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## **ECONOMIC STRATIFICATION OF THE RUSSIAN POPULATION AND ITS SUBJECTIVE ASSESSMENT**

### **Abstract:**

Social and economic inequality is inherent in any society. During the Soviet period it was manifested in social status and prestige that defined social privileges rather than in income differentiation. The formation of the market relations in Russian society was accompanied by a considerable decrease in living standards and by economic stratification of the population. The relevance of the research is caused by the intensification of the income stratification of the Russian population under the conditions of transformation and development of the economic system.

According to the statistical data, the income differentiation of the population was insignificant at the end of the Soviet period: R/P 10% ratio made up 2.99 in 1989. By 2012 it reached the level of 16.4. In 1995–2012, 20% of less provided population accounted for 5-6% of the income. The Gini coefficient increased from 0.387 in 1995 to 0.422 in 2007, when it reached the highest value. The aggregate indicator of the income stratification of the population is suggested for the collective estimate of the income differentiation of the population.

The subjective image of the income stratification of the population is formed on the basis of opinion polls data. The subjective poverty index shows that the family's financial situation was perceived by the population as the most unfavourable in 1998, with the assessment becoming more positive in subsequent years. The share of the population that according to its own estimations can hardly make ends meet gradually decreased from 51% in 1995 to 6% in 2012. The population stratification into the rich and the poor based on the amount of wealth, property was considered by more than a quarter of the population as an acute social problem during all years of the analyzed period. It was noted by more than 40% of the respondents in 1997-1998. The subjective image of the economic stratification of the population is reflected by the aggregate indicator of the subjective assessment of the income stratification of the population.

The comparison of the dynamics of the aggregate indicators of the population income stratification and of its subjective assessment revealed their multidirectional dynamics. It can indicate that either people gradually get used to the income differentiation of the population, and it does not bother them as much anymore, or that the real income of the population exceeds the statistical data, by means of shadow income, for example.

### **Keywords:**

Keywords: income differentiation of the population, subjective image of income

**JEL Classification:** I30, C10

## Introduction

A great number of tensions exist in each sphere of social life. Economic relations underlie most of the conflicts and contradictions in society. They are inherent in all members of society, and in society as a whole. Economic relations are based on objective human relationships and the subjective perception of them in the process of production, distribution, exchange and consumption of economic goods.

Material welfare is one of the main reasons for changes in the social well-being of population. Social and economic inequality is inherent in any society. During the Soviet period it was manifested in social status and prestige that defined social privileges (inequitable access to department stores, healthcare facilities, pre-school institutions, etc) rather than in income differentiation. Members of the nomenklatura, who held key administrative positions in all spheres of activities, enjoyed special privileges and benefits. Among the privileges was the statutory right of the nomenklatura officials to use and dispose of the state property (Shkaratan O.I., 2009).

Income stratification and inequality of the population change over time. In addition, the formation of the market relations in Russian society was accompanied by a significant decrease in living standards resulting from a decline in real incomes of the considerable part of the population and an increase in social and economic differentiation. The property was mainly concentrated in the hands of the nomenklatura elite that wielded the real power. Budding entrepreneurs began to develop their business (particularly small and medium enterprises) at the time of economic and political distrust, withdrawing part of their business into the informal sector.

The effective impact on social and economic tensions in society (social and economic conflictogenity of society) requires the diagnostics, forecasting and regulation of economic relations. Decisions taken in the process of governing society should be based on the adequate assessment of population well-being. In this case, it is important to be aware not only of the objective information about population welfare, but also of the population subjective assessment of it with due regard to the emotional and psychological component. It is the subjective assessment of the economic inequality that affects the relations in the economic sphere and the relations between large social groups and power structures.

The relevance of the research is caused by the intensification of the income stratification of the Russian population under the conditions of transformation and development of the economic system. It raises the issue of correspondence between the subjective assessment of the income stratification of the population in mass consciousness and the official data characterizing the income differentiation of the population. The reasons for the enhancement of the negativity of the subjective image of population income stratification in mass consciousness are revealed.

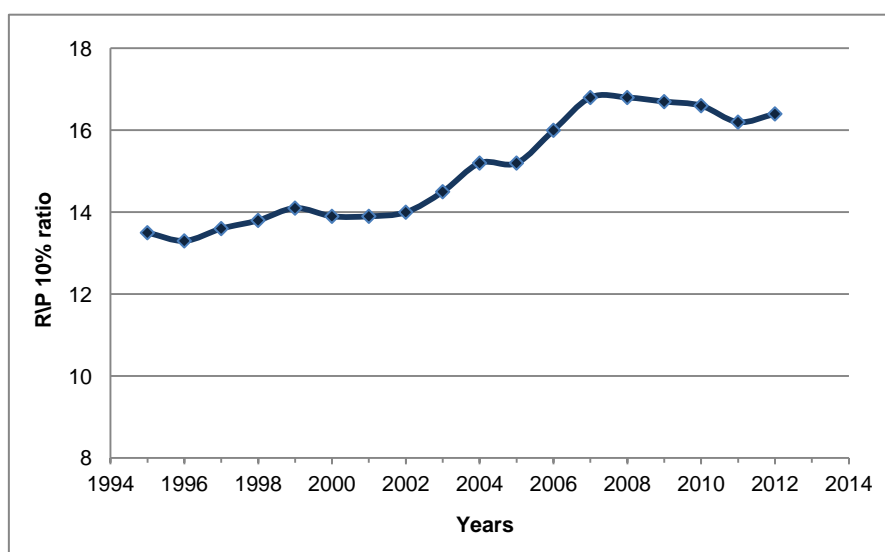
## Official estimate of the income differentiation of the population

The income stratification of the population results in the social differentiation of society; it reshapes its social structure. The excessive income differentiation of population contributes to socio-economic and political instability in society. The income inequality of population is explained by many reasons including different intellectual and physical abilities, level of education and professional qualification, inequalities in the ownership of property, number of wage earners and children in a family, etc.

