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N.E. TIKHONOVA AND E.D. SLOBODENIUK

## **The Heterogeneous Character of Russian Poverty Through the Prism of the “Deprivation” and the “Absolute” Approaches**

*The article proposes a new approach to the analysis of poverty. Along with the criterion of poverty that is linked to people’s incomes the authors propose to include criteria based on the analysis of people’s deprivations. Formally their incomes may be higher than the subsistence minimum, but their actual situation in life may put them in a difficult position. The new approach to the problem of poverty dictates the need to change the priorities of state social policy.*

At first glance, the poverty situation in Russia has improved considerably in recent years. In any case, this is the conclusion arrived at through analyzing the dynamics of data reflecting the percentage of poor in the country’s population. According to Rosstat data, from 2000 through 2012 the number of poor fell from 42.3 million to 15.6 million people; their proportion in the

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Translated by Kim Braithwaite.

country's population fell from 29.0 percent to 11.0 percent, and their monetary income shortfall declined more than fivefold, from 5.0 percent to 1.0 percent of the population's total monetary incomes (see [www.gks.ru/free\\_doc/new\\_site/population/urov/urov\\_51g.htm](http://www.gks.ru/free_doc/new_site/population/urov/urov_51g.htm)). At the same time, using sociological data on the numbers of poor, the picture no longer looks as rosy, even though it remains fairly optimistic overall.

First, the percentage of poor in Russia remains considerably higher than is indicated by the Rosstat data (Karabchuk, Pashinova, and Soboleva, 2013; Tikhonova 2011). Second, and most important, the problem is not merely the numbers of poor, but what these poor represent, who ends up in poverty and why, how they actually live, and how their poverty may affect not only them but also the rest of society. The answers to these questions are far from clear-cut, as they apply to the conditions of Russia. And this is not surprising: in terms of structure, poverty in Russia is much more complex than it is in the overwhelming majority of other countries, and any portrait of it depends strongly on the choice of the particular theoretical and methodological approach to the analysis. We will attempt to sketch this portrait, if only in the most general traits.

### **The influence of the choice of methodology for delineating the poor on the dynamic of their numbers in Russian society**

In science there are two main approaches to the analysis of poverty: the absolute approach and the relative approach. The absolute approach is used primarily by economists, who view the poor as a segment in need of assistance, so that what is necessary first and foremost is to assess their material resources, income shortfall, the financial outlays needed to help them, and so on. The relative approach, on the other hand (in its classic deprivation-based or conventional monetary version), is more widely used among sociologists, who view the poor as independent actors, so that it is, accordingly, necessary to understand not only the specific nature of their position but also the spectrum of possible strategies ensuing from it for their own actions as well as the possible effect of these actions on the life of society as a whole. This is why, from the perspective of the science of sociology, in contrast to the science of economics, the poor are not those with incomes lower than some calculated amount, but those who live poor lives. There may be different reasons why the groups of poor that have been delineated according to these interpretations do not coincide. For example, a very low standard of living in cases where incomes are, formally, higher than the subsistence minimum, may stem from the specific character of a

household's expenditures (e.g., the household may include a member who is seriously ill and thus a lot of money must be spent on medicine), the presence of a narcotics abuser or alcoholic in the family, the high cost of living in a particular city or community, and so on.<sup>1</sup>

This is why, from the sociological perspective, the absolute approach to poverty that is used by the Federal State Statistics Service, by the overwhelming majority of Russia's economists, and even by many sociologists, is applicable to the exact extent that the approach makes it possible to delineate the poor as a real social group. But in today's Russia, is the absolute approach to poverty really able to single out those who, because of insufficient resources, are unable to satisfy even the basic needs that represent the "norm of life" for the absolute majority of the members of society? Does the approach cover the majority of the actual poor? And what are the general and specific traits of the groups that are singled out using the absolute approach to poverty ("income poverty") and the deprivation approach (the inability to maintain what society considers a minimally acceptable but nonetheless "normal" way of life—in other words, "deprivation poverty")?

To answer these questions we decided to compare the groups of poor that have been delineated on the basis of these two main theoretical and methodological approaches to poverty, using the same empirical base.<sup>2</sup> In the first (absolute) approach, we used a method of delineating the poor that calls for comparing aggregate household incomes in different regions with the aggregate subsistence minimum (SM), calculated for each separate household based on the household's composition (able-bodied members, children, and pensioners)—the subsistence having been established in each of the regions in question in the relevant year. The aggregate income was calculated by totaling all monetary incomes in the household (wages, various kinds of transfers, help from other households, etc.) that were received in the space of a month. In this case, the poor were delineated separately within each region. Their number then included members of households in which the aggregate income turned out to be smaller than the aggregate subsistence minimum for households of the corresponding composition in the given region.

