Poverty and Social Inequalities in Russia Today

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Scale and Structure of Poverty

11.2% of the population (2012)

Groups at high risk of falling into poverty:
- Families with 2 or more children
- Families with unemployed disabled people
- Residents of depressed industrial and rural areas
Social Inequalities

- Richest 1% of Russians account for 71% of household assets in Russia
- Worldwide average for this indicator is 46%, in Africa – 44%, in the United States – 37%, in China and Europe – 32%, in Japan – 17%
- Richest 5% account for 82.5% of all household assets; richest 10% accounts for 87.6% of all household assets in the country
- Gini coefficient of wealth distribution – 0.84
Reasons for Poverty and Social Inequalities

- Economy based on oil and gas production and export
- Corruption
- Ineffective state social policy
Solutions to Problems of Poverty and Social Inequalities

1. Economic reforms
   - Decreasing state’s participation in the economy
   - Encouragement of competition

Results:
   - Creation of good jobs outside the state sector
   - Increase in tax revenues and thus more opportunities for raising the salaries of teachers, doctors and other state employees
Solutions to Problems of Poverty and Social Inequalities

2. Corruption

- Decreasing state’s role in managing the economy
- Decentralizing the government to enhance local self-government
- Openness and transparency in the activities of the bureaucracy
Solutions to Problems of Poverty and Social Inequalities

3. State social policy
   • Increasing financing of social programs while raising the effectiveness of the use of the allocated funds
   • Decentralizing state social policy, in part through engagement of NGOs and commercial structures in social policy
Thank you!