Income differentiation is examined based on the amount of the total per capita income of general population, of individual regions and households, as well as on the ratio of the population with the highest income to the population with the lowest income. The income differentiation of population is characterized by such indicators as R/P 10% ratio, R/P 20% ratio, the coefficient of income concentration (the Gini coefficient). This information is reflected in the official statistics. The state statistical data used here is mainly for the period from 1995 to 2012 (Federal State Statistics Service).

R/P 10% ratio characterizes the degree of social stratification in society, and is defined as the ratio of the average income of the richest 10% to the poorest 10% of the population. At the end of the Soviet period the income differentiation of the population was insignificant: in 1989 R/P 10% ratio was 2.99 (Rimashevskaya N.M., 2002). However, by 1995 it reached the level of 13.5, i.e. increasing 4.5 times, and subsequently exceeded that level (Fig. 1). Over the entire period under review R/P 10% ratio was above 13 and has been rising still, except for the years of financial crisis, when the income differentiation of the population slightly decreased: R/P 10% ratio fell from 16.8 to 16.2, but then, in 2012 the indicator was observed to increase again. At present, R/P 10% ratio in Russia is the highest among the European countries.

**Figure 1: R/P 10% ratio**

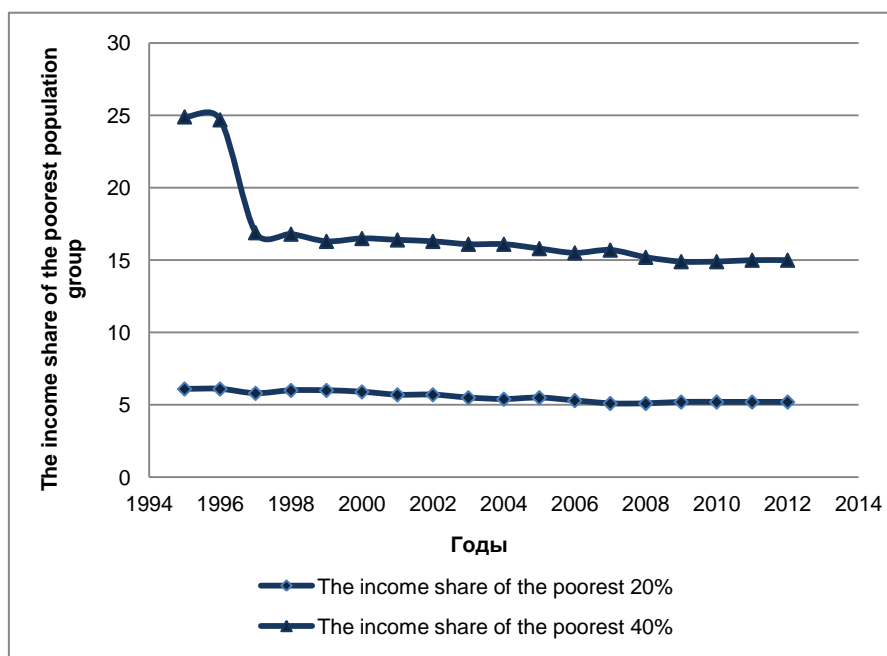


Source: Own adjustments based on statistical data

The income share of each 20% group in the total income shows, how equally the income is distributed. In general, the income of the world poorest 20% has been decreasing: for the second half of the 20th century it reduced more than 2 times. Experts believe that a decrease in income cannot last forever. The extreme limit is reached, when the income received by 40% of the population accounts for only 12-13% of the total income. The population impoverishment, accompanied by various social earthquakes begins right beyond the limit (Measuring Well-being Inequality).

In Russia, in the period under review, the poorest 20% of the population accounted for 5-6% of income (Fig. 2). The income share of the poorest 40% of the population did not exceed 17% and continued to decrease. As of the end of the period, it made up 15%, thus indicating the need for government measures aimed at reducing unequal distribution of population income. On the other hand, the share of the richest 20% of the population in the total income of population exceeds 45%.

