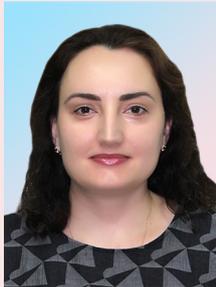


Low Level and Quality of Life among Economically Active Population: Identification Criteria and Assessment of Occurrence*



**Vyacheslav N.
BOBKOV**

Institute of Socio-Economic Studies of Population of the Federal Center of Theoretical and Applied Sociology of the Russian Academy of Sciences
Moscow, Russian Federation, 32, Nakhimovsky Avenue, 117218
E-mail: bobkovvn@mail.ru
ORCID: 0000-0001-7364-5297; ResearcherID: U-6527-2019



**Elena V.
ODINTSOVA**

Institute of Socio-Economic Studies of Population of the Federal Center of Theoretical and Applied Sociology of the Russian Academy of Sciences
Moscow, Russian Federation, 32, Nakhimovsky Avenue, 117218
E-mail: odin_ev@mail.ru
ORCID: 0000-0002-7906-8520; ResearcherID: U-7061-2019

Abstract. The article presents the results of identification of groups with low level and quality of life among Russian economically active population. Its relevance is determined by the clarification of national goals and targets for Russia's development until 2030, as well as the reduction of population's level and quality of life considering socio-economic consequences associated with measures to counter the spread of COVID-19. The results of the research complement other publications devoted to the study of multidimensional poverty and the social structure of society, offering criteria and social standards for identifying the lower groups by the level and quality of life among economically active population. Social standards for assessing the employment situation, education, material and property provision of

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households (monetary income, savings, and real estate), as well as social standards taking into account self-assessments of the level and quality of life, are overviewed. When identifying the employment situation, it is proposed to identify key and additional features of precarious employment with the identification of the most vulnerable groups among the employed. Based on the analysis of RLMS data, we obtained estimates of the scale of groups with low level and quality of life in Russia for 2018, which include more than 40% of economically active population. Among them, precariously employed people are the most widely represented, while a significant part of them is characterized by a concentration of signs of precarious employment. The structure of groups with a low level and quality of life is determined, and the core, extended core, and periphery are identified in their composition. The proposed methodology makes it possible to develop targeted social policy measures taking into account typical problems in the area of employment, material and property provision, etc. Further research may be linked to development of a methodology for multi-criteria identification of groups that are characterized by a more prosperous situation in terms of the level and quality of life, including the study of the prevalence of precarious employment among them.

Key words: low level of life, low quality of life, employment situation, precarious employment, education, monetary income, savings, real estate provision, self-evaluation of the level and quality of life.

Introduction

Target indicators related to the reduction of the poverty level and provision of the rate of population's sustainable income growth are defined in the Executive Order no. 474 "On the National Development Goals of the Russian Federation through 2030", dated July 21, 2020¹. Its relevance, given the socio-economic consequences of COVID-19, only increases.

As the official poverty threshold for implementing state socio-economic policy in Russia, the subsistence minimum is used as an indicator of an absolute monetary poverty. Foreign and Russian practices also offer other criteria borders of material and property provision for identifying poverty or low level and quality of life (hereinafter – LaQL) defined by: 1) monetary (absolute or relative) method, on the basis of fixed values of income (expenses) too, which is reflected in practices

of Eurostat², OECD³, World Bank⁴, Rosstat⁵; 2) non-monetary method, on the basis of, deprivations too [1; 2, etc.]. These methods are commonly used to solve specific research and practical goals⁶, but, with such a one-dimensional "cut" of the problem, other characteristics of population' low LaQL remain beyond the analysis.

² *Living Conditions in Europe*. 2018 edition. Statistical books. Eurostat. European Union, 2018. 143 p.; et al.

³ *Poverty Rate*. OECDiLibrary. Available at: https://www.oecd-ilibrary.org/social-issues-migration-health/poverty-rate/indicator/english_0fe1315den?parentId=http%3A%2F%2Finstance.metastore.ingenta.com%2Fcontent%2Fthemati%2Fgrouping%2F7f420b4b-en (accessed: June 19, 2020); et al.

⁴ *Poverty and Equity Data Portal*. The World Bank. Available at: <http://povertydata.worldbank.org/poverty/home/> (accessed: June 19, 2020); et al.