Of course data obtained in this way are not an ideal base for calculations: respondents tend to understate their incomes, and the Russian Longitudinal Monitoring Survey (RLMS) base itself does not include, similar to all sociological surveys, the top 5 percent of the population, and in fact the next 15–20 percent of the most prosperous population is represented in it in a smaller proportion than in the country's population as a whole, and this affects the assessments based on it of the percentage of poor in the

population. It is possible, of course, to partially adjust for these deficiencies by reweighting the starting data, taking into account the respondents' expenditures, and so on, and for some research tasks these methods are used quite actively. As a result, because of the characteristics of the methods used, different research groups working with the exact same RLMS base arrive at different numbers of poor as delineated by the absolute approach.<sup>3</sup> However, it is still not possible to obtain "absolutely correct" data: the method by which bodies of state authority establish the subsistence minimum allows for a certain variability that can strongly influence the percentage of poor in each separate region.<sup>4</sup> As a result, any data that are obtained will always be provisional to some extent and will only permit researchers to speak of rough figures and tendencies that characterize poverty in Russia.

This is why we decided against using the respondents' expenditures as the basis for the calculation when delineating the poor in the context of the absolute approach, and instead we used self-assessments of their incomes without reweighting anything. This decision was also influenced in part by the fact that a certain proportion of the poor have savings, which distorts the picture of their expenditures. However, the chief argument in favor of this specific methodology was that, since we are examining not the percentage of the population that has a claim to receiving state assistance, and the necessary amount of that assistance, but instead the essential nature and features of the way the phenomenon of poverty is manifested in Russia, it was especially important for us to take into account people's self-perceptions of the amount of their incomes, which directly influences their self-awareness and sense of identity, and, ultimately, also their "social actions"—that is, the main factors of interest to sociologists.

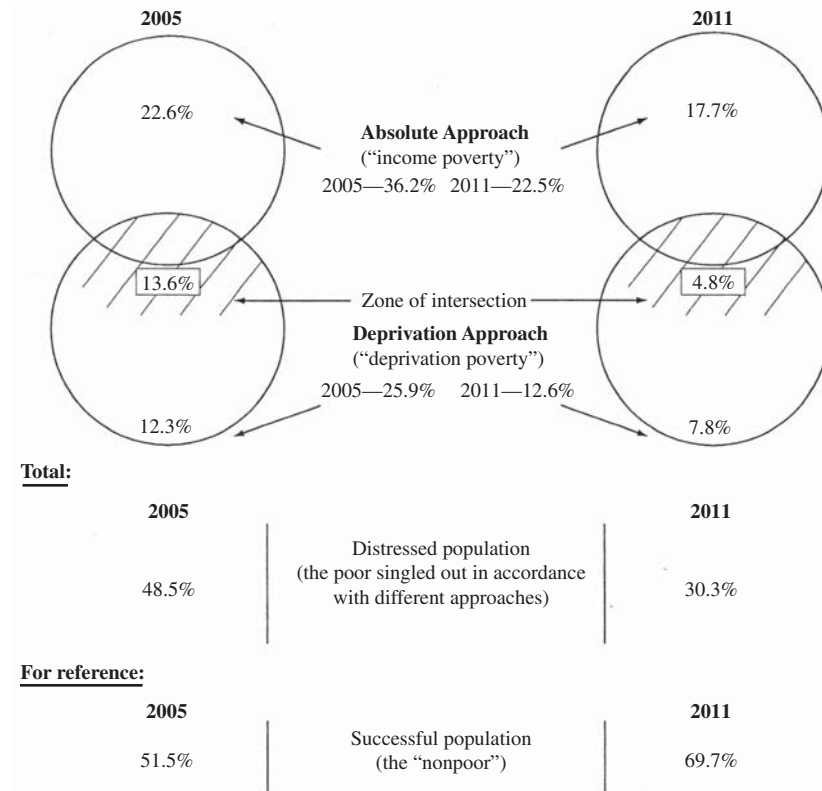
In the context of the deprivation approach, we viewed the poor as those for whom poverty was manifested in the specific manner of their lives (the "poor" way of life). Methodologically, this meant that the poor included people who experienced at least five kinds of deprivations (i.e., multidimensional deprivation) in satisfying their basic physiological and social needs. The indicators of deprivations were selected taking into account Russians' perceptions of the signs of poverty (see *Bednost'*, 1998; *Rossiiia*, 2004; Tikhonova 2003) and the possibilities of the set of RLMS survey instruments for the period 2005–11. Nine groups of deprivations were selected, consisting of a combination of seventeen indicators.<sup>5</sup> They included:

- *the inability to afford a normal diet* (the family does not buy meat and fish or products made from them, or fruit and berries);

- the inability to buy new clothing;
- the inability to buy basic necessities;
- *an extremely poor set of durable goods* in the place of residence (the lack of even a color television, which, given the narrow range of leisure-time activities of the poor, is an especially vital possession—and according to the RLMS data for 2011, 98.2 percent of households in Russia have a television among their possessions—in other words, the lack of a television is a very definite sign of deprivation), as is the inability to acquire any new durable goods at all;
- the inability to pay for any forms of classes and activities for children;
- the lack of opportunity to obtain essential medical services, medications, and goods;
- *the lack of normal housing conditions* (the lack of a dwelling and/or the presence of less than twelve square meters of living space per person, which is the threshold above which the percentage of those who rate their housing conditions as poor ceases to exceed the number of those who rate their conditions as good);
- *the lack of access to good quality jobs*—in other words working in jobs where low pay goes together with a lack of the basic social guarantees prescribed by the laws of the Russian Federation (paid leave, sick leave, maternity leave, etc.);
- *the lack of a normal sense of sociopsychological well-being* as a result of being chronically beset by difficult emotions (feelings of having no rights at all and being helpless, along with a sense of being unable to change the situation, and also the sense that one's household is in a state of destitution).<sup>6</sup>

As we can see, the deprivations on this list are extremely severe and show that the respondents find themselves not only in poverty but also in actual destitution (the lack of access to any animal protein and necessary medications or clothing, etc.).

