and also Stratum 5, whose portrait in 2009 shows what can happen to today's needy in the event that vigorous economic growth suddenly begins again after the crisis ends.⁷

For all of the past few years, the standard of living of Stratum 4 has been modal for a Russian society in which neediness has long since become the norm in the life of the population. And it also sets the standard of consumption, which Russians take to be the minimally acceptable subsistence minimum. Life below this standard gives rise to active dissatisfaction, while life above it creates a feeling of relative well-being. At the same time, the standard is so modest that you could not call it anything but neediness. We will illustrate this using several characteristics that make it possible to have a better understanding of the portrait of each of the two strata that are included in this social segment, and the reasons for identifying them as needy, on the one hand, and contrasting them with the other segments of the population, on the other hand. We start with incomes (see Table 3).

As we can see, both the average monthly per capita incomes and the average monthly individual incomes in households belonging to Stratum 1 and Stratum 2 (i.e., the poor segments of the population) are very similar to each other, and the same is true of the median incomes. Moreover, in both strata they are higher than 60 percent of the median income level, which in February 2009 was 6,000 rubles, and they lag

Table 3

Monthly Incomes Per Family Member in the Different Strata (rubles)

Average per capita monthly income in household	Strata									
	1	2	3	4	5	6	7	8	9	10
Average	5,046	4,788	5,869	6,014	6,994	8,203	9,712	11,786	14,067	18,040
Median	4,500	4,500	5,000	5,000	6,000	7,000	8,550	9,000	12,000	18,750
	Individual monthly income (wage or salary, pension, income from business, stipend, and so on)									
Average	5,563	6,040	7,438	7,686	9,887	12,287	12,960	14,748	17,721	18,575
Median	4,700	5,000	6,100	6,275	8,000	10,000	11,750	11,000	17,000	17,000

considerably behind the arithmetic mean for the population as a whole that was included in mass survey samples (8,080 rubles⁹). Taking into account the depth of deprivation in these two strata, this means that the so-called relative approach to poverty that is used for purposes of social policy in many developed countries (whereby the poverty line is not the cost of a particular "basket" of goods and services but rather 50 percent, or, in less developed countries, 60 percent, of the median incomes for the country's population) does not work in Russia, owing to the very low level of that median.

Also very similar to each other in terms of current income indicators (arithmetic mean and median incomes) are both groups, which can be unquestionably assigned to the low-income segments of the stratum. At the same time, Stratum 5, which is subject to debate and consists, at first glance, of people who have "come out" of the condition of neediness in the past few years, stands completely apart in terms of the indicators of both median and arithmetic mean incomes. It is followed by three medium-well-off strata in which the individual median incomes are more similar than the average per capita median incomes. This means that differences in the standard of living in these strata are influenced not so much by the specifics of the condition of their representatives in society as a whole and especially in the labor market, as by the situation of the dependency load in their households. Thus, while they apparently belong, for the most part, to one class, they differ in terms of life chances as a function of factors that by their nature are unrelated to class. At the same time, even in Stratum 10, it is very much stretching the point to see it as belonging to the upper segments because even though the median average per capita and individual incomes in it exceed the national figures more than twofold (this boundary is generally used in the Anglo-Saxon tradition to delineate the upper segments, starting with the upper middle class), the individual arithmetic mean incomes in it fall slightly "short" of doubled arithmetic mean incomes.

We now look at what has changed in the condition of the low-income segments under the crisis conditions. Even though the average per capita monthly incomes in the two lowest strata have been and remain very low (see Figure 1), they nevertheless rose (as a result of the high percentage of retired people among them, whose pensions rose during that period as well). Incomes also rose (again, largely owing to the inclusion of retired people) in Stratum 3, so that its current incomes became almost equal to Stratum 4. However, in Stratum 4, which makes up a