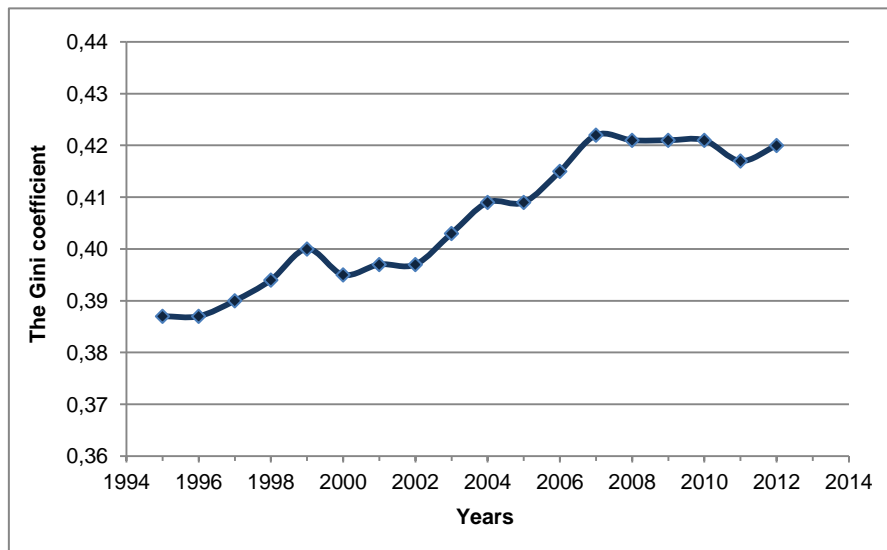
**Figure 2: Distribution of total income of population**



Source: Own adjustments based on statistical data

The coefficient of income concentration (the Gini coefficient) characterizes the income inequality of population, i.e. the degree of deviation of the actual distribution of income from the equal distribution of income among a country's residents. The maximum value of the coefficient is equal to one, reflecting theoretically complete inequality of income distribution; the minimum value of zero expresses theoretically complete equality of income distribution among residents.

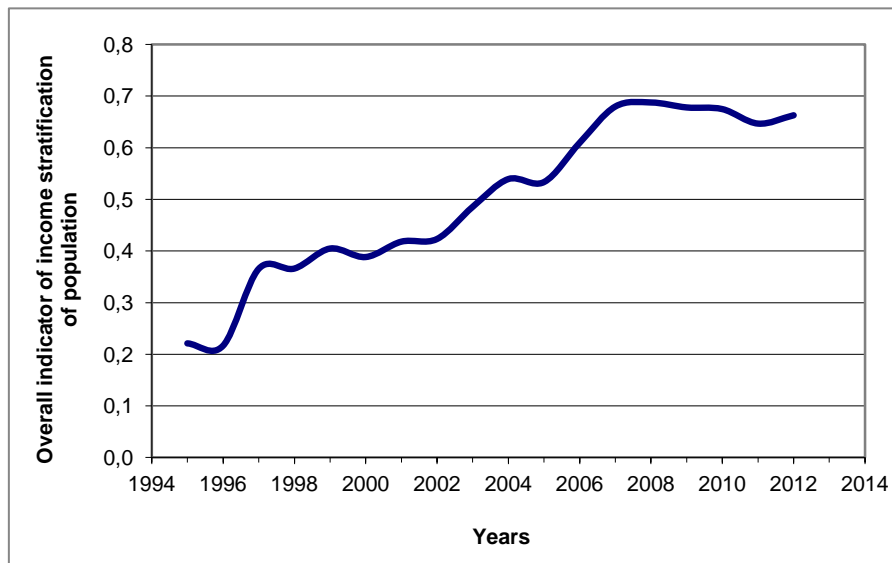
Unequal income distribution among the population had been increasing from 0.387 in 1995 to 0.422 in 2007, when the coefficient reached the highest value (Fig. 3). In accordance with the Gini coefficient, the inequality of income distribution among the country's residents increased by 8.5% in the period under review.

**Figure 3: The index of income concentration**

Source: Own adjustments based on statistical data

In order to obtain a collective assessment of the income differentiation of the population and to compare it with the subjective assessment, it is possible to produce the aggregate indicator, based on the set of the considered indicators – the overall indicator of the income stratification of population. When constructing the overall indicator of the income stratification of population, all the indicators are to be reduced to the same logic: all of them reflect either negativity, or positivity. Since the research involves the analysis of socio-economic tension in society, all indicators are reduced to the form, reflecting the degree of the negativity of reality. The shares of the 20% (40%) of the poorest in total income are taken in the form of inverse indicators. This implies that the less the share of 20% (40%) of the poorest in total income, the higher the level of tension in society is. Moreover, all indicators are reduced to nondimensional form through the construction of z sets. Next, the overall indicator of the income stratification of population is constructed as an average value out of z sets of the indicators of the income differentiation of population, normalized from 0 to 1 (average value is 0.5).

Quality test of the overall index of the income stratification of the population that comprises all the analyzed indicators attests to the high quality of the indicator (all correlation coefficients have positive sign and values exceeding 0.86). The dynamics of the overall indicator of the income stratification of the population is presented in figure 5. As follows from the graph, the income stratification of society is rather high and tends to increase. The income differentiation of the population was observed to decrease in the years of financial crises.

**Figure 4: Overall indicator of income stratification of population**

*Source: Own adjustments based on statistical data*

Thus, in compliance with the official statistical data, the income differentiation of the Russian population has been increasing. The years of increasing economic activity are accompanied by the exacerbation of the income differentiation of the population; in contrast, the income stratification of the population is observed to decrease in the years of financial crisis.

### **Subjective image of the income stratification of the population**

The subjective image of reality for a certain individual represents a subjective collection of data about the outside world. It is a stimulus that causes the response and determines the line of action for satisfying the needs and interests of the individual. The subjective image of reality in mass consciousness forms subjective reality, the model of objective reality, which induces reaction among large social groups and defines relations between them. The reaction of the population is based not so much on objective reality, as on subconsciously created subjective reality, regardless of the fact that the model of reality represents the objective reality somewhat simplistically (Petrov A.N.).

