

# Older people in Russia's transitional society: multiple deprivation and coping responses

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## **ABSTRACT**

Since 1989 there has been a widespread collapse of public services and income support for older people in the Russian Federation. Pensions have declined in real value and frequently are paid late, the system of collective health care has become less reliable, and the social institutions and services that formerly helped disadvantaged older people overcome isolation and loneliness have almost entirely ceased to function. Most people's personal assets and savings are insufficient for a decent life, and many cannot now afford the medical services and medications that they need. Given the absence of formal or institutional support, older people in Russia have had to develop pragmatic coping mechanisms, most commonly based on informal social networks and diverse income-generating activities, including barter and exchange in the informal 'grey' and 'black' economies. The household budgets of many pensioners increasingly rely upon their ability to raise income through their labour and the exchange of goods, and the time that they devote to these productive activities is increasing sharply. In comparison with other age groups, older people in Russia own many private apartments, garages, and garden or allotment plots, and they are important factors in the generation of income. These assets are used first and foremost to avert poverty and degradation, and more generally to support the immediate and extended family. The current economic system and the inadequacies of the existing system of social protection perpetuate the distinctive coping strategies.

**KEY WORDS** – coping strategies, older people, informal social networks, inter-generational relations, domestic economy, multiple deprivation, social isolation, social exclusion, Russia.

## **Introduction**

The purpose of this article is to examine the ways in which Russian older people have adapted to the introduction of the market economy and the collapse of the Soviet welfare state since 1989, and more

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specifically to describe and evaluate the characteristic coping strategies that have emerged. The article has two main sections: first, a review of the research and statistical evidence on the development of the population's adaptations over two decades, and secondly, a review and interpretation of the findings of the Russia Longitudinal Monitoring Surveys of 1998 (Mroz, Mancini and Popkin 1999) and 2000 (Zohoori, Gleiter and Popkin 2001).

Russia's population of pensionable age (55 or more years for women and 60 or more years for men) was 30.4 million in 1999, and they formed 20.8 per cent of the total (*Voprosy Statistiki 2000*: 59). In the decade since the collapse of the Soviet centrally-planned welfare state, poverty has affected a rising proportion of older people. Most have seen their savings annihilated and their pensions devalued, and all have had to face up to the degradation of medical care and personal social services. There is no longer a welfare 'safety net'. These 'welfare shocks' have induced various responses in the population, including emigration and crime, but the majority of older people have stayed. They survive through numerous 'coping strategies' which have been improvised in pragmatic, opportunistic and often haphazard ways from long-established Russian social customs.

The state pension system no longer provides a decent material living standard for Russian older people. Throughout the last decade, the average real value of the state pension has been only just above the minimum subsistence level, and many pensioners receive substantially lower amounts. Many have consequently been compelled to find additional income in both the formal and informal sectors of the economy. Nearly one-fifth of pensioners continue working after their retirement age, creating two sources of income, the pension and their earnings. But most pensioners have neither the opportunity nor the desire to work in conventional jobs, and the most prevalent strategy has therefore been to raise income through domestic and self-employed occupations and by the exchange of goods in the informal economy.

The extensive participation of the population in the 'grey' economy has fiscal and macroeconomic implications and so has attracted the attention of statistical agencies and economists in Russia and other countries (Botcharova 1999; Clarke 2000). These theoretical accounts have given little attention to the reasons for the growth of the informal economy, and only rarely approach the topic from the perspective of the participants and their 'survival strategies'. Other researchers have, however, developed methodologies for studying the evolution of the strategies in the 'transitional economy' since 1989 (Piiirainen 1997; Tchernina 1996; Shkolnikov and Cornia 2000). No previous publi-

cations have examined specifically the distinctive survival strategies of older people.

The concept of 'coping strategy', a focus of this paper, has featured in sociological studies of Russia's social dislocation, as in the United Nation *WIDER* project, 'The mortality crisis in transitional economies'. One of the present authors applied the concept in an earlier study of working-age people's responses to rising unemployment (Tchernina 2000). That study focused on the shift from conventional paid occupations to the informal economy, and its findings have provided several insights into the coping strategies of older people, namely that:

- the most common response in the formal market economy is to enter self-employment or waged occupations in the private sector;
- the most prevalent strategy outside the market economy is to pursue domestic production and informal exchange;
- in the cases of the worst deprivation, the coping strategy reflects a basic survival response to prevent severe misery and indigence; more generally, the dominant motivation is to protect the immediate and extended family;
- the distinctive coping strategies deployed by Russia's least advantaged older people during the last years of the Soviet era have not drastically changed in the post-Soviet period but are now more widely used by Russia's older people.