Our analysis of the ratio of the poor and nonpoor populations “at the beginning” and “at the end” of the period 2005–11 shows that *in today's Russian society, poverty is several times more prevalent than the Rosstat data indicate* (see [Figure 1](#)). In addition, *the situation in which the “income poor” and the “deprivation poor” do not coincide is also quite widespread*. This means that *in Russia today we have a typical situation in which some people experience a shortage of monetary resources but still maintain a generally comfortable way of life, whereas others, whom the state does not classify as poor, actually are unable (because of their inadequate resources) to maintain the way of life that is viewed as minimally*



**Figure 1. Numbers of Poor in Russia Singled Out According to the Absolute and the Deprivation Approaches to Poverty (%).**

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2005/2011.

*acceptable by the overwhelming majority of the members of society.* For example, almost half (48.8 percent) of all those who were in poverty conditions over at least one year, as determined by one of the two main approaches during the period under consideration, could not simultaneously be classified as poor in the context of the other approach. Incidentally, this is not surprising when we consider what was stated above concerning the influence on their standard of living of a variety of different factors relating to the purchasing power of their income as well as the specifics of their expenditures. But it is surprising that the zone where the groups of poor singled out based on these approaches intersects shrank more sharply in 2005–11 than the number of poor singled out in the context of each approach separately. This means that the groups of “income poor” and



“deprivation poor” have, over time, progressively diverged from each other, so that the absolute and the deprivation approaches to poverty in today’s Russia increasingly describe different people.

Nonetheless, as Figure 1 shows, the dynamic of the size of the groups of poor as singled out using the absolute and deprivation approaches reveals similar tendencies: both groups of the poor declined in size quite substantially in 2005–11. Moreover, all of this decline of the “income poor” actually occurred in the precrisis period of 2006–8. On the other hand, if we look at the dynamic of the numbers of “deprivation poor,” the decline took place quite evenly over the entire period under examination (see Table 1).

The picture of the prevalence of poverty in Russia will not be complete unless we also mention the scale of “fluctuating” poverty, in which a person slides into poverty and then barely makes his way back up above the poverty line, and also the prevalence of the most drastic form of poverty in terms of social consequences—chronic poverty. Unfortunately, the data indicate that *more than half of the country’s population experienced frequent or lengthy poverty during 2005–11*. In any case, the dynamic of the length of time spent in poverty, according to the RLMS panel bases, reveals that in 2005–11 only 24.2 percent of the respondents in the RLMS panel had never found themselves among the poor, and another 17.3 percent had found themselves in a poverty situation for not more than one year (see Table 2); in other words, in their case it was situational poverty, and in this regard they can also be considered representative of relatively well-off strata of the Russian population. Considering the specific character of the RLMS sample, we suggest that the figure of 41.5 percent that results from adding these two groups together should actually be about seven to eight percentage points larger. The rest—the majority of the population—however, in no case could be classified as part of the nonpoor population in terms of their condition in 2011, although the extent of their poverty would, at the same time, differ significantly.

Table 1

**Dynamic of the Proportion of Poor Singled Out According to the Absolute and Deprivation Approaches to Poverty (%)**

Groups	2005	2006	2007	2008	2009	2010	2011
The “income poor”	36.2	33.7	33.2	24.5	26.2	25.4	22.5
The “deprivation poor”	25.9	22.7	19.9	17.4	16.5	14.8	12.6

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2005–11.

Table 2

**Size of Groups Characterized by Differing Experience of Being in Poverty (%)**

The “Income Poor”	The “deprivation poor”				Total
	Never in poverty (nonpoor population)	Situational poverty (poor for one year)	Zone of risk for chronic poverty (poor for two–three years)	Chronic poverty (poor for four or more years) <sup>a</sup>	
Never in poverty	24.2	5.8	5.3	2.5	37.9
Situational poverty (poor for one year)	8.6	2.8	2.9	1.5	15.9
Zone of risk for chronic poverty (poor for two–three years)	8.3	4.9	4.6	2.5	20.3
Lengthy, chronic poverty (poor for four or more years)	6.4	5.0	7.2	7.2	26.0
Total	47.5	18.7	20.1	13.7	100.0

*Source:* Data taken from the Russian Longitudinal Monitoring Survey, 2005–11.

*Notes:* Only respondents who were present in all RLMS bases in the corresponding period were examined.

<sup>a</sup>The minimum figure of four years out of the seven that were examined was chosen, to the extent it meant that for a considerable portion of the time period analyzed the person was in poverty, and this was his typical condition, the norm of his life.