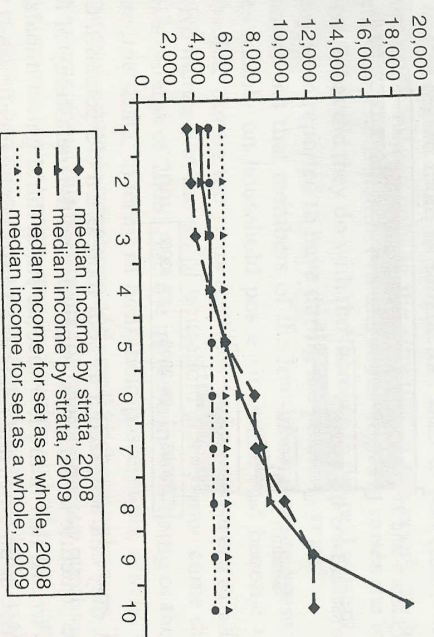
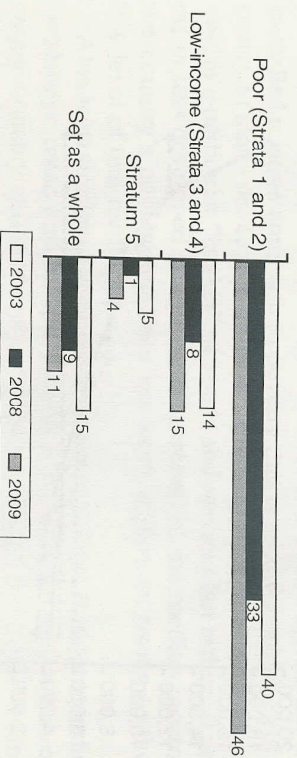


Figure 1. Median Per Capita Incomes of Various Strata of Russian Society (self-assessment, in rubles)

major portion of the needy, median incomes remained at the 2008 level (5,000 rubles). Average per capita incomes in it also remained virtually unchanged: in 2008—5,963 rubles, and in 2009—6,014 rubles. The situation also looks unfavorable in Stratum 5, which reveals an absolutely identical picture: considering price increases, absolute indicators have actually decreased. The situation also looks unfavorable in Strata 6–9, although these strata have an accumulated safety margin that Strata 4–5 lack. According to results of the first few months of the crisis, the latter strata ended up objectively in the worst position from the standpoint of income dynamics.

This dynamic was reflected in their quality of nutrition (see Figure 2). A majority of the poor population rate their nutrition as poor. At the same time, 60 percent said their nutrition worsened after the economic crisis began. For the needy, the latter indicator was 38 percent, compared to 23 percent in Stratum 5. The picture looked better in regard to satisfaction with the situation. For those in the low-income strata, in contrast to the poor, economizing on food, nonetheless, reflects their ability to feed themselves the necessary amount of food, even though, in many cases, the structure of their diet worsened during the crisis period. As a result, in 2008 those in the low-income strata rated their nutrition as good almost four times more frequently than they rated it as poor; in 2009, on the

Figure 2. Proportion of Respondents Who Rated Their Nutrition as Poor in the Different Social Groups (%)



other hand, they characterized it as poor more often (15 percent). Considering the structure of Russians' expenses and the inelasticity of food prices, this means that in the low-income strata the slightest imbalance between a rise in incomes and rising food costs automatically leads to a worsening of their ability to provide themselves with normal nutrition. It is no accident that, when discussing the specific forms in which the negative consequences of the crisis impacted them, both the low-income strata and the poor, in 61 percent of cases, said that they had suffered first and foremost because of significant price increases. From Stratum 8 upward, this aspect of the crisis was mentioned by fewer than half of the members of the stratum.

The low-income strata are also heavily impacted by the situation with access to essential medical assistance. And while they differ fundamentally in this regard from the poor, among whom 79 percent were unable to obtain needed medical assistance (from operations to purchasing medicine), for the needy this figure was exactly half, in contrast to the better-off Strata 5–8, where two-thirds were able to obtain the assistance they needed.

This characterization of the dynamics of various aspects of the lives of the low-income strata, regarding the characteristics of their current expenses, could also be extended in a discussion of the clothing situation, children's expenses, and so on, but the main conclusion would not change as a result. The years of economic growth actually led to a reduction in numbers of the poor segments and, to a smaller extent, numbers of the low-income segments. Nonetheless, even the short-term worsening of their situation turned out to be enough to require very serious economizing

even on such vitally important needs as spending on food and medicine. And although it is possible to characterize the picture of the low-income strata in this regard more as satisfactory than as bad (the latter aspect most definitely relates only to the situation of the poor), such a small degree of household stability in this social segment raises the following question: What did they do with the increase in the real current incomes that they were reported to have during the precrisis years?

It turned out that members of the low-income strata spent their resources mainly on household possessions that had become worn out and obsolete during the years that they had no money at all. The most intensive increase in the set of household possessions came during the precrisis months of 2008. And the increase in well-being of those in the low-income strata, in terms of household possessions, related basically to two items, a mobile telephone and small kitchen appliances. This does not, of course, mean that these were the only items they purchased; much activity among the segments involved replacing and renovating certain items that they had already owned earlier, since as far back as the Soviet era, which, as a rule, had "outlived their usefulness," such as a television, refrigerator, vacuum, or washing machine (see Table 4).