The first part of this paper reports the findings of an open-ended review of statistical, documentary, research and media sources of the methods and modes of survival of Russian older people from the 1970s to the present day. We attempt to estimate the relative contributions or importance of the different coping strategies to the material wellbeing of Russian older people, but are hindered by the lack of relevant official statistics or surveys on the activity patterns and social roles of pensioners. The novelty of the coping responses has stimulated new special surveys, through which it has been possible to investigate the flow of money and services among the members of older people's family networks (Tchernina 2001). Other valuable sources have been regional surveys of pensioners' activities in the formal and informal sectors (Mozhina 1997; Bodrova 1998; Patrushev 1998), and a review of publications on older people's poverty and on national and regional manifestations of deprivation.

In addition, during 1996–2001 we purposefully collected older people's personal letters of two kinds: those published in Russian national and regional newspapers (*Izvestia*, *Moscow News*, *Sovetskaja Rossija*, and *Sovetskaja Sibir*) and the journal *Social Security*; and more

than 100 letters of private correspondence from older people who are resident in the new Commonwealth of Independent States (NIS), mainly in the Russian Federation (particularly Moscow, St. Petersburg and Novosibirsk) and in the Ukraine (Harkov). Our private correspondents describe their responses to characteristic everyday situations: permanent poverty, exorbitant prices for medical services and medication, huge rises in the charges for public utilities, declining health and growing isolation. They also describe their personal experiences of different coping responses and how these contribute to poverty reduction. Based on this information, we have analysed and classified the coping responses according to their active or passive character.

The second part of the paper reports in more detail the situation of pensioner households throughout Russia in 1998, by drawing on the evidence from a sub-sample of older people households in the eighth round of the Russian Longitudinal Monitoring Survey (RLMS) which focused on the material wellbeing of the nation's households. The data provide evidence of both continuity in the population's coping strategies and their elaboration. The paper concludes with a discussion of the findings, including the actual and potential role of different coping strategies in the prevention of old age poverty.

### **The development of the informal economy since the 1970s**

Most of the responses of the Russian population to the country's economic ills emerged during the last years of the Soviet era, which is when this account begins. At that time, some 20 per cent of Russia's older people were officially employed, a considerable proportion informally (the exact number is not known). Older people, in particular those living in urban areas, with the required qualifications or skills and in satisfactory health could quite easily find informal work in the grey or black markets, such as sewing clothes, repairing home and office appliances, and home decorating. Their participation in the economy was realised through regular, or, more commonly, irregular, employment by established business, or through self-employment. Self-employment was and is more profitable than hired labour, but requires tools, access to materials and spare parts, and some start-up capital.

The economic wellbeing of older people was severely reduced during the late 1980s with the high rate of inflation: as fixed payment recipients they experienced a decline of real income. While in most countries the normal response to ameliorate the situation would be to

draw upon savings and assets, only a small proportion of Russia's pensioners had this option. The savings of the majority were negligible, not least because of the lengthy preceding period during which interest rates had been much below the rate of inflation. As we shall see, their limited property assets generate more income as a 'factor of domestic production' than through their sale value.

Continuing in waged labour beyond retirement age was the most widespread response to penury by older people during the 1970s and 1980s, because to retire during the Soviet era led to a drastic cut in personal income. Every fifth pensioner continued to work after retirement for around five to seven years. This strategy continued during the 1990s, with nearly 20 per cent of pensioners remaining in work. Much more important, however, has been older people's participation in the grey and black markets, which increased markedly during the second half of the 1980s. The most common form was street trading, as became evident all over Russia. Most pensioner street-traders sell a narrow range of goods, mainly food produce, but some offer goods prohibited by the street trading laws, such as proprietary and home-distilled vodka and cigarettes. They buy small quantities from profiteers or from the state by queuing and with their ration coupons. Some are entrusted to sell on the streets the consumer goods received by their children or neighbours in place of wages. This trading raises very little income (or commission) and is detrimental to health. The street traders are exposed to harsh weather and to atmospheric pollution (no covered stalls are used), to extortion by criminals, militiamen and various inspectors, and to the assaults of criminals and hooligans. Other marginal occupations engaged in by older people include begging, pimping, and trafficking in drugs and stolen goods. Some disabled older people are hired or forced by criminal gangs to beg, and those who become involved find it almost impossible to break from the criminal net.

