Paradoxical poverty in Russia

Abstract

The problem of poverty worries not only the population but also serves as the subject of numerous studies. In this paper, the results of opinion polls substantiate the relationship between poverty and wealth inequality. The curves of the changes in the proportion of the poor and decile coefficients have a shift of the optimums relative to each other, which indicates the presence of a delay. For today, the delay was leveled what may portend social upheaval.

Keywords: Share of the poor, decile coefficient, lagging, social shocks

1. Introduction

Poverty problems concern the people of many countries, but for Russia, this issue is of particular importance because of various events over the centuries that have led to the impoverishment of the people. Therefore, the average standard of living is currently quite low, and the problem of poverty has been and remains a particularly sensitive issue.

There is no unity on the issue of the causes and consequences of poverty. Some call laziness and low levels of education causes of poverty, while others believe that the social environment with "frozen" social elevators is to blame, the thirds blame the employers, low labor productivity, and hence the low level of payment. The researchers also considered from different angles the problem of the consequences poverty. Some focus on the reproduction of poverty in subsequent generations, others pay attention to the low return that results from poverty and the
uncreative approach to labor outcomes, while thirds are limited to a statement of
the fact only of existence and dimensions of poverty.

So, Makeev N. [1] specifies that more than 12 million able-bodied Russian
citizens not in forces to provide himself and the relatives to all necessary for
worthy life and, in fact, are below the poverty line. In addition, more than half of
Russians are confident that they are close to poverty. Such data are presented by
the Analytical Center under the Government of the Russian Federation and the
Public Opinion Foundation [1].

41 percent of citizens of Russia have become impoverished so that they can't
buy clothes, and 20 percent have no means even for food. This was shown by a
scientific study of the Higher School of Economics [2].

The bulletin of the analytical center under the government of the Russian
Federation "The working poor folk in Russia and abroad" [3] indicates that the
sixth part of all workers in Russia can't provide itself and their families.

The financial position of the population continues to deteriorate rapidly [4]
despite some stabilization in the economy.

The problem of poverty hasn't received sufficient full lighting despite a
significant amount of various sources, therefore, the subject of this article is to
identify the features of poverty in Russia

2. Literature review

Shvetsova K. [5] explains that with regard to the fear of poverty and
anxieties about the new wave of economic crisis, it is worth remembering that
Russia for the last 100 years at least went through so much turmoil (war, famine,
shortages, and financial crises), that these fears have become part of the historical
memory. Hence the concern with such a high rate of poverty and rising prices. The
average Russian is not rich enough, their money is enough to live only from paycheck to paycheck. It is clear that he is afraid of losing even what he has.

This source notes the existence of significant poverty but speaks of causes poverty in a too general way.

In other countries, the poor are typically unqualified and so do poorly paid manual labor. In other words, if you are uneducated, you receive low wages. However, the picture is completely different in modern Russia, as highly educated people - engineers, doctors, and teachers - have a hard time making ends meet.

It should be pointed out that in the West, a person's low living standards are usually a result of the individual. He is either an alcoholic or a drug addict, a disabled person or a victim of some other circumstances... Economic factors, for example, the situation on the employment market, play, although an important one, still more of a secondary role.

This is the direct opposite of the situation in Russia. The state's condition overrides personal circumstances. The Russian poor are poor mainly because they do not receive their wages or pensions on time and their benefits are too meager to solve everyday problems, while jobs are hard to come by. Only then does the standard set of personal misfortunes take its toll: alcoholism, illness and the like [6].

The source has an important indication of the difference in approaches to determining the causes of poverty in the West and in Russia. However, indistinct and obviously insufficient consideration of the causes of poverty in Russia is a disadvantage of this analysis.