In this regard, the behaviour of individuals and social processes in society are reflected not only by the official statistical data, but also by the assessment of living standards given by different groups of the population. These assessments make it possible to diagnose the state of the socio-economic sphere more accurately and to forecast the most likely mass behaviour of the population. In case the informal sector is large, the data of official statistics may not present a complete, realistic picture of the economic situation of the population.

The subjective image of the income stratification of the population reflects people's assessment of their own incomes and income differences of various population groups. To a first approximation, it is characterized by the following indicators: the index of family's subjective poverty;

the assessment of sharp stratification into the rich and the poor, unfair distribution of income;

the share of the population that can hardly make ends meet and has not enough money even for food.

The index of subjective poverty shows how the population estimates on average the level of the family's poverty. The second indicator reflects the share of the population that considers a sharp stratification into the rich and the poor, unfair income distribution as an acute social problem. The proportion of the population that can hardly make ends meet and has not enough money even for food, represents the share of the impoverished population.

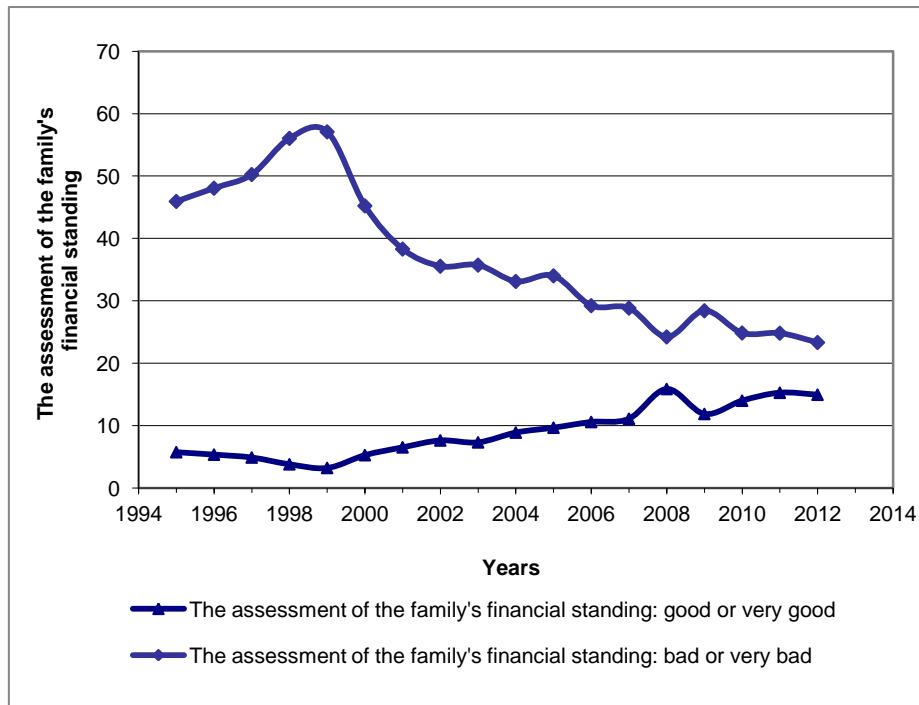
The subjective image of the income stratification is formed on the basis of sociological polls data (Sociological Survey "Monitoring of Social and Economic Changes", Sociological Survey "Courier", Sociological Survey "Express VCIOM"). The polls were conducted upon representative sample throughout the country.

The subjective assessment of the family's poverty has been revealed based on the data of the monitorings of socio-economic changes (Bulletin) (Sociological Survey "Monitoring of Social and Economic Changes", 1995–2012) and Courier (Sociological Survey "Courier", 2008, 2009, 2012). The respondents chose an answer to the question "How would you assess the current financial standing of your family?" The responses do not include the quantitative evaluation, but are verbal descriptions, representing the respondent's attitude to the level of his/her family's material well-being: very good, good, average, bad, very bad. This makes it possible to determine the subjective assessment of the economic well-being of respondents' families. Taking into account that the mindset of the majority of the population was formed in Soviet times and comprises the requirement of income equality, such assessment is given in comparison with the financial standing of other families. The dynamics of the subjective assessment of material well-being is presented in Figure 6, which shows two curves. One of them reflects the percentage of respondents, who described the family's financial standing as very bad or bad; the other curve represents the share of respondents, characterizing the family's financial situation as good or very good.

In 1997–1999 over half of the population estimated the family's financial standing as bad or very bad (Fig. 5). In economic terms, 1998 and 1999 were the toughest years. 56% of respondents characterized their family's financial standing below average (40% as bad, and 16% as very bad). This is an average for the year. However, the given assessment varied during the year. At the beginning of the year, when the country's economic situation seemed to be improving, and a considerable part of the population stopped considering planting potato and vegetables as a source of subsistence, 49% of respondents assessed the family's financial situation below average (March). At the outbreak of crisis, in August, this share increased to 62%. In contrast, 63% of respondents assessed their financial situation as bad or very bad in March of 1999, whereas in August, when the economic situation has somewhat stabilized, the share made up 53%. In subsequent years, when the socio-economic situation in the country became less tense, as compared to the year of crisis, the

share of the population that assessed their financial standing below average became smaller. Nevertheless, even at the end of the analyzed period, about a quarter of the respondents considered their family's financial situation as bad or very bad. For example, in 2012, the financial standing was estimated as bad by 21%, and as very bad by 2.5% of the respondents.