Still, which poses the more dangerous risk of ending up among the chronically poor—“income poverty” or “deprivation poverty?” After all, from the sociological theory perspective, any real group has its own “nucleus” that graphically manifests the specific character of the group overall; but we are interested in the poor primarily as a particular social group in the structure of today’s Russian society. And for this kind of poor, the “nucleus” consists of people in chronic poverty, in particular, those among them characterized by the most severe forms of a combination of multidimensional deprivation, on the one hand, and a deficiency of current income, on the other. Among the RLMS respondents the respective figures were 6.9 percent<sup>7</sup> and 7.2 percent.<sup>8</sup> Considering the aforementioned shift of this survey sample into the middle and lower population strata, this means figures on the order of 13–14 percent and 5 percent of the population.

The analysis showed that, statistically, the amount of time spent in the latter group of stagnant poverty—the most difficult situation—is linked

more closely to membership in the “deprivation poor” than the “income poor.” Furthermore, as Table 2 shows, more than half of the chronically “deprivation poor” ended up in stagnant poverty, whereas only about a quarter of the chronically “income poor” did so. This means that *it is the “deprivation poor” who will, to an ever increasing extent, define the actual portrait of Russian poverty through the years.* On the other hand, using the absolute approach to poverty in Russia’s conditions *makes it possible to “take in” people whose current income is inadequate (which is situational or temporary) rather than those experiencing multiple years of stagnant poverty, and as the years go by this tendency grows stronger.*

When it comes to the change in the portrait of Russian poverty in general and the situation of chronic poverty in particular, it is also worth noting that in Russian society *there is an increasingly stronger tendency for poverty to become entrenched and to be represented by the chronically poor.* For example, 79.9 percent of the “2011 model” of the “income poor” had experienced poverty over the course of at least four years in the period 2005–11. Their proportion was also high among the “deprivation poor” (68.2 percent). This means that the “2011 model” of the poor, for the most part, no longer represents random or “fluctuating” poverty, as was the case at the beginning or in the middle of the 2000s but, instead, typical chronic poverty.

### **Differences in the portraits of the “income poor” and the “deprivation poor”**

But what do the “income poor” and the “deprivation poor” represent? What distinguishes them from each other? And is it reasonable to say that in regard to them, we are dealing with different segments of Russian poverty as a whole? Before answering these questions, we list the most *typical deprivations experienced by the “deprivation poor” and the “income poor.” This will give us a more accurate idea of their way of life and enable us to understand whether in both cases we are actually talking about the poor, even those who are poor in different ways.*

The “deprivation poor” for the most part (50–80 percent) are not even able to afford to buy fish and fish products, the basic necessities, fruit or berries, clothing and durable goods. In the same way, the majority have a sense of having no rights at all and of being helpless, along with a simultaneous sense of an inability to change the situation somehow, and they rate their household condition as destitute. Deprivation in the area of medical assistance is also quite widespread among them (about half

mention their lack of access to particular kinds of such assistance), and also deprivation in the sphere of housing conditions. Represented to a lesser extent, but nonetheless quite prevalent (mentioned by about 40 percent of the respondents in this group who have minor children) is the inability to provide for any forms of their children's additional development. In addition, more than a quarter of the "deprivation poor" are, in principle, unable to afford any meat products, including sausages. In 2005–11, moreover, there was a significant increase in the prevalence of deprivations such as the lack of normal housing conditions and a normal socio-psychological position, the inability to pay for additional classes and activities for their children and to buy particular food products. Thus, *in the past few years deprivations have started being "drawn closer," so to speak, to each other and have begun congregating increasingly around the same people. This is the logical consequence of the development of poverty tendencies to become entrenched and for the percentage of the chronically poor among the [overall] poor to increase.* Therefore, this group is characterized by quite severe multidimensional deprivation, and its general situation is getting worse rather than better.

When it comes to the "income poor," three kinds of deprivations are median to them, that is, in regard to them we can also speak of multidimensional deprivation, although not as widespread as among the "deprivation poor." However, only two kinds of deprivations are very widespread among them (i.e., not less than half of the group)—the inability to buy fish and fish products and the inability to pay for additional classes and activities for their children. They are also characterized, with a large gap in prevalence (from one-fifth to one-third of the group), by poor housing conditions, the inability to buy fruit and to replace durable goods and clothing, and to provide themselves with the basic necessities. The remaining types of deprivation, including lack of access to essential medical assistance, total no more than 10 percent in this group. Of course what the members of this group choose to buy first and foremost, given their current income limitations, and what they deny themselves, are conditioned by their individual family situation and personal preferences. However, the only kind of deprivation whose prevalence increased among the "income poor" in the period in question—the inability to pay for children to join special interest circles, clubs, and so on—in part reflected this group's concentration in rural areas, which have a less firmly established tradition of investing in children, and, accordingly, this item is economized on first and foremost when there is not enough money to go around.

Nonetheless, in spite of their low income, objectively this group, judging from the RLMS data, although it is *indeed in a difficult situation, the*

*situation is still not as disastrous as that of the “deprivation poor.”* Moreover, considering that the situation actually improved slightly in 2005–11 in regard to some deprivations (the inability to provide themselves with the basic necessities and the inability to buy particular food products), we can at least say that *the level of deprivation in [this group] is not rising, and is not characterized by a tendency for the concentration of deprivations in it to increase.* Moreover, the analysis shows that in and of itself even chronic “income poverty,” in contrast to “deprivation poverty” (i.e., in terms of the actual way of life), does not lead to worsening deprivation or a slide into ever deeper poverty. And in this regard, an even more dangerous picture is seen in the aforementioned tendency toward a gradual increase in the divergence between the “income poor,” who are entitled to state assistance, and the “deprivation poor,” who are not.

