

Three Million Russians Fall Into Poverty as Crisis Bites

By [The Moscow Times](#)

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More than 3 million Russians fell below the official poverty line in the first three months of this year as Russia's economy stumbled into a recession, state statistics service Rosstat said late last week.

The number of people living below the poverty line rose from 19.8 million in the first quarter of 2014 to 22.9 million in the same period of this year — a rise of 3.1 million, according to data from Rosstat.

The percentage of Russians living below the poverty line thereby rose to 15.9 percent of the total population in the first quarter, which is 2.1 percentage points more than in the same period last year, according to the statistics.

Earlier this month the Russian government set the minimum subsistence level for the first quarter, an indicator of poverty in Russia, at 9,662 rubles (\$174) per month. This was an increase of 17.3 percent from the previous quarter, Rosstat said.

The cost of living in Russia has soared this year due to sharp inflation spurred by steep falls in the value of the ruble currency, which pushed up the cost of imported products and components.

Inflation spiked to 16.2 percent in the first quarter even as Russians' nominal incomes rose by only 11 percent, according to Rosstat.

Russia's economy is expected to contract by about 3 percent this year due to a plunge in the price of oil, Russia's main export, and Western sanctions imposed on Moscow over the Ukraine crisis.

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The government estimated previously that the recession could push nearly 2 million people into poverty this year.

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