

POVERTY IN THE SOVIET UNION

by Mervyn Matthews

In August 1978, while visiting the Soviet Union, I decided to take the local train from Moscow to Vladimir, the capital of a former principedom some 100 miles to the east.

At Moscow's Kursk station, a rather disheveled man in his mid-30s boarded the crowded car and proceeded to address his fellow riders. "Comrades," he began, "would you help me?" He then went on to relate how, as an epileptic, he could find no steady work and was surviving on a pension of a mere 25 rubles a month—about \$37.50 according to the prevailing official exchange rate, and less than one-sixth the average Soviet wage. Ending his speech, he went around the car with hat in hand, collecting a few rubles and kopecks.

The panhandling seemed to upset none of the other passengers. But to me, a foreigner in Moscow, so open a declaration of hardship came as a surprise.

Westerners familiar with the beggars and street people of New York, Paris, or London would have trouble finding their counterparts on the broad avenues that cross the Soviet capital. People whom we would recognize as "poor" tend rather to congregate at places like the waiting hall of Kiev Railway Station, where crowds of homeward-bound peasants huddle on wooden benches, surrounded by overstuffed suitcases bound with string; or at Danilov Cemetery on the city's outskirts, where indigents stand by the gates, soliciting spare change from passers-by and keeping a watchful eye out for the local militia. None of these locales are on the visitor's standard Intourist itinerary.

Statistical evidence of poverty is equally well hidden. The official ideology is discreetly silent about its existence. Theoretically, the advent of the workers' state was to ensure the gradual elimination of social evils. During the late 1920s, Josef Stalin encouraged that belief by suppressing the publication of data pertaining to crime and other "negative" social phenomena; later, he had the compilers of the 1937 census arrested. Soviet statisticians have since been obliged to reconcile their bleak pictures of socialist reality with bland socialist theory.

As outside observers, we must consider ourselves grateful to Nikita Khrushchev, leader of the USSR from 1953 to 1964, who relaxed the censorship of some scholarly findings and al-

lowed the publication of (idealized) *minimum* family budgets. But even today, the term "poor" cannot be used in official Soviet publications to describe any social group. To avoid any embarrassing semantic problems, Soviet sociologists still rely on the euphemism "underprovision," or *maloobespechennost'*, in place of "poverty."

During the late 1950s, the Kremlin instructed a number of institutes to assess the minimum consumption requirements of a contemporary urban family. By 1965, several "minimum budgets" had been prepared. One of the later variants, published by G. S. Sarkisyan and N. P. Kuznetsova in 1967, may still serve, with reservations, as a yardstick for measuring poverty in the Soviet Union at the beginning of the 1980s.

The budget covered the monthly needs of an urban worker's family, comprising a husband and wife, both working, a 13-year-old boy, and an 8-year-old girl. With due allowance for state subsidies and services, the monthly expenses were set at 51 rubles and 40 kopecks per head.

Food purchases took up a relatively high proportion of expenses (56 percent); clothes required some 20 percent; housing and communal services, such as laundry and garbage collection, claimed only 5.4 percent, partly because they were state-subsidized and partly because provision of these services was meager.* The small sums allocated for furniture and household goods—among them a TV set and refrigerator—betokened spartan accommodations. No funds were allotted for medicine and education, since both were provided by the state at no cost. There was no provision for savings.

Sarkisyan and Kuznetsova also devised a minimum budget for the early or mid-1970s. The new version required an income per capita of 66.6 rubles but maintained roughly the same proportion of expenditures. It required two after-tax wages of 133.2 rubles each—a national average reached only by 1976. No detailed changes seem to have been made in Sarkisyan and Kuznetsova's original figures—at least, no one has published them. If we revise them by a very cautious four percent to cover inflation,

*In 1984, an average-size U.S. family (2.7 "members") with total earnings of \$10,116 (below the poverty threshold of \$10,614 for a family of four) spent 33 percent of its income on housing, 22 percent on food, 18 percent on transportation, and five percent on clothing.

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During the famed "kitchen debate" on July 24, 1959, Premier Nikita Khrushchev brushed off Vice President Richard Nixon's guided tour of an American kitchen exhibit in Moscow, saying: "Many things you've shown us are interesting but they are not needed in life."

the 267-ruble poverty threshold allowed for in the mid-1970s would rise to about 278 rubles in 1981. By then, the *average* Soviet wage had reached 172.5 rubles, or \$233 according to the (admittedly artificial) official exchange rate. After taxes, two working parents would have taken home about 310 rubles, still uncomfortably close to the earlier "minimum threshold."

