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**Poverty as accumulating of social disadvantages:  
sociological analysis of deprivation in Ukraine**

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# **Poverty as accumulating of social disadvantages: sociological analysis of deprivation in Ukraine**

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The aim of the study was to create an index of socio-economic deprivation, to find main determinants of deprivation and to investigate the differences and similarities in the attitudes and expectations of groups with different deprivation's level.

## **1. Methodology**

### ***1.1 Theoretical background***

Analysis of poverty in Ukraine as a rule is based on an objective and money-metric estimates of the size and distribution of the consumer expenditures, obtained from the Household Budget Expenditure Survey, conducted on a regular basis by the State Statistics Committee of Ukraine. The Ukrainian Institute of Demography calculates the indicator, which is mostly used in the official analysis of the poverty in Ukraine, and here category "poor" captures individuals whose per-capita expenditure is less than 75% of the median expenditure level (Institute of Demography and Social Surveys, 2008). At times, the World Bank makes an alternative estimation on the same data but using the absolute criteria of poverty. Here the poverty indicator shows the share of poor by a minimum consumption basket consisting of basic food and non-food goods and services (World Bank report, 2007). These studies are an important source of information on the poverty magnitude and depth, profiles of the poor and the success of public policy in overcoming poverty. However, they are limited to predominantly economic indicators of welfare. Many aspects of the problem of poverty are not fully covered by unidimensional concepts that are based on the income and consumption expenditures, while they do not take into account quality

and availability of social and infrastructure services, social impact of economic inequality, as well as inequality of the distribution of financial resources in the family.

On the other hand, sociological studies of the problem of poverty appeal mainly to the methods of determining subjective poverty, according to which the poor include those citizens which subjectively, by their personal, social and psychological feelings consider themselves as poor, comparing their material standing with the situation of some reference group or own past experience. Therefore, for sociologists limited material resources are not as important as the lack of the possibility of a lifestyle choice corresponding to the social expectations. The advantage of this approach is in the fact that from the very outset it includes the destitute into the discussion on the measurement and the extent of poverty. However, subjective assessment of poverty with its ethical attractiveness and methodological simplicity can vary considerably under the influence of momentary public moods and unreasonably excessive social demands, which is especially true for the transforming societies (Patrakova A).

Given such methodological duality, researchers of the social aspects of poverty have increasingly turned to the concept of multiple deprivation. Representatives of this approach to measuring poverty (P. Townsend, T. Atkinson, J. Mack and S. Lansley, S. Rinhen) emphasize studying minimum acceptable level of life from the point of view of satisfaction of the "basic" or "vital" human needs, which is richer in content than economic poverty. The difference between rich and poor is not only in the amount of income - it covers all aspects of society life: being rich and being poor - these are two ways of life.

Usually, basic needs are conceptualized in the framework of minimum conditions of the family private consumption (food, clothing and housing); access to social goods and services (health, education, recreation and communication); conditions, safety and salary at work; healthy living environment (ecological environment) and personal safety, as well as an opportunity to participate in the political and cultural life of society, maintain social ties and so forth.

Cumulative indicators of the living standards emphasize multidimensional nature of poverty, trying to take into account the basic life conditions and to have an integral perspective on poverty, which accumulates obstacles and deprivations that individuals and households are facing in the various areas of everyday and social life. This approach considers poverty as a property of a situation in which individual lives,

thus repulsing from considering poverty as an individual property. This approach emphasizes the fundamental social dimensions of poverty, while living conditions are not limited to material factors (housing, nutrition, income, etc.), but also includes social relationships, access to employment, health care, etc.

The concept of multidimensional deprivation is firmly integrated into contemporary sociological discourse and is used in many studies of poverty in developed countries. Recently many interesting studies of deprivation produced by Russia's scientists came out (E. Balabanova, A. Balabanova, L. Ovcharova, Prokofieva L, L.A. Khakhulina, N.M. Rimashevskaya, F.M. Borodkin , K. Muzdybaev and others). Ukrainian interest in social deprivation is of rather recent origin. In Ukraine only initial steps are being made in exploring this phenomenon based on an analysis of macro data, secondary analysis of scattered or narrow regional studies (Y. Golovaha, N. Panina, V.Paniotto, V. Khmelko, O. Oksamytna). Thus, this article may be regarded as Ukraine's first attempt to address the multidimensional deprivation on the ground of the national data.

## **1.2 Data source**

The main data source of this analysis is the Ukrainian Longitudinal Monitoring Survey (ULMS). The survey was conducted by KIIS at the request of the consortium consisting of Institute for the Study of Labor (consortium leader), Centre for Economic Reform and Transformation, Economics Education and Research Consortium (EERC)-Ukraine, and DIW, Berlin. The scientific header and initiator of the project is Professor Hartmut Lehmann.

