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LIVING STANDARDS AND COOPERATIVES: STEREOTYPES AND  
FACTORS OF SOCIAL CONSCIOUSNESS\*

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According to statistics, positive dynamics has been characteristic of a number of indicators of living standards of late. Thus, the average monthly money wages came to 207.9 rubles in 1987 as against 195.6 rubles in 1986. Real per capita incomes grew by 2 per cent in 1987 and the earnings of industrial and office workers per working person, by 3 per cent.<sup>1</sup> There was a 3.4-per cent increase in the provision of the population with goods and services over 1986. By way of comparison, however, it should be noted that the corresponding increase in 1985 and 1986 amounted to 4.8 and 5.7 per cent, respectively. In general, as compared with any other year starting from 1980, this figure was the lowest, which, among other things manifested itself in the retail turnover of state and cooperative trade falling short of the target by 12,200 million rubles.<sup>2</sup>

In other words, for a rather long period of time the nominal money incomes<sup>3</sup> of the population grew faster than the production of goods and services. In 1981-85 the respective figures were 20 and 17 per cent and in the next two years the proportion persisted

Unfortunately, Soviet statistics lack quite a few indicators offering a realistic comprehensive picture of the population's

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<sup>1</sup>Narodnoye khozyaistvo v 1987 g. Statisticheskiy yezhegodnik (National Economy in 1987. A Statistical Yearbook), Moscow, 1988, pp.390, 402.

<sup>2</sup>Ibid., p.407.

<sup>3</sup>I.e., without taking account of inflation which, according to some estimates, reaches an average of 4 to 5 per cent and, according to others, up to 8 per cent annually.

living standards under present-day conditions. According to M. Korolyov, former Chairman of the USSR State Committee for Statistics, "such indicators as the indices of prices of consumer goods and services, of the cost of living and of the purchasing power of the ruble, as well as deflators, which are widely used in the statistics of a number of other countries, have not been adopted in our country as yet."<sup>1</sup> Under such conditions, the findings of sociological surveys reflecting people's opinions of various aspects of their living standards serve as a kind of compensation for the absence of these statistical indicators.

Thus, the findings of the two stages of the national sociological survey of the Soviet people's life style<sup>2</sup> characterising the dynamics of judgements and appraisals by people of their personal (family) incomes provided a comprehensive picture of the contradictory trends which these statistical indicators might have shown.

A comparative analysis of the findings of the two stages of the survey has demonstrated that in the previous five-year plan period (1981-85) every fourth respondent stated that, while he had enough money for day-to-day expenses, the purchase of clothing (————) entailed pecuniary difficulties. In the current five-year plan period this was stated already by every third person, which means that a certain decline in people's living standards has occurred.

Besides, the narrowing of the range of goods, the lowering in

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<sup>1</sup>Pravda, January 30, 1989.

<sup>2</sup>The national sociological survey of the Soviet people's life style referred to in this paper was conducted in two stages: the first stage was carried out in 1980-81 and the second stage, in 1986-87.

their quality and the growth in their prices have resulted in a situation where the purchase of a number of foodstuffs and manufactured goods is, in effect, forced and therefore it cannot serve as a proof of an increase in the satisfaction of people's requirements. Thus, economists estimate that about three-fourths of purchases of wardrobe items and two-thirds of purchases of recreational and household goods are forced. This inevitably brings about a reduction in the purchasing power of money and a decline in the stimulating role of wages and adversely affects living standards and the quality of life. That is why statistics showing a growth in goods turnover, in the sales of this or that group of commodities and even in their consumption by the population cannot be regarded as a sound proof of a growth in living standards and in consumption.

Another major trend determining the living standards of the population is connected with changes in the criteria of well-being.

The deterioration of the overall ecological situation determines an increased "compensatory" demand for quality foodstuffs that are the richest in vitamins. Nervous strain at workplace, as well as transport and other stresses brought about by shortcomings of the infrastructure also compel the individual to make up, as it were, for nervous and mental strain by purchasing recreational and household goods and services ensuring to him a feeling of greater personal comfort.

The findings of the national sociological survey of the Soviet people's life style have shown that approximately one-third of both urban and rural residents appraised their supply with food-

stuffs as poor and every fourth of them offered the same opinion about their supply with manufactured goods. According to every third rural resident, public services are poorly organised in the countryside, every fourth holds the same opinion about transport services and the work of cultural institutions and every fifth gives the same appraisal of medical services.