The question of *how many* of the USSR's 270 million inhabitants are poor can be answered only in terms of probabilities. The Soviet Union publishes no comprehensive data on wage and income distribution. To do so would reveal the existence of a socioeconomic pecking order, a distinctly capitalist phenomenon that undermines the theory of a unified, egalitarian society.

Only by examining articles in Soviet labor journals, directors' handbooks, and the few available generalized statistics can one gain some idea of the extent of poverty in the Soviet Union. In rough fashion, these sources suggest the nature and size of those groups that cling to the bottom rungs of the Soviet income ladder, as well as those higher up.

Disparities in income between the richest and poorest folk

do not seem to be nearly so great in the Soviet Union as they are in the United States. If one were to depict the income distribution of the USSR's 114 million nonfarm labor force in the shape of a diamond, it would be much shorter on the top, much broader at its midpoint, and much longer on the bottom than its U.S. counterpart. Nonetheless, differences in income have at times been serious enough to trouble the leadership itself—including Khrushchev and Leonid Brezhnev, who both made big efforts to narrow the differentials.

At the top of the income diamond are the elite members of the Soviet "intelligentsia," a group defined broadly by Lenin in 1904 as "all educated people, representatives of mental labor as distinct from representatives of physical labor." The very pinnacle is made up of the top party and state officials, marshals in the Soviet Armed Forces, and first secretaries of artistic organizations like the Union of Musical Composers. Just beneath them, one might find directors of academic research institutes, factory managers, and slightly lower ranking military and diplomatic personnel. During the early 1970s, such people probably accounted for the roughly 0.20 percent of the Soviet citizenry that received monthly salaries of 450 rubles or more.

Poverty for 40 Percent

Moving down the diamond, one encounters professors at universities or research institutes, engineers, artists, writers, and a horde of middle-grade Party and state officials. The physical laborers most likely to earn above 200 rubles are those in mining and heavy manufacturing: Coal miners in the Kuznetsk Basin, steel mill workers in the Urals, and oilmen in western Siberia might earn anywhere from 200 to 300 rubles a month.

The Soviet labor force, however, still contains many low-skilled industrial laborers and poorly paid service sector workers (perhaps 30–40 million in 1981). Although in general most of these Soviet workers toil at less skilled tasks than their U.S. counterparts, some occupations that are well paid in the United States bring little remuneration in the USSR. A Soviet doctor, for example, might earn only 120 to 170 rubles. Less remarkable is the fact that teachers could take home from 85 to 135 rubles, or that janitors, cleaners, and doorkeepers could earn as little as 70 rubles a month.

Most surprising, however, is that so many Soviet citizens evidently received less than the 133.2 ruble single-income poverty threshold contained in the Sarkisyan-Kuznetsova budget. Counting the 13.2 million collective farm members—most of

**THE COST OF LIVING:
A TALE OF THREE CITIES**

Keith Bush, director of Central Research for Radio Liberty, compared the purchasing power in 1982 of industrial workers in the capitals of the United States, France, and the Soviet Union. His calculations of how much work-time is required to buy certain items are based on average gross earnings and prices as of December 1981.

	Washington	Paris	Moscow
	(minutes of work-time)		
Loaf of white bread (one pound)	7.26	8.16	7.71
One pound of sausages	14.97	34.01	72.56
One dozen eggs (cheapest)	9.33	15.33	55.00
One pound of fish (cod)	27.66	53.51	21.32
One pound of butter	25.40	21.77	100.68
One roll of toilet paper	3.50	6.50	16.00
One bottle of aspirin (cheapest)	5.00	21.00	246.00
One pack of cigarettes (20 cigarettes)	9.00	8.00	15.00
One subway fare (two-mile ride)	7.00	4.00	3.00
	(hours of work-time)		
Monthly rent	51.00	39.00	12.00
Color TV	65.00	106.00	701.00
	(months of work-time)		
Small car	5.00	8.00	53.00

whom earned less than 100 rubles a month—the “poor,” as defined by Soviet statistical parameters, must have numbered no less than *two-fifths* of the entire Soviet population in 1981.

Salaries tell only part of the story. Many higher ranking Soviet citizens live not just on their official income but by means of a special network of goods and services. As journalist Hedrick Smith observes, such advantages “are beyond the reach of ordinary citizens because they are a dividend of political rank or personal achievement in the service of the state.”