The goal of ULMS is to obtain information about employment, the reasons of unemployment and strategies of job search, education, migration, and health of the adult active population of Ukraine. The survey gathered information about the household income and its sources, including cash and in-kind earnings, as well as household expenditure. The population of the survey has been the working-age population aged 15 to 72. The baseline survey ULMS was conducted in spring-summer of 2003. The second wave was implemented in May-October, 2004, and the last wave of ULMS was carried out since May until December 2007. The final data set includes 3 100 household questionnaires and 6 700 individual questionnaires.

### **1.3 Indicators of deprivation**

In this analysis people are regarded as experiencing social deprivation, if they are denied, through lack of resources, some basic activities. This list of activities should have two characteristics: the items on the list should be widely regarded as necessary for acceptable standard of living in the prevailing social and economic conditions and poor individuals are likely to find some of them unaffordable and so not have all those items.

The decisions about what aspects of life should be a part of cumulative index appears even more problematic than the definition of the unidimensional criteria of welfare. Conceptually it is believed that poverty is not just any limited social action, but it is a special isolation, which occurs due to a lack of economic resources. Thus, the choice of deprivation components should not focus only on those aspects of living standards that are directly related to the limited consumption. Problems in social relationships, health deterioration due to a lack of access to quality health services or political passivity can be long-term consequences of living in a state of poverty.

The basis for the study of deprivation in this article is respondents' answers to the question "I am going to name some activities. Taking into account your financial position at the present time, please, estimate if you can now (1) do it easily, (2) can hardly do it, (3) you would like to, but you can't afford it and (4) you are not interested/not applicable". Then followed a list of ten activities that were included in the cumulative index of deprivation and the intermediate summarizing variable «possibility to have a normal life on the whole, both for yourself and your family». The list of activities was formed on the basis of in-depth interviews with poor families and tested in the project "Social expectations and the electoral moods of the Ukrainian society" under the leadership of E. Golovakha in 2002-2003.

Table 1 demonstrates the initial distribution of answers to this question. In general, the population of Ukraine is most restricted in the ability to make savings, to leave their permanent place of residence, to renovate their housing and to give good education (to themselves or their relatives). Virtually all areas under consideration are of great social significance; only in the respect of participation in social and political life and work in the voluntary organizations, more than half of respondents cited lack of interest or the possibility for such activity. Given the focus of our article, this activity was included as a component in the index of deprivation.

**Table 1. The share of material and social deprivation by a number of activities**

	Can do it easily	Can hardly do it	I would like to, but I can't afford it	I'm not interested/ not applicable	Total
put aside something 'for a rainy day'	5,1	28,5	61,5	4,8	100,0
leave the region (to visit relatives, friends or have vacation)	13,4	37,6	44,2	4,9	100,0
redecorate your apartment/house	9,5	39,5	42,8	8,2	100,0
get good education (yourself or for your children/grandchildren)	8,2	33,7	37,7	20,5	100,0
provide yourself and your family with the bare essentials (minimum of subsistence)	12,9	52,3	30,5	4,4	100,0
take up a hobby	31,5	23,1	29,7	15,7	100,0
do a job according to your experience, knowledge and qualifications	37,2	21,0	25,9	15,9	100,0
receive necessary medical aid in case of illness	20,7	52,6	24,3	2,3	100,0
receive guests and go on visits	39,6	39,2	16,8	4,3	100,0
take part in social and political life and work of voluntary organizations	13,3	13,0	15,5	58,2	100,0
to have a normal life on the whole, both for yourself and your family	20,5	44,8	33,1	1,6	100,0

#### **1.4 Structure of deprivation Index**

Questions on deprivation were measured by a 3-ordinal scale. For ease of interpretation, we transformed the scale in a way that the index of deprivation in a particular area was equal to 0 if the respondent indicated that he/she can easily afford this activity, 50 - for those who can afford it with difficulty, and 100 - for those who can not afford a certain activity but are interested in it. Thus, the deprivation index for particular activity area varied from 0 (no deprivation) to 100 (maximum deprivation).