⁵ Share of population with per capita monetary income below limits set on the basis of actual level of population's monetary income (per capita, median, and modal), for Russia in general and for entities of the Russian Federation. Available at: <https://www.gks.ru/folder/13723> (accessed: June 19, 2020); Share of population with incomes below the poverty threshold, established at the international level, taking into account purchasing power parity. Available at: <https://www.gks.ru/folder/13723> (accessed: June 19, 2020).

⁶ See, for example: *Guide on Poverty Measurement*. United Nations Economic Commission for Europe. UN, 2017. 197 p.

¹ On the National Development Goals of the Russian Federation through 2030: Executive Order of the President of the Russian Federation no. 474, dated July 21, 2020. Available at: <http://publication.pravo.gov.ru/Document/View/0001202007210012> (accessed: August 19, 2020).

The article presents the results of a study based on the author's methodology for multi-criteria identification of groups with low LaQL in relation to Russian conditions. Subject of research is LaQL of employed, unemployed people and their households, which are determined through evaluation of the employment situation, level of education, characteristics of material and property provision (level of income, savings, real estate), and self-evaluations.

Low LaQL in our work is reviewed within characteristics that identify poverty among economically active population (hereinafter – EAP) through its multi-criteria (multidimensional) assessment according to aforementioned parameters. Health characteristics are not included in the assessment at this stage, but they can be taken into account in the following stages of the study. The analysis also excludes components of LaQL related to the “living environment” of population: its safety, quality of social infrastructure and environment.

The purpose of the study is the identification of multi-criteria groups of employed and unemployed people with low LaQL among EAP, determination of groups' size and structure. The results obtained may add new data to the necessary basis for development of social policy to address the problems of low LaQL, focusing on target groups characterized by a different combination of characteristics that lie in the area of employment, material and property provision, etc. Modern research practice actively develops a comprehensive approach to identifying low LaQL, or so-called *multidimensional poverty*, and offers indicators based on various analyzed LaQL parameters. Thus, for example, an indicator recording the share of people at risk of poverty or social exclusion (*AROPE*) allows identifying

low LaQL with relative monetary poverty, severe material deprivation, or very low work intensity⁷. It was tested by researchers for Russian conditions too [3; 4, etc.]. Another indicator – *The Global Multidimensional Poverty Index* – is based on LaQL assessment of indicators for three dimensions: health, education, and living standards⁸. The methodology of this indicator allows modifying it to meet national characteristics and needs, apply it not only for monitoring purposes but also for social policy⁹ [4, p. 25–30]. The methodology for identifying multidimensional poverty measurement for *EU-SILC countries* covers a broader list of dimensions – six¹⁰, including employment with the assessment of the ratio of an actual and potential number of work months¹¹.

⁷ *People at Risk of Poverty or Social Exclusion*. Eurostat. Available at: http://ec.europa.eu/eurostat/cache/metadata/en/sdg_01_10_esmsip2.htm (accessed: June 24, 2020); Glossary: At Risk of Poverty or Social Exclusion (*AROPE*). Eurostat. Available at: [https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:At_risk_of_poverty_or_social_exclusion_\(AROPE\)](https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:At_risk_of_poverty_or_social_exclusion_(AROPE)) (accessed: June 24, 2020).

⁸ Alkire S., Kanagaratnam U., Suppa N. *The Global Multidimensional Poverty Index (MPI) 2019. OPHI MPI Methodological Note 47*. The Oxford Poverty and Human Development Initiative (OPHI). Oxford Department of International Development, University of Oxford. 2019. 28 p.; et al.

⁹ *Guide on Poverty Measurement*. United Nations Economic Commission for Europe. UN, 2017. Pp. 138–142.

¹⁰ Other measurements that are taken into account in the methodology of this indicator are: 1) the income (60% threshold of median income is used, equivalised disposable income is taken into account during estimation); 2) severe material deprivation (at least 6 out of 9 deprivation signs); 3) education (estimated level of education); 4) environment (estimated by noise, pollution, crime, housing parameters); 5) health (subjective health assessments, the presence of chronic or long-term diseases, restrictions due to health problems, unmet medical needs). See: Alkire S., Apablaza M. *Multidimensional Poverty in Europe 2006–2012: Illustrating a Methodology*. OPHI Working Paper no. 74. University of Oxford, 2016. 20 p.

¹¹ Alkire S., Apablaza M. *Multidimensional Poverty in Europe 2006–2012: Illustrating a Methodology*. OPHI Working Paper no. 74. University of Oxford, 2016. 20 p.