It is obvious that, even during the period of successful economic conditions in Russia in 2003–9, in the two lower strata the potential in terms of possessions underwent degradation: on the one hand, there were fewer poor people in that period, while on the other hand, the poor became even poorer. Washing machines disappeared from the set of possessions that characterize most of those in Stratum 1 (and it must be understood, moreover, that in the lower strata we are referring to Soviet-made, semiautomatic washing machines such as Evrika, which become completely worthless in time). Any reasonably decent furniture of any kind disappeared from the set of possessions owned by Strata 2 and 1, because that questionnaire item referred to any sets of upholstered furniture, wall units, cabinets and wardrobes, or kitchen furniture, even of the cheapest kind.

Strata 3–5 were characterized by a virtually unchanged set of household possessions, which, in the six years, only increased by the addition of a mobile telephone, cheap models of which those in Strata 1 and 2 are still unable to afford. Moreover, in Stratum 4, in addition to a mobile telephone that was already included in its set of possessions in 2008, some kind of small kitchen appliance was also added literally in the final precrisis year. Furthermore, many purchased microwave ovens, toasters,

Table 4

Possession of Durable Goods Owned by Representatives of the Different Strata (2009)

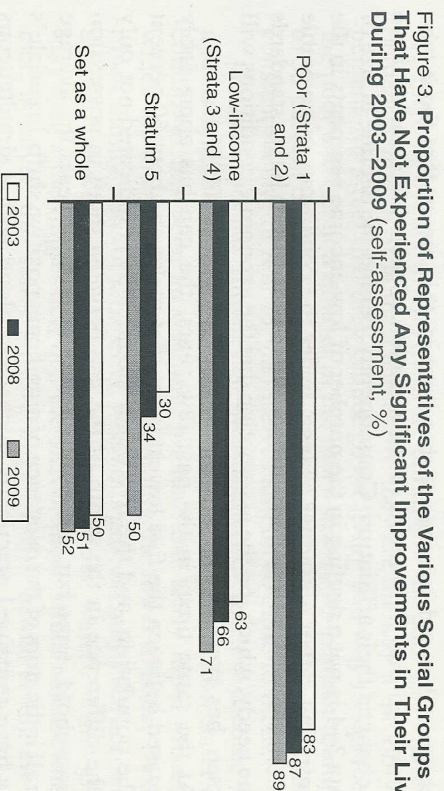
Kind of durable good	1	2	3	4	5	6	7	8	9	10
Color TV	+	+	+	+	+	+	+	+	+	+
Refrigerator	+	+	+	+	+	+	+	+	+	+
Rug, carpet	+	+	+	+	+	+	+	+	+	+
Washing machine (any type)	0	+	+	+	+	+	+	+	+	+
Vacuum cleaner	0	+	+	+	+	+	+	+	+	+
Set of furniture (including kitchen furniture, wall unit, upholstered furniture, wardrobe and cabinet)	0	0	+	+	+	+	+	+	+	+
Videocassette recorder	0	0	0	0	0	+	+	+	+	+
Mobile telephone	0	0	X	X	X	X	X	X	+	+
Microwave oven, food processor, grill, toaster, and other kinds of household appliances	0	0	0	X	+	+	+	+	+	+
Electric drill, electric or gas powered saw, other tools	0	0	0	0	+	+	+	+	+	+
Music center	0	0	0	0	0	X	+	+	+	0
Russian made car	0	0	0	0	0	X	+	+	0	+
Computer	0	0	0	0	0	X	X	+	+	+
Video camera, digital camera	0	0	0	0	0	0	X	X	X	+
Foreign made car	0	0	0	0	0	0	0	0	X	+
Air conditioner	0	0	0	0	0	0	0	0	0	X
Home movie theater	0	0	0	0	0	0	0	0	0	X
Dishwasher	0	0	0	0	0	0	0	0	0	X
Satellite antenna	0	0	0	0	0	0	0	0	0	X
Imported fitness equipment	0	0	0	0	0	0	0	0	0	—

Note: A “+” indicates the presence and “0” the absence of the corresponding type of durable item in the set of possessions of more than 50 percent of representatives in the given stratum. A “0” shown in bold font means that the corresponding durable item disappeared from the standard of possessions of that stratum during 2003–9, while an “X” shown in bold font means that the item appeared in it.

and so on, on credit, and one out of seven of those purchasing them in the past year is still paying off that credit debt under the conditions of the crisis. Another thing that draws our attention is that the videocassette recorder has disappeared from the set of possessions in Stratum 5. This is yet another graphic piece of evidence that the present composition of that stratum consists mainly of former members of Strata 3–4, who simply never had a videocassette recorder. These days, moreover, a videocassette recorder is no longer a popular item for purchase, so that increased household possessions in that stratum were accounted for by other durable goods.