A serious problem at the construction of deprivation indices present the integration of different measurement scales for calculating general indicator of deprivation. A simple adding of deprivation in various areas suggests the existence of equivalence between such conditions of life which proportionality was not actually determined. Obviously, disadvantages in various areas have unequal impact on the overall deprivation: it is possible to stint oneself in something minor and it will have little effect on the overall experience of deprivation, while small changes in significant aspects of life can lead to large fluctuations in the overall evaluation. Therefore, the contribution to the overall index of deprivation is defined by both the degree of deprivation in a certain area, and the degree of importance of a given aspect of life. Therefore, we calculated the integral index of deprivation D, which is

equal to the sum of the products of deprivation in the i-area of life ( $d_i$ ) by its importance  $\beta_i$ .

$$D = \sum \beta_i * d_i$$

The technique offered by V. Khmelko was adopted for measurement of the significance of any aspect of life (Khmelko, 1988): coefficient of the pair regression was used as an indicator of the importance, while it demonstrates the change of the score (index), which defines the impossibility to have normal life in general with a one point increase of the deprivation indicator (score) in a certain particular area. In other words, it is expected that the aspect of life which deprivation makes a greater contribution to the overall level of deprivation is more significant.

The results of calculations are presented in Table 2 (the regression coefficients in the column 4 were standardized so that the sum total was equal to one with the purpose of calculation  $\beta_i$  weights). Therefore, index of economic and social deprivation similarly to its components can vary from 0 to +100.

**Table 2. Components of the social deprivation index (sorted in ascending order of input into the integral variable "opportunity to have generally normal life for oneself and the family")**

	Average scores of particular deprivation indices	Unstandardized Coefficients, B	Weight	Weighted components of the integral social deprivation index
provide yourself and your family with the bare essentials (minimum of subsistence)	59.18	0.57	0.12	6.95
receive guests and go on visits	38.09	0.57	0.12	4.45
get good education (yourself or for your children/grandchildren)	68.56	0.56	0.12	7.91
put aside something 'for a rainy day'	79.64	0.51	0.10	8.32
redecorate your apartment/house	68.13	0.50	0.10	6.97
receive necessary medical aid in case of illness	51.81	0.49	0.10	5.20
leave the region (to visit relatives, friends or have rest)	66.19	0.48	0.10	6.49
take part in social and political life and work of voluntary organizations	52.57	0.45	0.09	4.86
take up a hobby	48.93	0.39	0.08	3.92
do a job according to your experience, knowledge and qualifications	43.33	0.35	0.07	3.14
to have a normal life on the whole, both for yourself and your family	56.38	1.00	-	-

It should be emphasized that there was established correlation between monetary well-being indicators and generalized index of socio-economic deprivation. This is statistically significant<sup>1</sup> but weak correlation with average per capita

<sup>1</sup> Correlation is significant at the 0.01 level (2-tailed).

household consumption expenditures (Pearson Correlation = -0.129) and total personal income (Pearson Correlation = -0.155), which demonstrates that the decline in the deprivation index with an increase of these indicators is not very pronounced, but still it is present.

In the end, we should emphasize that for some types of between group comparisons deprivation index was transformed into a 5-point scale «Level of deprivation», which is based on quantile distribution of the general deprivation index. First quantile is labeled “Very low level of deprivation, 2 - Low, 3 - Average, 4 - High and 5 Very high deprivation level. In those cases, when we discuss deprived groups, values of the 4<sup>th</sup> and 5<sup>th</sup> quartile are combined.

## **2. Results**

### **2.1 Deprivation determinants**

Mean values of the integrated deprivation index for the population of Ukraine comprised 48.9 points. The shape of the deprivation index distribution is close to the normal (Skewness = .071, Kurtosis = -. 411).

Logit regression model was constructed to study the causes of the increased risk of deprivation. The model predicts the likelihood for an individual to get into the group of deprived depending on the demographic, socio- economic and settlement factors. The model allows estimating the probability of occurrence of events based on the calculation of chances, that is, the ratio of the event occurrence probability to the probability of its non-occurrence. Dependent variable was equal to the value 1 if the person has high or very high deprivation level and the value 0 for an average or low deprivation level.

At the first stage by the method of stepwise regression significant independent variables were selected, while the only variable that was excluded from the analysis is gender. All independent variables take the value 1 if the individual possesses a given characteristic and 0 if this characteristic is absent.

The relative risk coefficients  $\text{Exp}(B)$  with respect to the dummy variables are interpreted as an indicator of how respondent’s membership in a certain group increases the odds ratio of occurrence and non-occurrence of the event comparing to



the membership in the group selected as the reference, while statistically controlling the influence of other variables in the model.