Speaking of the differences between them, it is also useful to note differences in the respondents’ place of residence, household size, age composition, and state of health of those in the two groups of poor under examination. For example, when it comes to the *size and composition of the households*, the households of the “income poor” are noticeably larger: on average in 2011, they consisted of 4.1 people, whereas the average “deprivation poor” household consisted of only 3.6 people. However, even among the latter the households were larger than those of the nonpoor population, which had an average size of only 3.3 people. In this connection it should be emphasized that *the relatively larger size of households is a constant feature of the poor, especially the “income poor,” a characteristic that did not change over the entire period of the observations.* This is linked in part to the method by which the latter are delineated. Similar to Rosstat during the corresponding period, we did not use coefficients of equivalency that make it possible to take account of economizing on expenditures, a practice that occurs in large households with incomes lower than the subsistence minimum.

In this regard, however, it is not just a matter of formal inaccuracies in the method of delineating the “income poor.” Analysis of the “nucleus” of the poor, that is, those in a state of chronic poverty, shows that *in principle, large households are characteristic of the poor as a special social group in Russian society.* In part, the larger household sizes of the “income poor” are due to the *especially high proportion of minors among them* (constituting 30.5 percent of the “income poor” compared to 11.1 percent of the “deprivation poor” and 18.4 percent among the nonpoor population). Moreover, *among the “income poor” the proportion of minors increased substantially during 2005–11* (by 4.0 percent), whereas among the “deprivation poor,” conversely, that proportion fell by 1.8 percent. *This reflects that in recent years in Russian society, the risk of sliding into*

*poverty when a child is born has risen.* However, a high percentage of minors is more likely to lead to falling into situational or fluctuating “income poverty” than to a stay in chronic poverty, especially “deprivation poverty.” In that case, large households are a phenomenon of an entirely different order (increasingly often such households are multigenerational and complex in terms of a household structure containing a large number of adults).

Naturally, the difference in the percentages of minors also affects the age of groups of the poor that are singled out using the two approaches in the survey: *the “income poor” are on average younger than the “deprivation poor” and the nonpoor Russians:* in 2011, judging from the RLMS data, their average age was 29.6, whereas the average age among the “deprivation poor” was 42.2, and among the nonpoor population, 40.1. The dynamic of these figures emphasizes the nonrandom character of the differences that have been detected: the average age of the “income poor” decreased in 2005–11, by 4.1 years, whereas that of the “deprivation poor” decreased by only 1.3 years.

The tendency for Russian poverty to “shift” into the younger ages is also confirmed when we analyze the age of groups that differ in terms of experiencing poverty. For example, the RLMS panel data indicate that the median age of the population that never ended up among the poor in 2005–11 was fifty-six in 2011. Those representing situational poverty were notably younger—a median of fifty. In this regard they were very similar to those in the zone of risk for chronic poverty, whose median age was also fifty. *Those in chronic poverty were even younger at a median age of only forty-four.*

Summarizing what has been said above about household sizes of those in poverty, the ages of the household members, and the proportion of minors in them, we can state that *the birth of a child, especially a second child, turns out to be a burden that is beyond the financial resources of many Russian households. For some this poses the danger of situational poverty or the threat of chronic poverty—that is, being in a state of “fluctuating poverty.” For certain others, it poses the threat of being in chronic poverty. In any case, however, in today’s Russia, the birth of a child, accompanied by an abrupt increase in the dependency load in the family, has a very strong influence on the risk of ending up among the poor, especially the “income poor.”*

Another feature that quite definitely differentiates the “income poor” from the “deprivation poor” is their *place of residence.* “Income poverty,” *is localized primarily in rural areas and urban-type settlements; “deprivation poverty,” on the other hand, is almost 60 percent concentrated in the cities* (see Figure 2), and 34.0 percent of the “deprivation poor” live in the centers of entities of the Russian Federation.

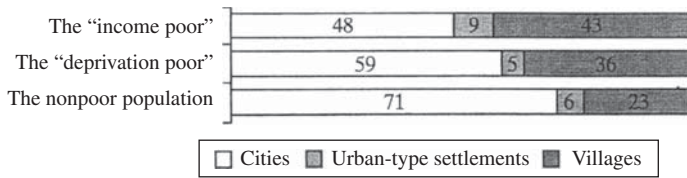


Figure 2. **The Place of Residence of Different Population Groups (%)**.

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2011.

These differences gradually deepen: in 2005, only 25.3 percent of the "deprivation poor" were living in capital cities of entities of the Russian Federation, and with the inclusion of those living in other types of cities (excluding urban-type settlements), the proportion of the urban population among them was 46.5 percent at that time versus 58.7 percent in 2011. At the same time, among the "income poor" the ratio of urban to rural residents changed in favor of the those living in the countryside.

Clearly, *the cost of living in the different types of communities and settlements in Russia is gradually becoming increasingly differentiated, and in the large cities it is increasing at such a pace that the income sizes of many of their inhabitants makes them less and less able to satisfy their basic needs*. At the same time, recall that in the statistical framework and, consequently, the framework of social policy, the subsistence minimum figures are attached only to the regions, without taking into account differences in the cost of living in different types of settlements there. This is one of the key reasons that the "deprivation poor" are becoming increasingly different from the "income poor," and an ever larger portion of the truly needy population is viewed by the state as a segment that is not entitled to state assistance.

