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## Estimates of the middle class scale in the region \*

*The objective to form the middle class is an acute problem in the period of social and economic modernization in Russia. Rapid growth of the middle class in the structure of society can speed up the solution of many social problems due to the high responsibility and civic awareness of its representatives. Therefore, research of the middle class scale is a priority in the studying of the social stratification of the population.*

*In this paper the research of the middle class was based on the empirical estimates of the sociological survey of the population in the Vologda oblast which was conducted in 2010. During the work we gave a concept of “the middle class”, we represented a number of approaches which were notable for a set of criteria to estimate the middle class size. We determined an optimum set of criteria and estimated the middle class scale in the region in accordance with them and gave the social characteristics of its representatives.*

*Stratification of society, the middle class, the criteria, the identity, social characteristics.*



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The effective development of Russia depends on its modernization in accordance with the requirements of the time. Bearers of the modernization ideology and the most important motive social and economic powers are representatives of the middle class. Therefore, the question of the middle class is actual in modern Russia.

Class structure of society is represented by dividing into three main classes: upper, middle and lower. They differ in role in the economic life of society. The role of the middle class in society is the most important.

The concept of “the middle class” includes a wide range of criteria, covering not only financial but also political, cultural and social life.

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But there are no well-defined, conventional criteria of this notion. Hence it appears the debate about the real representatives of the middle class. The concept of “the middle class” has been used for more than 100 years. It has been changed because of the social and economic life. At the moment, in spite of existing disagreements scientists still believe that the basis for determining of an individual in a particular class is its economic status. It is assumed that the modern middle class consists of innovators supporting social and economic dynamics [1].

It is recognized that the middle class is a guarantee for social and political stability and a legislator of the norms of social, economic and cultural behavior. The representatives of the middle class are characterized by independence and critical thinking, promoting the development of civil society and efficient state administration. High occupancy of the middle class provides the structural stability of social order, preventing violent conflicts between the rich and the poor, thereby it alleviates economic and political situation. The middle class, affecting the mental set of the whole society, creates the ideas about the forms of labor and leisure activities [2]. Consequently, the middle class is a fundamental stratum of society, regulating the rules of social foundations to improve the welfare. The absence of the middle class indicates undeveloped society.

The representatives of the middle class according to the population’s opinion<sup>1</sup> should have the following characteristics: money to pay for food of high quality, services and goods; such types of property as a comfortable accommodation, a cottage in the country, a car, savings; travelling means including the overseas trips; the high occupational status or social significance of labor; morality that defines a way of life and social circle.

<sup>1</sup> The results of the advanced interviews conducted by ISEDT RAS within a project “Social and cultural portrait of the Vologda oblast” in April and May in 2009. The sample is stratified. 65 people were interviewed in the typical population aggregates in the region.

We add that the representatives of the middle class are notable for involvement in active social (clear civic stand) and cultural life (visiting of cultural sites).

Therefore, following a business magazine “The Expert” we should agree that the Russian middle class consists of the people who can adapt to the modern market economy and provide their families with a consumption level and a way of life based on their education and professional skills [3].

According to various estimates the middle class ranges from 3% (“perfect middle class”) to 30% or even to 60% (“promising middle class”) in Russia [4]. The researchers use the following criteria for attribution of the middle-class: self-identification, financial status (income, property and savings), cultural and professional skills (education level, job status, type of employment, cultural values).

In this article we have attempted to determine the share of the middle class in Vologda oblast and characterize them using different approaches (*tab. 1*). Each approach implicates applying of the specific criteria. When we use the each approach the technique of calculations is based on the incremental subsample of variables of mentioned criteria. The approaches, presented in the article, are traditional and widespread, or approved at the state level (for example, an approach based on the criteria of the Concept of long-term social and economic development of the Russian Federation). We used the data of a sociological public inquiry in the Vologda oblast, conducted by ISEDT RAS in May 2010<sup>2</sup>, to estimate the middle class.

We considered five approaches to identify the middle class and took into consideration the certain criteria in every case, so it appeared that the number of the middle class in the region varied (from 0 to 51%), that coordinated with

<sup>2</sup> Sample size is 1500 people. Residents of two cities – Vologda and Cherepovets and eight municipal districts of the Vologda oblast were involved in the survey. Representativeness of the sample is ensured by compliance with the sex and aged structure of the adult population, proportions between urban and rural populations and between residents of settlements of various types (rural settlements, small and medium-sized towns). Sampling error does not exceed 3%.