**Table 3. Regression evaluation of factors influencing the probability of deprivation (binary logit regression).**

	Mean index of deprivation	B	Sig.	Exp(B)
<b>All population</b>	<b>48.92</b>			
<b>Gender</b>		removed from Equation		
male	46.31			
female	51.23			
<b>Age (years)</b>				
15-29	42.19	Reference group		
30-39	48.32	.307	.001	1.360
40-49	50.37	.315	.000	1.370
50-59	52.56	.420	.000	1.523
above 60	55.21	.658	.000	1.931
<b>Education</b>				
incomplete general secondary	51.07	Reference group		
complete general secondary	50.96	.026	.712	1.026
specialized secondary	49.79	-.091	.264	.913
high	41.18	-.445	.000	.641
<b>Employment status</b>				
Employee	45.74	Reference group		
Self-employed	47.39	-.017	.899	.983
Entrepreneur or employer	34.37	-.555	.019	.574
Unpaid family helper	51.26	.058	.790	1.060
Student	35.60	-.985	.000	.373
Non-working pensioner	55.42	-.087	.450	.917
Housekeeper, maternity leave	56.53	.349	.011	1.417
Unemployed	59.51	.415	.001	1.514
Disable	64.21	.736	.000	2.088
<b>Personal income</b>				
1 quantile	49.84	Reference group		
2 quantile	58.17	-.071	.516	.932
3 quantile	53.57	-.239	.030	.787
4 quantile	46.03	-.772	.000	.462
5 quantile	37.91	-1.334	.000	.263
<b>Number of children</b>				
none	48.52	Reference group		
1 child	48.57	.219	.002	1.245
2 children	50.83	.286	.003	1.331
3 and more children	56.40	.567	.007	1.763
<b>Settlement type</b>				
Village	50.78	Reference group		
Urban settlement	48.73	.075	.383	1.077
Small or medium Town (up to 99 thds.)	50.67	.331	.000	1.392
City (100 - 499 thds.)	46.59	.096	.212	1.101
Large city (more than 500 thds.)	47.76	.408	.000	1.504
Constant				-.406   .002   .666
Sample size		6546		
-2 Log likelihood		8290.161		
Percentage of all cases explained by this model		65.7		

We will now examine what variables have the most influence on the probability of deprivation, while controlling for other variables. The resulting values of the coefficients for the model indicate the following results:

- We cannot deliberate about the relationship of such a factor as gender with the probability of deprivation because coefficients are not significant.
- With increasing age, the probability of falling into the group of deprived significantly increases. When compared to the control group of the young people at the age of 15-29 years, the ratio of chances of becoming and not becoming a member of the group of deprived for the people at the age of 30-49 years increased 1.4 times, for people aged 50-59 years - 1.5 times, for older people - 1.9 times.
- Among the variables describing educational levels, within our model lowering of the probability of deprivation is associated with the presence of higher education only. The ratio of becoming and not becoming a member of the group of deprived in this case will be by 36% smaller comparing to those, who have low educational level.
- Among the employment status variables, lowering of the probability of deprivation is typical only for the two considered variables, namely the status of the entrepreneur and the employer (43%) or student (63%). At the same time, for those who do not work because of the need to care for children or other family members, the ratio of chances to enter and not enter the group of deprived increases 1.4 times, the presence of unemployed increases the odds ratio by 1.5 times, and finally, if the respondent does not look for a job due to disability, illness or injury, this ratio increases by 2.0 times comparing to the control group.
- If the respondent's income is average and above average (3-5 quartile), it leads to a decrease in the probability of deprivation. Thus, for the people from the 3<sup>rd</sup> income quartile the odds ratio to be or not to be among deprived is reduced by 21%, for the fourth - by 54% and for the fifth - by 74%.
- Presence of children is significantly associated with deprivation. Comparing to the people who do not have dependent children, presence of one child in the family increases the chances of getting and not getting into the group of deprived by 1.2 times, the second child – by 1.3 times, while the presence of 3 or more children – by 1.8 times.
- Only two variables describing the settlement type were positively associated with the probability of deprivation. Compared with the control group, the odds ratio to enter and not enter the group of deprived is by 1.4 times higher for the residents of small or medium towns and by 1.5 times higher for the residents of large city (more than 500 thds.)

## **2.2 Manifestations of deprivation: attitudes and expectations**

In terms of mitigating deprivation in society fundamentally important issue is not only about determinants of increased risk of deprivation, but also about manifestations of deprivation in social attitudes and expectations. Further analysis will explore the relationship of deprivation with subjective well-being, protest moods, trust, basic economic and political attitudes.

### ***2.2.1 Subjective well-being***

Social well-being is a generalized emotional and evaluation reaction of the people to the social change and their position in the transforming society [Golovakha, Panina]. What people think about their life at the current moment, how they evaluate the past and imagine their future is necessary to understand the quality of life of the individual and society. Thus, social well-being indicators together with the economic and social indicators are the most important generalized characteristics of the well-being at any society.

Analysis of various aspects of social well-being of Ukrainians reveals dominance of the negative evaluations for the basic indicators: 2/3 of respondents rate their present financial situation below the average, and one third believes that the current state of its affairs is bad (good - 23.7%). Interestingly, the overall assessment of the situation in the country in the past and present is steady lower than estimates of personal situations of the Ukrainians. Slight predominance of the positive evaluations over the negative ones (39.6% compared to 32.1%) was observed only in the respect to the satisfaction with life in general.