At the same time, as we assess the prospects for the evolution of poverty in Russia, we have to note that although more than half (54.2 percent) of those in chronic poverty consist of rural residents (see Table 3), about a third of the chronic poor are nonetheless city residents, including major cities, and *the danger of urban poverty must not be underestimated*. First, in the cities one result is the danger of the ghettoization of certain districts. Second, the depth of inequalities under city conditions, especially in major cities, is not comparable to the depth of inequalities in rural areas. For the urban poor this causes a completely different sociopsychological state, which can prompt them, especially young people who make up a substantial portion of the chronically poor, to engage in forms of social action that are not found among the rural poor, and are linked to outwardly unmotivated and inappropriate forms of aggressive behavior.

Table 3

**Place of Residence of Representatives of the Groups That Differ in Their Experience of Being in Poverty (%)**

Groups	Did not end up in poverty	Situational poverty	Zone of risk for chronic poverty	Chronic poverty
Oblast center	44.4	38.6	25.6	14.4
Other cities	32.8	36.6	28.6	20.9
Urban-type settlements	3.8	6.2	8.0	10.5
Villages	19.0	18.6	37.8	54.2

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2005–11.

At the same time, chronic urban poverty is characterized by risks that are well-known from the life experience of the “urban lower orders” in other countries (youth gangs, increased crimes against individuals, etc.); stagnant rural poverty in Russia, on the other hand, generates a structure of risks that have been little studied up to now. In this connection, it is certainly necessary to mention *ongoing processes of marginalization and lumpenization of the population in many regional rural areas of Russia*. During the Soviet era, villages were consolidated and built up by the construction of three- to five-story multiunit buildings, and under the conditions of an inadequately developed transportation system as well as a scarcity of kinds of work and leisure activity in the villages of Russia, this led to *the disappearance of the traditional rural way of life in the countryside, but did not replace it with the urban lifestyle*. For example, the types of dwellings in which rural inhabitants are living today are quite different from traditional perceptions of the remote countryside. Only half of them (51.4 percent) have their own home. Another 16.3 percent of village dwellers are living in part of a building, renting a dwelling, and living in dormitories or communal apartments. About a third of village dwellers, at the same time, are living in urban-type apartments. However, the main point is that almost half of rural inhabitants today lack any land of their own, either in the form of household plots or land shares, or even in the form of orchard or garden plots, and more than half of rural inhabitants who do have land are not using it to supply themselves with food products or to make an income from the sale of agricultural goods that they produce.<sup>9</sup> Moreover, owing in part to the truly limited objective possibilities of changing their situation and in part to the greater prevalence of paternalistic attitudes in



rural areas, among countryside residents there is an increasing state of anomie, disillusionment, and helplessness, which is accompanied by the marginalization of the Russian countryside and the spread of alcohol abuse.

In this connection it should be kept in mind that there is a certain threshold beyond which processes of lumpenization begin to take on an “explosive” character and to include the entire local community. This varies in different countries, depending on cultural and institutional characteristics, but judging from the experience of ghettoization processes in the United States and Western Europe, it takes only 15–20 percent of the lumpenized subculture for the local community as a whole to begin gradually shifting into the ghetto state. Moreover, if we take into account the weakness of the law enforcement structures in many Russian villages, and that those in chronic poverty already make up around 20 percent of all residents there, we can see that in some regions the remote rural areas of Russia have reached the critical point, and, in several places, have clearly gone beyond it.

Another quite explicit difference between the “income poor” and the “deprivation poor” is *the ratio of employed to unemployed among them*. The share of working-age household members among the “income poor” who lack a regular independent income is one and a half times greater than the share of “deprivation poor” (54.8 percent and 33.7 percent, respectively). Furthermore, as Table 4 shows, during 2005–11 these differences became substantially greater, and the vector of their changes was the direct opposite: in 2005, the respective figures were 48.5 percent and 37.4 percent.

Table 4

**Dynamic of the Causes of Nonemployment in Various Groups of the Poor**  
(% of the nonemployed)

Groups of nonemployed	“Income poor”		“Deprivation poor”	
	2005	2011	2005	2011
Pensioners	33.5	26.6	53.3	52.1
Disabled	4.1	3.6	3.4	5.5
On maternity and/or child-care leave	2.9	6.8	1.2	4.1
Students in higher educational and secondary specialized educational institutions	11.0	8.2	4.7	4.6
Other reasons	48.5	54.8	37.4	33.7

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2005–11.

Another fact that merits attention is that unemployment without apparent causes among working-age people also characterizes those in chronic poverty, who, one would think, should be the most interested in having additional sources of income. *About half of the able-bodied representatives of chronic poverty had no regular work in 2011. And this proportion rose substantially in comparison with 2005* (see Table 5). This vividly demonstrates *actively ongoing processes of the lumpenization of those in chronic poverty*. Moreover, under the conditions of the lumpenization of the able-bodied segment of those in chronic poverty, for the households in this group, an ever greater role is starting to be played by the incomes of pensioners. They not only have a steady pension income but also are more and more often likely to start working (in contrast to their younger relatives). And although the employment of pensioners among the chronically poor is found much less often than that of pensioners in other groups of the poor and nonpoor population (see Table 5), it nonetheless rose by a factor of almost 1.5 in 2005–11, whereas in the other groups, conversely, it declined.

