Russian attitudes and aspirations
The results of focus groups in nine Russian cities

April-May 2007
Background and survey tasks

Background
The EBRD initiated a study of Russian attitudes and aspirations to learn about the hopes, values and lifestyle of Russian people in different parts of the country. The results of this study will be presented at the EBRD Annual Meeting on 20-21 May 2007 in Kazan. The purpose of the survey is to demonstrate the positive and negative sides of socio-economic reforms for different groups of the Russian population and to study their views on future trends and developments in Russian society.

The survey tasks were the following:
• to understand current aspirations of the Russian people, their hopes and plans for the future;
• to gain some awareness of the values and attitudes towards new economic systems and entrepreneurial activities;
• to obtain information about consumption, saving practices and general lifestyle in different Russian regions, and to understand the reasons why people choose particular directions in life, career patterns and spending practices, and so on.
Geography of the study

Four focus groups were conducted in each of the following cities:

<table>
<thead>
<tr>
<th>CITY</th>
<th>REGION</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moscow</td>
<td>Centre</td>
<td>10 million</td>
</tr>
<tr>
<td>Ivanovo</td>
<td>Centre</td>
<td>400,000</td>
</tr>
<tr>
<td>St. Petersburg</td>
<td>North-west</td>
<td>5 million</td>
</tr>
<tr>
<td>Pskov</td>
<td>North-west</td>
<td>200,000</td>
</tr>
<tr>
<td>Kazan</td>
<td>Volga</td>
<td>1.1 million</td>
</tr>
<tr>
<td>Rostov-on-Don</td>
<td>South</td>
<td>1 million</td>
</tr>
<tr>
<td>Yekaterinburg</td>
<td>Ural</td>
<td>1.3 million</td>
</tr>
<tr>
<td>Kemerovo</td>
<td>Siberia</td>
<td>500,000</td>
</tr>
<tr>
<td>Vladivostok</td>
<td>Far East</td>
<td>600,000</td>
</tr>
</tbody>
</table>
Fifteen years of reforms: evaluation of long-term changes
Fifteen years of reforms: changes in people’s financial well-being

- According to an EBRD poll conducted last autumn, 40 per cent of the Russian population think that their financial situation was better in 1989 than it is now, 28 per cent think that it is better now, and 36 per cent are uncertain. When directly comparing their lives with those of their parents, about half of the respondents think that their lives now are better and one-fifth of respondents feel otherwise.

- People have very different views on Soviet history. Some tend to see only the positive sides of life in the Soviet Union while others are only negative. Balanced opinions are rare.

- People’s memories and opinions about life in the Soviet Union is full of “myths”, symbols and stories. The key elements to the Soviet Union’s image now are “stability”, “guarantees”, “good social services”, “good relations between people”, “lack of freedom” and “fewer possibilities”.

- The major difference between the Soviet era and the present day is the contrast between “stability” in the Soviet Union and the “possibilities” or “opportunities” that exist now.

- Differences of perception exist between the generations regarding this issue. But the ability to adapt to new economic conditions is not dictated only by age. Some older people evaluate new life as better than the old one whereas some young people idealise Soviet life. The dividing line is whether that person was able to find their place in the new economic system and benefit from it, or whether they “missed the last train” to new a life. People who tend to rely on social provision and social support (such as pensioners – the largest group – and young mothers and single mothers, etc) see more negative than positive sides to life today compared with life in Soviet times. People who rely more on themselves and their own efforts feel better about current conditions.
Evaluation of current personal financial situation compared to 1989: results of the national poll

Do you agree or disagree with the statement “My household lives better nowadays than around 1989”?

Source: EBRD, Life in Transition survey.
Fifteen years of reforms: comparing current well-being with life in the Soviet Union

- The major advantage of Soviet times over the present day, according to the survey participants, are:
  - macroeconomic stability (low inflation, a stable economy and stable prices), a clear social structure and prospects (a guaranteed job, education and a clear career path, etc), security (financial security in terms of a stable salary, stable prices), a strong welfare state (pensions, student grants, free education, health care, housing and so on) and physical security (effective police, lower crime rate);
  - security guaranteed by law and the state authorities (your rights, even though they were limited, could be protected and guaranteed).

- People see today’s major advantages as greater opportunities, such as the freedom to earn as much money as you can, the possibility to purchase and own anything you want (no shortages and a wide range of products) and the chance to travel abroad.

- Current life is described as “more interesting and bright” and Soviet life as “more stable and secure”.

- Group participants rarely mentioned such advantages as political freedom, democracy or any other aspects of political life. Neither did they mention religious or ideological freedom, or other civil rights. The only civil rights mentioned were the freedom of the press and mass media and access to information. This could either be because people place a lower value on political freedom than other things or because political freedom has a less direct impact on everyday life than economic freedom.
Comparison of people’s current life with the life of their parents: results of the national poll

Do you agree or disagree with the statement “I have done better in life than my parents”?

Source: EBRD, Life in Transition survey.
Fifteen years of reforms: comparing current well-being with life in the past – positive changes

• **More opportunities – to earn money and to choose your direction in life and career.**
  
  “I have no wish to return to the past. No way. First of all, as far as I remember, even if someone had a job he could have only one additional job. I remember the time my husband secretly worked somewhere else and could not say anything about it. Now there are so many chances. You can earn enough money even to buy an apartment. Certainly it is very, very difficult, but possible… You need to try very hard, live for it.”

  “We can earn money now but our parents did not have such possibilities.”

  “Now I can earn money and there are many ways of doing so. At least my husband can do it. My parents didn’t have these opportunities. They weren’t even allowed to have a second job. In the Soviet Union, engineers and other technical employees of middle and high rank did not have right to a second job. People who had the time and energy and wanted to provide more for their families could not do it.”

  “People who are well educated have more chances now. My daughter is an architect. She earns one-and-a-half times more than my husband and I do together – US$ 3,000 every month. But she works day and night. In Soviet times she would not have been able to earn so much.”

• **More variety, freedom of choice, freedom of speech.**
  
  “There was no choice. I remember my childhood: only sports shoes in the shop and nothing else. Even they looked awful. And everybody wore these shoes. Everybody wore the same hats, the same gloves.”

  “I think it is more open now. Before, it was as if we were living in a prison camp – a standard package with food for everyone and that’s it.”

  “The important difference is access to information. There are new and modern communication channels now. You can have access to any information. The only problem is how to sort it, filter it. There is no ideology influencing the mass media. The press is not censored anymore.”

• **No shortage of food and products.**
  
  “If you opened the refrigerator 15 years ago, the variety of products in there was much more limited than it is today. And it was the same in the shops – long queues and shortages. I remember that we kept green bananas on a dark shelf and waited until they went yellow. I looked on the shelf every day to check whether they were ready to eat or not.”

• **Travel abroad is possible now that the borders are open.**
  
  “In some ways life is better. First of all there is the chance to earn money, and then you can spend it. You can also travel abroad. It was difficult before; people could only go to socialist countries like Poland, Hungary, Czechoslovakia and Cuba. Now it is much easier to go to France or Belgium and places like that.”

• **The generation gap and adapting to new conditions.**
  
  “Regardless of all the bad times, my children just don’t want to hear about the past. My elder son will be 39 in April and my younger son is 21. My younger son didn’t live in the Soviet era but my elder son did. Now both of them have the same very strong opinion: ‘We like our life now and we don’t want any other’. First I complained a lot about the new life but now I am afraid to say anything to them because they shout me down.”

  “People who found a good place for themselves in life are very satisfied. But we are not. Just because we missed the last train”

• **Life is more interesting and bright.**
  
  “Since the iron curtain was lifted life is more interesting. It is brighter now.”
Fifteen years of reforms: comparing current well-being with life in the past – negative changes

- Less general “stability”.
  “My parents got their apartment from the state. They had a guaranteed salary that was in line with prices in the shops. They had a guaranteed pension. They knew they would get free medical care, they studied for free and their jobs were guaranteed. So they had no need to worry about anything.”

- Less financial stability than in Soviet times (when there was low inflation, stable prices and higher purchasing power).
  “If you compare my salary and prices with what they were before, I used to earn 90 roubles and rent and maintenance was 5-6 roubles. Now I earn 6,000 roubles and the rent and maintenance is more than 1000 roubles.”

- An unstable career and insecure future.
  “There was more stability then. People knew they would live for a long time and could have children. They were confident that their children, our generation, would have a good life. They did not fear the future. They knew that everything was stable. But now I – I do not know what will happen to my children. My first concern is the future of my children.”

- Social provision for pensioners is worse.
  “We don’t have any confidence in the future. In the Soviet Union, pensioners had a pension of 70-80 roubles, 132 roubles being a special pension. The pensioner did not fear the future. He did not worry about not finding a job and dying from hunger. All food was cheap. Every pensioner from Russia or from any other part of the Soviet Union could travel to the sea at least once a year. Now our pensioners have forgotten what the sea is and what it looks like. Travel from Siberia to the sea is not possible at all.”

- Education and social provision for children is worse.

- Medical care is unaffordable and free medical help is of poor quality.

- Travel within the country is very expensive and communication with family members is difficult.
  “Our country was very large and we could go to Uzbekistan or other places. I was a mountaineer and we travelled a lot. It was very easy to travel. Now everything requires a lot of money – money, money and money. In the past, sending a child to summer camp was very easy – 12 roubles a month.”

  “My parents lived in Yakutia (they were from Ukraine originally). They could fly to Ukraine and back on one month’s salary. Now they can only do it once a year.”

  “Our parents’ lives were no worse than ours. My parents and I took holidays on Issyk-Kul lake, and more than once a year at that. We could fly to our relatives easily. Now I can’t do anything like that for my family: fly anywhere – to Moscow or to St. Petersburg – together. Certainly there are more clothes and mass goods but you can only go to the theatre once a year.”
Fifteen years of reforms: evaluation on a national level

• According to the EBRD poll, Russians can be divided into three almost equal groups according to how they see the economic success of the country compared to pre-reform: 36 per cent of respondents believe that the country’s general economic situation is better now than in 1989, the same percentage think the opposite and 28 per cent could not decide.

• During the focus groups run by the Institute for Comparative Social Research (CESSI), people explained that they thought the situation was better now than in 1989 because: the consumer market had developed so rapidly; the quality and variety of food, products and services had improved; and the huge potential for economic prosperity of the country and individuals (people have the chance to earn a lot and develop their own businesses and be entrepreneurial). This opinion is supported by those in favour of a market economy and who see the benefits of a free market, competition, private property and international cooperation. People who see positive changes in the Russian economy over the last year judge it in terms of potential and opportunities for the future rather than according to the current status. Therefore there are more young people who support this position. By way of contrast, people who think the situation is worse now than in 1989 talk about the current state of the Russian economy in terms of low domestic production, a declining manufacturing sector, low salaries and wages, a less stable labour market and less social equality (more people in need). The proportion of Russians who are uncertain is also rather large (28 per cent). Two kinds of people fell into this category: (i) young people who had little experience living in the Soviet Union and did not have enough information to compare; and (ii) people who support both a market economy and a strong social welfare system, and can see the advantages and disadvantages of both the current Russian economy and the Soviet system.

• With each new generation Soviet history is forgotten more and more and the Soviet Union as a point of reference is less and less relevant, at least for the young. People tend to use the period of early reforms – the 1990s and recent years (2000 and later) – as points of comparison. The Soviet system is losing its face and young people learn about it from the mass media more than from their parents. For younger people, neighbouring countries and more economically advanced countries are sometimes a better point of comparison for Russia, rather than the Soviet Union.
Evaluation of current general economic situation compared to 1989: results of national poll

Do you agree or disagree with the statement that the economic situation in this country is better today than around 1989?

Source: EBRD Life in Transition survey.
Results of reforms: rule of law

- People tend to think that respect for the law and the rule of law have diminished in modern Russia compared to the Soviet Union. This is because:
  - the laws are ineffective, always changing and require additional interpretation;
  - the authorities and law-enforcement institutions don’t respect the law and are corrupt;
  - laws are rarely enforced;
  - the laws are not applied equally to everyone – the powerful and rich live according to different laws than ordinary people, in the respondents’ opinions;
  - people do not trust the judicial system as a whole and the courts in particular, which are considered an instrument of the powerful and rich to control ordinary people. People see the courts as just another state institution that is not independent or a fair arbiter.

“I think the law in Russia exists purely to be avoided.”
“If there is a law for something but it is ignored or people can get round it, how can you respect it?”
“Everybody is trying to learn about the law to find out how to dodge it.”
“There is no respect for the law. Everything is possible, everything is allowed.”
“Laws are not enforced in our country because there is no respect for the law-enforcement authorities.”
“They’ve created their image themselves.”
“They take bribes.”
Results of reforms: individualism

• Group participants believe that the change in the Russian economic and political systems caused an increase in individualism and a decline of the collective values of the people.

• Individualism is explained in different ways:
  – people are more alienated from each other and communicate less;
  – people are less helpful, they think only about themselves; mutual support is declining, as are collective values.

• The growth of individualism is related to a decline in trust between people, an increased distrust of political institutions and greater importance being placed on materialism. Success and social status is defined according to financial or material prosperity. People think that values such as respect from other people and the contribution to the wealth of the community and country are in decline and that material success is the only measure of social status in Russia.

• A few respondents mentioned that, in their opinion, increased participation by individuals and companies in charitable activities can be considered a sign of the return of communal values to Russian society. But the prevailing majority of participants disagree with this and tend to consider charities as marketing tools.

“I think there are more charities now and this is a very good sign.”
Results of reforms: trust and cooperation

- All group participants agreed that in the last few years, people in Russia have begun to trust each other less. This decline in trust was stimulated by a sharp rise in crime at the beginning of the socio-economic reforms of the 1990s, by fights between criminal and business groups and “wild capitalism”. In today’s Russia, lack of trust between individuals is related to the lack of trust in public and political institutions.

- The loss of trust between individuals is closely related to the growth of individualism and the decline of mutual support. People avoid helping each other because they are afraid of being cheated, used, or because it is dangerous to put yourself in a criminal situation.

  “People generally do not trust each other. Only close friends do. It was not like this before.”
  “People are afraid of each other now. We put bars and railings on our doors and windows and live behind them. You can be screaming in the stairwells but nobody will open their door.”
  “What is frightening is that if you walk across the street and something happens to you, I don’t think anyone will pay any attention and come to help. In Soviet times people would immediately call the ambulance.”

- Mass media’s influence on this declining trust is also rather strong. Television often shows stories of cheating and portrays “naïve” people who believe in the honest intentions of others as losers.

  “Everyone tries to survive, it’s every man for himself.”
  “Television frightens us: sometimes you watch a programme about a serial killer, other times something about a bombing.”

- Communities, interest groups and class ties are all very weak in Russia nowadays. Society is often described as “atomized” and consists of single or individuals and closed circles (families, old friends).

- At the same time the need for cooperation with others is strong. This was first expressed by business people, but then by those in other areas, for example housing maintenance.
Results of reforms: environmental concerns

• Almost none of the respondents named the environmental situation as one of the nation’s top problems or as their major fear or concern. Economic fears and problems prevail. At the same time, when prompted, all group participants showed rather extensive knowledge of the environmental situation in their city and in Russia generally.

• People are extremely dissatisfied with the current environmental situation. Although when comparing how things are today with the past, they don’t often agree that it has been getting worse. The environmental situation is often evaluated as being equally bad now as in Soviet times, but the causes have changed.

• In Soviet times the main problem was heavy industry and chemical factories located in many cities because people needed to live close to them. During Perestroika many of these factories were closed and so industrial pollution fell but at the same time other problems were created:
  – the number of cars increased, which made traffic pollution worse;
  – new factories are not equipped with waste management systems and companies don’t tend to follow best environmental practices (sometimes they simply cannot afford to);
  – city environmental infrastructure (for example sewerage, water) was destroyed and has not been renovated and this is a huge problem in some cities (for example, in Vladivostok the sea is very polluted because of the lack of effective waste management);
  – the authorities don’t fulfil their duties or control pollution because they are corrupt.
Results of reforms: environmental concerns

- Some respondents believe the environmental situation is worse than before because they don’t see any attempts being made to protect the environment or provide cleaning services.