In other words, the growing complexity of people's environment and the lowering of the quality of their life determine the compensatory character of their behaviour in the sphere of consumption. As a result the principal motives for buying consumer goods are now the individual's concern for preserving his health and for providing himself with home comforts and means of relaxation, as well as the aesthetic and "symbolic" qualities of goods, i.e., the extent to which they conform to the individual's notions of the "decent" pattern of consumption and life style. Thus, a certain change in the motivation of people's behaviour in the sphere of consumption and, accordingly, in the criteria of living standards is taking place.

On the other hand, the economic processes which got under way in the past five-year plan periods and are still going on today and which manifest themselves, on the one side, in an increase in the list and retail prices of consumer goods and, on the other side, in persisting shortages of quality foodstuffs, manufactured goods and public services have determined the emergence in the sphere of people's consciousness of a tendency towards diminution of the role of quantitative, absolute indicators (wages and money incomes) and an increase in the role of qualitative, relative criteria of material well-being such as the provision of the individ-

ual with material benefits having a positive influence on his health and ensuring to him adequate home comforts, rest and leisure and the satisfaction of his physiological and aesthetic requirements or the practical opportunities for getting such benefits.

At the same time, the decline in people's estimation of the significance of the absolute, quantitative indicators of well-being does not mean that the determination on an empirical level of the average income per family member which would make it possible, in the main, to satisfy the requirements of a family within reasonable limits is impracticable or immaterial. It has been reckoned that an income of 50 rubles or less per family member does not make it possible to satisfy reasonable requirements, since this is unattainable for more than half of the people within this income bracket; this is also the case with more than one-third of the 51 to 75 rubles per person bracket and with one-fourth of the 76 to 100 rubles per person bracket. Starting from the 101 to 125 ruble bracket, the percentage share of those who stated that their incomes enabled them to satisfy their various requirements is not less than 80 per cent and the share of those who voiced an opposite opinion is not more than one-sixth (in the main, not more than one-tenth). Thus, the 76 to 100 ruble income bracket is, in a sense, a borderline case and the income of 100 rubles per family member can today be regarded with good reason as the minimal.

As our other calculations--in particular, an analysis of the relationship between the actual level of family income and the estimated family income necessary for satisfying its requirements--

have shown, the minimum average per capita income of 70 to 75 rubles adopted today does not make it possible to satisfy a family's material requirements, considering the current prices and range of goods and the established standards of consumption of foodstuffs and manufactured goods. This size of income was on an average characteristic of those respondents who said about their families that they lived "from hand to mouth" and that they often had to borrow money to buy prime necessities. The next group, which, judging from the estimate of its family income, is better off and whose representatives described their family budget as follows: "We have enough money for day-to-day expenses, but buying clothes is a problem to us: we have to borrow money or to save it specially for this purpose," includes those whose average income per family member does not exceed 90 rubles. And only the third group, which can be believed with reason to be socially acceptable and actually an average one (37.1 per cent of the respondents stated that they, in the main, had enough money so that they could even save up a certain sum, but their savings were not sufficient for buying expensive durables such as a refrigerator, a new TV set, etc. and so they had to buy them on credit or to borrow money for the purchase), turned out to include those whose per capita incomes had "crossed the 100-ruble boundary" to reach an average of about 110 rubles.

People's social affiliation and area of residence are major factors determining their living standards and their evaluation of these living standards. This may be illustrated by the findings of the national sociological survey of the Soviet people's life style, the objective indicators of material well being and the



subjective appraisals given in big cities, in villages and across the country as a whole--both in static and in dynamic terms.

The difference between the two types of indicators is particularly evident with respect to housing conditions. In general, housing conditions in big cities are better than in rural areas and, accordingly, they are better than housing conditions across the country as a whole: over two-thirds of urban residents live in self-contained flats with all conveniences, which has found expression in their greater satisfaction with this aspect of their life. At the same time, the appraisals of positive changes in housing conditions offered by urban residents are less favourable than the corresponding appraisals given across the country as a whole; this is particularly so with the Muscovites and the residents of the Moscow Region. This is indicative of a slackening in the rate of housing construction, of which people are aware from their own experience.