Deprivation is closely related to the low well-being (see the table). For all considered indicators measures of social well-being decrease sharply with the increasing deprivation. Deprived groups demonstrate lower personal assessments of the situation in the present and in the past. Among highly deprives groups, the share of dissatisfied with their lives twice exceeds the share of satisfied (48.0% versus 23.0%). Among low deprived groups quite the opposite trend is observed: share of the satisfied with their lives is 3.4 times higher than the share of the dissatisfied (58.2% versus 17.2%).

Evaluation of the current financial situation has the clearest relationship with the level of deprivation. The vast majority (81.2%) of respondents with high level of deprivation consider their financial situation below the average. It is important to note that on average 2/3 of all respondents have this opinion, moreover, in the group with low deprivation, every second respondent believes that its financial position is below the average. It is obvious, that the idea about the average to which people compare their financial situation is greatly exaggerated in comparison with the real situation. Possible explanation of this phenomenon of "subjective impoverishment" (a concept introduced by Ukrainian sociologist E. Golovakha) is that the self-evaluation of the material conditions is formed not only under the influence of the real financial situation, but is significantly dependent on the claims (the choice of the benchmark for comparison) and perceptions about social justice.

**Table 4. Mean values of life evaluation by the respondents with different levels of deprivation**

	Level of deprivation					Total
	Very low	Low	Average	High	Very high	
Self-estimation of present financial position (1 → 7) <sup>2</sup>	3.29	2.87	2.71	2.48	2.06	2.68
Life satisfaction(1→ 5) <sup>3</sup>	2.30	2.76	2.97	3.20	3.65	2.98
Current evaluation of personal situation (1→ 5) <sup>4</sup>	3.35	2.94	2.88	2.60	2.23	2.80
Current evaluation of general situation in Ukraine (1→ 5)	2.54	2.36	2.31	2.20	2.04	2.29
Retrospective evaluation of personal situation (1→ 5)	3.05	2.80	2.75	2.57	2.35	2.70
Retrospective evaluation of general situation in Ukraine(1→ 5)	2.62	2.48	2.42	2.35	2.22	2.42
Prospective estimation of improving standard of living (0→100) <sup>5</sup>	45.82	39.47	38.76	34.62	28.94	37.52
Prospective estimation of worsening standard of living (0→100)	25.51	32.62	35.30	37.53	43.72	34.94

In addition to the fact that the social well-being of people is the concentrated assessment of their social status and level of needs satisfaction, it largely determines the choice of behavior strategy in their everyday lives. From this perspective, prospective evaluation of changes in the standards of living presents special interest. According to our study, the degree of deprivation is directly related to the assessment of prospects. Thus, in the groups with low and average deprivation optimistic predictions regarding the changes in standards of living dominate over the pessimistic, but for the most deprived, on the contrary, negative outlook on life is

<sup>2</sup> Seven point scale: 1 Far below the average, 2 Below the average, 3 Just below the average, 4 About the average, 5 Just above the average, 6 Above the average, 7 Far above the average

<sup>3</sup> Five point scale, from 1 Very satisfied to 5 Very dissatisfied

<sup>4</sup> Five point scale, from 1 Very poorly to 5 Very well

<sup>5</sup> Eleven point scale, from 0 Absolutely No Chance to 100 Absolutely Certain

typical with the low sense of hope for the future. Thus, deprived groups develop low expectations of positive changes, social pessimism that eventually can result in a defeatist attitude and self-limitation of activity.

### **2.2.2 Protest moods**

Prevalence and forms of manifestation of the social protest are an important characteristic of social tension in society. Social science has accumulated considerable experience in studying the role of social protest in social development, as well as social factors that increase the probability of participation of various sectors of population in the actions of social protest [Golovaha E., Panina N.]. Reasons for increased protest moods include the following: 1) high dissatisfaction of the population with the living conditions, 2) increase in the level of distrust in the power structures and political leaders, 3) low level of political involvement in legitimate forms of social and political life, 4) low level of political effectiveness, i.e. the possibility to influence social processes and political decisions. In the context of this article, we will confine ourselves to the analysis of influence of the level of deprivation as manifestation of dissatisfaction with own material conditions of life at the protest activity.

Currently, almost 40% of Ukrainians are ready to participate in various forms of protest varying from non-violent and compliant with the law of activities (collecting signatures, legal meetings and marches, legal strikes) to the illegal and destabilizing economic and political situation actions: boycotts, illegal strikes and picketing government agencies, the seizure of buildings and the creation of illegal armed groups (Table 3). As we can see, support of mostly legitimate methods of social protest is typical for Ukrainians, as 35% of respondents are willing to participate in them comparing to 11% of those who find it acceptable to resort to illegal protest actions in response to violation of their rights.