Table 1. Size and social characteristics of the middle class in the Vologda oblast in accordance with the different approaches\*

Approaches to estimate the middle class and their criteria	Share, in %	Social characteristics
<b>I. Criterion of self-identification of people with the middle class</b>	51%	It is represented by women as the population in whole. A typical representative is a person at the age from 30 to 60 who has the specialized secondary education. Workers' rate is high (29%). They live in the big cities in the region. The actual average monthly income is about 10 thousand rubles per person, while every fourth has savings (26%), the array in whole – 21%.
<b>II. Criteria of L.A. Belyaeva technique [5]</b> 1. Self-identification 2. Material prosperity 3. Standard of education (specialized secondary education and above)	30%	There are more women, persons at the age from 25 to 34 living in the biggest cities of the region; they have the specialized secondary education and the higher education (45% each). The number of managers is twice as many here as in the whole array. They go to the cinema and theater, clubs and restaurants, use Internet, have a rest abroad twice frequently. Average monthly income per a member of the family is 14-15 thousand rubles.
<b>III. Criteria of Fund of Economic Analysis Bureau (EAB) [6]</b> 1. Financial and property status 2. Educational and professional status 3. Personal identity with the middle class	3%	Men and women are represented equally; they are at the age from 35 to 44; they are married; they have no children or the only child. One fifth of them live in Vologda or in Cherepovets. The intellectuals (27%) and technical and engineering employees (21%) are three times as many here; businessmen are seven times as many (15%). People go abroad by six times more often than the population in whole. The most people have Internet access (94%) and a foreign car (62%). The percentage of the people with savings is twice as many (40%) as over the array. Average monthly income is 17.3 rubles.
<b>IV. Criteria of the Concept of long-term social and economic development of the Russian Federation [7]</b> 1. Average per capita income is more than 6 living wages (33.4 thousand rubles in the first quarter of 2010.) 2. A car 3. Bank savings 4. Possibility of having a rest abroad regularly	1%	It is represented by men (65%) at the age from 35 to 54. The percentage of the representatives of the middle class living in Cherepovets is two times higher than in the array generally. There are many unmarried people here (29%). The share of work hands is three times less (22%). The share of entrepreneurs is 16 times higher (35%) than in the array in whole. They use the Internet (71%), go to the theater, concerts, exhibitions, restaurants, sports classes and have a rest abroad three times more than other people in the region.
<b>V. Criteria of the Russian Center for Living Standards [8]</b> 1. The higher education 2. Comfortable accommodation of two types (in the city and in the country) 3. A car 4. 50% of the incomes are savings 5. Healthy lifestyle 6. The children are supported with the higher education, treatment and initial capital to pay for accommodation	0%	The percentage of the people in the region who have higher education, own ground area, own accommodation and a car is 7.4%. Other criteria lead to the complete exclusion of people from this class. The main reason to except people from the middle class is insufficient savings. Alternative criteria are the characteristics of healthy lifestyle (regular exercises, balanced feeding and absence of alcohol abuse).

\* Here and after calculations are performed by A.N. Gordievskaya, a research engineer of ISEDT RAS.

nation-wide data. Lack of common criteria to determine the middle class leads to difference in the quantitative and qualitative characteristics. Thus, according to the first approach every second resident of the region identifies himself as a representative of the middle class; it is typical for Russia in whole. Generally self-taking on the middle class tends to have high rates, but most likely people, who identify themselves

with the middle class, are representatives of the average consumer segments, rather than the integral middle class.

Using the second approach we can also conclude that the social characteristics of the middle class is not too different from the social portrait of the general population and did not fully correspond to Russian and world standards of the middle class.

All sequential approaches took into account the narrow criteria (for example, as for the standard of education they considered only the highest, etc.) as well as a number of additional characteristics (obligatory availability of a car, savings, etc.). It turned out that in these cases the percentage of the middle class in the region did not exceed 3% and sometimes it was absent entirely. Thus, when we set the narrow criteria of the high standards of living it appeared that the middle class was absent in the region or its percentage was low. The main factors of small size of the middle class in the Vologda oblast and in Russia in general are low population's incomes and thereafter low savings level.

