



United Nations
Educational, Scientific and
Cultural Organization



Sustainable
Development
Goals



international social science council

World Social Science Report 2016

Social justice and equality/inequality issues in modern-day Russia



Street artwork by iRG
(Berlin, Germany, 2015)

© Margie Savage

17. Social justice and equality/inequality issues in modern-day Russia

Natalia Grigorieva

This contribution examines inequality in modern-day Russia. It discusses different types of inequality, including income and economic disparities, regional imbalances, and differences in access to social services such as health and education.

Justice and equality after the fall of communism

The challenge of social justice and inequality in Russia has to be placed in historical context. As part of the socialist doctrine of the former Soviet Union, equality was ensured through the distribution of goods and services by governmental institutions. Social policies were developed to support an equal – although by European norms rather poor – sustainable standard of living, promoting equal access to a wide range of social benefits such as housing, education, health and leisure, which lessened social inequality. The difference between the poorest and the richest did not exceed a ratio of 1 to 5 or 6.

The reforms of the 1990s completely changed this approach, with most people being unprepared for a market system (Kosova, 2012). The gap widened between expectations based on perceptions of social equality rooted in the Soviet egalitarian legacy, and the real state of affairs. Excessive income differences inflamed a feeling of social injustice in many Russians.

Almost all surveys demonstrate that justice is one of the five most important issues for Russians, and it is regarded as an element of social harmony (Gorshkov et al., 2013). For example, in a survey entitled 'Social justice and how we understand it', which the Russian Public Opinion Research Center conducted on 13 and 14 April 2013, only 7 per cent of the respondents thought 'high income inequality is good'; 66 per cent were ready to accept inequality, 'but only if the rich/poor divide is not too wide'; and 23 per cent believed that 'any income inequality is harmful, and people should strive to eradicate it'. Every fifth respondent (20 per cent) assumed that social justice would be achieved when the 'standards of living of each person are nearly the same, there are neither poor nor rich'.¹

Inequality in modern-day Russia: the poor and the rich

It is conventional to distinguish between wealth inequality (referring to a stock) and income (a flow). Over the past twenty-five 'post-USSR' years, growing income inequality has been one of the most significant changes in Russia. During this period, the Gini coefficient of disposable income increased from 0.26 to 0.42. By 2014, the richest 10 per cent of people accounted for 30.6 per cent of total cash income,² while the poorest 10 per cent of people accounted for 1.9 per cent. In other words, the richest 10 per cent received almost seventeen times more than the poorest 10 per cent. They received only four times more at the end of the 1980s (Rosstat, 2013).

With the collapse of the Union of Soviet Socialist Republics (USSR), the poverty rate in Russia rose to a high of 33.5 per cent in 1992. By 2013 it had decreased to 11.2 per cent, which still means that 15.8 million Russians are living below the poverty line.

Wealth inequality is even greater than income inequality. Currently, 1 per cent of the population possess more than 70 per cent of all personal assets in Russia (Oxfam, 2014).

Regional economic inequalities are also high, having increased sharply in the 1990s. Later on, income and consumption inequality diminished as a result of various state social policy measures, and the redistribution of oil revenue. After the 2008 crisis, income growth in specific regions slowed down and regional budgets appeared to be overburdened by social obligations. Against this background, regional disparities grew again.

According to official statistics, the residents of the richest region are fifteen times wealthier than those in the poorest region (Zubarevich and Safronov, 2013). The 'rich' regions have the means to introduce policies of income equalization, such as pension supplements in Moscow, which in 2011 formed 10 per cent of the city budget. Regional disparities can be observed in all social sectors, such as health and education.

From economic inequality to inequality of opportunity?

Economic inequality is aggravated by other kinds of disparities, such as unequal access to health and social services (Chubarova and Grigorieva, 2015), and this has become a matter of serious concern. A sociological survey revealed that Russians' well-being is strongly affected by two forms of inequality: income inequality (72 per cent of the respondents) and unequal access to health care (27 per cent of the respondents) (Oxfam, 2014).

Health care and education, which used to be free, are increasingly being funded by private sources. The share of private funding of health-care expenses increased to 41.2 per cent in 2003. This figure was significantly reduced after an increase in public spending on health care, but started to increase again after 2009. Public expenditure, covered by tax and compulsory health insurance, accounts for only about 3 per cent of GDP. The role of income as an important factor governing access to medical care is increasing.