  “Less is being done now to protect the environment than before. Previously (in Soviet times) large companies had special departments for environmental protection; they prepared reports and planned what action would be taken. In the 1990s cleaning systems and equipment were destroyed. Take this particular city area as an example – we had the radio equipment factory, optical-mechanics factory, the factory of Vorovskogo, 494 Factory. Imagine! It’s just an old, small area of the city and I could recall four factories. You should remember that all of these factories used carmum, which should not have been used because it affects small children and births. A lot of women worked in these factories. All the waste was dumped in the river Ussir. After the cleaning systems were destroyed in the 1990s, the same pollution still continues now.”

  “We used to have a large bridge near the optical-mechanics and radio equipment factories, maybe some of you know about it. But the bridge and river don’t exist anymore. I remember my daughter standing on this bridge. Now I go there and there is no bridge at all. It is because of the disposal of zinc, carmum and other chemicals. And the factory management say that they use all the chemical waste and paid for it.”

  “Now we have smog above the city. It was not like this 15 years ago. You go outside the city, for example to Chelyabinskiy, and look back at the city you will see what awful smoke covers Yekaterinburg in hot weather. Everything is white.”

- Some respondents believe that the environmental situation hasn’t changed much, but the difference with the past is that there is substantially more information now about the environment and ecological issues. Therefore people get the impression that things have worsened because they are more aware of things and they have better access to information, rather than real changes in this area.

  “There are only discussions about the environment, only theoretical discussions.”

  “It is a very important issue in our country and there is a lot of discussion about it now, but nobody is doing anything, no action is being taken.”

- Some people think that more public discussion of environmental issues is already an important step towards improving things.

  “I am glad that people have at least started talking about the environment, for example, cleaning up the factories in Vladivostok. Before, nobody even talked about it.”

- People are more than ready to criticise government for its lack of action on the environment but at the same time not many people are prepared to help solve this problem - they don’t think they can change much and that individual actions have little effect. People tend to believe that only the government can do something to improve the environment and it is completely out of their control.

  “What can we, the people, do about it? We could clean half the street in a day, that’s all, but the next morning everything would be the same as before – dirt and papers everywhere. Our efforts are only a small drop in the ocean.”

  “We can only clean a small area, maybe put some plants in. Practically speaking we can’t do anything. We won’t be able to solve the larger problem in our lifetime.”
Fifteen years of reforms: other results

- Some people in Russia feel there is now an ideological vacuum and feel the lack of a “programme”, “plan” or “purpose of development”. They do not believe in the free market or a self-regulated society. Some of the population have a need for a clear understanding of the country’s “development programme”. Such a plan or national programme aims to unite the people, provide clear guidance and provide a definition of good and bad.

“The country without ideology? What kind of development can we expect if the country doesn’t have any plan – what we are going to do and why, what for?”

“We do not have any ideology in our society. Our parents had it but we don’t. We are not orthodox, we are not communists, not socialists and we are not fascists. It is not clear what we are.”

“There is no plan, no national plan! We do not have any particular programme that lets people know what they should do, where to go.”

- The level of crime is higher now compared to the Soviet era.

“There is more fear now. In the past our children could walk around late at night and nobody was afraid for them. Certainly there were some criminals but now to go on the streets at night… you are afraid to let a child go out alone even in the daytime. You pick your child up from school.”

At the same time people in some cities mentioned an improvement in physical security (in St. Petersburg and Kemerovo).

- Corruption has increased – corruption within the authorities, judicial system and in everyday areas such as education and the health care system.
The economic situation and economic expectations of the Russian people
The economic situation and expectations of the Russian people

- The Russian people can be divided into having three categories of needs – basic, intermediate and advanced. **The basic needs** consist of at least moderate quality food (not many people lack food completely, but many can afford only very basic and low quality food); basic clothes; enough money to pay for rent and communal fees, basic renovation to very old, low quality housing, the installation of basic infrastructure in summer/country houses (for example, heating and water), basic entertainment (cafés, cinemas, theatres, concerts and sport); and travel to relatives within Russia and the former Soviet Union.

- The **intermediate needs** relate first of all to housing – it is the most important mentioned by almost all group participants of the survey. What people need is new housing (independent from relatives), their own house (instead of renting), larger housing (either too many people living in a very small space or this need can be classified as an advanced need). Housing is one of the major problems for everyday life in Russia. People believe the lack of adequate housing is one of the major obstacles to a better quality of life but at the same time it is considered as something that has the least chance of being achieved due to extremely high rent and property prices, house prices increasing much faster than earnings, and the fact that very few people ever manage to save enough money to buy an apartment.

- Another intermediate need mentioned by almost all group participants in all cities is not related to everyday life: travelling. Some people in the basic needs group regard travelling as a wonderful dream whereas those in the intermediate group consider it as the main reason for saving. People in the advanced group think about travelling more frequently and for longer periods. The destination is usually abroad and the main reason is for a holiday (sea, warm weather); the second reason is curiosity. People on lower incomes think about travelling within Russia and the former Soviet countries to visit relatives or friends. Travelling is a dream or reason for saving for people of all ages and for people of all incomes in all surveyed cities – from Moscow to Vladivostok.

- Other needs of the intermediate group are: a new car, entertainment and cultural events, education, a summer house and modern household appliances.

- The group with advanced needs differ from the group of intermediate needs more in quality than in meaning – larger and better quality housing, a new and better brand of car, a second or third car in the family or frequent trips abroad.
The economic situation and expectations of the Russian people (2)

- People’s needs at all levels are changing from what they were in the 1990s. Traditional Soviet needs were things such as an apartment, a car (built in the Soviet Union) and a datcha (summer house). The post-Soviet era can be roughly divided into three periods in respect of people’s needs and spending practices.
  - The beginning of the 1990s: the start of the reforms. In this period the main goal for many Russians was survival and needs were related to everyday things (food, clothes, etc.). However, there was also a need to try new brands, new types of products (Coca-Cola, beer in cans, sweets, Western clothes, etc). Variety was the most important thing. The desirable items were household appliances, for example a colour TV, microwave, large refrigerator, hi-fi system and video recorder. In the area of culture, there has been a decline in traditional theatres, concerts, classical literature and domestic films but a great interest in Western films and pop music.
  - Middle and end of the 1990s: reforms in action. The main goal for many Russians was to earn money quickly. The major values were taking risks and being adventurous. The principal needs were an imported car, a home computer and domestic pop literature. The major concerns were physical safety, how to protect money from inflation and employment.
  - 2000 onwards: stabilisation. The main goals are stability, confidence in the future and a better quality of life. The principal values are comfort and a career rather than merely a “good job”. The major concern is corruption. The main needs are housing, travel abroad and education. Among consumer goods the major purchases are new (not second hand) imported cars, mobile phones, laptops and MP3 players. In culture there has been a revival of interest in theatres, cinemas, domestic musicals, restaurants and sport.
The economic situation and expectations of the Russian people (3)

- What differentiates those with basic, intermediate and advanced needs is not where they live but the individual’s age and the size of the city they live in.
- People living in different parts of the country (from Vladivostok to Moscow) differed very little in their needs and material concerns. Even in Moscow, the most advanced and largest of Russian cities, the needs of the people were very similar to those in other large cities such as Yekaterinburg, Rostov-on-Don, Vladivostok or St. Petersburg. What does determine people’s needs is the population size (and therefore its diversity) of the city because this will determine the speed of economic growth and how quickly the city can adapt to a new economic system. People’s needs in such cities as Kemerovo in Siberia, Ivanovo in central Russia or Pskov in north-western Russia are all related to basic concerns such as the quality of food, payment for rent and communal fees and basic renovation.
- Another factor that determines people’s needs is age. Older people have more basic needs than younger people. They are concerned with food and communal services, health care, the renovation of their apartment, better access to utilities at their summer houses, travelling to relatives within Russia or a resort for holidays. Age is an important factor because it represents the life cycle effect (declining health, a less active lifestyle) and a dependence on very small state social provision after retirement. Education plays a smaller role in defining the needs of people, at least based on this piece of qualitative research.
- Gender does not greatly determine people’s needs or material concerns.
Material well-being and purchasing power

The needs of the Russian people can be roughly divided into three categories:

**BASIC NEEDS:**
- everyday expenses, food, housing maintenance, communal services

**INTERMEDIATE NEEDS:**
- basic entertainment, improved housing, a car, a piece of land

**ADVANCED NEEDS:**
- travel, holidays, expensive household goods, better housing, a better car

In some cities the most important needs are basic (for example, in the smaller Russian cities of Ivanovo, Pskov and Kemerovo). In medium to large cities, intermediate needs are the most prevalent. In Moscow some people have advanced needs, some have intermediate ones.
People with basic needs: what they lack most

Who are they?
- Residents of small cities.
- Retired people.
- Families with only one working parent.

Their most important needs are:
- being able to purchase higher quality food and products in supermarkets and large stores instead of searching for cheaper products in street markets and smaller shops;
  
  “If I had more money I wouldn’t look in different shops and street markets for cheaper goods. I would simply go to the supermarket, take a trolley, put all my products in the trolley, pay for them and go home. As it is, I need to run across the city looking for where the products are cheapest and where they can be bought with a discount.”

- basic entertainment, fitness and sport;

  “Living in our city is very difficult. My wife needs two jobs. Together we earn 20,000 roubles a month (€600), which is very good for Ivanovo. But there are four of us living on this income and it is not much. Even with two jobs I cannot go to the swimming pool. When I was young I liked swimming very much and went a lot, but now fitness clubs are a privilege for businessmen – it costs 30,000 roubles a year. I cannot afford it. I need to feed two children and buy them clothes. My 20,000 roubles just slip through my fingers.”

  “I have very little free time but when I do have some, I can’t even go to the cinema. In the “Cinema Plaza” in the western part of our city you need to pay 2,000 roubles (€55) to go there with all the family. I can’t afford it. Going to the café with the family is the same – extremely expensive.”

- clothes;

  “I can be very moderate in my spending so I am happy with my current income. The problem is when my sports shoes wear out quickly, because I then don’t have enough money to buy new ones, but of course I need some shoes to go out. Everything else is not so important. I can live without television and that kind of thing.”
People with basic needs: what they lack most (2)

- money for housing maintenance, rent and renovation;

  “When the four of us lived together and had just moved to this city, it was a real disaster. We got the apartment from the state but it was just an empty shell. I had just got divorced, I couldn’t find a job, didn’t know anything in this city and I had children – a schoolgirl and two students. We did not even have the money to pay for a bus. I remember how scary it was – we only had money for bread and water. My sons got small student grants and worked day and night. Now they live separately and can provide for themselves. I live with just my daughter and she is very moderate in her needs but I need to renovate the apartment because it is in awful shape. I got a loan from my job, my organisation offered me a loan of 24,000 roubles. I got it and renovated the bathroom and toilet. I would never find such money without this loan.”

  “I have just enough for living – for food, some entertainment, but it’s very basic. In general I feel fine, but I do not have money to rent a room for myself.”

  “I need to renovate my apartment. I have been thinking about it for many years. I do it bit by bit and only loans can help me.”

- trips to other cities to visit relatives or a short holiday;

  “Now that the cost of telephone calls has increased so much I can’t even dream about calling my relatives regularly. I only write letters now, but even the envelopes are expensive. This is why people live so separately now and don’t communicate. Train tickets are so expensive that I can’t even go to Moscow.”

  “I would like to have some holidays. I have never had a holiday, I’ve never had the chance. First I needed to work, then I had a daughter followed by a granddaughter. It would be good to buy something for myself or have better food. I do not save on food”

- better equipped summer houses;

  “If I had some money I would buy a gas heater for my summer house and drill a water well.”

- a computer, laptop and household appliances;

  “My child went to school and all the other children had computers at home. It meant that I also needed to buy a computer so we took out a loan and bought one.”

- health and dental care.
People with intermediate needs: what they lack most

Who are they?
- Residents of large cities outside Moscow.
- Students and young people without families in large cities.
- People with children.

Their most important needs are:

• housing – living separately from relatives, owning a home, making basic improvements to current housing;

  “The most important thing for me now is housing. I would like to have a child, but I can’t at the moment because I do not have space. I would also like to go somewhere abroad, to fly somewhere even if I panic when flying.”

  “My wife was asking me all winter to install new plastic windows to save heat and now we have finally done it.”

• trips, holidays to inexpensive places;

  “We save money for holidays and we tend to go away. In the summer we travel abroad. During the school holidays we also go somewhere – not necessarily abroad, sometimes to villas.”

• a new car;

  “My life got better just recently. In the near future I plan to buy my own car. It will make my life much easier – I will be able to go to the countryside, relax with my child and friends. I would also like to improve my education and to have a career.”

• expensive entertainment and cultural events;

  “I dream of travelling and having great holidays. I would like to go to concerts but they are very expensive, especially if it is a famous person on tour. The price of our city theatre is much more realistic.”

  “I would like the opportunity to go out with my family, to spend a nice evening with them or friends: ‘let’s go to the restaurant, we will have a good time there’. But we can’t afford it. I can go to the theatre once a month or if it is our local theatre then I can go more often. If it is a ballet from Moscow then tickets cost 600 or 1,500 roubles. Maybe you can spend that amount of money once a month but other types of cultural activities are more affordable. I can go to the cinema, but not the café.”
People with intermediate needs: what they lack most

- education;

  “In the last two years we have bought things for our house. Yesterday we bought a computer. Now our plan is for my husband to go to college and get an education.”

  “My main goal now is my son’s education. And education is not just about getting to college. It starts at secondary school and it is not cheap at all now – extra lessons cost a lot of money. We are at the pre-preparation stage for entering college.”

- owning a summer house or heating it to stay there during winter;

  “All our relatives have datchas [summer houses] and they invite us there very often. But I like to be a master in my own home so it is difficult for me as a guest. Therefore we are saving for our own dacha now.”

- saving to have more confidence about the future.

  “If I had more money I would buy another apartment and rent it out so I wouldn’t need to work anymore.”

  “If I had more money I would not buy anything. I would invest it for a more stable future.”
People with advanced needs: what they lack most

Who are they?
- Residents of Moscow.
- Modern professionals.
- Entrepreneurs/the self-employed.

Their most important needs are:
- good quality housing and larger housing;
- a good car;
- regular travel abroad (the ideal is twice a year) or special trips (around the world or cruises).
Needs of the Russian people

Housing (apartments)

- Housing is a need for all groups of Russians in all cities.
  - Some people need an apartment to live in.
  - Some people have an apartment that is too small or too many people live there and they would like to have a larger place.

“It would be great to buy an apartment for my daughter, a separate, good quality apartment. Now we are living together in two rooms and her room is so small…”

- Some people would like to have an apartment of better quality.

- High house prices and high interest rates on loans are the major concerns of most people.

“There is so much construction around, so much, but house prices have increased almost three times in the last year that it is not affordable at all now. I know that mortgages are available now as well as other types of financial services, but even with that it is not possible to buy an apartment.”
Needs of the Russian people (2)

Travelling

- After housing the second dream of almost everyone who participated in the survey is travelling/trips to other places.
  - Some people would like to travel anywhere within Russia, just for a change, to have some rest or to visit relatives.

  “I cannot fly to Ukraine. All my relatives are there and I am from there myself but air tickets are so expensive. I go there extremely rarely.”

  - Some people would like to see another country.
  - Some people would like to travel a lot or more frequently (several times a year).

- People need money to invest or set up their own businesses.

  “I would buy a big car and work on it – a truck or goods wagon.”
Financial planning

- Careful and long-term financial planning is slowly being introduced into Russian life. People with low incomes do not plan often. They tend to spend everything they have and then either rely on loans or luck. Some people on low incomes separate money into two parts – one for essential items (for example, rent, maintenance fees or loans) and the other for the rest of what they need. As soon as people get more money than for just basic things they start planning.