In a nutshell, older people's survival strategies during the 1980s focused on maintaining their income through intensive labour in the domestic or home economy. Through the 1990s, these coping strategies became essential to prevent slipping into extreme poverty and famine. 'Productive occupations' in the domestic economy are very diverse, but their successful pursuit is not as straightforward as might at first seem. To be productive in the domestic economy is very difficult, not least because of the absence or high cost of many labour-saving devices, *e.g.* mechanical cultivators or washing machines. An important feature of domestic production is its labour intensity. Its success normally depends upon a division of labour among several family members, and

the active participation of both older people and the younger members of the families, who partially or wholly withdraw from waged employment and the formal market economy.

### **The diversity and elaboration of coping strategies: a documentary review**

#### *Domestic production*

The principal ways in which pensioners reduce expenditure and generate income are in 'domestic production', and three types of activity can be recognised:

- growing as much food as much as possible, not only for personal consumption, but also for their children's families and for sale;
- buying unprocessed foods and preserving, preparing and processing them at home;
- reducing spending on personal services (such as hairdressing), and substituting one's own efforts or those of relatives and neighbours, and sometimes selling these services, as with sewing, needlework, embroidery and laundry.

Domestic food production is achieved through intensive and protracted labour and the exploitation of garden and allotment plots. During the 1990s, the families of pensioners spent much more time on the preparation of food than during the 1980s. According to a survey in 1995 in Pskov, male pensioners aged up to 65 years spent twice as much time in domestic production as formally employed men (30.7 compared to 14.6 hours per week), and a similar contrast was found among women (46.9 hours compared to 27.0 hours). The substantially greater commitment of women should be noted (Patrushev 1998: 105–10). The most common forms of domestic production are:

- cultivating land and growing vegetables, potatoes, fruit and berries;
- keeping cows, pigs, hens and rabbits and bee-hives;
- gathering mushrooms, berries and herbs;
- hunting and fishing.

It has been estimated that the value of the goods and services produced domestically by households in modern Western societies is similar to the gross national product of the formal sector of the economy (Gershuny 1989: 583). The comparable figures for Russia are not known, but the significance of the domestic economy for the overwhelming majority of the Russian people is obviously far greater than in the West. This is partly because of the underdevelopment of formal services, which are characterised by restricted choice and low quality. For many sections

of the population, paying for personal and consumer services is impossible, because of either low incomes or the absence of providing establishments in most small towns and villages. Partly for these 'supply' reasons, Russian households have customarily produced at home many personal services for themselves. During the last 20 years, this response has extended into the domestic production of tangible consumer goods, especially food. An important consequence of this substitution is a reduction in leisure time. Producing goods and services, and particularly undertaking home improvements, is widespread and everyday, even if the Western culture of 'do-it-yourself' is absent.

To provide a diet with sufficient and reliable calorie intake, many Russian families have been compelled to produce much of their own food (especially vegetables, fruit, beer, meat and milk). This coping response is very common among pensioner households. The 1994 Russian population census indicated that 58.3 per cent of all households had a plot of land. The area cultivated by households has been growing steadily, from 4,075 thousand hectares in 1994, to 4,543 in 1997 (*Current Statistical Survey* 1999: 70). The significance of domestic food production is widely understood: among a survey sample interviewed in several Siberian cities, 54 to 58 per cent said that their own production was the main source of their food (Artemov 1997: 113–23). They produced 80 per cent of the potatoes that they consumed, 40 per cent of the vegetables and melons, and 26 per cent of the fruit and berries (*Current Statistical Survey* 1997: 89). All age groups of the Siberian rural population, from the teens to older people, participate in the cultivation of personal subsidiary plots (allotments) and in tending cattle. Moreover, the time spent on agricultural work by both pensioners and the formally employed increased markedly during 1975 to 1994. Among men, the time spent tending cattle increased substantially for both pensioners and the employed. By 1994, male pensioners spent more time on agricultural work than female pensioners, but employed women spent more time than employed men (Table 1). Rural pensioners produced more than those in towns on their allotment and garden plots, and both the older and the younger rural population achieve a diet with 30 per cent higher calories than their urban counterparts.