However, the methodology for measuring multidimensional poverty, based on these indicators, either does not consider the employment component, or, if it exists, does not imply an assessment of the quality of employment, which, in our opinion, is one of the most important aspects of the LaQL study.

We adhere to the research approach which is methodologically closer not to the concept of so-called multidimensional poverty but the concept of multi-criteria identification of the social structure of society and its separate groups [5, p. 286–312; 6; 7 etc.]. It is based on a combination of objective and subjective parameters, material and immaterial LaQL characteristics used to define social structures and particular groups (layers) in it.

The research approach, proposed for identifying the lower groups by LaQL, is distinguished by the basis on the following main provisions. When using criteria that take into account a set of LaQL characteristics – objective and subjective, material and immaterial – the criteria for identifying EAP groups that differ in LaQL are defined in a normative manner, which implies the application and definition of social standards that specify the criteria and allow them to be quantified. While identifying EAP groups, the key characteristics of LaQL are ones that allow assessing the employment situation and affect all other economic and social EAP characteristics [8, p. 12–16].

In the analysis the employment situation, we pay special attention to identification of signs of precarious employment (PE). The presence (absence) of its signs not only characterizes LaQL according to the studied criterion but also, in turn, determines their other parameters: in particular, the financial situation of employed people's households. Studies on PE, interconnections between

PE and various aspects of LaQL [9–20, etc.] show that PE leads to a significant reduction of income among employed people and households. Precariously employed people, tend to earn less in comparison with a stable, protected employment, and they live in low-income households [10; 13; 18, etc.].

Main theoretical and methodological provisions of the study

To conduct multi-criteria identification of EAP groups with low LaQL, the following normative criteria and social standards are proposed.

Normative criteria for employment situation and education. The first group of normative criteria involves the analysis of the characteristics of the employment situation, including the presence of PE signs, as well as the assessment of the existing level of education.

The social standard within normative *education criterion* takes into account minimum requirements for the level of education that corresponds to basic or secondary general education. This level of education is the basis of the first (lowest), out of four, accepted qualification levels used for the classification of occupations, according to the Russian Classification of Occupations (hereinafter – OKZ)¹².

The requirements of the social standard of the *employment situation criterion* allow assessing the presence (absence) of employment, and, if there is employment, analyzing its characteristics, first of all, in terms of the existing PE characteristics for all employed people and the largest group of them – hired workers.

¹² OK 010-2014 (MSKZ-08). Russian Classification of Occupations (adopted and put into effect by the Order of Rosstandart no. 2020-st, dated December 12, 2014). Available at: <http://www.consultant.ru/cons/cgi/online.cgi?req=doc&base=LAW&n=177953&fld=134&dst=1000000001,0&rnd=0.30148655048200057#07080117216285722> (accessed: June 5, 2020).

This standard is defined by the following requirements:

- 1) availability of employment;
- 2) absence of precarious employment;
- 3) if there is employment for hiring – employment that requires basic or secondary general education (employment as unskilled workers or military enlisted personnel).

PE features were defined according to the results of previously conducted studies with the participation of authors [20, etc.]. Taking into account commonness of PE in Russia, among formal sector employees too [18; 20, etc.], within this research, *differentiation of PE features into key and additional ones in order to identify the most vulnerable groups among employed population, taking into account the concentration of PE features*, was used for multi-criteria identification of groups with low LaQL.

Thus, we defined:

1. Key PE features: 1) lack of official employment registration; 2) unofficial (partial or full) employment income; 3) employment income, which, in relation to amount of the subsistence minimum of able-bodied population (hereinafter – SMab), does not achieve 4.1 SMab.

2. Additional PE features: 4) working hours that deviate from the standard (excessive or insufficient working hours); 5) existence of salary arrears; 6) reduction of salary or working hours not initiated by an employee; 7) forced unpaid leave initiated by the administration; 8) dissatisfaction with employment conditions.

The first two features, highlighted as key ones, identify the PE part that is “in the shadow. Such employment is, first, vulnerable from a position of official guarantees for employed people, and, second, it is associated with avoiding the payment for relevant insurance premiums and taxes. The third feature, identified as a key one for determining PE, characterizes a part of it that does not allow

a household of employed people to reach the lower limit of average income standards that determine a safe (stable) financial situation. The border for employment income (4.1 SMab) was defined on the basis of the results of a study conducted by the authors and devoted to the analysis of PE impact on the material security of households [20].

The most vulnerable EAP groups, considering concentration of PE features, were ones with two or all three key features. They may also be accompanied by other additional PE features.