- There are two different strategies of accumulating money for large purchases – loans and savings. The introduction of bank loans in recent years could be called a revolution for personal finances. Instead of saving for a long time and being exposed to different risks (such as a financial crisis, bankruptcy of the bank or inflation) people are given the opportunity to take out a loan and buy things immediately. Loans are used by all groups of the population – low income groups in small cities as well as in higher income groups. People on low incomes take out loans to renovate their apartments, buy things for the children, computers, mobile phones, etc. Those on medium incomes take out loans to buy a car or expensive household items. Mortgages are a dream for many Russians but they are not accessible at the moment. At the same time there are people who are strongly against loans and “living in debt” and try to use only what money they have so as to be independent and feel like true “owners” of their purchases and have better control over their lives. The main reasons for saving are travelling abroad on holiday, children’s education and money for emergencies.
Financial planning (2)

Three major strategies in dealing with family finances were described by the respondents:

- **spend everything, save nothing;**
  - group 1: nothing to save, on a low income
    - “We do not save anything, we spend our entire family budget.”
  - group 2: high spenders
    - “I never have more than 100 rubles in my pocket. I spend everything.”

- **debt and credit;**

  “I do not save money. In 1997 I had money but not dollars - roubles. I had enough money to buy a one-room apartment and as a result I only had enough money to buy a computer. I was shocked and was ill for about half a year. Who can survive in this situation? After that I swore to myself that I would never believe our state again. I will not trust it and since then I've only taken out loans. I do not save.”

  “We save a little bit and then borrow the rest and go on holiday in the summer to St. Petersburg or somewhere else. Then for half a year we pay back the debt and start earning again. And then the cycle begins again.”

  “I was not taught to save. If I need to buy something, I can borrow money or earn it and then buy things at once.”

- **savings;**

  “My spouse deals with all our finances. We do not borrow money, we save it. Now we are saving for our child’s education.”

  “I can rely only on the money that I earn. The most important thing I spend my money on is rent. The second is food. Then clothes. Some money I save. I have a golden rule that on my bank card I must always have the amount equal to two month’s salary.”

  “During the year we save money for a holiday and then go somewhere in the summer.”

  “I think saving is the best way. It is better to limit your spending for a certain time and then make some large purchases or have a holiday. Then you can live quietly again. But if you know that you need to pay back the bank, for example, 7,000 roubles a month – then no.”

  “Some people have a diary, I have a cash book where I make a note of what I have. I take money for my work, for lunch, entertaining and there is some that should always be at home. If I take something from this amount, I should earn the same amount and put it back.”

- **investments.**

  “I don’t see the point in saving money. The situation is changing every day. Money should be invested. If you have some money, you should invest it. Certainly you should have a small amount for emergencies but it is better if money is working for you.”
Financial planning (3)

There are four types of people when it comes to financial planning:

- Those who plan their finances carefully and budget for certain items

  “I can’t afford to buy something and just throw it away. I always think carefully before every purchase. First of all I have to pay for my home and a lot of money needs to be paid for communal services. Then I can plan to buy something.”

  “Everything in my life is planned. Some of my money is used to pay for loans, some for housing and some for everyday needs. I take loans out for furniture, a computer and things like that, and then pay the money back. I do not save money, I pay it to the bank.”

  “I have my own budget plan; how can anyone live without one? I plan for education and investing in business. Everything should be planned and you look at the numbers, for a month, year and week. I do it like that. I intend for my daughter to graduate from college and I will pay for it. Then my son needs to get his education. I plan everything in my job and it’s the same at home.”

  “I have a boyfriend, and spring is coming. I know that I need to buy shoes, a jacket and a bag. And I need to have some money to live on when I take unpaid leave for my exams at college. I have carefully calculated everything and I hope that I’ll make ends meet.”

- Those who divide their income into parts: obligatory payments (debts, housing, etc), everyday expenses and spare money

  “I do not save my money. I divide all my income into different parts. I spend one part on food and transport, another on entertainment, another on clothes and my child’s education. All my income is spent on these things.”

  “My boyfriend and I tried to solve this problem one day. We tried to write down everything we spend our money on: how much we should spend on food, housing, etc. We divided everything into parts. But in the end we failed because we approach money differently. I would like to buy a car very much so I save almost everything I earn while our everyday needs are all paid for by my boyfriend. This is how we budget now.”

- Planning for large purchases only

  “I’ve tried very different strategies and I will tell you about them. I tried to write everything down to optimise spending, but after a while I gave up. Then for a time I just spent money without any planning - anything I wanted I bought, but that was not very effective either. Now in my family we reach an informal consensus: if we want to buy something, we discuss it with all the family to decide if we really need it or not, if we can live without it or not. This is our current method.”

- Do not plan at all

  “I do not have any system of planning. Certainly there are some things that I must buy, but I do not budget for anything special or save for anything in particular. We do not live that way. If we need to make a large purchase we will then think how to go about it. We either buy it if we can afford it or look for some other way. But we do not plan anything in advance.”
Main reasons for saving

People tend to save for the following things:
• their children’s education;
• a holiday;
• a new car;
• a summer house, home maintenance and improvements;

“We may need to renovate parts of the house or repair something. There are lot of different things you can spend money on to maintain your house. I have rather a big house. I go there at weekends. I have several dogs there and I need to feed them. If the house is robbed, I will need to buy everything for the house again.”

• household goods, computer or mobile phone;
• emergencies, the “family stabilisation fund” or a “rainy day”;

“I have a certain amount of money in my hand… not only in my hand but also in my pocket, which I never touch. Anything could happen in life, in my work. Nobody knows what we should expect tomorrow. I could have some health problems or other problems so this amount should always be available. Then I can feel safe. It makes me nervous if I spend some of this money. I should always have this amount.”

• new housing (although this is rare).
Trust in financial institutions is growing

- Trust in banks and other financial institutions was strongly damaged during the 1990s. In the crisis of 1998 many banks went bankrupt and the rouble exchange rate dropped so rapidly that many people lost all, or almost all, of their savings. This led to great concern and caution about using banks. Companies like MMM and “Vlastelina”, which perpetrated pyramid schemes, also contributed to the negative image of financial institutions as being unreliable, reckless and fraudulent.

  “I distrust them. The banks cheated people out of a lot of money. Certainly the reputation of our banking system is very bad.”

  “Our banking system is very unreliable. Everybody tries to pretend they believe it is stable now but just recall 2000 or 1993. I know of about three cases where my acquaintances put money in the bank and they were made bankrupt because of it.”

- In recent years trust in financial institutions has been building, but progress is very slow. The factors that foster trust in financial institutions are:
  - the general stabilisation of the country;
  - a new law on the protection of deposits;
  - bank loans (banks entrust money with the customer instead of the customer entrusting money with the bank).

- Because of the dramatic history of the Russian banking system, trust in banks started to return with the old state bank “Sberbank” (state-owned meaning it cannot become bankrupt or disappear, in people’s opinion). The quality of services and the financial benefits that private banks offer cannot compete with the reliability offered by Sberbank.

- Foreign banks are known very little by the mass public. They have an image of being “elite” banks that don’t work with ordinary Russians. They don’t have offices in many Russian cities and are therefore considered to be quite inconvenient. However, the potential benefits of saving with a foreign bank – its long history and reliability – are not obvious to the Russian public yet because they know that foreign banks operate as domestic banks in Russia and do not guarantee people’s savings with the capital of the parent bank.

- People’s main hope for the banking sector, which can improve the reputation of any bank (especially foreign banks), is for much lower mortgage lending rates (ideally 3-5 per cent, “as in Europe”).
What encourages trust in financial institutions

- The state-run bank, Sberbank
  
  "It is important if the state owns any shares in this bank. It is important to me whether the bank is completely private or if the state has some influence there."

  "The traditional, state-owned Sberbank; I need to know that the bank will be shut down and will not just move to another region."

- A famous name, a good reputation and recommendations from friends
  
  "The reputation of the bank in the market is important. Some of my acquaintances know this bank a little from the inside. Our company has worked with it for a long time and the bank never let us down financially. Their interest rates are not the lowest across the city. Some banks offer more, but I dislike the bank that does this and I do not trust it completely."

- A large bank
  
  "If the bank is included in the list of 100 largest banks in Russia, then there is a high probability that we will be able to get our money back."

- A long time on the market and history
  
  "First of all, the year the bank was established is very important because it tells you if the bank survived after 1998. Another is who the owner of the bank is and which large company or business group is behind it. Take Gazprombank for example. It was established by Gazprom and you can trust this bank because at least some of its activities are guaranteed by Gazprom’s investments. It’s the same with investment funds: if the fund is organised by Gazprom it’s at least some guarantee of safety for your money."

- Local banks
  
  "In general I am a customer of Urals banks. If I am going to be cheated, I will at least be cheated on by my countrymen. It will be easy to sort it out if there is any conflict."

  "The most important factor is that the bank is not from Tatarstan because the probability of fraud then is 100 per cent. This is especially true about "Akbars", our Tatar bank. Even the tax department tells us to avoid paying taxes through Akbars because they do not pass them on. They invest the money in different things or simply keep it for half a year."
Individuals’ views about their financial prospects

- The group participants in the nine Russian cities have very different views and expectations about their financial prospects. Some are extremely optimistic whereas others are rather pessimistic. According to the recent EBRD poll, the proportion of optimists is smaller than the proportion of pessimists, but the former has been growing steadily in Russia over the last five or six years.
- The reasons for optimism are two-fold. First, there is a strong belief in one’s abilities and the belief that a good education and hard work can bring success and prosperity. Second is the belief in rapid and sustainable economic growth and the huge potential of Russia’s economy and the state.
- The reasons for pessimism concern the same issues but produce the opposite view: first, people expect their financial situation to worsen because of future changes to their employment status (retirement, maternity leave and so on), family structure (children, other dependents) or health problems; and secondly, because they do not believe in the sustainable growth of the Russian economy and expect crises and problems in the future. Such skepticism is borne out of Russia’s high dependency on oil and gas exports and the slow development of its manufacturing industry – something the Russians believe is the basis for sustainable growth.
- Importantly, people’s views of the future have changed and there is now an expectation of and reliance on slow, gradual improvements rather than quick-fixes, the view that dominated in the 1990s.
Economic optimism

- Many group participants hope that their financial situation will improve in the next five years. Most of these optimists rely on their own efforts, for example they are educated to a higher level, they intend to change jobs or open their own business, other family members will go to work and children will grow up. However, some people rely on external factors such as Russia’s general situation improving.

“It will get better, I hope. My children will graduate from college and find job, I hope.”

“Russia is the wealthiest country even now. It’s a super-rich country. We are developing very quickly now. I think we have very good prospects. Not America, not Germany, but Russia.”

“If we continue to have the same growth rate as now, I think the situation will get better and better.”

- People have no illusions of quick improvements or rapid wealth (as in the 1990s). People rely on gradual improvements.

“I was much more optimistic four years ago but after working for some time now I realise that in the next four years, maybe five, my financial situation will improve because I have room to develop. I do not have any illusions that I will be able to become a millionaire in four years. I am not even looking to become one.”

“In the 1990s there was a period at the beginning when people earned a lot of money. My father dealt in “cashing” money [an illegal way for companies to obtain cash off balance-sheet] and he earned a lot. If things stay as they are now it won’t be so easy to become a millionaire.”
Economic optimism (2)

- Some groups of people are rather pessimistic about their prospects.
- Most these are older who are afraid of losing their jobs and retiring (on a very small pension with very expensive medical care).

  “I am afraid of retiring. Maybe the situation will have improved for my children, but not for me. I am not hoping for anything from my children, they have their own problems. So I think my future will be difficult and I am afraid.”

- Some people are pessimistic because they don’t believe Russia can sustain economic growth (“Russia only sells oil and gas and does not produce anything”) and because of extremely high corruption in the country.

  “I think the situation will be the same as it is now. I think in general Russia doesn’t have a future. The country is heading for collapse and the Russian people will be destroyed, thanks to our authorities – a load of thieves with large amounts of money in the bank.”

  “If the prices for oil and the US dollar go down, we will all feel it very quickly, the whole country will feel it. We are not producing anything and don’t even want to learn how to produce anything, and this is our problem.”
Changes in Russia in the last five years
Changes in the material well-being of people in Russia over the last five years

- Most group participants mentioned the improvement of their material well-being in the last five years.
- Usually people use two points in time to compare their material situation – pre-reform (Soviet times) and the beginning of reform in the 1990s. Using the short-term comparison with the 1990s people tend to see positive changes – no wage arrears, regular salaries, pensions and other benefits, higher salaries and wages, lower inflation and higher purchasing power. However, if compared with Soviet times, the current situation is usually regarded less optimistically.
- Most people attributed the recent improvements to several things: (i) the stabilisation of the economy (lower inflation, more stable domestic currency, no financial or economic crisis after 1998 and stable economic growth); (ii) people had adapted to the new economic system (after a period of major shifts in economic sectors, a decline of some industries and professions and a rise of others as people found their new place in life having changed companies, re-educated themselves, changed profession, opened their own businesses, etc); and changes in their life cycle (graduated from college, start working and moved up the career ladder, etc).
- A reduced sense of material well-being is rarely attributed to macroeconomic factors or the general state of the country. Rather it is due to personal factors such as retirement, leaving the job market (the main reason in modern Russia), maternity leave or leaving a job to care for children. This last factor is the most important reason for a reduced sense of well-being for women. It is also the major concern of young working women. Changes in family structure also affect well-being, for example if there are more non-working family members in the household (children, retired people, etc).
- Stability is the word most often used to describe the current situation. The survey participants value it very highly and so the feeling of stability is more important for some people than changes in the material situation of their family. People see well-being as determined by stability first and standard of living (income) second.
Changes in material well-being in the last five years

- Most group participants think that their material situation has improved in the last few years. The improvements have taken place mostly because of:
  - lower inflation, more stable currency and stable prices;
    
    “The value of the rouble is not falling as rapidly as before. In the past when inflation was very high, saving was not possible because the rouble increased or decreased all the time. Now it is more or less stable so you can put money in the bank and be sure that they will save it, that it will not fall five times.”

  - a stable job and having adapted to new economic conditions by changing profession, companies or type of employment;
    
    “There is at least some stability now. You all remember 1992. People, for example my parents, adapted to the new situation and found jobs that are in demand now. They look at things differently and understand how to earn money. I was small in the 1990s but now I also have a job.”

  - a general improvement in the country’s economy and an increase in the average wage.

Other factors influencing how people see changes to their material well-being are:

- the stage of life they are at (students found jobs, found a better position in life and careers);

  “I started to work. I’ve been working since 2001 and before that I studied. I worked during my studies. In the beginning I earned very little money but now the amount I earn is not to be laughed at. My salary has increased substantially.”

- some people don’t think there have been any major changes in their lives (financially or materially), but the trend is perceived positively because of the feeling of stability:

  “Our life is not better now. Objectively speaking it hasn’t improved but there is a feeling of stability.”

- some people think their material situation has worsened in the last five years. This is mainly because of:
  - retirement;
  - changes to the family structure, such as children being born.