Domestic production plays many roles in an unstable and economically dysfunctional society. It provides a cushion against the unpredictable 'blows' of the Russian market economy: the spasmodic leaps of prices, precipitate unemployment, or the destruction of savings. Home food production enables reserves of food to be built up, and adds

TABLE 1. *Time spent by rural population on subsidiary plots in food production (hours per week): Siberian villages, 1975–1994*

	Formally employed				Pensioners			
	Women		Men		Women		Men	
	1975–76	1993–94	1975–76	1993–94	1975–76	1993–94	1975–76	1993–94
Work in garden	4.9	6.3	3.2	3.4	6.6	12.2	6.5	9.3
Care of cattle	7.1	11.0	3.6	10.2	14.1	14.6	10.9	18.9
Total	12.0	17.3	6.8	13.6	20.7	26.8	17.4	28.2

Source: Gvozdeva 1998: 167.

substantially to the volume, nutritional variety and quality of a family's diet. It allays the fear of famine. Statements from our older correspondents such as, 'we dug up 15 sacks of potatoes, so we could live till summer', are common and no exaggeration. On the other hand, many pensioners sell the vegetables and berries produced on their plots, and with the proceeds buy additional bread, flour, butter, milk and sugar. Their sales deprive the pensioners of fresh produce and therefore a better diet, but they are compelled to do so in order to achieve an adequate calorie intake. To produce the food that they sell or give to their children's families, they have to work hard on their plots from spring to the beginning of winter regardless of their health and age.

Alongside the production of food, the second important feature of the domestic economy is the large amount of time spent on the search for and purchase of cheap goods, particularly food. This activity is an extension and adaptation of the habits and customs that developed during the Soviet period in response to 'shortages'. Pensioners spend more time on this activity than people in work, and many buy not only for themselves but also for their children and their families. They wait in pre-arranged places for lorries to arrive from the countryside with food, or they move from one produce market to another: all of which entails considerable physical exertion and much stress.

The heavy reliance on and continuous consumption of cheap food creates a health risk. The meat, vegetables and fruit acquired in this way are not subject to the normal sanitary and veterinary inspections, and some food becomes available after the designated 'best before' or 'condemn' dates. These practices were illustrated during an interview with a man aged 78 years in Novosibirsk in January 1999 (he was unemployed, but his wife was in work):



Today there is a severe frost. I left the house at 8.30 to buy cheap milk from a tanker, which usually comes from a village not far from the city. There was a queue of about a hundred people, most of them pensioners. We waited for the tanker for an hour and a half in that open place, in the frost. But the milk in the normal shop costs twice as much as from the tanker. It didn't come, and I came away without any milk. On the way home I came across another queue, for a tanker with sunflower oil. I thought that I'd better join the queue, because from the tanker the oil is 30 per cent cheaper than in the shop. I got back home at twenty past eleven. The only 'prize' I got for those three hours hunting was a three-litre jar of sunflower oil.

The number of pensioners who take medical advice (as for cardiovascular and rheumatic diseases) peaks in the late autumn after the harvest. To some extent, therefore, the Russian state pays for its underpayment of pensions by additional expenditure on medical services.

### **Informal social networks and survival strategies**

A defining characteristic of Soviet society is the strength and distinctive roles of informal social networks. Their development has been influenced by historical, social, cultural and economic factors. The economic causes include the widespread shortages of consumer goods and services, particularly those of good quality, and the low real value and insecurity of wages. These factors lead to the widespread emergence of the non-cash and reciprocal forms of exchange known as *blat*, which operates on the expectation that the provision of services of one kind will be repaid by services of another kind.

The cultural factors that have promoted informal social networks derive from the persistence of patriarchal relations, which some commentators have associated with the specific form of urbanisation in the Soviet Union that was produced by 'socialist industrialisation' and economic development (Vishnevskij 1995: 208–17). They contend that the planned or 'forced' industrialisation and the growth of the urban population during the 1930s was not accompanied by the spread of the values and social forms normally associated with 'urbanisation' (as described by Louis Wirth in 1938), but rather in the creation of 'rural cities', of urban fabrics inhabited by people who retained rural ways of life. Informal, close-knit, kin-based social networks had been characteristic of Russian rural communities over many centuries. They embraced close relatives as well as distant kin, and in some cases all the families in a village.

As these forms adapted in the Soviet urban-industrial settlements,

support from relatives and mutual assistance was usually restricted to close relatives of typically three but sometimes four generations. Many young adults could not obtain their own apartment or house, and so lived in their parents' home and maintained a joint household for around the first 10 to 12 years of their married life. Among the family members, material and service exchanges were made on a 'loan' or immediately non-equivalent basis.

The retirement of the older generation usually leads to an improvement in the welfare of the younger relatives, because the former undertake more household tasks and domestic production, such as child-minding or summer holiday supervision, and garden or plot cultivation. Retirement brings more involvement with both close and extended relatives. Complementarily, the older generation's retirement usually leads to a substantial decrease in their social interaction beyond the family, principally through their detachment from the social opportunities connected with employment, a profession or an influential social position. Most older people have insufficient discretionary resources (including time) for anything other than the support of their own family.