Although a certain portion of former representatives of the low-income strata moved into Stratum 5, the actual gap between them and Stratum 6, from which level the upper 40 percent of the well-off population began in 2009, did not shrink but widened because the standard of possessions in the well-off population segments changed much more than in the low-income segments. Based on this feature, Stratum 5 can now be viewed as the most successful portion of the low-income strata, but not as a portion of the well-off population.

Looking at this picture and considering the well-known tendency for consumer behavior practices to “trickle down” from the top to the bottom of the stratification ladder, it is possible not only to get an idea of how, in time, the lives of Russians will look from the standpoint of the component of their “possessions” but also to understand where the lines of separation are: (1) the extremely successful portion who are able to fully enjoy all of the benefits resulting from the reforms that have produced an abundance in the goods markets; (2) the relatively well-off portion who are not only able to maintain but also to expand their set of durable goods and thus enable themselves to engage in what is called “style consumption”; (3) the low-income population that, for the most part, is able to maintain a set of customary household possessions, but expanding that set is a difficult problem for them to solve; and (4) the rapidly lumpening portion of the population that is being transformed from the segment of those who are “income poor” into the “social lower orders” of the cities and villages, with all of the ensuing consequences. This latter concern also compels us to think that the state of mass neediness in Russia is not so much a consequence of transformation processes as a reflection of the formation process of an “upper lower” class, which will exist in Russian society along with an underclass into which the Russian poor are being increasingly transformed. Therefore, from the standpoint of the model



of the social structure that is forming, Russia will start to resemble the United States more than Western Europe.

In this connection it is also worth noting that while the low-income strata differ from the poor, first and foremost as a function of their ability to provide themselves with adequate nutrition, to maintain a particular standard of possession ownership at home, and even, under certain conditions, to raise that standard by acquiring relatively affordable possessions, they differ from the better-off Russians as a function of their inability to achieve any kind of significant improvements in their lives. In the past three years most them have not experienced any improvements in their lives at all, such as an increased level of well-being, improved housing conditions, pay raises, higher educational levels, ownership of costly acquisitions, and travel abroad. And, as I indicated earlier [4], these things constitute the key characteristics, which might be called the “line of separation,” that divide the well-off segments of the strata from the low-income segments.

As Figure 3 shows, in both the low-income and poor segments, the proportion of those who have been unable to provide themselves with any serious positive changes in their lives, increased even during the period of rapid economic growth. Moreover, in 2009, the inability to provide themselves with these things also began to characterize Stratum 5, which, in this regard, was formerly very close to the country’s better-off population. Considering what was discussed earlier concerning the change

in composition and incomes of that stratum, this means that those who have moved into it, in terms of the situation of their life chances, have not changed their affiliation. Consequently, behind the decline in size of Strata 3–4 is not a decline in the number of low-income segments in the country but rather a gradual change, under the conditions of favorable economic development, in the consumer and possessions living standards of the needy, which, on the assumption that the economic conditions will worsen, has every chance of worsening again just as rapidly.

At the same time, in the past few years, the gap has appreciably increased between the five lowest strata that make up about 60 percent of the population, and the five upper strata. This is indicated not only by the difference in the width of the gap between them in possession of household items but also by the fact that in those years the average overall indicators of the existence of significant positive shifts in people's lives have remained practically unchanged along with a simultaneous increase in distress in this regard among the representatives of the five lower strata.

Thus, behind what appears at first glance to be a completely favorable picture of an increase in size of the well-off and medium-well-off population, there is a real widening of the gap between the relatively well-off population, on the one hand, and the needy and the poor, on the other hand. For these segments, the renovation and even the addition of "trivial" household possessions during the period of relative prosperity preceding the economic crisis resulted in their having no safety margin by the time the crisis was under way; it is understandable that 84 percent of those in the low-income segments have no savings or investments, and that 26 percent of them have various debts, and of these, 10 percent owe money to banks for consumer credit. Moreover, considering that their current income has experienced a relative decline, this means that in the course of the crisis the current consumption of these segments will shrink substantially, and if the crisis drags on longer they will also begin to experience an increase in various kinds of manifestations of deprivation, which will gradually also cause a portion of them to end up in the lower two strata.