When analyzing the employment situation and identifying groups with low LaQL, hired employees were additionally required to be employed as unskilled workers or enlisted military personnel. For these occupations, according to OKZ, the first (lowest) level of qualification is required, which corresponds to basic and secondary general education¹³. In relation to hired employees, it ensures that the requirements for employment and education are interrelated, which corresponds to the general methodological approach, developed for multi-criteria identification of population groups according to LaQL and previously tested while identifying groups characterized by average LaQL, or so-called middle classes [8, etc.].

The following groups were overviewed in the multi-criteria identification of groups with low LaQL on the basis of the requirements for the employment situation and education in EAP.

1. Unemployed. This group among EAP is characterized by an extreme form of PE – temporary lack of employment and, as a result, lack of employment income.

¹³ OK 010-2014 (MSKZ-08). Russian Classification of Occupations (adopted and put into effect by the Order of Rosstandart no. 2020-st, dated December 12, 2014). Available at: <http://www.consultant.ru/cons/cgi/online.cgi?req=doc&base=LAW&n=177953&fld=134&dst=100000001,0&rnd=0.30148655048200057#0708011721628572> (accessed: June 5, 2020).

2. *Self-employed people who have two or three key features of PE* (which may also be followed by one or more PE additional features). Among self-employed workers, we consider only a group that is characterized by the most vulnerable employment situation in terms of PE features. The rest self-employed people, taking into account other identification criteria, may belong to other groups according to LaQL.

3. *Hired employees who have general secondary education at best, and they are employed as unskilled workers or enlisted military personnel.* This group consists of hired employees who meet the minimum requirements according to two studied criteria – their employment situation and level of education. They can only be assigned to groups with low LaQL, based on low educational and qualification potential.

4. *Hired employees without a professional education who are not employed as unskilled workers or enlisted military personnel, but who are vulnerable from the point of view of PE*, i. e. having two or three key PE features (which may also be followed by one or more PE additional features).

5. *Hired employees with a professional education who have two or three PE key features* (may also be followed by one or more PE additional features). As in case of self-employed people, employees with a professional education, considering multi-criteria assessment, may be represented in all LaQL groups, but, if the employment situation differs in the presence of, at least, two or more, out of three, key features of PE, they are reviewed as part of the lower EAP groups according to LaQL.

Normative criteria for material and property provision. As part of the study, for purposes of multi-criteria identification of the lower LaQL

groups, we defined the basic criteria of material and property provision, which we have already tested while identifying groups characterized by average LaQL (so-called middle classes) [8, etc.] – per capita monetary income, savings, and real estate provision – to ensure the continuity of the methodology.

The following requirements are the minimum ones (social standards) for the characteristics of material and property provision, which are formed at the household level:

1) *by the criterion of per capita monetary income (hereinafter – PMI):* PMI in a household corresponds to one regional average per capita subsistence minimum (hereinafter – SMreg);

2) *by the criterion of savings:* a household has savings to maintain the usual level of consumption when all sources of income are lost for several months;

3) *by the criterion of real estate provision:* a dwelling (main one) in a household meets the following requirements: size of the living area of a dwelling is at least 6 sq.m/person; availability of centralized water supply, central heating, and centralized sewerage. At the same time, a household does not have other real estate (other apartments/houses, part of an apartment/part of a house, cottages, etc.).

Failure to meet these requirements identifies *low LaQL in relation to 1) income poverty; 2) housing poverty; 3) lack or insufficiency of financial reserves.*

The requirements for the per capita monetary income criterion correspond to the official poverty threshold, and the methodological basis for forming the requirements for the standards of other two criteria was previously developed with the participation of the authors. Thus, the standards for the criterion of the

real estate provision are based on a previously developed system of social standards for identifying provision with real estate (housing) [8, p. 100–117; and others]. While determining the requirements for the savings criterion, the standards for forming a socially acceptable market basket, which provides a financial reserve that allows maintaining the minimum basic level of consumption for several months in cases of adverse life situations, are taken into account¹⁴.

Based on the considered criteria of material and property provision with multi-criteria identification of the lower groups according to LaQL in EAP, groups can be distinguished based on a number of criteria requirements of which are not met in households of employed and unemployed people, i.e., according to which these people could be considered disadvantaged: 1) all three criteria, 2) two out of three criteria, 3) one out of three criteria.

If the material and property provision parameters are not lower than the minimum requirements for all three criteria, then EAP is identified as belonging to other LaQL groups based on material and property provision.