Some research and commentators noted an inversion of social roles during the 1990s: pensioners became the breadwinners for their extended families. In some three-generation families, a pension is the only regular cash income, because the younger members are unemployed or work without regular payments, and there are substantial arrears of child benefits. For many younger family members there is only one way to improve their situation: intensive participation in the domestic economy, *e.g.* the cultivation of potatoes and vegetables on a small plot. In this way, they have adopted the same survival strategies as their parents and grandparents. In some cases, more complex and extended networks of relatives, dispersed across urban and rural areas, participate in the co-operative production and sale of agricultural produce. The urban relatives mainly contribute seasonal labour, money, transport and marketing services. The rural relatives contribute arable land, market gardens, residential and non-residential buildings, agricultural machines, and permanent and skilled labour. The harvest is divided according to an informal agreement.

Given the stark income differentials among the related households and the lack of social protection, older people frequently redistribute income among their several children's families. This function is realised when an older parent or couple receives financial help from a relatively prosperous child, but spends it partially or not at all and transfers the balance to their other children who are experiencing deprivation

TABLE 2. *Use of parents' assets by small business owners: Siberian cities, 1996*

Type of asset or property	Percentage
Use of dwelling	11.0
Cash savings	9.6
Means of transport	5.5
Other property and durable goods <sup>1</sup>	12.4

<sup>1</sup> Plots of land, computers, typewriters and sewing machines.

Source: Tchernina 1998: 18.

through unemployment, lack of housing or chronic disease (Fadeeva 1998: 80–93).

Older people with property or assets also support the coping strategies of their children, especially when they start small businesses (Table 2). Often these depend upon the financial support of parents and grandparents, or the businesses are conducted from their parents' or grandparents' apartments or with their land and vehicles. If the business turns out to be successful, the parents may expect a financial return, but inequality in the exchanges and little return to the older people is the more common result. Most older people expect neither 'equivalent exchange' within their family network nor financial support from their children and grandchildren. During the later 1990s, the practice of making legal agreements (testaments) by family firms increased. In exchange for the use of an older relative's apartment, the entrepreneur paid a monthly amount corresponding to the market value of the rent and any personal services rendered. While in most instances family solidarity countervails the decreasing responsibility of the state for older people (especially the declining value of pensions), the resort to legal instruments is a sign of the frailty of inter-generational family solidarity.

### **Coping strategies of pensioner households in 1998**

This section of the paper is based on data collected by the Russian Longitudinal Monitoring Survey (RLMS) (Mroz, Mancini and Popkin 1999). The RLMS is a survey of household economic conditions that was designed to measure the effects of the market reforms on the wellbeing of households and individuals. The survey's orientation towards policy-relevant questions, such as the state of household consumption (including nutrition) and individual health, make it a valuable source for the study of older people's survival strategies. The

TABLE 3. *Sources of pensioner households' income, Russia 1998*

Source of income	Percentage in receipt	Average value (roubles)
Pensions	100.0	876
Wages from paid employment	14.9	924
Sale of personal property and rents from property	28.6	136
Benefits from renting an apartment <sup>1</sup>	27.0	93
Sales of crops, livestock, fowl or beer	7.9	1,038
Gifts of money or goods from individuals and organisations	15.2	563
Gifts of money or goods from relatives and friends	12.1	639
Interest on credit and loans	10.5	240
Withdrawals from savings, or sale of jewellery or hard currency	3.2	1,011
Subsidies towards apartment rents	2.5	41
Repayments of loans	2.5	350

*Source:* Calculated from data collected in the 8th round of the Russian Longitudinal Monitoring Survey.

<sup>1</sup> Benefits from apartment renting include the imputed incomes derived from apartment rent concessions granted by the Russian Federation and regional authorities to older tenants.

RLMS undertook nine rounds of nationally representative surveys between 1992 and 2000. We have examined a sub-sample of 315 households with two retired people from the 3,831 respondent households surveyed in the eighth round of 1998. The data were obtained through the Internet. The survey collected information on the respondents' situation during the 30 days prior to the interview. We draw particularly from three sections of the questionnaire that covered income (18 questions), expenditure (24 questions), and cultivation and animal husbandry (21 questions).