Half of urban residents and of the country's population at large noted an improvement in their material well-being over the past five years, 40 per cent of them began eating better and almost as many (36 per cent) began dressing better. Yet a majority of the respondents said that they had not had any improvement either in their diet or in their clothing and every tenth urban resident noted a worsening of his condition with respect to these essential aspects of living standards. Thus, the appraisals of living standards given by residents of big cities are on the whole lower than those given by country people and by residents of small towns. This is particularly evident from a comparison of the appraisals of living standards offered by Muscovites and

residents of the Moscow Region. Besides, in contrast to the above-mentioned retrospective appraisals, residents of medium-size towns give a more moderate opinion of today's living and consumption standards.

The questionnaire used in the national survey carried a special question regarding the appraisal of the family income in terms of its sufficiency for satisfying the material requirements of the respondent's family, with five preformulated alternative versions of the answer. The analysis of the answers has shown that residents of big cities remain highly differentiated in terms of their material well-being: over one-tenth of them live from hand to mouth and 15.5 per cent can buy durables without difficulty. An overwhelming majority of urban residents (72.5 per cent), however, noted that they, in the main, had enough money, yet their savings were not sufficient for buying expensive durables and so they had to buy them on credit or to borrow money for the purchase.

At the same time it should be noted that this differentiation varies from one city to another. Thus, the differentiation with respect to this indicator among the Muscovites is more or less substantially lower than similar differentiation among the residents of Baku, Alma-Ata, and the Moscow Region. In Moscow, the respondents who noted that the purchase of durables did not entail any difficulties for them constituted a relatively smaller share as compared with the said areas. A comparison of the above-mentioned data with corresponding appraisals given five years earlier shows a "negative" dynamic of family incomes; i.e., such a comparison is not in favour of the present day.

In our view, underlying these trends is general deterioration

of the quality of people's life--particularly so in big cities. The urban environment can be evaluated as very poor. Transport stresses, long queues, and a tense ecological situation characterised by a high noise and pollution level determine increased demands placed by urban residents on the quality of housing which is regarded as a means of relaxation and "opposition" to the present-day urban environment. Similarly, the "excessive" demand of urban residents for various consumer goods, in particular, for foodstuffs, home furnishings, etc. is, in effect, their reaction to the appreciable lowering in the quality of life, a manifestation of a kind of compensation mechanism.

A major circumstance determining the validity of the above inferences is the fact that, as special calculations have shown, underlying these "subjective," verbal appraisals are quite definite "objective" quantitative characteristics of living standards--the level of wages and per capita income. Thus, the first alternative version of the answer corresponds to an average monthly income of less than 75 rubles per family member, the second version to an income of up to 90 rubles, the third one to that of about 110 rubles, the fourth one to that of some 130 rubles, and the fifth one to an income of 150 rubles and more.

The shaping of people's appraisals of their living and consumption standards is a complex and contradictory process. This is attested, in particular, by a comparative analysis of two income series--the actual level of average per capita income and its desirable level, i.e., the level of income which a respondent regarded as sufficient for satisfying his own and his family's requirements within reasonable limits. The difference between the

actual and desirable incomes varied from 40 to 50 per cent depending on the level of income and on the region. Such a substantial gap between the desirable and actual level of the average family income is explained by the fact that this indicator of living standards to a much greater extent reflects the potentials of a family in terms of satisfying its material requirements, being a resultant of the action of the various economic, social and socio-psychological components at the family level. On the one hand, the steady growth of the population's living standards through rises in the wages of a number of categories of workers (and, accordingly, in their average level) and in (————) other payments and benefits has determined a further growth in people's material requirements. On the other hand, the growth in prices of foodstuffs and manufactured goods, the washing away of inexpensive commodities from the range of goods produced and the increase in the share of goods sold at cooperative prices have determined the general downward trend of the purchasing power of the ruble. Such a factor as the forced necessity to have a "free" money income enabling one to buy goods in short supply, the range of which keeps on growing and the purchase of which is dictated neither by the level of income nor by the season, but by the spontaneous forces of the market, also acts in this direction. In other words, goods which are in principle needed by a family have to be purchased when they are on sale and not when they are actually required. This destabilises the family budget and gives rise to tension and a feeling of material unprotectedness.

