

Trends of household and personal income: the case of Estonia from the 1950s to 1980s

Introduction

Household income and personal income may be regarded as quite an important source of information for socio-economic analysis. Estonia's political and economic order has changed numerous times during the last century, the latest being the transformation from the socialist system of the USSR to liberal market economy. The present article examines household and personal income dynamics in Estonia since the 1950s, thus covering mostly the Soviet period but also slightly touching upon the transformation years. As of the subject matter, two main issues come together in this topic – socio-economic history and demographic aspects. The social and economic history of the USSR is still under-researched due to non-comparable aggregate statistical data from the period. This study overcomes the problem of statistics by employing individual data as opposed to aggregate figures. In a broader framework, the study could contribute to the understanding of economic well-being of different groups in the former Soviet Union.

Data and methods

This paper mainly uses the household income surveys conducted by Soviet statistics in Estonia in the post-WW2 period, but also includes labour survey of the 1990s and the second round of Estonian Family and Fertility Survey. The household income data comes from periodical income surveys that collected detailed data on sources and amounts of personal income, characteristics of household members, and housing conditions. The first income survey was carried out in 1958, later the surveys were repeated in 1972, 1978, 1981, 1984 and 1989, with sample sizes accounting for ca 3000-4000 households (8-11 thousand individuals). While these data have been aggregated already during Soviet times, we have no good knowledge about methods that were used then and there may be biases in officially published aggregate figures. Fortunately the survey sheets have been preserved and after computerisation can be employed according to present standards of data analysis.

In order to make the data usable it was necessary to computerise the data. This included the making of custom data input program for every year of survey, as the survey sheets varied from year to year. After completion of data input it was necessary to check for the consistency of the data and test the validity of the survey sample (this was done in comparison to the closest census data). The preliminary results of income survey data analysis show that survey samples are representative and the individual data is usable for statistical analysis.

The transformation from the Soviet society to market economy is studied on the basis of labour survey and the Estonian FFS/GGS. Although these data sources are quite different from income surveys they allow to extend the period under examination and study the transformation period. However, this part of the paper is yet to be developed in more detail.

Main findings

The results of preliminary data analysis reveal many aspects of social and economic life in the USSR. The analysis of data is carried out on two levels – household and personal level. On the household level, equivalised household income and poverty risk are calculated, wellbeing of different household types is compared and housing conditions analysed. On the personal level, for instance, employment rate, average size of different income types (wage, pension, stipend, social support etc.) can be sorted by age groups, sex, occupational classification or person's activity type. Income surveys include information about housing conditions such as square metres used by household, whether they had an access to telephone, hot water, etc. Also appliances such as radio, washing machine, TV etc. have been counted in these surveys. In general this gives quite a good description of welfare conditions and distribution of income in the western parts of the USSR.

Just to mention a few findings from the period of 1950s, there was a notable difference in male and female income size, despite very high female employment rate. Pensions were quite evenly distributed between age groups. As of poverty, households with small children and elderly people were most affected by risk of poverty. Similarly, there is a distinctive pattern in housing conditions of different age groups, namely that families with small children were more likely to live in more crowded conditions (usually 3-5 square metres per person). There is also a difference between incomes of native and foreign origin population, leading also to different at risk of poverty rates. While it is expected that discrepancies between incomes of different groups of population decreased over time, some further analyses must be completed to demonstrate these trends.

Income surveys since 1972 also had questions about past birth career of female household members and the number of desired children. These data can be combined with educational and occupational data of both parents in household, and their living conditions. The extended analysis of these relationships is still to be done and probably remains outside the limits of the present paper.