The average monthly cash income of the households was 1,129 roubles, most of which came from the partners' pensions (876 roubles or 77.5%). In two-thirds of the households, pensions were the only source of income (Table 3). The average income was very low in relation to the national distribution, and the majority of pensioners were poor. On the other hand, many possessed property such as apartments, garages, cottages, and plots of land, and a minority had other substantial physical assets, such as cars, lorries, tractors and boats.

According to the RLMS data, more than a quarter (28.6%) of the pensioner families received money income from their property, in most case by letting houses, apartments, or separate rooms in apartments. On average, these activities contributed 93 roubles or 8.3 per cent of a pensioner household's monthly income. Selling privatised apartments,

which was illegal during the Soviet era, has now been legalised, and 1.6 per cent of all the respondent pensioner households had sold property. By selling or leasing their property, some older people substantially increase their income, but the practice has complications and many risks, not the least of which is how best to hold substantial cash, for neither bank deposits nor 'hiding money under the pillow' are secure. There are also many risks in trying to sell a large apartment and move to a smaller, for many people are cheated in the course of such transactions. Every choice generates new hazards, even of the total loss of the asset or its value.

In many cases, older people's property and assets are utilised in commercial activities by their relatives, particularly their children. Our survey during April–May 1996 of small-business owners in Siberian cities found that family assets were frequently used as productive capital, and that the possession of diverse assets promoted self-employment. One-third of the respondents described ways in which their business relied on family property (Tchernina 1998: 18). The commercialisation of older people's private property also creates the risk of loss as a result of miscalculations, fraud and extortion. For an older individual or couple to lose their apartment invariably means, at the least, a great disruption of their lives and, at worst, impending death.

Rent levels are a function of the size of the dwelling space, its quality and location, and are highest in the largest cities. The enormous variation is well illustrated by the responses to the RLMS survey: some rural pensioner families received rent income per month equivalent to no more than three loaves of bread, while others living in capital cities received an amount equal to two months' pension. Letting apartments and rooms in apartments is a distinctive adaptation to the new economic conditions among pensioners, and is practised by 27 per cent of pensioner households, as compared with 13 per cent in the general population. Very often, the consequence is a deterioration of their own living conditions: it is a form of deprivation.

Some older people participate in various forms of import or *entrepôt* trading (the Russian term translates as 'shuttle business'), most commonly of imported consumer goods, by either lending money or leasing their houses or apartments for storage space or as sleeping quarters for the traders. The principal tasks of buying, transport and selling are normally performed by just one or two people. It has been estimated that one per cent of the adult population is engaged in these businesses (Popkov, Tugashev and Serov 1997: 140). After the four-fold devaluation of the rouble in August 1998, and the consequent

sharp reduction in the population's purchasing power, these businesses have experienced severe recession, with detrimental effects on older people's incomes.

Other sources of additional income are tapped by small numbers of pensioner households. Cash payments or gifts in kind from non-family individuals and charitable organisations were received by 15.2 per cent of all pensioner families. The average value per receiving family was 563 roubles, almost half (49.9%) of the average monthly income of a pensioner household. In addition, 12.1 per cent of pensioner households received similar direct help from relatives and friends, with an average value of 639 roubles per month. It should be noted that part of the help came in tangible form (*e.g.* food and clothes), for which the respondents estimated the monetary value.

A large minority (14.9%) of pensioner households increased their income through waged employment. While the number of households having at least one working member was slightly below the number receiving cash or tangible gifts, wages contributed slightly more to the household budget than the pension (924 and 876 roubles respectively). The average income of working pensioners was 1.5 times higher than the average for all pensioners (1,671 as against 1,129 roubles). More than one-third (39%) of the pensioner households received more in wages than from their pensions. The income of households with employed members was 2.4 times the poverty level, as compared to 1.6 times in the entire sample.

Because of widespread unemployment, pensioners mainly find paid work in positions that are not attractive to the young and middle-aged. In big cities there are vacancies in low-skilled and low-paid jobs such as yard-keepers, cleaners, cloakroom attendants, and auxiliary workers. There are also many pensioner employees in higher education, research and development institutes, and in cultural establishments such as libraries and museums, which require advanced and specialised qualifications but offer low pay. The opportunities were described by a professor of physics, aged 68 years, in Novosibirsk:

The faculty in Novosibirsk's universities and the research staff of the academic institutes have become much older. Most of the staff of the technical universities and the research laboratories are now pensioners – and they work for pennies. This is happening not because people won't adapt to new opportunities, but because science remains their favourite pursuit. The life of these old stagers can be compared with a relay race that becomes a farce: they run to the finish but find that nobody is waiting to take the baton from them, so they keep running and keep running.