Subjective criterion. The usage of this criterion allows supplementing the objective criteria for evaluating LaQL through subjective assessments. To form requirements within the subjective criterion, a “poor – rich” self-assessment scale was used, which is also common for identifying groups with average LaQL (so-called middle classes) [8, p. 117–124]. It is proposed to identify affiliation with the lower LaQL groups when self-assessments on a 9-point “poor-rich” scale do not exceed 2 points.

¹⁴ For details see: Bobkov V.N., Gulyugina A.A., Odintsova E.V., Safronova A.M. Socially acceptable market basket. *Living Standards of the Population in the Regions of Russia*, 2019, no. 2 (212), pp. 8–26. DOI: 10.24411/1999-9836-2019-10060

Data, methods, and research results

The proposed criteria for identifying groups with low LaQL among EAP were tested on the basis of data from the 27th round of the Russia Longitudinal Monitoring Survey conducted by Higher School of Economics (RLMS), collected in October 2018 – January 2019. The sample of RLMS is representative (by gender, age, and type of settlement) for Russian population¹⁵.

To reveal groups among EAP considering accordance with requirements of criteria of the employment situation, education, material and property provision, and subjective criteria and conducting multi-criteria identification of groups with low LaQL on the basis of data of the 27th round of RLMS, data array was acquired which includes: 1) data from an array containing representative data on individuals; 2) data from an array containing representative data on households; 3) data of the Federal State Statistic Service on a value of subsistence minimum for able-bodied population and an average value for population in entities of the Russian Federation, which were in demand while assessing the level of income from employment and monetary income in households of employed and unemployed people.

For quantitative assessments, a sample, which includes people aged 15 years and older who are unemployed or employed (for hire and not for hire – for main employment) (total – 5683 people), was obtained.

¹⁵ «Russia Longitudinal Monitoring survey, RLMS-HSE», conducted by National Research University “Higher School of Economics” and OOO “Demoscope” together with Carolina Population Center, University of North Carolina at Chapel Hill and the Institute of Sociology of the Federal Center of Theoretical and Applied Sociology of the Russian Academy of Sciences (RLMS-HSE web sites: <http://www.cpc.unc.edu/projects/rlms-hse>, <http://www.hse.ru/org/hse/rlms>).

To identify groups with low LaQL in EAP, a two-dimensional distribution of employed and unemployed people was obtained based on data processing of the 27th round of the RLMS: 1) according to the criteria of the employment situation and education; 2) according to the criteria of material and property provision (monetary income, savings, and provision of real estate): on the basis of it, groups with low LaQL are identified, determined by objective characteristics – core, extended core, and periphery (*Table*).

Thus, the lower groups according to LaQL, defined on the basis of objective characteristics, according to acquired assessments based on RLMS data, cover **42.7%** of EAP number (2018).

The *core of the lower groups* (7.8% of EAP; 18.2% in the structure of the lower groups) includes those people among employed and unemployed who are characterized by low LaQL in relation to the employment situation, education, and material and property provision. The core includes unemployed,

Groups with a low level and quality of life identified among economically active population by their the employment situation, education, material and property provision (2018)

Normative criteria	Characteristics of groups according to the level and quality of life
<i>Group 1 – Core (7.8% from EAP number)</i>	
Employment situation and education	1) Unemployed; 2) hired employees – unskilled workers or enlisted military personnel with no higher than general secondary education; 3) self-employed, as well as all other hired employees by the employment situation and education – with two or three PE features, out of three key ones, which may also be accompanied by one or more additional PE features
Material and property provision	Material and property provision does not meet minimum requirements for two or three criteria: monetary income, savings, and provision of real estate
<i>Group 2 – Extended core (12.1% from EAP number)</i>	
Employment situation and education	1) Unemployed; 2) hired employees – unskilled workers or enlisted military personnel with no higher than secondary general education; 3) self-employed, as well as all other hired employees by the employment situation and education – with two or three PE features, out of three key ones, which may also be accompanied by one or more additional PE features
Material and property provision	Material and property provision does not meet minimum requirements for one out of three criteria: monetary income, savings, and provision of real estate
<i>Group 3 – Periphery (22.8% from EAP number)</i>	
Sub-group 3.1	
Employment situation and education	1) Unemployed; 2) hired employees – unskilled workers or enlisted military personnel with no higher than secondary general education; 3) self-employed, as well as all other hired employees by the employment situation and education – with two or three PE features, out of three key ones, which may also be accompanied by one or more additional PE features
Material and property provision	Material and property provision reaches or exceeds minimum requirements for studied criteria: monetary income, savings, and provision of real estate
Sub-group 3.2	
Situation in employment and education	Self-employed, as well as all other hired employees according to the employment situation and education – without PE features, or with one or more PE features out of additional ones, or with one PE feature out of three key ones, which may also be accompanied by one or more additional PE features
Material and property provision	Material and property provision does not meet minimum requirements for two or three criteria: monetary income, savings, and provision of real estate
Source: own assessment on the basis of data of the 27 th round of RLMS. Available at: http://www.hse.ru/rlms (accessed: October 14, 2019).	