People usually perceive having to pay more for health-care services as negative. Paying for education seems to be more acceptable, probably because education is still considered a necessary and worthwhile investment. According to a recent survey, most parents interviewed (75 per cent) are ready to give up important life benefits for the development of their children, and 65 per cent are ready to pay, or have already paid, tuition fees for supplementary classes. Almost 40 per cent of the poorest people are considering paying for their children's studies, and 13 per cent have already paid.

Inequality and politics

The post-Soviet focus on economic growth has made social equality a low-priority issue. However, several researchers have recently identified a growing number of social tensions linked to high income inequality, and to the fact that high incomes have not been used to support investment in the national economy, so that new jobs have not been created and there are limited prospects of income growth for the economically active population at a time of economic stagnation. These researchers attribute high income inequality to flawed distribution mechanisms, the flat personal income tax (with a relatively low 13 per cent rate having been introduced in 2001), regressive social insurance contributions, and low property and inheritance tax.

The challenges of equality and inequality, and the fair or unfair distribution of resources and tax, are the focus of several academic discussions and political debates (Divina, 2011). The country's leadership, including President Vladimir Putin, has recognized that the scale of wealth inequality in Russia is a huge challenge (Putin, 2011). Measures such as a wealth tax and progressive income tax have been considered to redress the situation, but no practical steps have yet been taken.

Conclusions

Throughout the period of reform in Russia, the levelling of social inequality was linked to the growth of macroeconomic indicators. This point of view has dominated discussions about social policy reforms over the years. However, theoretical and practical research in this area shows the fallacy of such representations. Rising inequality, unrestrained by progressive taxation or other means of income redistribution, is leading to a significant social divide in Russian society that is likely to hinder the country's social and economic development. High social inequality and unequal access to health care and education are also obstacles to human development (Human Development, 2014, p. 82).

In Russia, there is no broad discussion on how to overcome inequality, which is not addressed as an urgent problem. However, mobilizing civil society could make a difference in addressing these challenges, and more research and action is required in this area.

Notes

1. About 1,600 respondents were interviewed at 130 sampling points in forty-two Russian regions.
2. The method of calculating inequality in Russia is different from those used in other countries. Official statistics use model assessments based on per capita income before any payments. Cash income includes labour remuneration, pension, allowances, scholarships and other social transfers.

Bibliography

- Chubarova, T. and Grigorieva, N. 2015.** The Russian Federation. K. Fierbeck and H. Pally (eds), *Comparative Health Care Federalism*. Farnham, UK, Ashgate, pp. 195–213.
- Divina, L. E. 2011.** Ploskaya shkala nalogooblozheniya [The flat tax scale]. *KANT*, No. 3. (In Russian.)
- FOM (Public Opinion Foundation).** Rezultati pervogo vserossiyskogo issledovaniya otnosheniya grazhdan k talantam [Results of the first nationwide study on the relationship between citizens and talent]. <http://fom.ru/special.html> (Accessed 10 June 2016.)
- Gorshkov, M., Krumma, R. and Tikhonova, N. (eds) 2013.** *O Chem Mechtayut Rossiyane: Ideal i Realnost [What Russians Dream About: Ideal and Reality?]* Moscow, Ves mir. (In Russian.)
- Gorshkov M. and Tikhonova N. (eds). 2014.** *Bogatie i bednie v sovremennoy Rossii: 10 let spustya [Poverty and the Poor in Modern Russia: 10 Years Late]*. Moscow, Ves mir. (In Russian.)
- Human Development. 2014.** *Doklad o Chelovecheskom Razvitiy v Rossiyskoy Federacii, 2014 [Report on Human Development in the Russian Federation, 2014]*. Moscow, Ves mir. (In Russian.)
- Kosova, L. 2012.** Pro ravenstvo i neravenstvo [About equality and inequality]. *Otechestvennie zapiski* (Moscow), Vol. 5, No. 50.
- Oxfam. 2014.** Znak neravenstva: Problemi neravenstva i puti ih resheniya v sovremennoy Rossii. [After equality: inequality trends and policy responses in contemporary Russia]. Doklad OKSFAM [Oxfam report]. <http://fom.ru/Ekonomika/11089> (Accessed 10 June 2016.)
- Putin, V. V. 2011.** Glavniy vopros zapros grazhdan Rossii obespechit spravedlivost [The main demand of the Russians is to ensure justice]. <http://media-mera.ru/politics/putin/2011-11-27> (Accessed 31 August 2015.)
- Rosstat. 2013.** *Socialnoe Polozhenie i Uroven Zhizni Naseleniya v Rossii, 2012. Statisticheskiy Sbornik. [Social Status and Standards of Living in Russia in 2012: Statistical Yearbook]*. Moscow, Rosstat.
- VCIOm (Russian Public Opinion Research Centre). 2013.** Socialnaya spravedlivost kak mi ee ponimaem [Social justice and how we understand it]. No. 2346. <http://wciom.ru/index.php&uid+114297> (Accessed 10 June 2016.)
- VSHE (Higher School of Economics, Moscow).** Ediniy arhiv ekonomicheskikh i sociologicheskikh dannih [Joint economic and social data archive, HSU]. <http://sophist.hse.ru> (Accessed 10 June 2016.)
- Zubarevich, N. V. and Safronov, S. G. 2013.** Neravenstvo socialno-ekonomicheskogo razvitiya regionov i gorodov Rossii 2000-h godov: rost ili snizhenie? [The inequality of the social and economic development of Russia's regions and cities in 2000s: Growth or decline?]. *Obschestvennie nauki i sovremennost [Social Sciences and Modernity]*, No. 6, pp. 15–20.