It should be noted that working pensioners were intensively involved in

providing help to their children's families and other relatives. According to the RLMS data, the number of working pensioners who provided help to their relatives was 3.7 times the number who received help from relatives. Working pensioners have more opportunities and means to help than non-working pensioners, because of their higher incomes and because they are in close contact with tangible commodities and have various privileges.

Using the survey of all-pensioner households (RLMS), we have investigated the role of the family economy and in-kind transfers as a counterweight to deficient money income. Almost three-quarters (74.3%) of all pensioner families mentioned that they possessed or rented land; slightly over one-third (34.9%) had livestock, poultry or bees; and just under one-third (32.7%) gathered mushrooms, wild berries and such. The major part of the food so produced was used for personal consumption by family members, including the families of adult children. Only 7.9 per cent of pensioner families engaged in agricultural production sold part of their crops, meat or dairy produce. Their average gross revenue from these activities in the previous 30 days was 1,364 roubles: almost 1.5 times more than the average monthly family pension. Many pensioners reported that self-produced vegetables, fruits, and berries constituted a significant part of their diet.

We cannot estimate the efficiency or productivity of work on private subsidiary plots. Some regional surveys have estimated that the market value of the agricultural production of urban residents on subsidiary plots is only slightly higher than the money expended on its production. The relatively small group of pensioner families who sold their agricultural produce were characterised by lower average pensions than all pensioners (824 and 875 roubles respectively), and by an almost complete absence of additional incomes from paid employment, selling private property, or renting apartments. Every fifth pensioner household in this group had a pension below the subsistence level, so they were compelled to sell produce to compensate for their low income. These sales damage the nutritional value of their diet. Pensioners engaged in agricultural production on their plots neglect their health and age limitations. 63.2 per cent of the people from this group were older than 70 years (men) and 65 years (women), and had therefore been retired for at least five years. Some 10.5 per cent of the pensioner households borrowed money (the average monthly sum was 239 roubles), and two-thirds of all loans were to buy medication or pay for urgent operations. Only 8.2 per cent were able to save: the average monthly sum per household was 480 roubles.

We have also investigated the economic relationships between the

generations. The RLMS survey shows that nearly 10 per cent of pensioner families received financial and in-kind help from their descendants, the average amount being 419 roubles per recipient household (or 32.6 per cent of their average monthly income). The variation in the amount of help was considerable, from 6.0 to 50.5 per cent of the average household income. More than half (54.3%) of the recipients received a pension less than the average Russian pension, including all extras and compensation payments. Financial and in-kind help by descendants considerably increased the recipient households' monthly income, to 1,284 roubles, 13.7 per cent higher than the average pensioner household income in the general sample.

A large share of the economic exchanges between generations consists of the diverse support by pensioner parents for their adult children. One-third of the respondents claimed that they provided help, financial as well as in-kind (particularly clothes and food). In the majority of cases (89.1%), the recipients were adult children or grandchildren. The characteristic feature of the intra-familial system of mutual aid is the preponderance of donating pensioner families over receiving pensioner families.

### **Deprivation in health**

Russian older people often state that the financial help that they receive from children is to pay for medical treatment and medication. The formal system of health care has fallen into decay with grave consequences for older people, particularly in rural areas. Dr Yu Komarov, Director of Russia's Public Health Research Institute, has observed that: 'At the very moment when Russians need more and better health care, the public health system they rely on is breaking down. Doctors and nurses are poorly trained and abysmally paid. Hospitals lack modern equipment and drugs. One-quarter of Russian hospitals don't even have running water'. According to estimates by the Institute of Economic Prognostics of the Russian Academy of Sciences, public financing of health care reduced by 76 per cent during 1991–1998 (calculated for specific health expenditures and adjusting for cost fluctuations) (Lebedeva, Potanchik and Salahutdinova 2001: 8). In contrast, according to both the *Goskomstat* official data and a Boston University project on health legislation initiatives, private expenditure on health care per capita increased four times during the same period in comparable prices (*Russian Statistical Yearbook* 1999: 459).



TABLE 4. Reasons medication not obtained by age and place of residence, Russia 1994–2000 (percentage of specified groups)

	Could not afford			Not available		
	Dec 1994	Nov 1998	Oct 2000	Dec 1994	Nov 1998	Oct 2000
Place of residence						
Urban areas	20	59	66	75	34	22
Rural areas	25	64	70	76	40	20
Age group						
Non-elderly	21	60	66	74	32	20
60 years or more	24	60	71	79	44	28

Source: Calculated from data collected in the 5th, 8th and 9th rounds of the Russian Longitudinal Monitoring Survey (Zohoori, Gleiter and Popkin 2001).