hired employees with low educational and qualification potential (who meet minimum requirements for employment and education), as well as self-employed and those among the rest of employees who are most vulnerable in terms of the existing PE features. At the same time, material and property provision of households among selected groups of employed and unemployed does not reach minimum requirements for two or more studied criteria.

Extended core of groups with low LaQL (12.1% of EAP; 28.5% in the structure of the lower groups) is characterized by a transitional position between the core and the periphery. In terms of employment and education, it includes the same groups of employed and unemployed as the core. However, in this case, the material and property provision of groups does not meet minimum requirements only for one out of three criteria: monetary income, savings, or provision of real estate.

Periphery (22.8% from EAP; 53.3% in the structure of the lower groups) from EAP number includes those who are characterized by low LaQL, either in terms of employment and education, or in terms of material and property provision. They are “at the junction” with other LaQL groups, and a positive change in any of the studied parameters, according to which they are assigned to the lower groups, will allow them to move to more prosperous groups.

The rest of the employed (57.3% of EAP) in terms of employment and education, as well as material and property provision, can be attributed to more prosperous groups according to LaQL.

If we consider the composition and structure of *EAP groups with low LaQL* (core, extended core, and periphery) *by employment situation*, then we can distinguish the following characteristics.

10.6% of EAP representatives assigned to groups with low LaQL are unemployed, and

89.4% are employed (more than 40 groups of occupations by skill level and specialization). The largest share among them is occupied by drivers and operators of mobile equipment, sellers, middle special personnel for economic and administrative activities, employees in the area of individual services, cleaners, and servants.

Employees with low educational and qualification potential in the lower LaQL groups make up 12%. The basis of groups with low LaQL is formed by precarious employees. Thus, about 90% of those included in groups with low LaQL have some PE signs, and more than a third have the employment situation which, in relation to PE features, could be described as the most vulnerable: they have two or three key PE features (which may also be followed by additional PE features).

35.7% of those assigned to groups with low LaQL are in the “shadow” employment – they do not have official registration of employment and/or they receive unofficial (partially or completely) income from employment.

Almost all employed people (89.7%) among those who are included in groups with low LaQL do not have an employment income corresponding to the standard (not lower than 4.1 SMab) (the third key feature of PE), which would ensure a safe (stable) financial situation, which, taking into account the dependent load, determines their localization in the lower LaQL groups.

The composition and structure of groups with low LaQL in terms of material and property provision are characterized as follows. More than 90% of employed and unemployed people in the lower LaQL groups do not meet minimum requirements for one or more criteria: 64.3% – for two or three criteria, i.e. they and their households are poor in terms of income, housing poverty, and/or they do not have or

lack a financial reserve; another 28.5% – for one out of three criteria.

Assessment of groups with low LaQL (core, extended core, and periphery), selected in EAP, based on objective normative criteria for compliance with minimum requirements for *the subjective criterion* showed the following.

Among members of the core of the lower groups, only 27% rated their LaQL as unfavorable – no higher than 2 points (which corresponds to low LaQL), the rest indicated 3 points (25%; below average LaQL), 4–6 points (40%; average LaQL) and higher (4%; above average and high LaQL), or found it difficult to answer. At the same time, the core of groups with low LaQL includes those whose material and property provision does not reach minimum requirements for two (76% among representatives of the core) or three (24%) criteria: monetary income, savings, and/or real estate provision.

The discrepancy between objective characteristics of LaQL and self-assessments for members of the core, their “shift” toward below average (3 points) and average (4–6 points) LaQL may be related to the reluctance to classify themselves as “needy” and “poor” or to be determined by a desired higher status, for example with respect to their positions in the employment area (which may take place for the employed, related to the core, who are self-employed or hired workers not engaged in unskilled labor). It may also be determined by ideas about existing living standards (actually unfavorable in terms of basic parameters of material and property provision) as “typical”, “common”, which, given forced acquired skills on existence in such conditions, may be perceived as “normal” [20] and the build subjective structure of Russian society where so-called “lower middle class” is commonly represented [21].