■ **Natalia Grigorieva** (Russia) is professor of political science and head of the Centre of Comparative Social Policy at the School of Public Administration at the Lomonosov Moscow State University (MGU), Russia. Her professional interests cover social and health policy and gender issues.

This article features in the World Social Science Report 2016, UNESCO and the ISSC, Paris.

The *World Social Science Report 2016* was published by the United Nations Educational, Scientific and Cultural Organization (UNESCO), 7, place de Fontenoy, 75352 Paris 07 SP, France and the International Social Science Council (ISSC), 1 rue Miollis, 75732 Paris Cedex 15, France.

© ISSC, the Institute of Development Studies (IDS) and UNESCO, 2016

Original title: *World Social Science Report 2016 –*

Challenging Inequalities: Pathways to a Just World – ISBN 978-92-3-100164-2



This publication is available in Open Access under the Attribution ShareAlike 3.0 IGO (CC-BY-SA 3.0 IGO) licence (<http://creativecommons.org/licenses/by-sa/3.0/igo/>). By using the content of this publication, the users accept to be bound by the terms of use of the UNESCO Open Access Repository (<http://www.unesco.org/open-access/terms-use-ccbysa-en>).

The designations employed and the presentation of material throughout this publication do not imply the expression of any opinion whatsoever on the part of UNESCO, the ISSC or the IDS concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The *World Social Science Report 2016* editorial team is responsible for the choice of articles and the overall presentation. Each author is responsible for the facts contained in his/her article and the opinions expressed therein, which are not necessarily those of UNESCO, the ISSC or the IDS and do not commit these Organizations.

The *World Social Science Report 2016* is a collaborative effort made possible by the support and contributions of many people. It was financed by generous contributions from the Swedish International Development Cooperation Agency (Sida), UNESCO, as part of its Framework Agreement with the ISSC, the Swiss Agency for Development and Cooperation (SDC), as well as the European Science Foundation (ESF), Netherlands Organisation for Scientific Research (NWO), the Research Council of Norway, Riksbankens Jubileumsfond, and the Swedish Research Council.

Graphic and cover design: Corinne Hayworth

Typeset and printed by: UNESCO

The World Social Science Report 2016 was prepared by the ISSC and the IDS and co-published with UNESCO

The Report is available online at: en.unesco.org/wssr2016

Hard copies are available from UNESCO Publishing:

http://publishing.unesco.org/details.aspx?&Code_Livre=5160&change=E

This report should be cited as follows: ISSC, IDS and UNESCO (2016), *World Social Science Report 2016, Challenging Inequalities: Pathways to a Just World*, UNESCO Publishing, Paris.



SWEDEN

The Report is supported by The Swedish International
Development Cooperation Agency (Sida)