Government propaganda has sought to attribute the spread of protests to problems in the implementation of the new laws on social security benefits while
insisting the laws themselves are necessary and inevitable. However, protests by
pensioners are only the tip of the iceberg. The underlying cause of growing
discontent is the enormous degree of social inequality that has resulted from the
introduction of capitalism in the former Soviet Union. Even a cursory examination
of the social situation in modern Russia reveals a deeply divided society. An array
of statistics documents the reality of two different worlds that hardly come into
contact with one another [7].

The problems occurrence causes of poverty on the basis of social inequality
are affected in this study, but they are not sufficiently developed, and this question
needs specification.

3. Materials and methods

The necessary parameters were determined by data from various literature
sources. The data obtained by means of the search engines Yandex, Google, and
Mail were used. The resulting list was reduced by successively deleting less
significant sources. In addition, 128 experts, who were the managers who
underwent retraining in the program of professional development, were
interviewed using a specially prepared questionnaire.

4. Theory

The share of people at the disposal of whom there are fewer means than it is
necessary on a living wage [8] it is considered in domestic practice as a measure of
poverty of the population. Decile coefficient [9] represents a ratio of the revenue of
10% rich people to income of 10% of the poorest. The work uses the data of
official reports. Independent experts cite other figures, but trends, in general, are
maintained.
5. Results

As a result of the processing of questionnaires, it was found that 79% of respondents believe that poverty is related to property inequality. Based on this, in this study, the proportion of the poor was compared with decile coefficient of differentiation.

Property inequality in a society with a formed structure almost inevitably causes social inequality, which leads to social upheavals. Data about the level of poverty and about decile coefficient were collected in the period from 2000 to 2016. The poor and the rich are located at the extreme poles. So, for example, the teacher in the Tver region on average receives about 13 thousand rubles.

The salary of the machinist of the bulldozer in the Toropetsky district is 7.5 thousand rubles, the hospital attendant in Konakovo - 9 thousand, the teacher in Tver - 20 thousand, the young teacher - 7 thousand, the operator-dispatcher in Vesyegonsk - 10 thousand rubles. The monthly income of the head of Tver is 239 654 rubles. The City Manager receives 292,219 rubles [10].

In Russia, 88% of wealth is controlled by millionaires and billionaires, which account for no more than 8% of the total population [11]. Summary data for the reporting period are provided in Fig. 1.
Figure 1. Change of parameters by years.

Change of decile coefficient is shown by the continuous line, change of a share of the poor is shown by the intermittent line. The left scale belongs to change of a share of the poor and the right scale belongs to change decile coefficient.

The curves in Figure 1 shows that the changes in indicators are not equidistant, and not even are in antiphase as it would be possible to assume. There is a "time-lag" in social and economic processes. It can be seen that the delay period was three years. But the picture changed in the recent years. The share of the poor increases again, and the decile coefficient also increases. The delay is virtually absent, which may be a harbinger of social unrest.

6. Discussion

The presence of the poor in Russia cannot but cause surprise, since, for the most part, these are working people, or pensioners, care of whom is written down in Constitution of the Russian Federation.
51,000 precious stones and 19 kg of gold and platinum were confiscated in the apartment of the officials of the ministry during the search. The watch collection worth about one million dollars has been found at one governor, a billion rubles were found in cash from another governor [2]. The poverty of the population against the background of such incomes seems

At the same time, the rate of falling real incomes continues to accelerate, the decline was estimated at 4.8% in June 2017 and 7.3% in July [12]. Russia, in general, has high potential. Russia ranks first in the world not only in terms of territory but also in terms of oil and gas production and sales, production of potash and nitrogen fertilizers, nickel and aluminum, helicopters and fighter jets. Russia also has most the oil and gas reserves, coal, zinc, Titan, niobium, diamonds, tin, table salt, drinking water [13]. But this potential cannot be realized without people or with poor people.

7. Conclusion

It has been established that one of the causes of poverty in Russia is the property inequality. It is received that in the past the delay of the socioeconomic processes associated with poverty was three years, but at the current time, it was leveled, which can serve as a precursor to social upheaval.

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