This is precisely where the main causes of unpopularity of the cooperative movement lie. The analysis of the findings of a socio-

logical survey of the cooperative movement, which covered over 2,000 people, has shown that what a majority (52.5 per cent) of those who do not use the services of cooperatives find unsuitable is excessively high prices. The basic motive in buying goods produced and services rendered by cooperatives is the unavailability of similar goods and services in the public sector, i.e., their shortage. This motive was given as the only one by 48 per cent of respondents across the country, although this figure varies for different regions (for example, in Moscow it comes to 54.2 per cent). On the other hand, in the opinion of two-thirds of the respondents, cooperatives contribute to the growth of shortage in manufactured goods and foodstuffs distributed through state trade. This paradox reflects the actual contradiction characteristic of the present stage of development of the cooperative movement: while intended to serve as a means to expand the scope of consumer choice, i.e., as a means to control the shortage of a certain group of consumer goods, it has determined in a perfectly natural way a shortage in other commodities used by cooperatives as raw materials or implements of production.

The general lowering of living standards and of the quality of life largely, if not decisively, determines people's notions of the reasonable, fair and acceptable level of the incomes of persons engaged in cooperative or individual enterprise and the extent of differentiation of these incomes. More than half of the respondents believe cooperative enterprise to be harmful and over 80 per cent are of the opinion that cooperative enterprise such as it is today calls for stricter control by the authorities.

The above are average figures yet they are characteristic of

the opinions of industrial and office workers, executives of different levels, pensioners, housewives, etc. An analysis of the latter figures in the social aspect, however, makes it possible to single out two "irregular" groups of the population, i.e., those whose opinions more or less substantially differ from these "average" opinions.

They are: (1) persons engaged in cooperative and individual enterprise; and (2) college and secondary technical school students. The first group accounted for only 0.7 per cent and the second, for 2.2 per cent of those who believe cooperatives to be harmful; only every fourth person engaged in cooperative and individual enterprise and every fifth student offered this opinion. A similar picture is observed with respect to the need for stricter control by the authorities: the first group accounted for 0.6 per cent and the second, for 2.8 per cent of those in favour of stricter control. In principle, the fact that persons engaged in cooperative and individual enterprise do not regard their activities as harmful and do not advocate control over their activities by the authorities is, naturally, small wonder. The active support by students whose monthly allowances are not at all high of practically every kind of cooperative enterprise, however, is somewhat puzzling. In our view, underlying this phenomenon are two different causes--a socio-economic and a socio-psychological one. It is quite natural that young people welcome the availability of goods conforming or nearly conforming to foreign fashion standards. As for the prices of goods, the findings of the national sociological survey of the Soviet people's life style have shown that characteristic of the 20 to 25 year age group is an intensive demand

for a number of expensive goods, above all, fashionable clothes, whereas the inclination to compare one's own income and the prices of goods is the least characteristic of this age group. This is explained by a parasitic attitude and infantilism typical of certain groups of young people and by a decline in their estimation of the value of education and creative work.

On the other hand, it is in the nature of young people to welcome new phenomena in social life and to advocate democratic sentiments renouncing the expediency of strengthening control by the authorities.

Thus, it can be concluded that the cooperative movement is developing under conditions where it is influenced by contradictory trends characteristic of the sphere of distribution and consumption. The principal of them can be reduced to contradictions between:

(a) the increased level of development of material and socio-cultural requirements of the broad strata of the population and the fixed--and, in a number of groups, relatively declining--living standards and a rigidly fixed time budget not making it possible to satisfy them under conditions of shortage and inflation, which leads to dissatisfaction, a feeling of discomfort, etc.;

(b) the lowering of the quality of life (deterioration of the ecological situation, poor development of the infrastructure, etc. and the unavailability or shortage of consumer goods and services ensuring the compensatory character of consumption);

(c) the drawing closer of the material and socio-cultural requirements of different socio-economic groups and strata of the population and the undecreasing and, even, growing differentiator

of the levels of income and consumption (the emergence of people with "large fortunes" often obtained not through intensive work), which brings about a feeling of dissatisfaction, social envy, etc.

(d) the level of material well-being of the low- and medium-income groups of the population and the current level of development of the cooperative movement, i.e., growth in the share of goods and services available at cooperative prices accompanied by a decrease in the share of similar goods and services available at state-set prices, which determines a growth in the cost of living in general.