The number of the middle class in the region varies from total absence to 30% according to the different criteria but if we take into account the criterion of self-identification of the population it is up to 51%. The last rate is really too high. In addition, the representatives of the middle class have too different characteristics so they couldn't be ignored. Application of different criteria for determining of the middle class size allowed to form our own algorithm to calculate the representatives of this social stratum. We think it is reasonable to use the following criteria:

1. The average monthly income is 2.5 living wages per a person (it is 15 thousand rubles in the first quarter in 2010 for the Vologda oblast). We took into account that the middle class starts where poverty ends to determine the amount of actual income per person per month. The most widespread method to identify poverty is considered to be a way to determine its relative level of the living wage: according

to experts, the income of "the poor" should exceed the living wage in 2 – 2.5 times. So, if people's monthly income is above 15 thousand rubles, they can be attributed to representatives of the lower stratum of the middle class.

2. Determination of own incomes.

As opposed to other methods of determining the number of the middle class, we did not take into account the criterion of social self-identity as the most subjective assessment.

3. Standard of education (specialized secondary education and above)

4. Job status. It should be noted that this criterion is not used as restrictive but as a separating sign.

To identify the membership of the middle class we applied the cluster analysis of K-means method with the exception of iterations. The group which met all the criteria was singled out from the population; it was about 10% of the population in the region. We divided that group into three strata to characterize the representatives of that class in details; there were similar parameters of those criteria within the strata which didn't go beyond a certain threshold value that separated one cluster from another. As a result of groups' formation we revealed the cluster centers which reflected the dominant features of the representatives of each cluster. And besides they can be poorly represented or they can occur in different combinations (*tab. 2*).

Thus, the overall configuration of the middle class is represented as three traditional strata (lower, middle and higher), which differ by income level, standard of education and job status of their representatives:

Table 2. The size of the middle class strata and their cluster centers in Vologda oblast, 2010

Criteria	Strata of the middle class		
	Lower stratum, "toilers", 19.8%	Middle stratum, "intellectuals", 69.3%	Higher stratum, "organizers", 10.9%
1. The average monthly income per a person, thousand rubles	15 – 20	20 – 30	30 – 50
2. Determination of own incomes	They have enough money to pay for necessary food and clothing		It isn't hard to buy durable goods
3. Standard of education	Specialized secondary	Higher	Higher
4. Job status	Worker	Highly skilled specialist	Manager

1. Lower stratum consists of “toilers”, it includes 20% of population of the middle class in the region. They are people with the specialized secondary education, their income is 15 – 20 thousand rubles per person, they are workers or they are employed in the service sector.

2. Middle stratum consists of “intellectuals”, they are widely represented in the middle class of Vologda oblast, accounting for 69% of its population. They are people with higher education, their income is 20 – 30 thousand rubles per person, that is enough to buy food and clothes, but they have to leave the larger purchases until later. As a rule, they are employees, highly skilled specialists employed in the non-manufacturing sphere (a teacher, a doctor, a scientist, a journalist, etc.). Technical, engineering and office employees are also referred to this group.

3. Higher stratum consists of “organizers”, it includes 11% of the middle class. These people have higher education, they usually occupy executive positions and their income is 30 – 50 thousand rubles per person. As a rule, they are entrepreneurs with their own business. They are differed from the other strata of the middle class by age – they are older than 55 years. There are men by 2.5 times more than women here.

A representative of the middle class is a married man at the age from 25 to 34, living in Vologda or Cherepovets, who is employed at a government enterprise in the industrial sphere. There are many entrepreneurs (6%), technical and engineering employees (12%), intellectuals from the non-manufacturing sphere (12%) among them but for now most of all this class is represented by workers (19%).