  “I got a wife – spent more money. I got a child – spent even more money.”
Employment and work ethics
Employment situation

- Most group participants did not express much concern about job availability. People do not think that finding a job in their city is very difficult. This is particularly true in large cities but job availability is not a problem even in smaller cities.
- Young men are the most confident about finding a job. They think that finding a job in their city is easy. Older people and young women expressed the most concerns about job availability.
- People have very different work ethics and describe the ideal job for them very differently.
  - “Work to survive”. Those on low incomes, people with a lower level of education and residents of less prosperous smaller cities tend to place most value on a good salary more than any other aspect of work. Next on the list is being able to work in their chosen professional field; often people cannot find a job according to their education or profession and need to take any job, for example in the service, trade and security sectors, instead of working as an engineer, teacher or scientist).
  - “Work as an addition to looking after the family for additional income and a social life.” Another group of people with different work ethics are those on middle and higher incomes (often women with children), whose main interest is family rather than work and career. These people value short or flexible working hours more than salary or any other needs.
  - “Professionals” and “work lovers”. These people place most value on the content of their work (the professions can be very different – teacher, doctor, scientist, architect, engineer, lawyer etc). They value most an adequate salary, which will allow them to stay in their chosen profession, how interested they are in their work, colleagues and the importance of their job for society and other people.
  - Career-minded and achievement-oriented people. Usually this group consists of young people or middle-aged men. The important factors for them are independence, power, authority over other people and gaining social status.
- Group participants show rather low geographical mobility and rather high mobility between different jobs and organisations. Many would like to change their job and would be ready to do so if they had the chance. This readiness was expressed even by people who like their current employment. Loyalty to an organisation and sometimes even to a profession is rather low. At the same time people are not ready to move home or try to find a job in different city or region. People are very attached to where they live and their social network. They consider “connections” and “ties” as a very important part of their life and success and they are not ready to break those ties. Also, people do not yet believe in formal recruitment methods. Many participants tend to think that good jobs can be found only through “connections” and so moving to a different area seems less advantageous. Another limitation of moving areas for work is the inflexible housing market – house prices and rent are extremely high and so moving house is not easy.
Perceptions of employment and work ethics

- Flexible working hours, shorter working hours are important for the following people:
  - working mothers;
    - “I am on maternity leave now and I like it. In the future I want a good job – one where I’m not only working from 9 to 5, and with salary of US$ 1,000 a month or more. I am going to stay at home with my child for at least three years. In my current job I need to work until 7 pm although it is very close to my home. Nobody at the nursery would agree to keep my child for so long.”
    - “With flexible working hours you are your own man. Sometimes you might work late but the morning you’ll be free for your private life you’ll go to work early and be free in the evening. For women, for mothers, it is very important.”
  - students;
  - some who value the independence to plan their time;
  - people who have several jobs;
    - “I like my job. Usually former military officers can work only in company security departments or as guards. I like my job because I have a lot of free time. My friends often offer me extra jobs. Ivanovo is a big trading centre now, people sell everything from French cosmetics to... My friends ask me to take part in different projects, and I do. I have a lot of free time – three days each week – so my extra earnings can be very good.”

- good salary;
  - “A good job is when you earn enough to have everything you want.”
  - “A good job is when you have a good salary.”
  - “I want a good salary and to work for only four to five hours a day.”

- work in your chosen profession;
  - “I like to treat people and give them back their health. I hope the authorities will create the situation where we can treat people well and they do not intervene and prevent us from doing so. If the government’s health care policy was effective, I would be very happy with my job.” (Doctor)
  - “I like to communicate with students and provide them with knowledge. I get great satisfaction when they are open to learning and ready to work hard.” (Professor)
  - “I am working in my chosen field, which makes me very happy. I want to gain as much experience as I can now. I am working for the company I wanted to work for.” (Architect)
  - “My job is interesting. I’ve always wanted to do something like this and it is also related to my chosen profession. I feel I can learn a lot there, that I can develop myself. Another rather important thing is nice colleagues, a friendly team and the best boss you could ever dream of. The only negative is the small salary.”
Perception of employment and work ethics (2)

- good people around you and being part of a “team”;
  “I like everything in my job but most of all I like the people around me. When you work in a good team, everything is fine, but if the team is not cohesive, even if the work is good, you will not be able to work there. In a team that works well you communicate with people, learn new things and they learn from you. The working day passes quickly and pleasantly.”
  “I like my colleagues very much and this is very important to me. Our team is united, we always help each other. I do very different things in my job and I am prepared to do them to get the experience.”

- work that helps people;
  “My salary as a librarian in a military college is almost the same as my retirement pension, just a little bit more but I enjoy going to work anyway because I feel that people need me. Our readers are mostly people from other cities and they don’t have access to many other information sources so you need to do everything for them and answer any questions.”
  “The best thing about my job is that it forces you to think all the time. You can’t just sit quietly. You know that a lot of things depend on you and you are a very important person in the decision-making process.”

- a creative, interesting job where you learn;
  “I like that I can communicate with different people and different departments. As a young professional, I learn a lot.”

- being your own boss and supervise other people, power.
  “I like my job. I have to manage not only myself but also other people. I am a very powerful, authoritative person. I like power.”
  (Teacher)
  “I dislike the fact that I have a boss and I have to follow his orders. I dislike it very much.”
Attitudes towards entrepreneurial activities

Self-employment and entrepreneurship was introduced into Russia at the beginning of the social-economic reforms in the early 1990s.

The participants’ general attitude towards entrepreneurial activities and self-employment is rather positive. In some groups, most respondents expressed the wish to have their own business. The suspicious attitudes towards entrepreneurs and business owners that was widespread in the 1990s is diminishing. Perceptions of this type of employment are slowly changing from adventurous/special/extravagant/risky to a more ordinary and socially accepted type of employment. Even older people did not have any particular prejudice towards this type of employment.

Most group participants had positive experiences of running their own business.

“We borrowed some money, I was not alone but with my female friend. We worked for a private person then. I bought one machine and rented 100 metres of space. Then we hired some workers. In two months we managed to buy a second machine and now (after two years) we have seven machines and eight workers.”

“I like my current job and because of it, my future plans are starting to move ahead now. I am at the beginning of new chapter in my life – I bought small van and I am working on it now. Step by step I am going to by a second mini van and then I plan to have a transportation company.”

The respondents saw the advantages of self-employment and owning a business as:

- having independence: financial independent, being able to plan your work time and take decisions, and the lack of supervision or authorities;

“The advantage is that you can have your opinion as an architect and implement your ideas instead of doing what other people tell you.”

“First of all you can use your talents. You can apply your knowledge, education and experience. In an ordinary manufacturing company there are particular rules and limitations and you aren’t required to do anything else. You have to work within someone else’s framework all your life. I don’t want to work under somebody else and listen to somebody else’s opinions.”

- exercising control over your life and over your work;

“When you work for somebody else you get given a goal and you try to reach it. You think you have control but in reality your boss could fire you whenever he wants and that would be the end to all your plans and projects. If you work for yourself you can set your own goals and you rely only on yourself to reach them. It depends only on you and nobody else.”
Attitudes towards entrepreneurial activities (2)

At the beginning of the reforms, self-employment and running one’s own business was considered a way of reaching financial prosperity and solving the job problem. Now other factors have started to play a role, such as the desire to be independent, the wish for more control over one’s life and self-fulfilment.

Compared to the 1990s people’s opinions on entrepreneurship and self-employment have changed a lot. In the 1990s people looked for ways to earn money quickly, such as working in financial services; speculative, wholesale and retail trade; and import-export operations. Now people are thinking about more gradual ways of achieving success and their goal of setting up and running their own businesses. If in the 1990s the slogan of business-oriented people was “take as much as you can and run”, the new slogan would be “set up your own business, hire a manager and go to the beach to spend the money you’re making”. Neither of these scenarios is particularly realistic but they do express how people view private business. All group participants who want to run their own businesses will rely either on their own abilities (“open a café because I can cook well”, “run a transportation company because I can drive a van”) or on a good idea such as discovering a niche in the market.

One of the main obstacles to increased entrepreneurial activity in Russia is the perceived negative climate for small private businesses created by the state. People are afraid of bureaucracy and state corruption more than anything else they may face in setting up a business.
Attitudes towards entrepreneurial activities (3)

The most important concerns and obstacles to running a business are:

• a lack of rule of law, unprotected rights to property and a perceived threat to entrepreneurs’ physical safety from the authorities and racketeers;

• administrative barriers: high taxes, rent that is too expensive, bureaucracy and corruption within the state authorities;

  “It is very difficult to live because taxes are so high. Rent is increasing all the time. If small businesses were allowed to develop, I think many more companies would be established. There should be competition.”

  “Bureaucracy is very difficult to overcome and so it is difficult to open a new business. When I look at my acquaintances who have their own business I see how many of them were forced to close them. I understand how frightening it is to invest money in your own business, because you can lose everything so easily.”

• too much hard work.

  “When you work as an employee you can work 40 hours a week. When you own a business and work for yourself, you need to work 80 hours a week.”
What brings success in Russia

- According to the EBRD poll, 31 per cent of respondents think that success is due to someone’s abilities – their intelligence, talent and skills. A smaller percentage (28 per cent) think that success can be achieved by hard work. So a total of 59 per cent believe that personal talent or hard work can lead you to success. Another group (21 per cent) do not think that talent or effort can lead to success, but believe only in criminal ties or corruption; another 14 per cent believe political connections will bring you success.

- The meaning of success today is mostly related to material success. The definition of a successful person is very close to the definition of a middle class person – someone with a stable income, property (an apartment or house, a car and other necessities). Many people define success as having a stable job or owning their own business.

- Personal ability is very much related to education in the minds of the Russian respondents. Talent was mentioned less often than education, drive and perseverance. More than ever respondents tend to believe that a clear goal and persistent efforts can bring them success.

- The importance of networking and having political connections is also becoming greater. In the respondents’ opinion, it helps to avoid corruption and therefore any pressure from the state authorities and law-enforcement system.
Factors contributing to success in life: results of national poll

Which of the factors in this list is the most important for success in life in this country today?

Source: EBRD Life in Transition survey
Factors of “success” in modern Russia

• Education.
  “I believe that first of all someone needs a good education to be able to move ahead, have a career, make something of themselves and be successful. I think education is the basis.”

• Connections.
• Money.
• Leadership and managerial skills.
• The drive to meet goals and perseverance.
• Flexibility.
  “I think particularly in Russia a person needs to be very flexible – they need to be able to deal with any circumstances and react quickly to changes because everything is unstable and we cannot know what will happen in 10 years.”

• Choosing the right field of work.
  “A person can influence their own luck and circumstances. If you have the energy and the ability to learn and apply your knowledge then you can progress. Now I envy young people. When I was a student, we were not allowed to earn money, but now there is so much work around that you can live, work and study. Young people with a good education, when they are only 22, 23, 24, can carve out a very good career for themselves in technology, economics or construction.”

• Hard work.
  “I think we are approaching the time when hard-working people will have the highest value. At least I hope there will be such a time.”
The image of a successful person

- Material well-being, for example having financial stability, a good income, being able to provide everything for your family).

Success means having a certain level of material wealth.

“I doubt that a church pastor can be considered as successful.”

“To run your own business that will bring in a regular income.”

“Success is not about being rich, but having enough money for a comfortable apartment, a family, a good job or owning your own business. You can perhaps afford many things, simply buy what you need. You don’t fear the future or worry about where to find shoes to wear.”

- Self-realisation.

“Even if someone doesn’t earn very much but they have a job and are respected in that job, they are a successful person. Take my mother as an example. She is a school teacher in a state school. We know that in education salaries are very low - a floor cleaner can now earn more than a teacher, even if the teacher has work experience as well as their education. My mother’s teaching degree was classed as “excellent” and she has lots of experience but her salary is less than mine just because she works in a state school and I work for the private sector. But she sees herself as a successful person.”

- Achievements: successfully realising plans.
- A happy family life.
General hopes and values of the Russian people
Lifestyle and satisfaction with different aspects of life

There are six different types of lifestyle:

Type 1: hard workers

- **Behaviour:** Spend most of the time working
- **Social groups:** Young and middle-aged professionals or working students
- **Satisfied with:** Material needs, job
- **Dissatisfied with/need:** Time – for rest, communication with family and friends, hobbies

“I spend most of my time working and have hardly any time for myself or my relatives. The only thing I can afford is a telephone call or a visit to my relatives once month. Usually I don’t even have time to talk to my mother who lives with me. I come home about 1am when she is asleep, and then in the morning I need to return to work again.”

Type 2: students

- **Behaviour:** Some of the day is spent studying and some communicating with friends, entertainment
- **Satisfied with:** Free time, curiosity, knowledge seeking
- **Dissatisfied with/need:** Material needs, housing, travel

“I am a student and I have a lot of free time. I work during the weekend but study the rest of the time. I’m really enjoying life at the moment. I would like to have a family but that won’t be for a while. The most important thing for me right now is my friends and the people around me.”

Type 3: retired people

- **Behaviour:** Caring for the family, housework, summer house
- **Satisfied with:** Housing, free time
- **Dissatisfied with/need:** Financial situation, cultural needs, concerns about future, health care
Lifestyle and satisfaction with different aspects of life

(2)

Type 4: family and child-oriented people

Behaviour: Spend part of the time working, part of the time doing housework
Social groups: Middle-aged people
Satisfied with: Social contacts
Dissatisfied with/need: Education of children, housing, travel

“Children tend to take over your life, but in a good way. We invest a lot in our children. My elder daughter is graduating from high school in a year’s time and will be thinking about entering college. My youngest son is four years old and he needs guidance already. It requires a lot of energy – emotional and physical.”

Type 5: adventurous people

Behaviour: Temporary job or entrepreneurial activity
Social group: Young people, middle-age men
Satisfied with: Free time, flexibility, independence, social contacts
Dissatisfied with/need: Housing, financial needs, travel

Type 6: survivors

Behaviour: Work hard in low paid jobs, sometimes two or three jobs, lots of housework, no leisure or free time
Social groups: Middle-aged or older people in traditional professions, in smaller cities
Satisfied with: Social contacts
Dissatisfied with/need: Housing, household equipment and financial situation
Fears and concerns

- What the Russian people have feared most in the last 15 years is an uncertain future and things that are out of their control. People’s feelings in today’s Russia are similar to those of people who live near a large active volcano or who experience a natural disaster from time to time: even when things are quiet they are expecting the worst and they cannot control it or do anything to prevent it. Even prosperous and well-off people do not feel safe and confident about the future; they feel powerless.

- The major concerns in the 1990s (physical safety, poverty, deprivation) have now been replaced by concerns about health care and children’s education. Education is valued very highly by Russian parents, and the government’s unresolved and contradictory educational reforms mean that people find it difficult to plan; they are concerned that they will not be able to fulfil their obligations as parents. Financial unpredictability and widespread corruption are the major concerns in these areas. Health care is another worry for many respondents. Group participants expressed less fear of illness than being isolated – socially, economically and medically. People do not believe they will receive adequate and affordable medical help and they don’t believe they could survive financially if they fell ill and were unable to work. People are afraid of being isolated from other people.

- Concerns about lack of housing, inadequate housing and the environment also featured in the participants’ responses.
Fears and concerns (2)

- There is a general feeling of instability and an uncertain future.

  "Instability in our life. It seems that everything is developing rather quickly now – if you want to find a job, you will find it, it is not a huge problem here. But even if you have a job, you don’t feel secure or confident about the future. Even though business is developing very fast, it could come to an end very quickly. Regardless of how good a job you have and how good things are for you now, there is a feeling that anything could happen at any time. You cannot be confident that things will be good forever."

  "I can only speak for myself, and don’t know about other people, but I am not confident about my future at all."

  "Instability is frightening. For example, if I plan to have a child then I will need to send him or her to kindergarten, but they are all so expensive now. Kindergartens used to be free but now almost none of them are, so to send your child to kindergarten you need to have good connections. I am afraid. I am afraid that my child will need to be with a babysitter and I will have to work more and more to provide comfort in his or her life. In the past there were free kindergartens and you didn’t need to have a babysitter."

- The biggest concern is for children and their future.

  "I have a daughter who is 12 years old. Now she has reached this age I’m starting to worry about her friends and the people around her. Even when she goes out, I am afraid. Sometimes it is easier for me to forbid her from going out. I am very concerned about our children’s environment, especially for girls. Boys may face trouble later on, but for teenagers it is not so dangerous. In my yard near my house I see angry teenagers saying bad words, bottles from alcohol and drinking."