**Figure 5: Subjective financial standing of the family**



Source: Own adjustments based on survey data population

On the contrary, the assessment of the family's financial standing as good or very good is reverse (Fig. 5). In the 1995-1999 period, the percentage of respondents estimating the level of the family's financial standing as above average was very low; it continued to decrease from 6% in 1995 to 3% in 1999. Since 2000, the share of the population giving a higher assessment of the level of subjective well-being tends to increase. However, this share exceeded 10% only in 2006, and at the end of the analyzed period it amounted to 15%, i.e. it represents the respondents who assess the level of the family's material well-being as good or very good. In general, the pessimistic assessment of the family's financial standing prevailed over the optimistic assessment during all the years of the analyzed period.

The subjective assessments of the family's economic well-being in certain characteristic years are presented for comparison in Table 1.



Table 1

## Comparative assesment of family's financial standing

Assessments of respondents	Average share of the number of respondents by year*:			
	1995	1999	2008	2012
Very good	0.5	0.3	1.6	1.5
Good	5.3	3.0	14.3	13.5
Average	46.1	37.9	58.8	60.4
Bad	35.8	39.9	20.9	20.8
Very Bad	10.1	17.2	3.3	2.5

\*The other respondents found it difficult to answer.

In order to get the overall characteristics of the family's financial standing, the concept of the subjective level of the family's poverty is introduced, for the estimation of which the index of family's subjective poverty is used:

$$Q_6^t = \sum_v e_{6v} \bar{m}_{6v}^t, \quad (1)$$

where  $Q_6^t$  – index of the family's subjective poverty in t-year  $Q_6^t = [0, 1]$  ;  
 $v = 1 \dots 6$  – number of response choices with regard to the assessment of family's poverty;

$e_{6v}$  и  $\bar{m}_{6v}^t$  – the assessment of the family's ill-being and the average share of respondents, giving the corresponding assessment in t year:

very good –  $e_{61} = 0$  и  $\bar{m}_{6v1}^t$  ;

good –  $e_{62} = 0,25$  и  $\bar{m}_{6v2}^t$  ;

average –  $e_{63} = 0,50$  и  $\bar{m}_{6v3}^t$  ;

bad –  $e_{64} = 0,75$  и  $\bar{m}_{6v4}^t$  ;

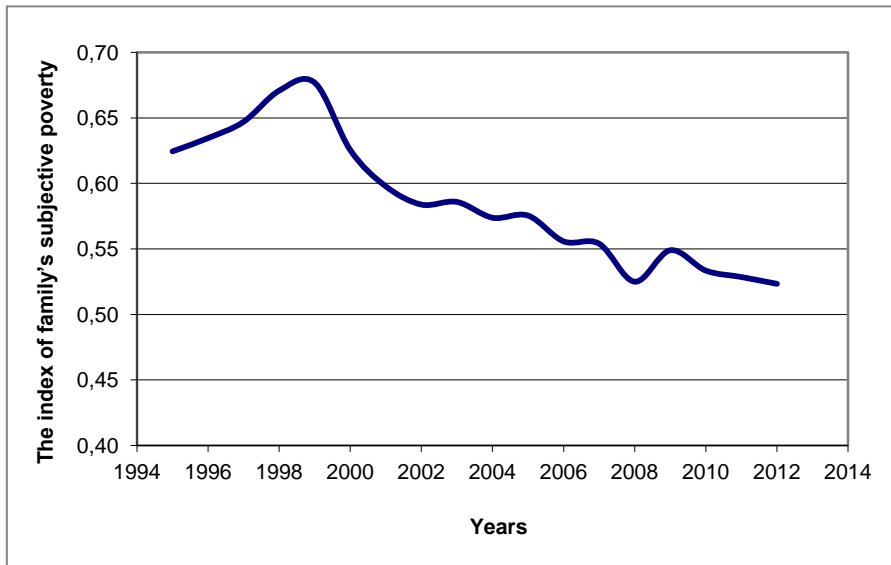
very bad –  $e_{65} = 1,0$  и  $\bar{m}_{6v5}^t$  ;

I can not say –  $e_{66} = 0,50$  и  $\bar{m}_{6v6}^t$  .

The higher the value of the subjective poverty index, the higher the level of material ill-being is. The index of the family's subjective poverty equal to 1 implies that all the respondents consider the family's financial standing as very bad. The dynamics of the index of the family's subjective poverty according to population assessments is presented in Figure 6.

The subjective poverty index shows that the family's financial situation was perceived by the population as the most unfavourable in 1998, the index having the value of 0.67, i.e. on average the population assessed the family's financial standing as bad. During all years of the analyzed period the index of subjective poverty exceeded the average value (0.5). Gradually decreasing, by the end of the analyzed period, this indicator approaches the average value.