Continuing the analysis of differences between the portraits of the “income poor” and the “deprivation poor,” it is also useful to point out that *the “deprivation poor” have the worst health among the entire population*: among them, one in five rates his health as “poor” or “very poor.” This is almost three times more than among the “income poor,” and it is one and a half times higher than among older people, on average, in the nonpoor

Table 5

**Employment of Representatives of the Groups That Differ by Their Experience of Being in Poverty (%)**

Groups	Nonpoor population		Situational poverty		Zone of risk for chronic poverty		Chronic poverty	
	2005	2011	2005	2011	2005	2011	2005	2011
<i>Working-age people:</i>								
Working	87.1	80.2	81.0	83.1	74.5	68.3	62.3	55.3
Not working	12.9	19.8	19.0	16.9	25.5	31.7	37.7	44.7
<i>Pensioners:</i>								
Working	26.5	20.4	23.4	17.8	15.0	13.8	6.8	10.1
Not working	73.5	79.6	76.6	82.2	85.0	86.2	93.2	89.9

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2005–11.

Table 6

**Subjective Assessment of Health and the Presence of Disability of Representatives of the Various Population Groups (%)**

Characterization of health*	"Income poor"	"Deprivation poor"	Nonpoor population
Self-assessment of health as poor and very poor	7.5	19.9	12.9
Assigned to disability group, including:	3.8	11.0	9.7
Group I, or disability classification 3	12.7	11.2	11.9
Group II, or disability classification 2	48.4	54.9	59.5
Group III, or disability classification 1	38.9	33.9	28.6

Source: Data taken from the Russian Longitudinal Monitoring Survey, 2011.

\*On the first two lines the total number of members of each group is taken to be 100 percent.

population (see Table 6). In addition, those in this group are almost three times more likely than the "income poor" to belong to a disability group. Considering that three-quarters of the disabled are pensioners, whereas among the "deprivation poor" the share of pensioners is much higher than in the other groups, that picture is not surprising. However, the health of the able-bodied "deprivation poor" is also relatively worse: the members of this group rate their health as poor and very poor one and a half times more often than do the able-bodied "income poor." It is understandable that *for many of the working-age poor, poor health reduces their ability to get a job that offers a decent rate of pay.* Their position is also exacerbated in that, *compared to the other groups, a relatively larger portion of their expenses consists of expenditures on medication and medical assistance.*

The situation of the older population is especially deplorable in large cities, in which the amounts of expenses for medical services and medications in the budgets of people in poor health are the highest. This circumstance has the most difficult consequences for members of smaller households (of just one or two people), which, although their incomes are formally satisfactory, experience more serious and more numerous deprivations than do members of multigenerational households with low incomes in rural areas.

All of the foregoing enables us to say that in today's Russia poverty is heterogeneous and multifaceted. There is not a single risk factor that

reliably predicts falling into poverty. However, depending on the actual understanding of the essential character of the phenomenon of poverty, it is possible to delineate certain sets of the most important factors, not linked to the labor market, which differ noticeably in different groups of the poor. For example, for the group whose incomes are lower than the subsistence minimum it is related to living in a rural area, in a large household with a high dependency burden—primarily nonworking able-bodied young people and children. At the same time, the risk factor for falling into the group of the “deprivation poor” is relatively more likely to consist of life in a big city in small households with a higher percentage of people in poor health.

To some extent, the ever increasing divergence between these two groups is linked to problems of method and to the characteristics of the method for delineating the poor as those with incomes below the subsistence minimum that is used in Russia for the needs of social policy and statistics. Clearly, it is necessary for this method to include figures on household size and composition, to take into account differences in the cost of living in the various types of communities (big cities, urban-type settlements, and rural areas), and so on. Even in this case, however, it is still not possible to completely eliminate the difference between the two groups of the poor, because that difference is a consequence of different conceptualizations of the phenomenon of poverty itself in them. This means that in order to understand the essential nature of changes relating to poverty in Russian society it is necessary to conduct longitudinal surveys of not only the “income poor” but also the “deprivation poor,” and, especially, the chronically poor, who are becoming more and more numerous in both of those groups.

By analyzing the chronically poor it becomes possible to get a more precise understanding of the general portrait of Russian poverty. The typical chronically poor person in today’s Russia is a young person in a large multigenerational household of the kind that usually lives in a rural area, or someone who is not working at all (without any obvious reasons for this), or someone who receives very low pay. And from this alone we get an understanding of the vector of change in the portrait of Russian poverty and the socioeconomic and even political consequences that these changes will bring in their wake in the foreseeable future if the established tendencies in this sphere continue.

\* \* \*

Today poverty in Russia looks like a two-faced Janus: the smiling face suggests that the situation is satisfactory, that the percentage of the poor has declined in the past ten years, and that their numbers are relatively small.