A large proportion of the country’s wage earners also

manage to supplement their income by dabbling in the illegal "second," or "black," economy: Petty bureaucrats solicit bribes; delivery men haul freight on the side; doctors, plumbers, and house painters make undeclared house calls. Having control over fewer commodities or services, poor families evidently reap fewer rewards from any illegal activities, perhaps 20 to 25 rubles a month.

Those Soviet citizens who, by hook or by crook, cannot make ends meet may turn to the state for support. Pensions are normally paid to men over 60, women over 55, and to those who are disabled, widowed, or have lost their principal means of support. (Others eligible for some state assistance include some eight million single-parent households.) In 1981, the Soviet Union dispensed 35.4 billion rubles in pension payments of various kinds. Divided among the country's 50.2 million recipients, that worked out, in crude terms, to only 58.8 rubles a month—below the 66.6 ruble per capita poverty threshold. (In addition, the minimum monthly pension for peasants was set at a mere 28 rubles.) Many elderly citizens take jobs after reaching retirement, a trend strongly encouraged by the authorities. Others survive by pooling resources with their children.

Three Decades Behind

Such conditions mock the 1961 Communist Party Program's expansive prediction that, by 1980, the Soviet Union would boast "the highest living standards in the world." Indeed, the survey that my colleagues and I have conducted among Soviet émigrés suggests that members of the Soviet "underclass" live under significantly worse conditions than their Western counterparts. Sponsored by the U.S. National Council for Soviet and East European Research, this work drew on the responses of 348 families, all of whom left the USSR after 1977. They were chosen on the basis of their income per capita (below 70 rubles) and asked not only to describe their living accommodations but also how their lives compared with those of other Soviet citizens.

The past three decades have seen impressive gains in the *overall* Soviet standard of living. Since 1950, real consumption per capita has risen at an average annual rate of 3.4 percent—equivalent to a tripling of the goods and services purchased by the average Soviet citizen.

Yet as economist Gertrude Schroeder points out, "Soviet living standards remain drab and essentially primitive by Western standards and also compare unfavorably with much of Eastern

Europe." Even those statistics that the Soviet authorities are proud enough to publish show a big lag. In 1981, some 65 percent of all Soviet households had refrigerators, against over 90 percent in the United States, 85 percent in Spain, and 80 percent in Poland. Only 55 percent had washing machines, versus 74 percent in the United States, 90 percent in Italy, and 80 percent in Yugoslavia. If the living standards of the average Soviet citizen trail two or three decades behind those of the average U.S. resident, those of the Soviet poor are certainly even less advanced.

No Fruit, No Lettuce

Nowhere is this truth more evident than in their diet. Food ranks as the most important consumer commodity of the poor, taking up over 60 percent of the income of families in the émigré sample. The diet they reported was in many respects way below the norms stipulated by the idealized 1967 Sarkisyan-Kuznetsova budget. In general terms, the Soviet poor today eat as well as the average Soviet citizen did some 15 years ago. But the average Soviet citizen still consumes far less meat, fruit, and vegetable oil and vastly more bread, potatoes, and milk than his American counterpart.*

Those émigrés whom we interviewed reported that they had bought very few vegetables other than the most common, such as cabbage, beets, onions, and carrots. During the winter, 60 percent purchased no fruit and 25 percent no lettuce or other salad vegetables. One-third rarely, if ever, ate imported oranges, lemons, and bananas, or cakes and other confectionaries.

Lack of income was not the only problem. Excluded from the network of restricted stores used by the more influential and affluent, the poor had to purchase much of their food at state enterprises, where long queues all too often lead to nothing but neat, empty shelves. The collective markets run by peasant farmers offer a more reliable supply of market produce, but the prices are usually at least double those of the state shops.

Surprisingly, 28 percent of those interviewed termed their diet "satisfactory"; another 10 percent had no particular opinion, which amounted to the same reaction. Most likely, their answers reflected perennially low expectations or an ignorance of what might be bought under more plentiful conditions.

*In 1980, for example, Soviet consumption per capita of beef (11 kilograms) stood below not only that of the United States (46.9 kg.) but also below that of Poland (18.5 kg.) and Yugoslavia (14.8 kg.). To judge from data published by the U.S. Department of Agriculture, Americans who lived in households earning from \$6,000 to \$10,000 in 1977—when the poverty threshold was \$6,191—annually consumed 30 percent more meat and fish, 45 percent more fruit, and roughly the same amount of vegetables as those interviewed in the émigré survey.