In the extended core, only 18% meet the minimum requirement according to subjective criteria: self-evaluation not below 2 points on the “poor-rich” scale. Others marked 3 points and higher (81%), hesitated to respond, or refused to say. In this case, the discrepancy between objective and subjective evaluations can be attributed to the representatives of the extended core having only one criterion of material and property provision, which does not achieve minimum requirements that, if there are two other criteria, according to which material and property provision is more prosperous, is not perceived as a critical situation and allows providing more positive assessment of own situation.

Self-evaluations exceeding 2 points also prevail among periphery members. This is justified for one of the periphery groups, since low LaQL is only related to the employment situation and education. For another periphery group, low LaQL is determined by material and property provision: 2 or 3 criteria that do not meet minimum requirements (mainly 2 criteria, usually savings and real estate provision). In such circumstances, a more favorable situation with monetary income may be the basis for higher self-evaluations, while being localized mainly in the range of 3–6 points, i.e. corresponding to lower-average and average LaQL.

Discussion of the research results

The size of the lower groups according to LaQL, identified on the basis of proposed methodology of multi-criteria identification, in EAP composition, achieves nearly **43% (2018), or 22.1%**¹⁶ in population number. Taking into account a family burden among

¹⁶ Assessment based on data from the 27th round of RLMS (<http://www.hse.ru/rlms> (accessed: October 14, 2019) and Rosstat (Number of population. Available at: <https://rosstat.gov.ru/folder/12781> (accessed: August 20, 2020).

employed and unemployed people, who are in the lower groups, total population, characterized by low LaQL based on a set of normative criteria and social standards, significantly exceeds a number of poor people identified by an absolute monetary method (12.6%, 2018)¹⁷.

Data obtained in other studies that identify the multi-dimensionally poor population using the alternative methodology (AROPE) show that the scale of the lower groups varies from less than 5 to less than 25% of population (2017) [3; 4, p.32–42], including the component identifying low employment intensity – 4.6% [3, p. 170]. At the same time, all three components of the AROPE index (relative poverty, severe material deprivation, and low employment intensity) affect only 2.3% of people who have at least one out of three signs of poverty or social exclusion (24.1%) [3, p. 171].

When using the AROPE methodology in relation to the conditions of Russia, the factor of employment quality remains underestimated, and outside the groups with low LaQL – employed people who have employment conditions that allow describing the quality of employment as low: “shadow” employment, formal (registered) employment with features of precarity, including low-paid employment, which also affects the level of material security of households.

The methodology of multi-criteria identification of the lower groups by LaQL, proposed by the authors, allows identifying not only unemployed but also employed people with PE features and grouping them with the most vulnerable groups based on the existing

concentration of PE features, differentiated into key and additional ones.

Prevalence of PE among Russian workers [18; 20, etc.] requires further study, including the context of identifying groups that differ in LaQL to identify the localization of precarious employment in them, taking into account various employment forms – new non-standard forms of employment that may be accompanied by PE features too. It is necessary to expand data sources for the study of PE, to develop existing databases for more accurate identification of precarious employment. The RLMS database, unlike the Rosstat database, allows a comprehensive assessment of various LaQL components, taking into account signs of precarious working conditions. However, its capabilities are limited in studying the contract type, the reasons for its choice, and the necessity/voluntary nature of employment, which would improve the accuracy of assessments in PE studies.

Conclusion

The identification of groups with low LaQL among EAP was carried out based on the proposed criteria and social standards of the employment situation (including consideration of PE features presence), education, and material and property provision. We revealed that 42.7% of EAP (2018), or 32.5 million people, can be attributed to them¹⁸. In the lower LaQL groups, the core with the most difficult position according to the analyzed criteria reaches 18.2%, the extended core – 28.5%, and the periphery – 53.3%. The selected groups are distinguished by disadvantage in terms of employment, material and property provision.

¹⁷ Number of population with average per capita monetary income below the subsistence minimum, and the deficit of monetary income, dynamic series. Available at: <https://rosstat.gov.ru/folder/13397> (accessed: August 20, 2020).

¹⁸ Assessment is based on data from the 27th round of RLMS (<http://www.hse.ru/rlms> (accessed: October 14, 2019)) and Rosstat (Results of the sample labor force survey. 2019. Available at: <https://www.gks.ru/folder/11110/document/13265> (accessed: March 24, 2020)).