  "I think anyone who has children is concerned about their future, what kind of future they can have living in this environment with the current ecological problems that seem to get worse each year; what place they will have in society; what knowledge they will be able to gain. It permeates every stage of a child’s life and from the time they are born until the very end we will worry – about their life and their family."
Fears and concerns (3)

- Lack of housing or inadequate housing.

  "If I have a family, where we are going to live? I will not be able to earn enough money to buy an apartment. Maybe I will have been able to save enough money by the time I retire."

- Illness (themselves or somebody in the family) – the high expense and low quality health care.

  "I am afraid of getting ill. I think it is very dangerous in our country to get ill. Maybe the noise of sneezing can be treated. I am telling this to you as a doctor. If something serious happens, there is no family in Russia that will have enough money to be treated – not for cancer, not for tuberculosis, nothing. If a child with diabetes needs its injection, pharmacies may not have the insulin. The mother would have to call to everyone she knows to find it. Is this situation possible? I get the impression that our state is moving backwards not forwards with medical care. We are in a worse situation than village doctors were in the 19th century, and that is even taking into account all our modern medical centres! Working as an ordinary local doctor is simply not possible."

  "It is scary getting ill because there is no medical care. If we, pensioners, go to the doctor’s, the doctor asks: ‘Can you pay for these expensive medicines? No? Then why did you come here? What do you want from me?’"

  "I am frightened to get ill because it is cheaper to die that to be ill here."

- Environmental concerns.
Political and moral values and participation in society
The public agenda: the most important national issues

- The most important national issues in Russia, in the respondents’ opinion, are the country’s economic development, social provision, education and corruption. Such issues as unemployment, crime, inflation and inter-ethnic conflicts were mentioned rarely.
- When people spoke of economic development they emphasised three aspects to the problem: low salaries and wages, and therefore a low standard of living; the high dependence of the Russian economy on oil and gas exports; and the slow development of the domestic manufacturing industry.
- In respect of social provision, the issue of low pensions and state allowances were just as important, or sometimes less important, than issues concerning the health care system. People are very worried about the health care system as a whole: the quality of and accessibility to medical help, how affordable it is and corruption. Medical care is not only perceived as a national problem, but it is also one of the biggest concerns for all groups of the population – young and old, rich and poor. People don’t believe in private as well as state-run medical care because they fear that even money would not help them to get adequate medical provision. This issue is very important not only in the smaller cities but also in the capitals.
- Education is another area of anxiety for Russians, mainly in terms of affordability and corruption.
- Corruption within the state authorities and judicial system is considered one of the most important obstacles to the future growth of Russia. Private small and medium-sized businesses need to develop, the country’s natural resources need to be used effectively, and high energy export prices should be taken advantage of to develop national infrastructure and increase living standards.
The public agenda: the most important national issues (2)

- Medical care.
  “If you are looking for free medical help you will never find it. Doctors just take a look at you, prescribe something useless and tell you to go away. If you go to a private clinic, it will take you a lot of time and money. Private clinics will take your money and treat you anyway, even if you are not ill.”
- Education.
- Corruption.
- The decrease in and destruction of domestic manufacturing.
  “What is really frightening is that Russia will become a big trading house soon but nothing works here. Everybody just sells and re-sells. There are salespeople everywhere. What should we expect from the future? The manufacturing industry doesn’t work – the factories are all sold. Awful.”
  “Our economy is oriented around the extraction of raw materials only.”
  “In brief, we are on an oil syringe, addicted to oil injections. We need to re-orient our economy, and that’s all.”
  “It is funny. After the Second World War we built a lot of factories and now the Germans are building their car factories in our city. It is incredible. They can do it and we cannot.”
- Changes happen to fast and they are too radical.
  “The are a lot of problems in Russia, but the biggest is the lack of a civil society. We have huge gaps in our society. We were persuaded for 70 years to accept communism… the churches were blown up, but now they are being built again. We are not ready for these changes. We were persuaded that religion was evil and now they are trying to persuade us again that religion is everything good. We need a transition period.”
- The authorities do not fulfil their function in society. People live for the state but the state doesn’t care for the people.
  “What we really lack is freedom and democracy. We need to choose. Either we are a democratic society or our society is controlled by government. The latter means that all people live for the sake of the state, not the state for the sake of the people. We all live for this monster. Or we need to choose the Chinese path – state capitalism where everything is regulated. But Russia stopped half way at the feudal stage, where our authorities are far removed from us, so they do what they want and experiment with us. They can increase the prices of housing or heating three times and we can’t do anything about it. People are surviving but not living.”
- Division of society into rich and poor.
  “In this country e don’t have the situation where everybody can have what they need. One person lives in luxury and another has to save a long, long time just for one apartment.”
  “Not even an apartment. Some people do not have anything to eat. But I don’t think that financial problems are the only important ones. In the big cities, people are thinking only about money. Money is important no doubt, but not only money.”
  “The gap between rich and poor is very wide and there is no middle class in Russia.”
The public agenda: most important national issues - education

- Education is another key national issue in Russia nowadays. It is one of the top priorities for most of the group participants and the main reason for saving in most families. Education is considered to be the basis for success in life and parents feel their major obligation is to provide their children with a good education.
- At the same time, education is considered to be one of the major ways for the country as a whole to succeed.
- The Russian education system is a subject of national pride. The current reforms and negative trends are strongly criticised and cause distress to group participants in all cities.
- The respondents believe that the major issues in education are:
  - low quality;
  - corruption;
  - high cost;
  - that the introduction of private education leads to a decline in quality and corruption.

"Old-style Russian schools almost don’t exist anymore. There are no old professors anymore. Because of a gap in the 1990s, the middle generation cannot learn from the experience of the older generations – many professors left, many are concerned only about survival. And now the young generation doesn’t have anyone to learn from."

"I think we will have a problem with the standard of professional skills very soon. The level of knowledge among the young generation is decreasing rapidly, and the reason is private education. Only those who are prepared to pay can study now, but not everyone who can pay would like to study. But for children who have ability and talent, the way is closed. In 10 years we will not have any good engineers or doctors."

"People buy qualifications now, they don’t work for them. Professors take money for exams. If you fail the exam twice, you can pay 550 roubles and take the exam again – and that can happen 15 or 20 times."

"You have to pay for everything now. Even in secondary schools, everything appears to be free but at the same time the school is asking for money all the time – for renovation and other things. From secondary school onwards parents pay for good marks and for their kids to pass their exams. A child needs good marks in their school diploma in order to go further. Schools take money from parents, they do everything for money. Certainly teachers need to feed their children. But if corruption starts in secondary school, what kind of professionals will we get as the result?"

"There is corruption in schools. Teachers plan how to get extra money from their students. They select students with well-off parents and give lower marks to this kid, and put additional psychological pressure on him/her until the parents come and pay."

"Now colleges and universities are attended not by the most talented people, but by those who can pay. As a result, our professionals are no longer any good. It is not right. It influences the development of all our industries and areas of the country."
What people dislike about Russian society today

- Financial problems, the low standard of living.
- The unresponsiveness of the state: it does not respect or care for its people.
  “What kind of pride can you have when you walk along the street and see only dirt and beggars, who nobody cares about? Drunk people are lying in the streets.”
  “Russian people always relied on the state. Always. And Russian people protected the state. But now the state is not kind to its people. I am not talking about 10 per cent of rich people (they don’t need any kindness and care from the state) but other people – old women asking for money on the street because their pension has run out – it is not acceptable.”
- People are aggressive and rude, they do not respect each other.
  “I would like to see people being kinder to each other. Now nobody trusts anybody. People try to avoid cheating and robbing and so on.”
  “The most important thing is for people to be nicer, kinder to each other. For example, people who come to Russia from the West just leaving the airplane and entering the airport see very different faces - people do not smile, they are serious. I have not been to other countries but I don’t think that in Russia anyone thinks about anyone else. In the bus nobody offers their seat to older women. I witnessed a woman fainting because it was very stuffy and nobody offered her a seat.”
  “I wish everybody respected each other more. If someone earns money, it doesn’t mean that someone else can hit him on the head and take his earnings.”
- People feel insecure, and physically and legally unprotected - primarily from the police and the authorities.
  “I think the core of the problem is that whichever state organisation a person goes to, they will be met with rudeness. You go to the court – people are rude to you there, you go to police – people are rude again. I think everything stems from our authorities. If state organisations behaved properly and listened to people, paid attention to them and explained the new laws and how to apply them, people would have a much better and easier life.”
- Widespread corruption.
- The lack of national pride.
- People are too materialistic now.
- People are too individualistic, there is no sense of mutual support or feeling of unity and community. People are closed, live only within their own family, people communicate less.
- The lack of respect for private property from the state and other people.
- Lack of ambition among people.
- The strong divide between rich and poor.
- Less trust between people and lack of trust in public and political institutions.
Attitudes towards a free market economy

- According to the EBRD national poll, 41 per cent of Russians preferred a state-run, planned economy to any other type of economic system. The supporters of a market economy constitute 28 per cent. About one-third of the Russian population concluded that the economic system doesn’t have any influence on ordinary people’s lives.

- CESSI’s focus groups showed that people see the advantages of a state-run, planned economy in areas such as support for large manufacturing companies and long-term projects, protection of the interests of Russian society as opposed to private interests, fair treatment of employees and the provision of social benefits and social justice. Those who argue for a market economy see the disadvantages of a state-run economy in ineffective management and corruption. They see the advantages in increased competition and a better quality of products and services. But the market economy is criticised for being irresponsible, not taking care of the interests of society as a whole or the state, the dishonest way of doing business, and the “grey” and “black” economy.

- Many respondents are in favour of a mixed economic system where major industries and natural resources belong to the state but all consumer products and services are provided by private companies. Some people think that as a country of heavy industry, Russia should have a larger share of state-run companies than other countries.
With which of the following statements do you agree most?

1. Under some circumstances, a planned economy may be preferable
   - Under some circumstances, a planned economy may be preferable
     - 18-24: 35%
     - 25-34: 38%
     - 35-44: 38%
     - 45-54: 33%
     - 55+: 14%

2. For people like me, the economic system doesn’t matter
   - For people like me, the economic system doesn’t matter
     - 18-24: 36%
     - 25-34: 29%
     - 35-44: 27%
     - 45-54: 38%
     - 55+: 29%

3. A market economy is preferable to any other form of economic system
   - A market economy is preferable to any other form of economic system
     - 18-24: 39%
     - 25-34: 33%
     - 35-44: 28%
     - 45-54: 43%
     - 55+: 41%
Attitudes towards a free market economy

Arguments in favour of a state-run economy are:

• there is no “grey” or “black” economy, all taxes are paid;

• employees earn regular wages and salaries, receive social benefits and adequate working conditions;

• all major industries should be state run because only the state can invest in long-term projects and plan further into the future;

> “All industries that are key for the country should be state run. How can fundamental science be in private hands?”

> “The advantage of a state-run economy is in the long-term planning. Private businessmen see things in the short term, they make plans for the near future only and cannot plan long-term because life is so unpredictable and not long enough for them to think 100, 200 years into the future. But the state can plan on these timescales. If a private company cuts down trees, it should be obliged to plant new ones. The state has the function of control, but it should be trustworthy. It is extremely important that people can trust the state.”

• social justice.

> “If you work for a state-owned company, then you work for the state, not for an unknown individual. If you are working for the state, you don’t feel offended that somebody is having a good life when you’re working hard and eating only bread. It is a big difference. Maybe for the whole country it is not important, but for a particular company or certain people it is very important.”

Arguments against a state-run economy are:

• it is less effective;

> “There is less potential for development, less ambition, less stimulus to grow.”

• corruption.

> “Take as an example our factory Gigant. If the state invests anything in this plant, it is clear that all the money will be stolen.”

> “Our experience shows that the state doesn’t have the energy or ability to run companies well. If private companies had an easier life, for example in terms of taxes, they could grow and it would be more profitable for everybody.”

> “The main problem is that everything in a state-owned company belongs to the state. It is not mine, it belongs to no one. There is less stimulus to work well there.”
Attitudes towards a free market economy (2)

Arguments in favour of a market economy are:
- competition leads to better quality products and services;

  “If there is competition, people try to increase the quality of their services. The state is a monopolist and the result of these monopolistic industries can be easily seen in areas such as health care and education.”
  “Private companies work in a competitive environment and so it leads to cheaper services and products and an improvement in quality.”
  “There’s no sense in these large factories. They are all close to bankruptcy now. For example, Uralmash is a huge factory but its effectiveness is very low. Maybe it would be better to have smaller private companies instead of this huge one.”

  international experience, historical experience;

  “I know that not one single country that was at the same level of development as Russia could overcome its crisis without introducing a market economy. Only a market economy can drive the country’s growth. If we develop only state-run companies, we will return to the past.”

Arguments against a market economy are:
- new owners try to increase profit rather than develop the company;

  “I worked in a milk factory in the 1990s and I have seen how it was destroyed. A new director was appointed to replace a communist one. The previous director came to the factory at 5 am. Everyone says that all communists were bad and wrong. No! The previous director visited all the manufacturing departments, talked to workers, asked them about operations. He tried to keep everything under control and people worked as a team. The new director thought that he was a businessman and knew a lot about business. He created lots of small companies from one large milk factory and then all these companies disappeared.”

  people are dishonest and find illegal ways of doing business;

  lack of social protection for employees.
Attitudes towards a free market economy (3)

Problems related to the functioning of market economy in Russia are as follows.

• Corruption, state and private companies are not in equal positions.
  
  “The state already owned or took over all the companies and industries where it could earn good money.”
  
  “Not only gas and oil. All the more or less profitable businesses, except the very small ones, all well-structured companies with a large number of employees all belong to companies controlled by municipal authorities. Sometimes by municipal authorities, sometimes from Moscow. It is not a secret. For example, if I decided to open my business in the financial sector – without connections, without the support of state structures or racketeers – even if I opened it, what could I do? Nothing. If the business is very profitable, I will be killed and my idea will be taken by those who have money and connections. What kind of business can I open? Only one that is not interesting to the state. Go and earn your three cents there. Areas where you can earn big money are closed, the state is already there.”

• Russia should have a higher share of state-owned companies than other countries.
  
  “The share of state-run companies in the Russian economy should be higher than in other capitalist countries. We are not ready to accept private business in full.”

• The extraction industries should belong to the state.
  
  “I don’t think the state should allow our natural resources to be used by private companies. All natural resources, forests, water resources, they should all belong to the state. There should be state control there.”
Attitudes towards foreign investment and foreign companies

Arguments against foreign companies are as follows.

- **Profit is taken away from the country.**
  
  “From one point of view foreign investments are very good – for example, it creates more jobs. But at the same time, the profit, the investment return, doesn’t stay in Russia. It gets taken abroad.”
  
  “Foreign companies will always work for themselves, not for our state. And in general they do not care about our country. They are looking for sources of income for their countries.”

- **Foreign companies bring dangerous/eductically harmful industries into Russia.**
  
  “They bring dangerous industries into Russia, for example chemical factories, and then deliver the finished products back to their countries – no waste, very convenient. And their people are healthy. We are like an experimental base for them.”
  
  “Looking at the Sakhalin case, foreign companies have had a very negative impact. They have polluted a lot. They have built the transportation road there and are now extracting money from Russia. All environmental standards have been violated there, but they do not care.”

- **Russia doesn’t need foreign investments, it has enough inner resources, and cannot use the advantage of foreign investments.**
  
  “After the break-up of the USSR we took out so many loans. And where is this money? Nobody knows.” (Vladivostok 1)
  
  “Theoretically it is very good when foreign investments feed the national economy but in practice it is different. We do not gain any advantages from these investments.”
  
  “I don’t understand why we need their investments. It’s not as if we don’t have enough money ourselves! But we have so much that do you know where to put these dollars? Why do we need foreign investments?”
  