The stern and sad face suggests that this is an urgent problem for almost half of the country's population, and the risk is real that a massive underclass, which formerly did not exist in Russia, will form consisting of representatives of the chronically poor. All these factors dictate a new agenda for the political, administrative, and scientific elites of Russia. From all appearances, however, this new agenda for the elites has not yet been recognized. In any case, at present in Russia the task of combating poverty continues to be addressed as a task of improving the system of targeted assistance to the "income poor," rather than as a task of preventing the intergenerational reproduction of poverty and the ghettoization of a number of population centers or districts in them, and strengthening assistance to families when a child is born and to people in poor health.

Let us emphasize that in and of itself this new agenda does not entail a priori any need for a substantial increase in the amounts of resources allocated to fight poverty, especially in terms of social welfare. However, it does require *a different conception of the fight against poverty* based on reducing the risk of "sliding" into poverty as a result of structural circumstances unrelated to the person himself, on the one hand, and on taking a more differentiated approach to the poor that takes into account the heterogeneous character of Russian poverty and calls for different mechanisms and ways to improve the assistance that is provided to them, on the other hand. Moreover, this differentiation has to be conducted *not in terms of the depth of poverty but its causes*. This will require the individualization of the work of the social services in terms of the objects of social work activities, and simplified ways for the increasingly poorly adapted and functionally illiterate population to apply for assistance. Given this differentiation, certain groups will require even more resources for their support, while other groups will require relatively fewer resources, and still others will have to be denied any right to assistance. Essentially, *instead of strengthening the level of targeting* "according to need," which is the official concept for combating poverty today, such an approach must entail *increasing the importance of the categorical nature of the assistance*.

Indeed, this makes it more complicated to administer a policy to combat poverty. However, this is the only approach capable of reflecting the *multifaceted and structural heterogeneity of poverty in Russia*, which, unfortunately, is not adequately recognized at present. Moreover, this heterogeneity is seen not only in its observable characteristics, such as the poor health of many members of poor households. It is also conditioned by the fundamentally different situation of those who find themselves in a position of situational, fluctuating, or chronic poverty, since measures of

support depending on the length of time spent in poverty have to be of a substantially different character.

However, it is not just these circumstances that define the heterogeneous nature of the poor and the difficulty of combating poverty in Russia. The main factor compelling us to speak of the heterogeneous nature of Russian poverty as a key characteristic that seriously complicates the fight against poverty is that different types of poverty coexist in our country, and these are linked to different historical eras and different economic arrangements.

## Notes

1. The methodology used by Rosstat to calculate the subsistence minimum involves pegging it to the average cost of living in a region. However, in different communities in the same region (e.g., in the region's capital city or in a small hamlet "out in the sticks") it can differ substantially.

2. The basis of the analysis consisted of RLMS data (a survey that has been conducted since 1992). Its bases are a version representing the country's population for each year as well as a more complete version of the longitudinal set of respondents for the entire period of observations. Furthermore, unless otherwise stipulated, the data relate to the representative RLMS bases. In our survey we used the bases for 2005–11 (for more detail about this survey and its sample for the corresponding years, see [www.hse.ru/rlms](http://www.hse.ru/rlms)).

3. For example, Karabchuk, Pashinova, and Soboleva (2013) estimate the proportion of the poor, singled out based on the absolute approach and using the RLMS base in 2009, at 22 percent of households, while according to the method that we used the share of poor was 26 percent at in that year.

4. The method of calculating the subsistence minimum that Rosstat recommends to the regions enables them, at their discretion, to vary the amount of the subsistence minimum over an approximate range of 10 percent. Accordingly, a region that has strong lobbying abilities (in the person of its governor) will set the maximum possible subsistence minimum in order to obtain additional assistance from the federal center. Conversely, regions that have no chances of securing additional assistance will attempt to set the boundaries of the subsistence minimum as low as possible in order to reduce the number of potential welfare recipients. This leads to understating the number of the poor in those regions compared to those in the former group.

5. Some of the indicators of these deprivations were multidimensional indexes constructed on the basis of a number of variables, while others consisted of just one variable. In any case, however, in the end every indicator of deprivation constituted a dichotomous variable. Hence, the aggregate index of deprivation might vary from zero to seventeen points. The boundary value of the index making it possible to separate the group of poor from the rest of the population was determined by several methods, each of which showed that a threshold of five points should be used as that boundary.

6. We included the indicators of sense of sociopsychological well-being among the signs of deprivation, to the extent that, in the course of characterizing poverty

and its signs when using open questions, many respondents mention that feelings of helplessness, hopelessness, and so on are characteristic features of the way of life and situation of the poor (Tikhonova 2003). Our analysis also statistically confirmed the link between these feelings and truly severe deprivations experienced by the respondents, on the one hand, and the total number of such deprivations, on the other hand.

7. This was the number of those in the panel base of the RLMS data whose length of stay in poverty, in accordance with one of the approaches, was chronic, whereas in accordance with the other approach they were at least in the risk zone for chronic poverty.

8. The share of respondents in chronic poverty according to both approaches simultaneously.

9. The survey data of the Institute of Sociology, Russian Academy of Sciences, “Gotovo li rossiiskoe obshchestvo k modernizatsii?” [Is Russian Society Ready to Modernize?] (2010). For more detail, see Tikhonova (2011).

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