The representatives of the middle class are differed from the whole array by good financial position. At the same time they think three times as more often that their interests are protected (13%), therefore they seldom participate in protest actions and if their financial position become worse they speaks 1.5 times as more often that they are ready to work more. The representatives of the middle class can give

their children higher education almost twice as likely (70%) and they can provide them with initial capital to pay for accommodation by three times more often. They watch TV and listen to the radio rarely than the general population but they use the Internet as information source nearly twice as often. In addition the middle class has active cultural life, its representatives go to the theater, concerts, museums, exhibitions and restaurants two or three times as more often. They contribute more time to political activities than the general population, meanwhile this difference is not significant (3 and 2% respectively). It should be noted that “intellectuals” (2%) and “organizers” (5%) are more active on the social front, rather than “workers” which are completely passive in this sense. With such active life the representatives of the middle class refer to the lack of free time more often while the general population thinks that the main reason of inability to spend a good leisure time is a lack of funds. These people lead a healthy life-style twice as more often. They go to have a rest to other cities and foreign countries more often. One third of the representatives of the middle class have foreign cars (this rate is twice as higher than the same rate of the general population) which make freedom of movement easier. 41% of people from the middle class have savings compared with 21% of the general population.

In this approach the reduction of the material standard allows to extend the limits of the middle class up to 10% of the total population in the region, that leads to variety of the representatives of this stratum. It is notable, that the decrease of the threshold value of income level allowed to refer more people with higher education to the middle class. At the same time the decrease of the threshold value of job status gave opportunity for workers to enter the middle class.

Impact of the global financial crisis suspended the growth of the middle class specific weight in the general population size. The share of the middle class did not change in 2010 compared with 2008 (10%). However, there

was a numerical redistribution in its internal structure: thus, the number of representatives of lower stratum (from 33 to 20%) and higher stratum (from 19 to 11%) decreased in 1.7 times, respectively, the number of representatives of middle stratum (“intellectuals”) increased (from 48 to 69%).

In general, the calculations performed by using of different criteria, show that the number of the middle class in the Vologda oblast does not exceed 30% of the total population. If criteria are more inflexible this rate is considerably reduced (to 3% or 1%). Thereafter, we can differ not only numerical strength but also socially characteristics of its representatives. Broad criteria open access to the middle class for the great mass of the population but narrow criteria restrict entering of many potential members of the middle class. Thus, the “ideal” middle class includes highly educated and well earning people but they are insignificant population share in the region. Small proportion of the middle class in society means its instability. This situation is explained by the lag of scientific and technical progress in Russia, because it is believed that it is possible to form the market middle class in the conditions of technological improving of economic processes.

One of the objectives of the Concept of long-term social and economic development of the Russian Federation is to increase the middle class from 30% in 2010 to 52 – 55% of the population by 2020. And besides the main part of the middle class should consist of people engaged in creating of new knowledge economy, technology and ensuring human development [7]. The share of the middle class in the Vologda oblast separated in accordance with the criteria of the Concept was equal to 1%. To increase its number up to half of the population by 2020 means that it is necessary to “grow” a base stratum of society from the embryonic stage in 10 years, that is a hard problem.

According to the Strategy of social and economic development of Vologda oblast for the period to 2020 the share of the middle class should increase even more – up to 65% [9]. In

addition the fitting criteria to this middle class are not specified. Various criteria for identifying of the middle class give different information about the number and qualitative characteristic of its representatives. In the absence of the specific boundaries of the middle class it is impossible to retrace the growth of its population.

Most of the population couldn't become the representatives of the middle class because of lack of material resources. However, material welfare as one of the basic criteria of the middle class doesn't always stimulate such qualities as inner freedom, independence, responsibility, creative abilities, standing up for own social and political positions as well as law abidance which are the integral characteristics of the representatives of this basic stratum. Criminalized conditions and cultural decline, which the modern middle class was formed in, caused irreconcilable contradictions in society and because of them negative behavioral patterns were developed. Such inconsistency is one of the main conditions of disunity and at the same time political passivity of the middle class. Alignment of value standards with the national spiritual patterns emphasis will increase the number of people who can become a bulwark of development of the region and the whole country. First of all the representative of the middle class should be an honest law-abiding citizen. Supporting this model of behavior, he would be interested in the effectiveness and transparency of economic, financial, legal and political relations of the State development and, therefore, he would be focused on functioning as the middle class.

In fact, it is early to speak about the formed middle class in Russia, and in particular, in the Vologda oblast. However, there are prerequisites for creating of the mass stratum of intellectually trained people with deserved salary and self-awareness, aimed to the creation, social and economic progress (10%), but they aren't represented widely and their forces aren't consolidated because they have a mixed structure. At the same time, they represent the social force in the region, which is a superstructure of civil society.

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