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Income structure of the Russian middle class

Ironically, the Russian middle class came up in the period of Russian history when the state the policy pursued the goal of belt-tightening, inflation targeting and dramatic cuts of allocations to education, medical care and cultural infrastructure. The cuts were of no concern for the Russia bureaucracy. The policy was to boost incomes of state employees in order to discourage corruption in the ranks. The same rationale underpinned the policy of continuous rises in salary for the army, the police and other law enforcement agencies. The policy resulted in structure of the middle class that was skewed in favor of the state bureaucracy and law enforcement agencies. The other side of the policy lay in the direction of increased controls and gradual ousting of the “old middle class” – self-employed entrepreneurs who either closed enterprises down, or increasingly drove the activities into gray zone. The emphasis on higher incomes for “important” state employees led to the differentiation of skilled labor according to their status in the power hierarchy and rampant corruption in various fields of social care. Informal payments became common in medical care, kindergartens and even schools. Parts of the higher education system lost effectiveness as a result of corruption and internal differentiation into highly paid administrators and underpaid teaching staff. The contemporary Russian middle class reflects the specifics of the overall social structure model that that emerged from the policy of liberal reforms.