  “Ordinary people will not benefit from foreign investments but neither will they lose anything. Only managers of these businesses will benefit. Nobody will bother about ordinary people, nobody will put a bit more towards their pension. None of the profits from these investments will be used for the benefit of ordinary people.”

- **Foreign companies exploit Russia’s natural resources and only invest in extraction industries.**
  
  “Foreign companies are looking for a quick return so they invest in the oil industry and other industries that we can develop without them.”
  
  “Boeing started to work together with our factory. First all our engineers worked there, they were very good. But one by one they were fired and Boeing started to bring in its own engineers from abroad – engineers, then interpreters and other specialists. Now I have heard they are sending a new director. It is a foreign company now.”
  
  “I generally dislike international companies because they earn money from problems in our economy. For example, China can produce Addidas shoes almost the same as Germany can, but workers can be paid much less than in Germany. They use the same strategy in our country – companies like Nestle, for example. I am against their factories arriving in Russia.”
  
  “The advantage of foreign investments is that they provide additional income for the population, but at the expense of our not developing our own manufacturing industry. For example, the Finns buy Russian wood, then transport it to Finland on their Finnish trains driven by Finns to Finnish cities where Finnish carpenters produce Finnish furniture, then Finnish transport brings this furniture back to Russia and Finnish companies sell it to the Russians – Finnish bedside tables from Russian wood. And they make a very good profit and have no problems.”
  
  “I am against foreign companies in Russia. This is an example why. I am originally from the Saratov region. In the city of Engels, a chemical factory for the company Henkel was built. It produces cleaning materials, detergents, etc. First of all, it harms the local environment. Secondly, it sends the better quality products back to its own country. The lower quality products it sells in Russia – the content, ingredients and packaging of products distributed in Russia is very different. The only advantage is jobs and higher salaries.”
  
  “Foreign companies should respect our country when they come to work here – they should care about ecological issues and follow our laws.”
Attitudes towards foreign investment and foreign companies (2)

Arguments in favour of foreign companies/foreign investments in Russia are as follows.

- **They create more jobs.**
  “A new factory for Toyota will be opened here and I think it is only positive thing. They will pay taxes to our city and create new jobs. They can’t hire only Japanese people, they will need to have some jobs for Russians too.”

- **Russia needs more investment and capital.**
  “We definitely need foreign investments. All our money has already been stolen. There is at least some foreign money left.”

- **Foreigners teach Russians to do business, honest business, and to treat employees better.**
  “Usually foreign companies pay salaries legally, therefore the pensions are higher, etc. Russian companies are involved in the “black” and “grey” economies. The entire country has the same national bank holidays, but private companies have different working hours. Employees are oppressed. And employees cannot do anything about it, they can only leave. You can’t quarrel with the owner.”

- **They introduce higher standards and better quality products and services.**
  “All the best hotels in our city were bought by foreign companies, for example ‘Kosmos’ or ‘Pribaltiyekaya’. These hotels had awful management. Now the management consists entirely of foreigners and the hotel services have improved substantially. Control over service personnel has meant the quality of work by receptionists, cleaner, and so on is much better.”

- **They bring in new technologies.**
  “They introduce new and modern technologies to our manufacturing processes. For 70 years we lived in vacuum, stewed in our own juice. This vacuum is over now, we have opened up – for better or for worse. People observe everything. Certainly the less intelligent notice all the negative things and those who have some brain – all positive.”
  “Someone who has worked in a foreign company can bring new technologies to Russian companies. The problem is that foreign companies produce much better quality products, more competitive products than Russian companies and all profit is taken away from the country.”
  “I see only positive things from foreign investments. People invest money into our country. The issue is whether we are able to compete with foreign companies or not. But the most important thing is that there should be a level playing field, the competition should be fair.”

- **They improve the professional skills of Russian employees.**
- **Foreign investments show that our country is trustworthy. It contributes to a positive image of the country.**
  “Foreign companies send their employees to study in order to improve their professional skills. For example, I work for Toyota. I know some guys there who were sent to Japan to study how to repair cars properly.”
  “If foreigners come to Russia they want to establish a profitable business here, to develop a company, create jobs and pay good salaries. But it can be done only under the control of the state.”
  “I think all economically advanced countries know how to invest money. If foreign companies come to the Russian market, it is an indication of the stability of the Russian market. No capitalist would invest money in the country if there is a likelihood they will lose money. I think that they will teach us how to work. Russian people are not very good at it.”
Evaluation of Russia’s prospects and people’s confidence in the future
Confidence in the future

• People are very concerned about the future of their children. The major areas of concern are:
  – the high cost of education;
  – the lack of opportunities for their personal development, for example in sport or art;
  – the very different starting points for children from different income groups (children from less prosperous families don’t have the opportunity to get a good education, find a good position in life and be successful);
  – anti-social behaviour and mixing with the wrong crowd (drugs and criminal groups);
  – the poor state of the environment.

• According to the EBRD survey, 40 per cent of Russian respondents’ children will have a better life than they did themselves, 21 per cent disagree and share a pessimistic view of the future, and a large number of respondents (39 per cent) were undecided.

• People find they are optimistic about future generations because:
  – parents are ready to work hard and do everything to help their children and give them a good start. It is every parent’s aim. Giving a child a good future is also considered to be proof of an adult’s “efficacy”, and that can influence people’s self-esteem very much;
    “I expect to work from early in the morning until late in the evening and try, God willing, if I have a child to give him a good childhood.”
    “I am sure our children will live better because they have us.”
  – one can not live without hope.
    “I would like to believe that the future of our children will be better than ours. I do not like to be pessimistic or have a negative outlook. I want to believe and hope.”
Optimism regarding the future generations: results of the national poll

Do you agree or disagree with the statement “Children who are born now will have a better life than my generation”?

Source: The EBRD Life in Transition survey.
Expectations regarding Russia’s future

Most group participants think that Russia has a very unpredictable future. If the present is often described as “stable”, the future is perceived as “unpredictable and unclear”. One reason for this is the extremely high importance the state authorities (the personalities thinking about presidential policies) could lead to radical changes. Another reason for the perception of unpredictability is the lack of planning, the general programme and idea of the country’s development.

“In our country everything depends on the state authorities. Maybe in the United States nothing changes when a new President is elected. He can only decide whether to start a war in Iraq or not. When a new President comes to power in Russia… everything can be changed. For example, recently Khakamada frightened us by saying that entrepreneurship will be forbidden. We are terrified of new rulers, and we will think about Putin as the most democratic person of all compared to the new one. What is the conclusion? The next President can say “Okay, it is over now, stop playing at democracy. The end. You enjoyed the market a little bit but that’s enough now”. Everything could change.”

“Anything can happen – we are sitting on oil and we depend on it. There is no international development in our country.”

Group participants would like to see the future Russia as:

– a well-off, economically developed country;
– a country that deserves pride and respect at home and abroad;
  “I wish Russia would play a more important role. I want it to gain the respect and admiration of young people.”
– keeping its individuality;
– less provincial, more cultural;
– developing its domestic manufacturing;
  “I wish we would stop selling just our energy resources and start developing our domestic economy, our manufacturing sector.”
  “I wish new companies would open. We should not only import, we should produce things ourselves. Then people will be interested in us.”
– a country without corruption;
– a country where private property is respected.
  “The mass media usually tells us that democracy is the election of government officials, but this isn’t true. Democracy is not just about elections, it is also about fulfilling the fundamental principles of democracy. All these principles are based on the respect of private property – you earn your money legally and your property cannot be taken from you by anybody, regardless of all other interests. With real democracy there are no such laws or public officials such as Luzhkov who take your housing or your property from you.”
How Russia can be successful

• The only way Russia can really be successful is, in the opinion of respondents, by developing the domestic manufacturing sector. In the eyes of Russians, Russia has an image of being a country of heavy industry. People tend to believe that developing processing industries and manufacturing is the only way for Russia to sustain its development. Many respondents see different sources of possible development – science, technology, infrastructure and so on – but all agree that if they had to name one strength of Russia, it would be processing and heavy industry.

• Some people think that Russia should concentrate on only a few types of industry, such as processing (of oil and gas and other natural resources) and some manufacturing, but that Russia shouldn’t try to be good at everything. For example, light industries, the production of household equipment or even the automotive industry are not believed to be opportunities for Russia because other countries are far more advanced in these fields.

• Another important condition for a successful Russia is the fight with corruption. Many people believe that with the current level of corruption Russia doesn’t have any future. The corruption of the authorities makes all efforts of attracting foreign investment, accumulating national wealth or stimulating small and private businesses meaningless.
How Russia can be successful (2)

- **Develop manufacturing instead of selling raw materials.**
  
  “We should invest in building new oil processing plants.”
  
  “We are building an oil pipeline at the moment but I would like us to sell more than just unrefined oil; we need to build an oil processing plant.”
  
  “We should do as the Japanese did after the Second World War: buy technology, build factories and start producing. But it should be domestic production. The Japanese economy exploded this way. We should do the same and not allow others to exploit us.”
  
  “We export all our oil. What we must do is clear: we should build oil processing plants. We have so many oligarchs and multi-billionaires but none of them builds any oil processing plants. They try to take as much oil as possible, sell it and that’s it. If we have a strong state, a clear manufacturing development programme, we should build oil processing plants.”
  
  “We have a shipyard in the city but it has not had any work for a long time now. Some space there is rented by private entrepreneurs. But if Russia developed this industry, it could be very profitable.”

- **Select the particular industries where Russia has some strengths (heavy industry) and invest there.**
  
  “How can we compete with Japan in electronics? They are ahead of us by at least 50 years.”
  
  “There are some areas where we have at least some strength to compete in the market. Why should we build light industry if we cannot do it? The Chinese will do it cheaper and with better quality.”

- **Invest money in science and technology.**

- **Control the state authorities.**

  “The state authorities should be controlled. Not by themselves, but by somebody else.”

- **Fight corruption and create a better investment climate and more chances for small and medium-sized businesses.**

  “We cannot sell more oil than we extract and we sell almost everything now – there are no more sources of growth there. Foreign investment would be a good solution and could be very helpful if we fought corruption. In general it is very profitable to invest money in Russia now, even in small businesses, but people are afraid to do so. When you talk to businessmen you hear ‘we need one hundred thousand here, one million there’, just to survive, for bribes. Therefore only large companies with state support can develop successfully, they are not afraid of the Russian market. But small companies, which can bring in a lot of money, are afraid. After fighting corruption Russia should enter a new stage of development.”
Where Russia should invest

• According to the EBRD national survey, 40 per cent of Russians think that the first priority for government investment should be health care. That is followed by housing (21 per cent) and education (20 per cent). All together, the prevailing majority of the population (more than 80 per cent) think that Russia should invest in one of these three areas. Social provision, the environment and infrastructure were ranked much lower.

• CESSI focus groups sought an explanation of these results and came to similar conclusions. Health care occupies the top position in people’s fears and concerns and it is important for all groups of the population – young and old, rich and poor, those in large and small cities; health care cannot be satisfied without state policy and support.

“\textit{I think medical care and education are the future. If you have your health and a good brain – that’s all you need. If we have health and education we will have a good life.}"

• Housing.
• Education.
• Culture.

\textit{“There is investment in manufacturing and culture should get the same level of investment. We should raise our children properly, they should have something to do so they don’t end up taking drugs. Sometimes you see syringes in the lifts and on staircases in apartment blocks. We need to find them something to do.”}

• Infrastructure.

\textit{“I think we should invest in our transportation system and communications. It would be useful for the country and also profitable.”}

\textit{“I think we should build roads, ports, airports and a modern transportation system. People should be able to travel to other cities.”}
Which of these areas should be the first priority for additional government investment?

<table>
<thead>
<tr>
<th>Area</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>40%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Public infrastructure</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>39%</td>
<td>39%</td>
<td>41%</td>
<td>41%</td>
<td></td>
</tr>
</tbody>
</table>
Lifestyles in the different Russian cities
Differences in lifestyle in Russian cities

- The Russian media, some of the foreign media and many Moscow residents have a perception that Moscow is the only city in Russia that is developing well, that shows strong economic growth and an increase in the quality of life and living standards, (the “there is no life outside Moscow” view). This perception by Muscovites can be defined as out-of-date and irrelevant for today’s Russia. Surprisingly, in almost all aspects studied in this survey, Russian cities were very similar to each other and in many aspects similar to Moscow. The similarities are in general lifestyle, people’s needs, fears and concerns, political and social views and opinions, and evaluation of the past and future prospects of their personal lives and the country as a whole. People in different cities separated by thousands of kilometres have very similar problems and concerns, struggling with the same problems and even attaining success, which is similar to Moscow.

- Participants in all the nine cities that took part in the survey mentioned rapid changes in their cities in recent years. In some cities this growth started a long time ago (as in Moscow), and in others it began just recently (like Kemerovo or Ivanovo). Either way, the changes are reaching more and more places in Russia and changing the faces of these cities.

- Respondents in all cities mentioned that the appearance of their city had been improved – buildings had been renovated, there was more greenery and better street lighting. Another change for all cities is the large-scale construction of residential buildings and shopping centres. The shopping centre is a new invention in Russian life – it is a combination of shop, amusement park, cinema and sports club all in one. Although some people dislike them, all agree that shopping centres offer the best opportunity for entertainment and outside activities to the largest number of people and they are accessible by almost everybody. Another common change for Russian cities is the increased traffic and traffic jams. People in each city think that their traffic problems are the worst and cannot be compared to any other city. Traffic congestion is very annoying for everyone, but some respondents are partly proud of it because it is an indication of the increased prosperity of people in the city. Another big problem shared by all cities in the survey is the state of the environment caused by pollution from traffic and the destruction of green areas for construction. In some cities, such as Kemerovo or Yekaterinburg, there is industrial pollution and in cities on or next to water, such as Vladivostok or Rostov-on-Don, there is water pollution.
Vladivostok

Likes

- The people are pleasant.
  - “There are good people in this city, good friends. And just walking along the streets, I like people’s faces – very friendly.”
  - “Nice city, tourists. It is a port city next to the sea and it’s very beautiful.”
  - “The city is nice because of the sea. It is also compact, everything is located nearby. The train stops very near the sea port and ships can stand almost in the middle of the square. Everything is compact.”
- You are close to nature.
  - “You can go diving or boating, collect shellfish or go fishing – not in the river but the sea. It is very nice to go to the island to have some rest.”
  - “It is a very beautiful city. And the hills are beautiful. You can sit on the hill and the whole city is in front of you. At night Vladivostok is especially beautiful. Such sea cannot be seen anywhere, even in St. Petersburg. The sea in the Gulf of Finland is so shallow it only comes up to your knees.”
- The city is full of life and energetic.
  - “There is money in the city. It is not passive here. Business is growing. It is a rather prosperous city compared to central Russia.”
  - “My company has its headquarters in Khabarovsk. Life there is very quiet. People go to work in the morning, drink tea, coffee, then have their lunch break. We are different, we rush around all the time, do everything very quickly.”
  - “We live on a peninsula and there is a lack of land so everything is very compact. People have money. Purchasing power is higher here so the prices are higher.”
  - “It is lively here. If you come from other cities – everything is moving here in comparison.”