**Table 5. Readiness to participate in protest activity under condition of outraged rights**

	Level of deprivation					Total
	Very low	Low	Average	High	Very high	
Legal protest activity (collecting signatures, legal meetings and marches, legal strikes)	35,4%	35,8%	33,8%	36,2%	32,9%	34,8%
Illegal protest activity (boycotts, illegal meetings and marches, illegal strikes,	12,6%	10,6%	9,6%	10,6%	11,7%	11,0%

hunger strikes, picketing government offices, seizure of buildings, military units creation)						
Not ready to defend outraged rights by participation in any activity	56,2%*	58,5%	60,6%	58,0%	62,1%*	59,1%

\*\* significant at  $p \leq .01$ , \* significant at  $p \leq .05$

The data demonstrate that the increase in the level of deprivation does not lead to the increased willingness to protest in any possible way. On the contrary, the only revealed statistically significant difference from the average for all values indicates a greater willingness to defend their rights among the people with the lowest deprivation, while most deprived demonstrate very passive position. Thus, most successfully adapted to the new economic conditions people bear the protest potential. It can be assumed that the observed at the analysis of social well-being of the deprived groups pessimism and frustration is a demoralizing factor and inhibits their activity to protect their interests. And this, in turn, leads to the conservation of the established social order and aggravation of deprivation.

### **2.2.3 Economic and Political Attitudes**

According to the sociological perspective, the related deprivation has an important consequences for both behavior and attitudes, which is reflected in the reduction of the level of social needs, aspirations and activity, while the impact of deprivation is viewed in terms of social anomie, deprivation and “bloc culture” [Alexander, Merton, Sztompka]

In the framework of this article we will examine the relationship between the level of deprivation and orientations by the principal directions of the transformation of Ukraine: economic system, domestic political structure and foreign policy cooperation (see Table 6).

**Table 6. Economical and political attitudes**

Economic system, most suitable for Ukraine	Level of deprivation					Total
	Very low	Low	Average	High	Very high	
Centrally-planned economy which was in our country until perestroika	7,4%**	16,4%	17,1%	19,3%	28,9%**	17,8%
Centrally-planned economy, but with elements of a market eco	14,5%**	20,8%*	19,4%	19,5%	17,2%	18,3%
The economic system which exists today	6,6%**	3,1%**	6,7%**	3,8%	4,2%	4,9%
Market economy with strong government regulation	19,6%	20,6%	18,7%	20,7%	14,7%**	18,9%

Market economy with relatively small government intervention	17,2%**	13,7%	11,9%	9,9%*	7,6%**	12,1%
Free market economy without government regulation	7,8%**	6,4%	5,0%	3,9%*	4,5%	5,5%
Other	,7%	,3%	,4%	,4%	,2%	,4%
No opinion	26,3%**	18,6%**	20,9%	22,4%	22,7%	22,2%
Total	100%	100%	100%	100%	100%	100%
<b>Political system, most suitable for Ukraine</b>						
The Soviet system which was in our country until perestroika	11,6%**	20,6%	22,0%	24,1%	32,4%**	22,2%
The Soviet system, but in a different, more democratic form	14,7%**	23,6%**	21,8%	21,5%	19,2%	20,2%
The political system which exists today	11,1%**	7,4%	8,2%	6,5%	6,6%	8,0%
Western-type democracy	32,4%**	26,0%	25,1%	25,0%	20,0%**	25,7%
Other	1,0%	,8%	,9%	,7%	1,2%	,9%
No opinion	29,1%**	21,6%	21,9%	22,3%	20,4%*	23,0%
Total	100%	100%	100%	100%	100%	100%
<b>State union, which is better for Ukrainian people to live in</b>						
In the European Union	19,9%**	16,6%	16,8%	14,6%	12,8%**	16,1%
Rather in the European Union	19,7%**	12,8%*	17,3%*	14,8%	11,4%**	15,2%
Rather in the union with Russia, Belarus and Kazakhstan	16,3%**	20,3%	18,8%	20,5%	23,8%**	19,9%
In the union with Russia, Belarus and Kazakhstan	17,8%**	28,3%	27,5%	31,3%*	35,6%**	28,1%
No union with any other country	9,6%*	9,2%	6,2%	7,2%	6,2%	7,7%
No opinion	16,7%**	12,9%	13,2%	11,6%	10,3%**	12,9%
Total	100%	100%	100%	100%	100%	100%

\*\* significant at  $p \leq .01$ , \* significant at  $p \leq .05$

The study produced the following significant results:

1. Economic and political orientations of the mass consciousness of the Ukrainian society are highly amorphous. For many citizens of Ukraine the issue of the precise choice between the continuation of the market reforms or return to the administratively controlled economy remains unresolved. Almost every fifth respondent is unable to express its view on such fundamental issues for society, as the preferred economic and political structure of Ukraine. Greater certainty of opinion raises the question of the vector of the foreign policy cooperation, but even on this issue every fifth respondent does not have defined view. It should be emphasized that the greatest uncertainty is typical for groups with low deprivation, and not vice versa, as could be assumed.