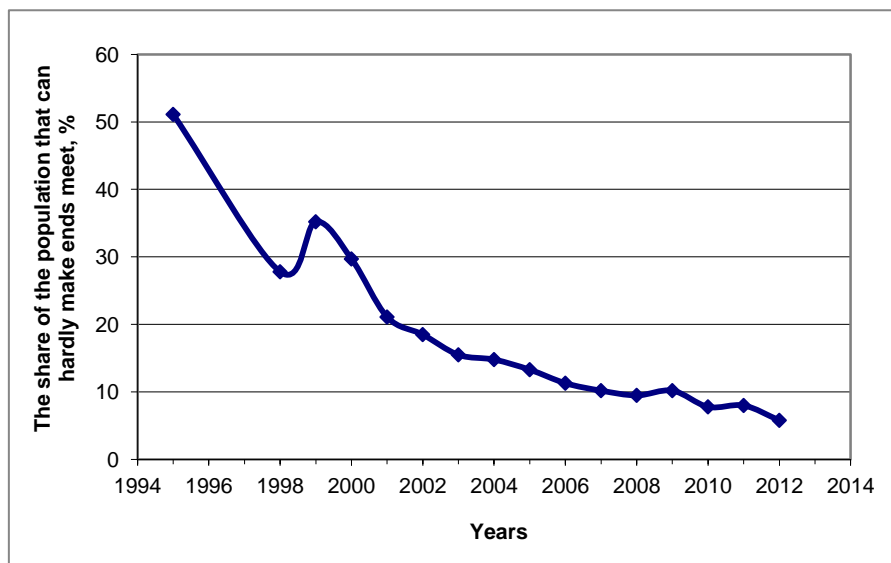
**Figure 6: The index of family’s subjective poverty**



Source: Own adjustments based on survey data population

The share of the population that according to its own estimates can hardly make ends meet is presented in addition to the above parameters. The given indicator was determined based on the number of the respondents, who chose the option “We can hardly make ends meet, there is not enough money even for food” in the monitorings of public opinion of social and economic changes (bulletin) (Sociological Survey “Monitoring of Social and Economic Changes”, 1993-1995, 2001-2012) and Courier (Sociological Survey “Courier”, 1998-2012). The share of the population that according to self-assessments can hardly make ends meet had been gradually decreasing from 51% in 1995 to 6% in 2012 (Fig. 7), except for the period of 1998 financial crisis, when the share of the population that can hardly make ends meet increased. An insignificant growth in the given indicator was observed during the second financial crisis and at the end of the period under review; however, its impact was not so prominent.

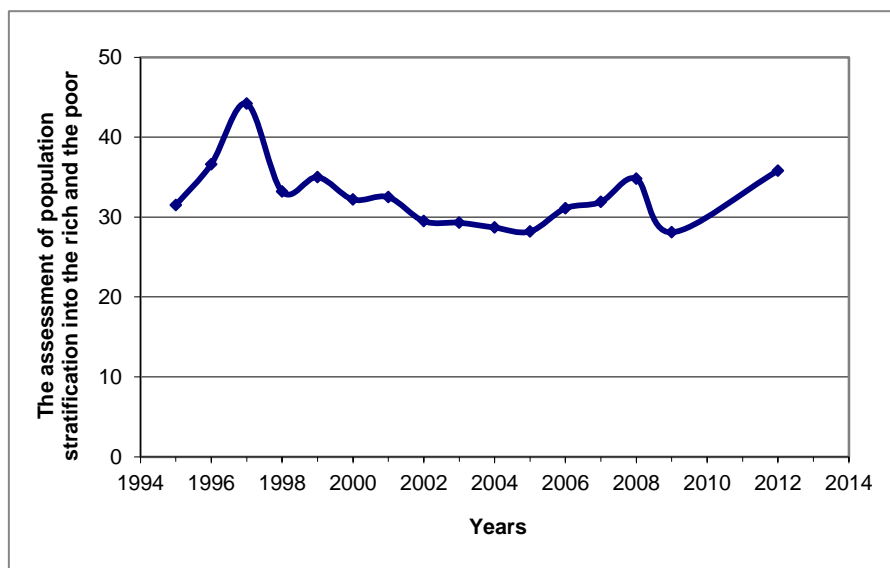
**Figure 7: The share of the population that can hardly make ends meet**



Source: Own adjustments based on survey data population

Population stratification into the rich and the poor based on the amount of wealth, property is regarded as a pressing social issue. More than a quarter of the population viewed it as an acute problem of society during all years of the period under review (Sociological Survey “Monitoring of Social and Economic Changes”, 1994–2008, 2012; Sociological Survey “Courier”, 2009). It was noted by more than 40% of the respondents in 1997, and in the second half of 1998; by 2005 the share of the respondents, considering population stratification into the rich and the poor as an acute social problem, decreased to 28% (Fig. 8). The second financial crisis affected the subjective assessments of the population as well.