Dislikes

- It’s too far from other cities and central Russia.
  - “It’s very far from central Russia. It’s a “foggy Albion”.
  - “It’s very expensive to fly to relatives. My relatives live in Novosibirsk, in Moscow and in Uzbekistan. Getting to any of these places is very expensive. My sister invited me to her wedding in Novosibirsk: a return flight costs 20,000 roubles plus some money for living. It’s expensive.”
  - “It is very difficult to travel from here. If you want to visit Europe you have to fly over the whole country. It is very expensive. Living in central Russia is much simpler – you can just take a train. We need to fly to Moscow and then go somewhere else. Moscow people can go to Egypt – they just buy a tourist ticket.”
- Environmental problems – the sea is dirty.
- The quality of the roads is poor, or there are none at all.
- The city is on a hill. Heavy trucks use the roads and damage them.
  - “Nekrasovsky Street was repaired this year but next year it will be in exactly the same state. The quality of road construction here is very poor.”
- The city is dirty.
  - “This problem is never-ending for our city: from removal of waste to dirty entrances to apartment blocks.”
- There are drugs.
- The housing problem – prices are extremely high.
- Transportation problems, traffic congestion.
  - “I work a long way from my house. The only reliable transport is train. The traffic jams are awful. Instead of 40 minutes it can take 5 hours 40 minutes. You can drive 20 metres in just two hours.”
Vladivostok

What is particular to this city

- The sea has an impact on everything
  “The sea is here. Many professions are related to the sea – sailors, fishermen.”
- The people are friendly and helpful
  “If you have a problem on the road, people always help you, call the police for you.”
- There are lots of foreign cars in the city, “more than people”.
- The city’s growth is strong.
  “The city is growing. New houses are being built and they look different, not like before but with an unusual, interesting design. I also like the new, large, modern shops.”
  “I am proud of this city’s potential. It is preparing for the Forum ATES in 2012. I hope it will contribute to the city’s higher prestige.”
  “Nothing depends on Moscow now. Even if it is the capital, and investments are from Moscow, this city is growing independently.”

Recent changes

- The city is growing, with many new residential buildings going up.
  “There is a lot of residential construction now, but it is very expensive. One good thing is a new bridge on Nekrasnovskaya, although it did not help to solve the transport problem.”
- New shopping centres.
- “A lot of new stores have been built, the city is like one big shopping centre – some people work in the stores, others shop there.”
- Less greenery in the city.
  “Before, you saw a lot of trees along the streets. Now they have all disappeared.”
- Traffic jams.
  “The transport situation is getting worse. There are fewer trains so it is difficult to get out of the city. The number of boats to islands has also decreased and they are also becoming more expensive. You have to pay to visit the beaches along the sea coast. New resorts opened in the mountains (ski resorts), but they are rather expensive. There are more products in the farmer’s markets, but almost all products are Chinese…China feeds us. Our farmers and private owners cannot compete with Chinese prices. The Chinese keep the prices high during winter when there are no home-grown products, but in the summer they rapidly decrease the price.”
- More places to spend free time.
  “There is more culture and entertainment, especially for young people. There are more concerts and other cultural events.”
  “Over the last 10 years many new cinemas have opened. Old cinemas have been renovated and now they are also modern – you can drink water or buy popcorn and sit in comfortable chairs. The prices are also affordable, with discounts for students and small children.”
- Better communal services.
  “Now you can always get water from the taps. And we haven’t had any power cuts for the last 10 years. There are no long interruptions as before.”
Ivanovo

Likes

• A lot of colleges in the city

“We have seven officially registered colleges in the city.”

What is particular to this city

• The people are unfriendly.

“Everything has its historic roots. In ancient times the site of the current Ivanovo city was occupied by a small settlement called Upinio-Upyrino - the birthplace of Baba-Yaga. In any other city if you ask for directions people will help, but not here. Our car was broken into in another city. Another car stopped, picked us up and didn’t take any money. They knew that if they helped us today, somebody would help them tomorrow. In Ivanovo this wouldn’t happen. Nobody helps you. It is the dirtiest environment in Ivanovo.”

• It’s not a pleasant environment to be in.

“When you travel around our city centre starting in Paris Commune Street, you see such wretchedness! Old buildings, shabby houses. And that is the city centre.”

“Our city is known as “the city of refuse pits”. The city is cleaned very rarely and the wind blows the dirt around. It is very shameful. It was always like that but after Perestroika it got worse.”

• It’s not a very active city. The city is poor and isn’t developing

“Ninety per cent of factories closed – all the old large factories. For example, Iotechmash: it was bought by a group of businessmen and now they are selling it bit by bit to get their money back.”

Dislikes

• It’s difficult to find a job.

“It was the same before – specialists in the textile industry could find a job, but those with other professions had difficulties. We all moved from the city.”

• There is a high rate of alcoholism.

“Our family has lived in many places but there is nowhere more drunken than this place. I have never seen such drinking! We used to live in the village, but even there there wasn’t drinking on this level. How can you bring children up here? People are very matriarchal here. I’ve studied my husband’s relatives. They are a good family but the rule is: whatever mother says is law. Everyone here gets a glass of vodka from childhood onwards. My mother-in-law is surprised if I object and asks: “Why can he not drink a little?” I’ve observed the same in other families.”

• The city is poor and the standard of living and salaries are low.

• Ineffective local authorities.

“Since 1991 we in Ivanovo have not been lucky with the authorities. First, we were ordered to remove tracks from the Engels prospect. Tram tracks were removed even as far as Revolution street. Then we were told to re-install them. Then a new mayor arrived and ordered us to remove them again. Why? The explanation is that Sokolovsky bridge is of great historical value. Maybe we just need to repair the bridge. It would certainly cost less than removing tracks and then putting them back again.”

Recent changes

• The city is improving a little – it is cleaner, there has been some renovation and street lighting.

“The city is slightly improving now. From last summer at least the place where I live started to change – lights on the street, etc. But compared to other cities I always had a negative opinion of Ivanovo because of the people here. Starting with my mother-in-law…and women in shop queues.”

“The city centre is cleaner now, some façades have been renovated and street lighting is better, but only in the city centre. Some rubbish tips have been cleared and replaced with rubbish bins. But as soon as the tips were cleared they appeared again and nobody cleans them up anymore. The further from Ivanovo you are, the better the people – they are more open, sociable and friendly.”
St. Petersburg

Likes

• It is a beautiful city and a tourist centre.
  “I had a choice where to study – in my native city Kaliningrad or come here. I chose Leningrad. First, I wanted some independence from my mother, and secondly Leningrad is not Kaliningrad, although I had not seen Leningrad before. It took my heart at once. On my first day I went near the Spas-na-Krovi church and came across a summer garden – and I was struck by its beauty. I graduated from college and now live here and am very happy.”

• It has a special atmosphere.
  “It is nice here. When you go to Moscow you feel as a small piece of sand, it swallows you up. But here I like the size and the city – it is big but at the same time you are not lost here. It is beautiful and there are a lot of possibilities – you can develop yourself, attend different events, choose what you like.”

• It’s easy to have a good social life.
  “Compared to other cities it is very easy to find friends in St. Petersburg. The city offers lots of opportunities for creativity and self-development. I would like my child to live in this city.”

• Comparing St. Petersburg to Vladivostok.
  “The quality of life in St. Petersburg is better. There are so many places to walk with children and relax. In your free time you can simply walk and look around. There are so many places to sit and eat. And I was struck by the people there – they read so much! Book stores are open 24 hours. We walked till 11pm, 12am, and people were still going into the shops to look at books, and young people as well. There are also a lot of different cafes all very close to each other.”

• There is a lot of culture.
  “I am proud that young people are polite here, that they make way for you. I am proud that young people in St. Petersburg know how to speak Russian properly. Maybe it’s because St. Petersburg is a real cultural capital, its atmosphere and architecture influence people. And St. Petersburg is a city that went through the Siege – this is also a huge part of the city’s heritage. Even now it has some influence on young generations.”

Dislikes

• New buildings and housing differ very much from the traditional city architecture. The modern buildings are of bad quality.

• Small businesses and shops disappear from the city and are replaced by large supermarkets and hypermarkets. In general people are suspicious of entrepreneurship and small business.

• The city is progressing more slowly than some other Russian cities like Moscow or Vladivostok (these two cities were points of references).
  “Piter is Piter, it is the only such city in Russia. I love it, I love everything here. But out of 100 people in the city only 30 are involved in private business while in Vladivostok it is more like 70, in Moscow – maybe 90. This is the big difference.”
  “Large networks run over all other business, all smaller activities.”
  “The city is in bad shape, there hasn’t been enough renovation.”
St. Petersburg

What is special in this city

- People are very proud of their city.
  “I think there is no such city anywhere in the world. Dirty streets, pollution from cars – that’s nothing compared to its beauty.”

- The city’s reputation in the world, the fact it is respected by other people.
  “When you go to different cities and tell people that you are from St. Petersburg, they treat you with great respect.”

  “I have travelled a lot and when people learnt that I was from St. Petersburg, they treated me very well, very differently from others. They told me that other people from Moscow are rude and indifferent.”

- Its uniqueness and its people.
  “The city’s biggest asset is its people.”

  “Older people in St. Petersburg are very cultural, intellectual and have broad interests. Certainly when you go to a classical concert there are more older people there, but there are some young people. Young people prefer computers and games more nowadays.”

Recent changes

- The city is growing, with new buildings, houses and the renovation of old buildings.
  “We are very critical of the construction going on in the centre and the destruction of our green squares. In residential areas the buildings are very monotonous, with low quality buildings.”

  “The shops are better and there are fewer kiosks. Street markets are like transformed trade centres.”

- Crime has fallen.
  “Crime is lower now. At least now you can go out to the store at night and not be afraid. Especially if you live in a residential area.”

- People are better dressed.
  “From being grey mass in Chinese jackets, people dress much better now.”
Rostov-on-Don

Likes

• Its beauty
  “The River Don and the countryside are very nice. Certainly it would be better if the Don wasn’t as dirty as it was when the factories were working but I think now it is much cleaner. I like to look at the embankments and tourist boats on the river. We are proud of it. But compared to other cities, especially with Moscow, our city is a simple village.”

• It’s a very active and lively city.
  “I think it is the largest city in the south. The most advanced technologies of southern Russia come here. New factories are being built.”

Dislikes

• It is dirty.
  “I think our city is very dirty. I even thought about going to our municipal authorities to complain about how badly organised the cleaning in the city is. All the dirt is just blown around by a large brush, not removed. The city is full of dust.”

• The people are rude and unreliable.
  “I think rude people live in our city. They are not helpful to each other. They simply look and don’t respond if someone asks something. They do not help.”
  “You can’t rely on or trust a stranger, even just to ask something. A person either refuses to answer or simply lies to you. Not everyone is like that, some people would help but usually you shouldn’t wait for help.”
  “Our city is a trading city traditionally: if you don’t cheat, you will not sell. Therefore people are like that here.”
  “Southern people are considered to be very impulsive. When I came here first I was shocked. For example, I got on a bus once and nobody offered their seat to an old person who had got on. People were shouting and there was such a commotion that I wanted to get off. They are very impulsive and emotional here, not reserved at all.”

What is special about the city

• The people.
  “When I came to Rostov after graduating from college and got on the bus, I was called both a “sweetheart” and “beast” in one trip. I was shocked. Then I got used to it and now I like people’s attitudes towards each other (except the rudeness of course). There are Kazak men and Kazak women here – everything is quite aggressive.”

Recent changes

• The city is improving.
  “There is a lot of renovation work going on, more and more with every day. For example, in Lenino, all facades have been renovated as well as the central streets. Even some inner yards have been done up.”

• There are more places to spend free time.
  “A lot of things have been built for children and entertainment, such as Crazy-Park and “Vavilonia”. The city is becoming a mega-place, mostly thanks to these amusement centres and shopping centres. Not simple stores, but shopping centres with cafes and other entertainment.”
Kemerovo

Likes

- It is a beautiful and pleasant city.
  “Kemerovo is developing very fast these days and now it is one of the nicest cities in Kemerovo oblast or the whole of the Urals. I was doing an internship in Kimry in 2006 and compared to this city we are very similar. The appearance of the city is more colourful now than it was even just three years ago. The city is changing very much. Foreigners came to the city and developed the industries that were in decline.”

- The colleges.
  “We have a lot of students from other cities and Kemerovo differs from other cities like Belovo, Anzherka, Prokopievsk because of it. There are more opportunities to get an education here.”

- Life is slow and quiet.
  “When I went to Moscow and arrived at Sheremetyevo airport, there were people everywhere. The people in our city work slowly, drink beer. Not there. If you stop moving, you will be knocked over. You must run.”

- The city is clean.

Dislikes

- The environmental situation.
  “In the Yuzhny region if the wind is blowing, you cannot breathe. As soon as the factories started working again, they started emitting their harmful gases.”

- Very low standard of living and low salaries.

- The lack of opportunities.

Recent changes

- The city is growing, developing and improving.
  “We hosted the World Hockey Championships, a very important event. The mayor of the city ordered all businessmen to decorate their shops and supermarkets. Now everything looks very pleasant. Before, we had only neon lighting but now we have fibre-optic lighting. Buildings are decorated very nicely, they are well lit.”

  “Our city has changed a lot recently. They paved the streets, put new asphalt down, new shops, boutiques and houses are little more individual now - before, they were all just grey boxes all over the city. There are now lighting and decorations for the New Year in the main square and in the trees.”

  “In the summer flowers and plants decorate the street. It looks very nice.”

  “Compared to several years ago the city has changed very much. It is beautiful now.”

- Safer
  “It was dangerous to go out at night – you could be beaten and robbed.”

  “At the same time, all windows are now closed with metal bars. In the past all doors were open in the apartment blocks but now they are all closed with special locks because there are a lot of homeless people.”
Kazan

Likes
• It is a beautiful city.
• It has long and rich history.
• It is a multi-national city.

What is special about the city
• The national Tatar tradition.
  “Our national Tatar traditions: chack-chack, for example, the ‘tubeteika’ Tatar hats and all of the national costumes.”
  “– Remember the holiday called “Sabantui”?
  -Yes, Yeltsin and Putin always attended “Sabantui” here.
  -East and West meet here, unite here.
  -Before, we celebrated this holiday only in Tatarstan, now all of Russia celebrates it”

Dislikes
• The environment.
  “The water quality is awful. If you boil a kettle you have to throw it away after two months.”

Recent changes
• New shops.
  “A lot of hypermarkets were built recently – Metro, etc. They are growing like mushrooms.”
  “It is very nice to spend time in supermarkets – they are bright and clean. Many people go to just browse. Before, we used to go to museums and theatres. Now we go to supermarkets.”
Yekaterinburg

Likes

• It is a lively, active city.
  “It is a brilliant city. There are no problems with finding a job or somewhere to study. Only a very lazy person would have a problem finding a job and earning money here. It is also a rather cultural and historical city with many places to relax.”

• The cultural amenities.
  “I like that it is a city of theatres and culture. More so now than before, though. There are a lot of colleges so you can study anything you want. Then it is a very pleasant city with beautiful countryside and a forest around the city where we can build summer houses.”
  “We can be proud of many aspects of our city life. For music, for example, it is the third musical centre in Russia. My son even thinks that it is second. For old music we have the theatre of Musical Comedy, which is very famous and something we are very proud of. Sport and architecture, too – we built a church. In the 70s our movie theatre Kosmos was the only one in the country with a cloakroom.”

• The people.
  “Compared to Moscow people in the Urals are nicer, friendlier. I read on the internet that in St. Petersburg a dog was left on a block of floating ice and the dog was saved. But in Moscow a driver got a pushchair containing a child caught on his car and had driven several blocks. Nobody paid any attention or tried to help. Yekaterinburg is closer to St. Petersburg in this respect.”

• Its rich history.
  “A lot of great people were born here – musicians, politicians, creative people.”
  “We have a very interesting history. The city was established in 1723. It was home to many famous people such as Olympic champions and our team “Uralochka”. We have something to be proud of.”

• The colleges and education opportunities.
  “I am proud of our Ural Polytechnic Institute (UPI). I graduated from it myself and am proud of it. It is a great melting pot of professionals.”
  “As for our mining college – there is not a college of the same level in Russia, I think.”

• The many sports facilities.
  “My childhood was in the Chkalov region. I am pleased to have lived there – it had great sports facilities. First of all it was very close to residential areas and secondly it was great fun for kids. Some people did diving, some people went running.”

Dislikes

• The roads are poor quality and there are transport problems.
  “Roads in Yekaterinburg are not adequate for the city’s rapid growth. When large buildings are constructed, the roads should also be developed, they should be wider. Our road planning did not take into account the possibility of enlargement, so now we have these serious problems.”
  “Our infrastructure doesn’t allow for quick progress. In number of cars per capita we have left St. Petersburg behind. Therefore traffic jams are everywhere. Children can not walk in the streets.”