This is well understood by those in Strata 3–4, whose sociopsychological state is very difficult as a result, in contrast to those in Stratum 5, who did not fully realize the danger posed to them by the onset of the economic crisis. As a result, half of those in Strata 3–4 constantly feel

that ongoing events around them are unfair (for the poor this figure is 61 percent, while in Stratum 5 and above they are already a minority); 37 percent often feel that they cannot go on living this way (51 percent of the poor and about a quarter in the other strata); 45 percent (compared to 53 percent of the poor and about a quarter in the other strata) have a constant feeling of fear for themselves and those close to them.

Our analysis has shown that the situation of the low-income strata and its dynamics in the five years of economic growth and under crisis conditions has been an ongoing, gradual, but fairly rapid process by which the low-income strata are becoming the lower classes. There are times, during years of prosperity, when this process may even accompany a rise in the well-being of the low-income strata, which, at first glance, may create the impression that the size of those strata has declined. In fact, however, this fairly small change in their actual living environment, which, at times, has also been the result of an increase in their credit burden, does not create for them any qualitatively new chances of significant improvement in their lives or a move into segments that are characterized by a different standard of living and lifestyle.

Even during the period of economic growth, the life chances of the lower six deciles of Russians declined in relative terms, and the gap between them and the well-off segments of the population widened. Under the conditions of the economic crisis, moreover, we can expect a further widening of that gap. This compels us to rate the prospects of the low-income strata in Russia as extremely deplorable in the near term, the medium term, and the long-range future. What makes their situation today as well as their future fate so strikingly different from the situation in the better-off segments? And who are these tens of millions of people who were so "spellbound" that they were unable to create any kind of "safety cushion" for themselves during the period of economic growth, so that during the period of economic decline they suffer earlier and more seriously than other people? And is there any possibility of changing their situation? These questions will be addressed in the following article.

Notes

1. The monetary income deficit of the low-income population, according to the data of the Federal State Statistics Service (FSSGS) of the Russian Federation, fell from 5 percent in 2000 to 1.3 percent in 2007, while the number of poor declined ap-

proximately twofold; see www.gks.ru/bgd/regl/b08_11/lssWWW.exe/Stg/d01/07-01/h.htm. This means that the poverty level of a major portion of Russian poor, seen as such by the FSGS of the Russian Federation, is relatively low. At the same time, of course, the fact that about a quarter of a million people moved of poverty in the period starting in 2000 (as calculated by the author based on www.gks.ru/bgd/regl/b08_11/lssWWW.exe/Stg/d01/07-01/h.htm) does not mean that they ended up in the well-off segments; it only signifies that they moved into the condition of low-income neediness, with the risk of sliding again into poverty with the advent of the first serious problems in the country's economy or in their own lives.

2. Statistically, out of dozens of controlled variables the most significant ones in terms of people's self-assessment of their status in society are: self-assessment of their level of material security (Pearson's coefficient in 2008 was 0.516) and satisfaction with their material condition (Pearson's coefficient 0.490).

3. See the official Web site of the FSGS of the Russian Federation, www.gks.ru/wages/wag_06.htm. All of the amounts paid to workers in both monetary and nonmonetary forms have been included.

4. See www.gks.ru/bgd/regl/b08_11/lssWWW.exe/Stg/d01/07-01/h.htm.

5. Depending on whether the corresponding indicators were of a "threshold" character for the various segments, the point scores assigned to them ranged from -3 to +4 for the presence of the corresponding indicator.

6. This refers to the surveys: "The Rich and the Poor in Today's Russia" (Institute for Comprehensive Social Research, Russian Academy of Sciences, 2003); "Property Ownership in the Lives of Russians" (Institute of Sociology, Russian Academy of Sciences [IS RAN], 2005); and "Social Inequality from the Sociological Perspective" (IS RAN, 2006). In all of these national surveys, which were representative of the country's population broken down by gender, age, type of community, and region of residence, the sample was of a multistage quota character, and the sample size ranged from 1,506 to 2,106. The data for 2008 and 2009 are based on the results of the following national surveys carried out by IS RAN: "The Low-Income Strata in Russia: Who Are They? How Do They Live? What Do They Strive For?" and "Everyday Life in Russia Under the Conditions of the Crisis," with samples of 1,751 and 1,749 people, respectively.

7. Although such a scenario is not very likely, it is useful to examine it as well, because it allows us to gain a better understanding of the boundaries of possible positive changes in Russian society in the medium-term future.

8. These indicators should actually be higher not only because the public is inclined to understate their income levels in the course of surveys but also because the highest-paid and highest-income portions of the population simply is not included in the samples of mass surveys. For example, the highest individual income reported by the respondents in the 2009 block was only 7,000 rubles. However, this circumstance affects the indicators of the arithmetic mean incomes more than it does the median incomes.

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