**Figure 8: The assessment of population stratification into the rich and the poor, unfair income distribution**



*Source: Own adjustments based on survey data population*

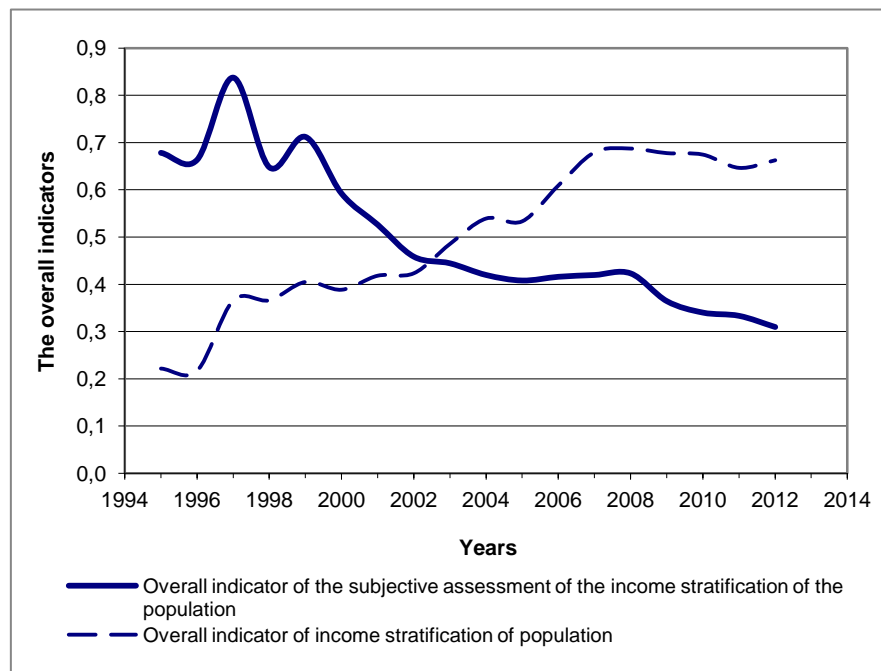
Objective indicators characterizing population income differentiation were discussed at the beginning of the article. The highest values of R/P 10% ratio were registered in 2007–2008; population estimates also highlight these years. The enhancement of the income differentiation of the population was noted by 32-35% of the respondents. However, this issue was regarded as much more acute in 1997-1998. Despite the R/P 10% ratio increase in subsequent years, the share of the population indicating this fact gets smaller. The problem might be perceived less acute in mass consciousness due to increasing income, as well as the adaptation of the population to the income differentiation of certain social groups, increasing income diversity, gradual change in the population mentality.

Figure 9 presents the overall indicator of the subjective assessment of the income stratification of the population that covers three indicators. The highest values of the coefficient of the subjective assessment of the income stratification of the population (exceeding the value of 0.6) fall on 1995–1999. Subsequently, the negativity of such assessment decreases over time.

The curve of the dynamics of the overall indicator of the population income stratification, constructed with regard to the official statistical data, is presented for

comparison in the same figure. As can be seen, the dynamics of the subjective assessment of the income stratification of the population does not correspond to the dynamics of the overall indicator reflecting the income differentiation of the population. Thus, it is inappropriate to make conclusions about the state of society solely on the basis of objective indicators. More extensive studies show that the response of population and business conforms not to the indicators of objective reality, but to the indicators reflecting the subjective image of reality.

**Figure 9: Overall indicator of the subjective assessment of the income stratification of the population**



*Source: Own adjustments based on survey data population*

Hence, people assess their own financial standing at the end of the analyzed period as more optimistic than at the beginning. Positive dynamics of the subjective assessment of economic stratification in society is substantiated by human development index that reflects the main characteristics of human potential: the standard of living, literacy, longevity. Its values had been steadily increasing from 0.718 in 2000 to 0.788 in 2012 (according to the derogated data). This indicates the improvement in the living standards of the Russian population.

### **Reasons behind increasing negativity of the subjective assessment of the population income stratification**

The subjective image of reality in mass consciousness is formed under the influence of and interrelation between different factors. In order to determine the ways to reduce the negativity of the image, it is necessary to specify the reasons and regularities that define the subjective image of the income stratification of the population and its dynamics, to identify significant factors of the variability of the assessment, particularly socio-economic factors. The factors are indicators that reflect the reasons behind the aggravation of contradictions and disagreements in society. The lower the level of the

population well-being, the more likely is the intensification of tension and negativity in the subjective image of reality, provided that the income differentiation remains unchanged .

A special place is held by the mass media. The information source for the mass media is the events and phenomena of the objective reality. However, media coverage of the reality can vary, eliciting different emotional response from the population. The focus on negative information, dishonest representation, and misrepresentation of information reinforce negative emotional state of society. Unfortunately, the data of the conducted opinion polls does not allow the effect of the mass media on the dynamics of the subjective image of reality to be determined.

Let us consider the impact of various factors on the subjective assessment of the income stratification of the population. Factor characteristics with correlation index were determined on the basis of correlation analysis. These factors are: GDP per capita at 2011 prices and PPP (international dollars), GNI per capita at 2005 PPP (current international dollars), household final consumption expenditure per capita at constant 2005 prices (US dollars), average annual income per capita at constant 2000 prices (US dollars), average annual income per capita at constant 2000 prices (US dollars), accrued average monthly wages (current US dollars), the share of the population with income below the subsistence level, correlation of average per capita income with the minimum subsistence level, credit interest rate, overall unemployment, number of families of refugees and displaced persons. Correlation indices indicate that the subjective assessment of the income stratification of the population is most influenced by the indicators reflecting population income, unemployment rate, migration.

However, it should be taken into account that the time series analysis is presented for the 1995-2012 period; hence, it may be only a simultaneous change in factor and performance characteristics over time. In order to exclude (eliminate) the influence of the time factor, the regression equations of the overall subjective assessment of the income stratification of the population are constructed for each of the factors, with the time factor included in the equation. The time factor is insignificant for some factor characteristics; that allows paired regression equations to be used.

Linear regression models for all factors, except for the indicator of the overall unemployment, are insufficiently qualitative: according to Student's t-test, parameters are not relevant under factors. Therefore, non-linear regression models (power-law models) are used. They are constructed in the following sequence.