The informal economy actively penetrates the Russian public health system, which through its mixture of residual forms of the Soviet health system and developing elements of medical insurance presents a profitable niche for the grey economy. Access to public medical services is quite often possible through private payments, especially for specialised high-technology care. In February 2001, the Centre for Sociological Studies of the Academy of Government Service undertook a representative survey of the Russian population on the consumption of services through the informal economy, and found that monthly expenditure for medical treatment and medication constituted 4.9 per cent of monthly household income. These purposes were the third largest of all expenditures in the informal sector. On average, one-third of household income is spent in the informal sector, but for poor households – which includes most older households – the percentage is much higher (43 %) (Boikov 2001: 30–4). According to the RLMS data, the percentage of all respondents who had prescriptions and were able to obtain all their medication was 70 in 1995, 75 in 1996 and 68 in 1998. Among those respondents who were unable to obtain prescribed medications, the two reasons most often cited were unavailability of the drug and lack of money (Table 4). Among the older respondents, lack of money was most often cited (Zohoori, Gleiter and Popkin 2001: 7–9).

## Discussion

Retirement poses difficult problems for the majority of Russian pensioners, because the pension is only a small fraction of their former income. It requires drastic curtailment of expenditure and an abrupt

change in lifestyle. In their letters, older people vividly describe their adoption of different coping strategies and how they help to ameliorate their poverty. Non-working pensioners are able to maintain a minimal level of consumption, while working pensioners, with two sources of income, sustain the standard of consumption that was characteristic during the middle 1980s, which includes paid medical treatment, an annual vacation trip, and occasional visits to distant relatives. The problems mentioned by our correspondents, in descending order of frequency were: chronic lack of money, inability to pay for medical treatment, rising costs of drugs, rising public utility prices, and social isolation. The transition from the career-oriented to the retirement phase of their lives is not accompanied by more attention to their health or more leisure; instead, one type of labour is replaced by another. Regular work with plentiful social contacts is replaced by both a struggle for survival through protracted, strenuous and monotonous manual labour in the domestic economy, and deepening social isolation.

Pensioners are therefore one stratum of Russian society that is experiencing intense multiple deprivation, as a result of inadequate social protection and their limited resources and adaptive capacities (economic, social, moral and psychological), which are due partly to old age, partly to their almost complete loss of savings, and partly to the lack of organisational experience. Their collective response during the last 10 years indicates a pervasive vulnerability. While many younger people have been able to adopt market sector coping responses to the economic transformations, older people have largely relied on non-market responses, some stemming from Soviet times, others with deeper roots in Russian history.

A persistent feature of the history of the Russian people has been the insecurity of personal welfare. Personal responsibility for one's survival is ancestral and quasi-perpetual. During the Soviet era, older people elaborated a core of survival strategies in the domestic economy to support the families' wellbeing. During the transitional period, these core strategies have further diversified, and the percentage of older people participating in the home economy and the amount of time that they spend have increased drastically. The domestic economy is a low technology form of production based on manual labour and few labour-saving devices. According to some estimates, the value of the home economy product is comparable to the Russian GNP.

A new feature during the 1990s of the coping strategy of older people is a focus on satisfying not only their own family's requirements but also their children's. Their contributions substitute for market-provided

personal services and education. They allow the children's families to reduce their spending and so to survive on low incomes. Parallel to the flow of resources, food and services from older people's households to their children's, there exists a counter-flow although its volume is considerably less.

During the last decade of transition in the Russian economy, alongside the elaboration of long established non-market coping strategies, there has been a rise in new market types. Most evident have been the increased participation in all Russian regions of older people in street trading, the growing practice among older people of making loans to their children and grandchildren and of granting permission to use property for business purposes, and increased sales of private assets. These coping strategies feature either older people's direct market involvement, or their indirect involvement through family networks. Satisfactory wellbeing is attained by those working pensioners who receive two types of money income. Only those with good health and appropriate qualifications or skills can adopt this strategy, in most cases for around the first five to seven years of retirement.

In the present state of Russian society, the principle of solidarity is inherent in relationships within the 'greater family'. The undeveloped state of social institutions, including the shortcomings of the pension system and the weaknesses of both social security and public health services in supporting the wellbeing, health and leisure of older people, have made inter-generational support the main source of their welfare. Only a few older people can rely on savings accumulated during working life, while the majority experience multiple forms of deprivation.

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