A beggar on the streets of Kazan, capital of Tatar. Strict vagrancy laws normally keep indigents—usually alcoholics or invalids—off the streets.



Feelings about the supply of clothing, however, were much less benign. Sixty-seven percent declared that clothing was an “acute problem,” and another 30 percent called it a “problem.” Almost daily, *Pravda* and *Izvestiya* feature articles or letters lamenting the quality and quantity of Soviet clothing; in February 1985, Soviet Premier Konstantin Chernenko devoted much of a Politburo speech to discussing a chronic shortage of footwear. The “poverty” wardrobe detailed by Sarkisyan and Kuznetsova contained, for some reason, a relatively lavish assortment of garments. The husband, for example, was assumed to have a winter coat, a light coat and mackintosh, two suits, working clothes, a “half coat,” two pairs of trousers, seven pairs of socks, shirts, linen, and hats. Shoes, oddly enough, were omitted.

In their wisdom, Sarkisyan and Kuznetsova allotted 43 rubles per month to cover clothing costs. But clothing, at least in Moscow, is relatively expensive. In 1982, a T-shirt cost \$4.17 (versus \$1.79 in Washington, D.C.); a pair of men’s socks, \$3.45 (versus \$2.50); a men’s raincoat, \$121.70 (versus \$69.95). By our estimates, the Sarkisyan-Kuznetsova wardrobe—including shoes—would have cost a minimum of 1,100 rubles per person, which at 43 rubles per head would mean the equivalent of eight

and a half years' wear on every item.

After food and clothing, housing ranks as the greatest expense facing the poor. Sarkisyan and Kuznetsova budgeted five percent of family income for shelter. The results of our sample suggest that, in reality, the poor spend far more. While the average rent in state-supplied housing was indeed quite low (about nine rubles a month), payments for rent, electricity, gas, telephone, heating, cleaning, and repairs together ran at 20 rubles, or nine percent of family income.

Tight control of urban development and private construction has retarded the formation of outwardly "poor" neighborhoods. But standardized housing at nominal rents, public amenities, and the absence of commercial interests all serve to mask, rather than remove, social inequality. When asked whether richer people in Soviet society had *better quality* accommodations, 90 percent of the respondents considered that was indeed so. The poor were thought to have less of the influence needed—through membership in the Communist Party, deputyships in the local soviet, trade union posts, and so on—to quicken their progress through housing waiting lists, or to find larger apartments.

To what degree do the poorest people in the Soviet Union feel themselves to be a group apart? Only about two percent of the sample admitted to being "very poor" and 21 percent to being "poor" at all. About 13 percent thought that they were not poor, while the remainder, or nearly two-thirds, had no clear conception. (The monthly median income per capita of these families was a mere 59 rubles.) When asked whether they regarded "the urban poor" as a separate group in Soviet society, only one-quarter of the sample replied that they did.

Waiting for Better Days

Perhaps the Soviet poor are in some ways inured to hardship because they feel that such conditions are shared by all fellow citizens. About 90 percent of the respondents believed that poverty was widespread—estimates varied from 25 percent to 80 percent of the population. Meanwhile, no less than 99 percent thought that the average wage in Soviet society was considerably lower than the officially published figure. As Robert Kaiser observed in *Russia* (1976), "There appears to be no embarrassment or sense of inadequacy in a Russian family when parents and children dress in the same shapeless clothes, [or] when the two-room flat is not equipped with an upholstered sofa or colorful curtains."

By all accounts, those who are poor in the Soviet Union blame both society and state for their difficulties. Most of our émigré respondents saw alcoholism as the most important general cause of poverty. Close behind drinking came an "absence of material incentives" and "wrong government policy concerning pay."

None of these factors seems likely to change or disappear soon. Despite a recent crackdown on heavy drinking, few Soviet-watchers predict a lasting decline in alcohol consumption. Over the past decade, the Soviet economy—never a fount of "material incentives" such as personal cars, tape recorders, or home appliances—has become even more sluggish. Finally, Communist Party Secretary Mikhail Gorbachev, depicted by many poorly informed Western journalists as a young progressive, is pushing for less, rather than more, equality of income. Last April, he announced that "we must . . . eliminate from our distributive mechanism equal pay tendencies, unearned income, and all that contradicts the economic norms and moral ideals of our society."

The theoretical beneficiaries of the classless socialist state, the Soviet poor, like their peasant forebears in the days of the tsars, must wait for better days.