The construction of the power-law model  $y_x = a x_i^b t^c$  is preceded by linearization of variables. First, the natural logarithms of performance  $\ln y_x$  and factors  $\ln x_i$  and  $\ln t$  are defined, on the basis of which along with the use of standard packages the equation parameters are determined:

$$Y = A + bX_i + cT, \quad (2)$$

then exponentiation is performed:

$$y_x = e^A x_i^b t^c, \quad (3)$$

where  $e$  – constant  $e = 2,718$ .

The regression equations for the most relevant time-based factor are presented in Table 2. The assessment of the quality of the constructed regression models, i.e. the adequacy of the models to the observed data, is performed on the basis of correlation indices, determination coefficients, standard error of equations as a whole and of separate equation parameters. The correlation index by all the regression equations in Table 2 demonstrates the high quality of the equations. Standard errors of all the equations and their parameters are within permissible values. Student's t-test and F-test are used to check the relevance (reliability) of the equation parameters and of the equations as a whole: all the parameters of the equations and the equations as a whole are relevant.

**Table 2**  
**Regression equations of the overall indicator of the subjective assessment of the population income stratification**

Factors	Regression equations of the overall indicator of the subjective assessment of the population income stratification	Correlation index
GDP per capita at 2011 prices and PPP, international dollars	$K = 7138 x_1^{-0,991}$	0.93
GNI per capita at 2005 PPP, current international dollars	$K = 43,23x_2^{-0,482}$	0.94
Household final consumption expenditure per capita at constant 2005 prices, US dollars	$K = 19,42 x_3^{-0,439} t^{-0,140}$	0.94
Average annual income per capita at constant 2000 prices, US dollars	$K = 713,84 x_4^{-0,952}$	0.91
Accrued average monthly wages, current US dollars	$K = 1,880 x_5^{-0,152} t^{-0,231}$	0.95
Correlation of average per capita income with the minimum subsistence level, times	$K = x_6^{-0,327} t^{-0,217}$	0.99
Share of the population with income below the subsistence level, %	$K = 0,286 x_7^{0,334} t^{-0,224}$	0.92
Overall unemployment, % of total labour force	$K = 0,219 x_8^{0,554} t^{-0,194}$	0.94
Number of families of refugees and displaced persons	$K = 0,120 x_9^{0,158}$	0.95

The parameters of the regression equations represent theoretically logical dependence of the negativity level of the subjective image of the income stratification of the population in mass consciousness from the analyzed factor characteristics. The overall indicator of the subjective assessment of the income stratification of the population decreases, in case of an increase in GDP per capita at 2011 prices and PPP, GNI per capita at 2005 PPP, household final consumption expenditure per capita at constant 2005 prices, average annual income per capita at constant 2000 prices, accrued average monthly wages in current US dollars, correlation of average per capita income with the minimum subsistence level, and a decrease in the share of

the population with income below the subsistence level, overall unemployment, the number of migrants in the place of residence.

Table 3 demonstrates the direction and degree of variation of the overall indicator of the subjective assessment of the population income stratification, if factor characteristics specified on the basis of polynomial equations in Table 2 change by 1%.

**Table 3**  
**Direction and degree of variation of the overall indicator of the subjective assessment of the population income stratification**

On 1% increase of the indicator	Variation of the overall indicator of the subjective assessment of the population income stratification, %
GDP per capita at 2011 prices and PPP, international dollars	↓0.99
GNI per capita at 2005 PPP, current international dollars	↓0.48
Household final consumption expenditure per capita at constant 2005 prices, US dollars	↓0.44
Average annual income per capita at constant 2000 prices, US dollars	↓0.95
Accrued average monthly wages, current US dollars	↓0.15
Correlation of average per capita income with the minimum subsistence level, times	↓0.33
Share of the population with income below the subsistence level, %	↑0.33
Overall unemployment, % of total labour force	↑0.55
Number of families of refugees and displaced persons	↑0.16

Thus, the subjective image of the income stratification of the population in mass consciousness becomes less negative, when the population income increases, and the share of the poor, the unemployment rate, and the number of migrants decreases. At that, the most positive influence is exerted by the growth of GDP and average annual income per capita in constant prices, while increasing overall unemployment affects the image most negatively.

These equations allow forecasting to a first approximation the variation in the level of the negativity of the subjective image of the population income stratification, and thereby of the level of social and economic tension in society resulting from changes in factor characteristics.

## Conclusions

a) On the whole, the income differentiation of the population is reflected by the overall indicator of the income stratification of the population constructed on the basis of the official statistical data. The dynamics of the given indicator shows that the degree of the income stratification of the population is rather high and it tends to increase.

b) Subjectively the assessment of the population income stratification, based on the results of opinion polls data, is reflected by the overall indicator of the subjective assessment of the population income stratification, which shows that the negativity of this assessment has been decreasing over time.

c) The comparison of the dynamics of the aggregate indicators of the population income stratification and of its subjective assessment revealed their multidirectional dynamics. It can indicate that either people gradually get used to the income differentiation of the population, and it does not bother them as much anymore, or that the real population incomes exceed the statistical data, by means of shadow income, for example.

d) As follows from the factor analysis, the subjective image of the income stratification of the population in mass consciousness becomes less negative, provided that the population income increases, and the share of the poor, the unemployment rate, and the number of migrants decreases.

i) Administrative decision-making is to be based not only on the official indicators of the income differentiation of the population, but on the subjective assessment of the income stratification of the population, induced by objective reality.

## References

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