• The city is losing its uniqueness and identity.
  “Our city is developing very fast and strengthening its position. Huge buildings are being constructed and the city is moving towards becoming like any other large city. I dislike this loss of individuality and uniqueness in our city. We should not build the same as in the West or copy Moscow or St. Petersburg.”

• Pollution.
  “There is too much pollution and dirt from manufacturing. Not ordinary dirt: our factories emit a lot of harmful substances after carrying out chemical processes.”

• People are rude.
  “I don’t think people are very cultured in our city. There is a lot of rudeness.”

• High migration is changing the face of the city.
  “A lot of people move to Yekaterinburg from neighbouring areas. These people are concerned with money and work but nothing else.”

• The city is dirty.
  “Compared to other cities it is pretty normal. We are perhaps close to being the country’s third capital but we need to develop and improve a lot before we reach this position. As other people said – it is dirty, the roads are poor and construction is disruptive because it produces even more dirt.”
Yekaterinburg

What is special about the city

• Its rapid growth.

“The city is developing very quickly. It topped other cities in terms of size of trade spaces. Unfortunately the development of the economy and business is disproportionate to the development of social provision and infrastructure. Everyone who came to the city this spring noticed how dirty the city was – it is one of the most negative aspects in our life in the city.”

“In the area where I live a lot of different things are being built now – roads are being built and renovated, kindergartens, entertainment centres and shops. For me personally this is very important.”

• Its history.

“Our city used to be a factory and so it is rather special. It still has some features of the factory; we have a dam which cannot be missed and small streets that have a special atmosphere. Unfortunately all of this is slowly disappearing with the construction of huge new buildings. Some of it is still there, though.”

Recent changes

• The city is larger with new buildings, shops and business centres.

“The number of shops has increased substantially. If before you went to two or three shops nearby, now you can go to the hypermarket and buy anything you like. You can also find several stores with very different product lines even near your house, which is very important.”

“Perekrestok and Obraz Zhizni – all these huge European stores. Now people go to the shops not only to buy products, but to spend time and for entertainment. You can buy anything you like there – from food products to L’Etual beauty products – and then relax, go to the cinema, etc. Ten years ago no one here could imagine that would be possible. The shops have transformed from an everyday necessity into entertainment. It is good, I think.”

“Looking back, I remember how you would see only plastic bags in the shop Kupetsk, formerly Marina, and maybe canned fish. We had food coupons that you were supposed to use somehow. Now life is much easier, at least in respect of food, no problems at all. We in the Urals always thought that bananas grew only in the summer because they were only in the stores during the summer. Now you can buy them all year round.”

There are more places to spend free time.

“New skating rinks were opened. We did not have many covered skating rinks before.”

“Over the last 10 years a lot of world famous artists and exhibitions have come to our city. Not like before. But unfortunately we don’t have a good concert hall here.”

“In the past we only had the House of Culture and the city swimming pools to swim in. Now in these swimming pools there are different classes like aqua aerobics, classes for mothers and children, etc. There’s much more variety. Night clubs and bowling were not here 15 years ago.”

“We have a new cinema and private theatres.”

• The city is turning into a mega-city.

“It is fast becoming a mega-city – in the areas of transport and construction.”

“There is a lot going on - vanity and fuss as in Moscow, unfortunately. Moscow is a hotchpotch of a city and we are becoming the same.”

• Prices are very high.

“We go to the theatre less often than before. When theatres from other cities come, the prices for tickets are very high, 1,000 rubles or more. You think twice before buying it.”
Moscow

Likes

• The standard of living is high.
  “Compared to the regions, Moscow is grandiose. Compared to Germany or England, Moscow has some big disadvantages.”
  “All life ends outside the Moscow ring road. Just go to Moscow oblast – you’ll find wages in arrears and dirty roads.”
  “A lot of people come to Moscow. People from Chuvashia or Mordovia or any other place, 300-400 kilometres from Moscow, they can’t find work there and are starving. And because they can’t earn anything, they drink all the time. For example, in Kaluga, the famous monastery Optina Pustyn, many people went there, but there is such poverty and misery there. Children are begging. Only Moscow can live well. Moscow and St. Petersburg, that’s all. To live in Moscow is extremely difficult, awful, but to move to any other place, to any other smaller city, is frightening. There is no infrastructure there. Awful life. But Moscow is flourishing certainly. It is very beautiful now.”

• It’s a city of possibilities.
  “It is a city of possibilities. It is a state within a state. It offers a lot of opportunities for people with get-up-and-go, who want to find their place in life.”
  “There are more opportunities in Moscow than in any other city – opportunities to get an education, to find a good job, to self-fulfilment, to attend cultural events. The provision of goods and services I think is good everywhere now, but in Moscow it is better than anywhere else I think.”

• Education opportunities are better.
  “The quality of the education system is much higher in Moscow than anywhere else, no doubt about it. I have an example to compare. At any level – secondary school, college – the quality of education is better.”

• Social provision is better.
  “The social provision in Moscow is better. I mean children’s allowances, extra payment by local authorities to retirement benefit, free transport for pensioners, subsidies for housing maintenance and communal services.”
  “There is something to be proud of in our social welfare system. I am proud that Luzhkov helps us pensioners. Wherever you go, people are envious of Muscovites. My wife and I get 1,500 roubles extra from the city – 700 roubles for my wife and 800 for me. But it is only for non-working pensioners. All other Russians are envious and say ‘You have Luzhkov’.”
Moscow

Dislikes

- Muscovites are lazy.
  "Muscovites are lazy or, to speak frankly, they earn too much and guzzle too much. I work for a construction company. Our managers get rather good salaries now, about US$ 1,000 a month. No Muscovite agreed to work for this amount because it is construction, and involves heavy work; they do not want it. We need to take people from the outskirts, or not even from there, but migrants from Moldavia or Ukraine. They are ready to work and do it."

- Muscovites have strong competition.
  "I dislike the fact that everything is concentrated on Moscow. Everyone moves here for work. They spend between three and four hours commuting from Moscow oblast or from other oblast. I think the work should be spread around everywhere with equal conditions. It’s not necessary for everyone to come to Moscow. There is a huge work force here and many people who agree on any salary and beat down the price. People with a college education, talented people, find it difficult to find a job. I think we should end it and protect Muscovites’ interests."

- Life in the city is difficult.
  "I dislike that the city is over-populated and there are too many cars, because it makes the city very dirty. My child is very small now so I would love to live in the countryside, somewhere further from the city. There is too much information in Moscow and it doesn’t have a very good impact on my child’s development. Certainly there are more opportunities here but Muscovites look on it differently than people from the outside. Maybe we are tired of it."

- The city has housing problems.
  "Poor housing is a very serious problem in Russia. House prices in Moscow are incredible, fantastic – US$ 4,000 per square meter for a very moderate place. Even a shabby old Khrushchov-era, fifth-floor apartment costs a lot. The prices are European standards or higher. I have checked this in Brussels and Berlin, where the prices are lower, as is the cost of a mortgage. But salaries in Moscow are not up to European standards."

- The struggling transport system.
  "I like to live in Moscow but what is happening with our transport system and roads? It is a nightmare. It wasn’t like this 10 years ago when I had just graduated from college. I travelled to college from Novogireevo and even in the morning there were no problems. Now it is nightmare at any time of the day, especially in the evening rush hour. In the mornings it was always like that. But in the evenings? At 10pm from Tretiakovskaya to Novogireevo you can’t get a seat, just somewhere to stand."

  "If you need to travel by bus it can take you half a day. It’s still possible to get around by walking to the metro station and then travelling by metro, although it’s very overcrowded. But by bus it is impossible."

  "There are too many cars. more that the city can support. Trams and trolleybuses are very bad. Travelling by metro is also very difficult. To get to the countryside at weekends by train – you need to be as strong as an ox to cope."

- The state of the environment.
Moscow

What is special about the city

- Moscow is the centre of all business activity. Life outside Moscow doesn’t exist, living in Moscow is everyone’s dream.

“The standard of living and quality of life is very high here. Almost the entire country’s business activity is concentrated here, which is good and bad. I travel to the different Russian oblast, usually to the north of Moscow. Leaving the territory of the Moscow oblast, I see the huge gap between Moscow and the regions. In Moscow I drive on a very good road on Yaroslavskoe shosess. After passing Sergiev Posad the road has three lanes – two lanes on one side and one on the other and sometimes vice versa. And that is the national road between Moscow and Archangelsk! As soon as you enter the Vladimirskaya oblast the road narrows to two lanes with no road markings. It’s as if you are in a village. Such contrasts.”

“I am not a native Muscovite but I have lived here for five years and I know that the opinions of Muscovites often differ from the opinions of other people. Native Muscovites think that everything outside their city is a deep province. I completely disagree. I think everywhere, even in the most remote city of Russia, there are some charming places and everyone thinks their home town as special. At the same time, however, every Russian dreams of living in Moscow, it’s in our blood.”

Recent changes

- The city has improved, it is more European now.
  “A lot has been done in the city. It has been renovated, there is a lot of construction and it is more beautiful now, clean. I remember how it looked at the beginning of Perestroika: like a refuse pit. Now the city is very beautiful, with flowers and greenery.”

“Moscow is becoming such a European city. The infrastructure is very good, a lot of companies have moved here.”

“I think Moscow is losing its identity, history and uniqueness. It tends to be the same as other European capitals, which doesn’t suit it.”

“Moscow is cleaner than any other city around. It is cleaned all the time. In the place I live all the streets are cleaned, all the courtyards.”

- People are more cold-hearted and soulless.
  “A year ago I was on a business trip outside Moscow, just a few kilometres from the city, and something really struck me... I love this city, eight generations of my family live here, my grandmother wrote a look about it, we know where all our ancestors live. But what I saw on my trip was that people offered seats for each other on public transport, they were very polite, gave me directions. You don’t see that in Moscow.”

“I don’t think people have changed, it’s just that now people are more business-oriented. Everyone has their own problems and thinks about how to earn money. People are working more – it’s just work, work, work. In the past you worked in a state company and at the end of the working day you were free. Now people have one job, a second job, even a third job and just work, work, work. If somebody comes up to ask you something, you answer politely, but it’s just that people are more business-like now, they have too many concerns and worries.

“Moscow is a city where money is earned and spent. There is no heart here. There is culture and spirituality here. But no heart.”

- More freedom, creativity, opportunities for self-realisation.
  “What’s new is the creativity. Freedom. There is no pressure from above.”
Social capital
Social capital

• Many previous surveys have shown that the participation of Russian people in NGOs, formal or informal associations, interest groups, etc, so-called social capital, is extremely low. What we still don’t know is why there is such low participation.

• According to the results of this survey there are many reasons. One of the most important is the belief that all public life and all public issues are the responsibility of the state. This belief was supported strongly by propaganda from the state (or the Communist Party) in Soviet times. It still continues to be supported by the mass media and the state authorities (“interests of society as a whole and national interests are protected only by the state and state authorities. Private people or private initiatives usually pursue only their own private interests”). Another important reason is people’s lack of belief in how effective they can be – they think they cannot influence or change anything, that their voice doesn’t matter. The third reason is the unresponsiveness of the Russian state – in the public’s opinion, the state is the only source of power and influence, the only decision-maker in society and people can’t really influence it or have any say in decisions. The fourth reason is previous experience of unsuccessful group action, fear of being prosecuted and a general disbelief in the effectiveness of collective action. Another reason is the low number of NGOs with a long history and good reputation that people could trust to be effective and honest.

• In some sections of society we can see social norms developing that support non-participation in public life – participation is considered to be a game for people who have nothing else to do (pensioners or “crazy activists”) and not a serious activity. Being politically and socially active is perceived as being ineffective in important aspects of life (work, career, business).

• The form of participation that involves a large number of people nowadays is the management and maintenance of residential areas.

• Several large public campaigns have attracted a lot of attention and the participation of many people, for example the protection of car-owners’ rights, action against new building in parks and near older buildings in large cities like Moscow, and actions of the World Wildlife Fund among others. When action proves effective, people are ready to join. Today’s Russia needs leaders, organisers and activists to mobilise people and suggest forms of action that could be effective in Russia. International funds and NGOs with a long proven history, an international reputation and transparent financial reports are those that have the best chance of involving people in solving different public issues.
Social capital

The reasons for low participation are described below.

- **Apathy, disbelief in one’s ability to change anything, all power and influence is in the hands of the state.**

  “It is possible to go to a meeting or, for example, organise the Subbotnik [voluntary community work at the weekends that usually involves cleaning the environment]. But nobody wants to be involved in it.”

  “We can’t change anything. Should we take banners saying “Let’s live well!” and march across the city? What will change because of it? Nothing.”

  “I am not interested in any public activity because it won’t be effective. Usually it just ends up in talks. You just spend your time there and wonder why you participated in them at all.”

  “All my life I’ve lived under some sort of orders. And now I live under orders whether I want to or not – I cannot change anything.”

  “I need to think what to eat tomorrow, I need to save my energy.”

  “I am not going to the meeting because I don’t believe it will result in anything or solve any problem.”

  “I live in Medvedkovo. Ten years ago a waste-incinerator plant was built there, which is very harmful to the environment. We organised a meeting and blockaded the construction works. But it was built anyway. Now its chimneys fill the air with smoke. They built it anyway.”

- **Some people think it is socially undesirable, funny or unfashionable.**

  “I think participation in such activities is funny. The look like yunats [young supporters of nature] come to clean the yard!”

  “If retired people don’t have anything to do, they can take banner and march from Lugovaya to the city centre.”
Social capital

• Some people would be prepared to take part in civic activities but they see the leaders, the NGOs, as being disorganised.

“When it was organised, everyone participated in different activities. When we were in secondary school and in college. Now it’s not organised anymore, nobody participates.”

“I would be ready to participate in communal activities, help to clean and decorate the land around our apartment buildings but there is no equipment – spades or pitchforks, etc. I do not have any at home and nobody provides any. I’m prepared to help the residential community but I don’t have a rake, nothing.”

• Secondly, people do not believe that any of their real problems can be addressed by group action. All of their problems are perceived to be the state’s concern, that only the state should take care of them.

“I think people and the state should work together. If the state doesn’t do anything, people won’t do anything either. But individuals can’t do anything themselves if the state authorities don’t help.”
Social capital

The kind of activities people participated in are listed below.

- **Work for their residential community, Subbotniks.**
  
  “I live in a condominium and we have some communal land. We always buy things together with our neighbours and do something for our community: plant plants, do some painting etc.”

  “My husband cleared the street of snow together with other men so that cars could move. They worked the whole night.”

  “I participate in public demonstrations for car drivers’ rights. I take part in Subbotniks and building recreation areas for kids in yards.”

  “When the snow was very heavy I knocked on the doors of all our neighbours and asked them to help me shovel snow to clear the street near our house. Half of them refused to help because they didn’t have a car. If I didn’t have a car I would help out anyway.”

- **Protection of car-owners’ rights.**

  “We have had demonstrations against a ban on cars that are right-hand drive. You need to put a red flag on your car and switch on your lights. I participated in that.”

- **Fight for higher salaries**

  “I participated in a meeting several years ago to demand an increase in wages. But we did not succeed.”

  “I participated in several meetings. One of our demands was satisfied – our borough was attached to Ivanovo oblast administration and not to Ivanovo city. As soon as we were part of Ivanovo oblast, our wages were almost doubled.”

- **Volunteering for the datcha (summer house) community.**

  “We bought our datcha two years ago and I was elected head of the garden cooperative and I have been doing this for one year now. All the people are rather old here and they aren’t able to do it.”

- **Participating in the religious community.**

  “I go to church every month and donate money regularly. It’s not much, but it’s every month. I think we should not only work for ourselves, but also think about the bigger things. If you cannot go to the theatre or another cultural place, you can go to church.”