2. The system of social order prevailing in Ukraine at present is extremely unpopular, i.e. such an economic system is supported by only 5% of the respondents, while the political system – by only 8%. The lowest support indicators demonstrate the most successfully adaptable and low deprived groups.

3. The views of those Ukrainians who have definite opinion about the desired social order are highly antagonistic. Comparison of the economic orientations

demonstrates that approximately the same percentage of people in the society (1/3 of respondents) supports the market and centrally planned economy. In terms of political structure, one quarter of respondents prefer Western-style democracy, while 42% of Ukrainians believe that Soviet political system is more suitable for Ukraine, while half of them mention the need to make it more democratic. And finally, nearly half of those interviewed believed, that the vector of Ukraine's foreign policy should be aimed primarily at the alliance with Russia, Belarus and Kazakhstan, while the priority of Ukraine's membership in the European Union supports one third of respondents.

4. The experience of deprivation contributes to the reorientation of the deprived groups of Ukrainian society from the prevailing support of the democratic social and political course and the model of market economy to the increasingly expressed nostalgia for Soviet times, with their usual views on the internal political structure of the country, the preferred foreign unions and administrative methods of economic regulation.

Summing up the analysis of orientations, we have to conclude that the negative deprivation experience of the significant part of Ukrainian society led to lower public demand for market and democratic reforms, creating a kind of 'vicious cycle'.

#### ***2.2.4 Trust and deprivation***

At present, the value of interpersonal trust comprises the central element in theories of democracy and markets. In social life the trust promotes civic engagement and community building and in the sphere of economy it fosters cooperation and interpersonal exchange [Bahry and others].

The degree to which people believe they can, in general, trust people is a key operationalization of the concept of social capital (Coleman, Fukuyama, Putnam). Moreover, trust can be viewed both as a source and as a result of social capital; in addition, it can serve as a very accurate generalized indicator of many norms, attitudes and values that underlie social cooperation. Low trust reduces the ability of people to enter into relations with each other, to negotiate and close deals, prevents the spread of innovation and technology.

In the context of the deprivation study, studies of social capital and trust in the transitional countries present the particular interest [Aberg, Rose, Gibson, Sandberg,



Palden and Svendsen, Reiser]. The spread of the practice of excluding deprived groups in the distribution of social capital in society, the existence of anomic demoralization, manifested in the form of violations of value and normative system of society is emphasized in publications devoted to the analysis of this problem. The consequences of these impacts is the erosion of trust, loss of sense of the reliability of social space and the perception of social interactions as potentially dangerous.

Brief overview of the situation with the trust in the Ukrainian society in general is the following. First of all, the positive balance of trust-distrust in the social space in general<sup>6</sup> should be mentioned, which average for the whole country is 6 points (Please see the table 6). Nevertheless the responses to this question can be influenced by cultural norms and social desirability, thus it is pertinent to present here more neutral and widely used indicator of generalized trust, which is trust in strangers. Generalized trust - is the willingness to consider strangers as a part of one's moral community (Uslaner). Generalized trust differs fundamentally from particularized trust by being extended to people on whom the trusting part has no direct information (Bjornskov). The study demonstrates that the baseline trust in strangers comprises 3 points, i.e. twice lower than the total trust in people. Thus, generalized trust in people in Ukraine rather gravitates toward the pole of distrust in the established social and systemic structure.

**Table 6. Mean values of trust by the respondents with different levels of deprivation**

	Level of deprivation					Total
	Very low	Low	Average	High	Very high	
<i>Generalized trust in people</i>						
general trust towards other persons	6.24	6.15	6.23	6.03	6.05	6.14
trust to strangers	3.13	2.90	2.99	2.93	3.00	2.99
<i>Political trust</i>						
trust to politicians	1.77	1.78	1.75	1.75	1.72	1.75
<i>Particularized trust</i>						
trust to colleagues from work	6.66**	6.40	6.15	6.05*	6.07*	6.28
trust to friends	7.88**	7.68	7.57	7.50	7.38**	7.60
trust to family members	9.55**	9.47	9.42	9.34	9.23**	9.40

Eleven point scale, where zero means "I don't trust at all" and 10 means "I trust completely".