Unfavorable employment situation of members of selected groups in EAP, which determines low LaQL, is associated with their exclusion from the sphere of sustainable employment. The lower LaQL groups are formed by unemployed (10.6% of representatives of the lower groups, or 3.4 million people) and the employed (89.4%, or 29.1 million people), nearly all of whom have some PE features. For more than a third (11.2 million people) of those classified as low LaQL groups, the concentration of available PE features defines their employment situation as the most vulnerable. It is manifested in the presence of “shadow” (full or partial) employment, income from employment (less than 4.1 SMab), which does not provide a stable financial situation for a household, and may also be followed by other PE manifestations¹⁹.

In general, PE in the lower LaQL groups, as shown by the results of the study, is associated with “shadow” employment (lack of official registration of employment and/or the presence of unofficial (partially or completely) income from employment (41% of members of the lower groups with PE features)) and legal employment, but the conditions of which are precarious (59% of representatives of the lower groups with PE features)²⁰.

Unfavorable material security of groups with low LaQL is determined by the lack of income from employment, and if it is available – by its insufficient level. According to the results of the study, the vast majority of employed people (89.7%, or about 26 million people) in the lower groups do not have employment income (4.1 SMab), which would ensure the level of safe (stable) material security of households and would bring them to the level of per capita income of at least 3.2 SM.

¹⁹ *Ibidem.*

²⁰ *Ibidem.*

In general, the majority of members of the lower groups (64.3%, or about 21 million people) have problems with material and property provision according to two or three criteria: monetary income, savings, or provision with real estate. It manifests itself in monetary poverty of households, poverty in housing provision, as well as in the absence or insufficiency of financial reserves, which makes them particularly vulnerable to adverse material circumstances (for example, loss of employment income), and determines the unavailability of independent solutions to housing problems²¹. The proposed author’s methodology for identifying groups with low LaQL develops the existing experience of multidimensional measurement of poverty and multi-criteria identification of society’s social structure, including the methodology which was developed and tested earlier with the participation of the authors in relation to groups of employees with average LaQL, or so-called middle classes [8].

The practical significance of the research results is the obtainment of data on the scale, structure, and characteristics of groups among EAP with low LaQL, which complement the information base for developing evidence-based social policies, including the current adjustment of current national projects and programs.

The results are relevant for economic and social security of Russia and the decline of the scale of the lower groups among EAP with low LaQL, which depend on the exclusion from the sphere of sustainable employment, significant scales of precarious (“shadow” and legal) employment, poor material, and property provision, etc., and the findings may

²¹ Based on data from the 27th round of RLMS (<http://www.hse.ru/rlms> (accessed: October 14, 2019)) and Rosstat (Results of the sample labor force survey. 2019. Available at: <https://www.gks.ru/folder/11110/document/13265> (accessed: March 24, 2020)).

be in demand for purposes of social policy advancement and development of appropriate targeted measures. The relevance of developing and implementing measures to increase LaQL in these groups within socio-economic consequences associated with measures to counter the spread of a new coronavirus infection (COVID-19) only increases. Given the increase of a number of unemployed people (as of June 2020, 4.6 million people²²), the decrease of labor income among many employed people²³, population's real income²⁴, etc., the lower groups according to LaQL, by the end of 2020, may show even greater scale than one which was recorded during the study (2018).

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²² Employment and unemployment in June 2020. Available at: https://rosstat.gov.ru/labour_force (accessed: August 20, 2020).

²³ Sberbank recorded a drop in wages for half of working Russians. *RBK*. Available at: https://www.rbc.ru/economics/10/07/2020/5f085bc89a794796d50c3017?from=from_main_5 (accessed: July 13, 2020).

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Information about the Authors

Vyacheslav N. Bobkov – Doctor of Sciences (Economics), Professor, Head of Laboratory, Federal Center of Theoretical and Applied Sociology of the Russian Academy of Sciences, Institute of Socio-Economic Studies of Population (32, Nakhimovsky Avenue, Moscow, 117218, Russian Federation; e-mail: bobkovvn@mail.ru)

Elena V. Odintsova – Candidate of Sciences (Economics), Leading Researcher, Federal Center of Theoretical and Applied Sociology of the Russian Academy of Sciences, Institute of Socio-Economic Studies of Population (32, Nakhimovsky Avenue, Moscow, 117218, Russian Federation; e-mail: odin_ev@mail.ru)

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