\*\* significant at  $p \leq .01$ , \* significant at  $p \leq .05$

Similarly to the earlier research on Ukraine, we have found that most people report the lowest trust in politicians (average - 1.8). It is obvious that the new

<sup>6</sup> This indicator was measured by the question «How would you assess your attitude towards other persons: Are you a person who in general trusts other persons, or are you a person who rather does not trust other persons? Please mark a number on the following scale, where the value 0 means: "I do not trust other persons at all" and the value 10: "I trust other persons completely".

Ukrainian political elite does not correspond to the hopes reposed on it, replacing the national policy objectives with its clan interests. In addition, as a consequence, increasing distancing of the wide public from the authority structures, which leads to apathy and, consequently, to the loss of opportunity to influence political decisions.

In such circumstances natural is the protective identity with the family and closest encirclement; a desire to form their own local microsystems of relatively stable relationships, which meet the need of integration into society, but narrowed down to "theirs", linked by close interpersonal relationships [Tikhonovich]. Indeed, the indicators of particularized trust increase significantly with the strengthening of interpersonal closeness: the average score of trust for colleagues is equal to 6.3, for friends - 7.6, family members - 9.4.

Thus, in the Ukrainian society zero-sum effect is observed: there is little generalized faith in others and instead people turn to limit the manifestation of trust and reciprocal behavior by a narrow "family-friends" circle.

Based on previous studies, we can assume that the manifestation of trust will decline with increase of the deprivation level. And indeed such a trend is observed, but it is not universal and is manifested only in the reduction of particularized trust, without affecting the generalized one.

The reasons for such unity of the Ukrainian society in the low estimates of the overall trust social scientists explain by the effects of radical societal transformations that have led to the formation of the stratification model, where the majority of population is concentrated in the base stratum with a low variability of consumption standards. This leads to a confrontation between massive groups with low adaptive capacity to the new conditions and a narrow pro-regime layer, which distinguished features are corporate insularity, corruption and mutual responsibility, guided by narrow and selfish interests only (Golovakha). Systematic views of the population about the rule in the society of social injustice, lawlessness and immorality, which cannot be overcome, resulting into the low level of basic trust constitute the population's reaction to the abovementioned confrontation (Zlobina). In those circumstances, the trust into loved ones has an important compensatory function since it is able to provide resources for the socio-psychological adaptation and survival under conditions of crisis and total anomie. However, as this study demonstrates, the growth of deprivation reduces the capacity of these protective mechanisms and for the most deprived group zero-sum effect does not work.

## Conclusions

People's well-being and behavior depend not only on the objective situation in which they are, but also on the perception of this situation. Deprivation study can significantly supplement the traditional studying of poverty based on monetary-based indicators and produce a more complete picture of inequality in society. Developed deprivation index proved to be sufficiently adequate to the goals of the article, it is well interpreted and correlates with important characteristics of the population, i.e. subjective perception of well-being, protest potential, economic and political orientations, trust in social institutions.

We have identified factors that determine the risk of deprivation. These include age (the older - the higher is the deprivation); presence of children (more children - the risk of deprivation is higher); absence on the labor market due to unemployment, disability, maternity leave; as well as low income. At the same time, higher income, entrepreneurship, higher education and younger age significantly reduce the deprivation risk.

On the basis of the deprivation index five groups with varying degree of deprivation were defined. Those groups differ on a number of social characteristics. In particular, the following results were obtained.

1) The degree of deprivation is directly related to the assessment of prospects. In the groups with low and average deprivation optimistic predictions regarding the changes in standards of living dominate over the pessimistic, but for the most deprived, on the contrary, negative outlook on life is typical with the low sense of hope for the future.

2) It was found that the increase in the level of deprivation does not lead to the increased willingness to protest in any possible way. On the contrary, people who are most successfully adapted to the new economic conditions are more willing to defend their rights in case of their violation, while most deprived demonstrate very passive stance.

3) Negative deprivation experience has significant effect on economic and political orientations, shaping pronounced nostalgia for the centrally planned economy, which was in our country until perestroika, the political system of Soviet-style and foreign policy alliances with former Soviet republics. On the contrary, low

deprivation correlates with the overwhelming support for the democratic social and political line and the market economy model.

4) In general, in the Ukrainian society prevails low level of generalized trust in others, instead people turn to limit the manifestation of trust and reciprocal behaviour by narrow "family-friends" circle. Trust in family and friends plays an important compensatory function, as it provides resources for the socio-psychological adaptation and survival under conditions of crisis and anomie. Deprivation reduces this protective potential, while for the deprived groups typical is not only the low level of generalized trust, but also lower trust in family and friends.

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