Method of Property Acquisition and Social Status in Post-Communist Society

Oleksandr Reznik

Abstract
The article is dedicated to peculiarities of social stratification in post-communist society. The nature of relations between the subjective social status and possession of property objects depends on the method of their acquisition. The expensive property objects, which often do not correspond to an individual’s financial position but are acquired on his or her own initiative, have the capacity for differentiating people by status indication. Instead, the unintentional acquisition of property under the effect of outer factors has no essential influence on the social status. In the course of privatization of state habitation and land, most Ukrainians became homeowners and landowners. However, property objects acquired on the initiative of government have not become the factors of social stratification. Only with real institutional transformations in economy, liberalization of land market, and legitimation of the institute of private property will the acquired property objects become full-value material assets affecting status characteristics of an individual.

Keywords
social stratification, subjective social status, private property, privatization, post-communist society, Ukraine

Introduction
Property relations, being important regulators of socio-economic behavior of an individual in the stable market society and defining person’s attitude to surrounding world, occupy an important place in determining social status. The objective indications of property status of an individual are of socio-economic and cultural character, but consequences of social differentiation depend more frequently on institutional system of operations with property assets. Instead, the subjective social status of an individual is determined by attributing himself or herself to some property group (to the rich, fairly well off people, the poor ones), his or her self-appraisal of own material welfare and economic potentialities. In this case, the question is rather in representation of the individual’s socio-economic expectations than in his or her true property status. Individuals identify their social status through their demands and requests, their notions of prosperity and poverty. Such estimates are formed both under the influence of individual notions and owing to social norms of life standards in a certain society and under certain conditions of socio-economic development.

In market societies, where social stratification is standardized by financial assets of an individual (welfare, incomes, property qualification), the property availability determines the increase of social status. Marxism explains stratification by economic factors: public division of labor and formation of private property relations. The possession of property (wealth) determines social subjectness of an individual in interaction with other individuals. Economic factors determine class position of the agents of social action, which affects the nature of class consciousness in accordance with belonging to proprietyed or poor class (Marx, 1978). M. Weber also used economic factors in explaining the social status. In his opinion, the class situation is almost always generated by economic relations of inequality. Nevertheless, side by side with property relations, Weber (1978) saw the basis of social inequality in the difference of life chances of individuals generated by differences in status positions. And although in farther conceptions of social stratification the factor of possession of private property was something leveled, property remained the important economic factor of regulation of social behavior. However, the consumption theories explain the features of social stratification through the important mechanisms of this process—social comparison and self-identification (T. Veblen, Z. Bauman, G. Ritzer, J. Baudrillard, P. Bourdieu, and others). In this context, the way to acquire certain property can create a certain effect on social identity of an individual. In particular, we can mention the “Diderot effect” as a social phenomenon related to consumer goods (McCracken, 1988, pp. 118-129).
Current empirical research of the influence of a factor of possession of property objects on various aspects of life is mainly concentrated on the results of possession of habitation. House and grounds permit people to accumulate wealth and social status, and it is the basis for a number of positive social, economic, family, and civic results (Aaronson, 1999; Cox, 1982; Diaz-Serrano, 2009; Dietza & Haurinh, 2003; DiPasquale & Glaeser, 1998; Green & White, 1997; Rohe & Stegman, 1994; Rohe & Stewart, 1996; Rossi & Weber, 1996).

Sense of property, ownership of a certain material object is connected with formation of the inner life of an individual. The question is in the self-respect, high self-appraisal, and faith in one’s powers. However, property helps an individual to identify himself or herself among others. Private property acquired by an individual is connected with a special course of life. This gives the individual a possibility to analyze the world both from the viewpoint of social status and on the part of material potentialities of self-expression.

However, processes of social stratification are subjectivized in the transition society, especially in the society where private property was long marginalized as a social institute; thus, these processes are not based on the real material state. The possession of certain private property, especially unmarketable one, does not often take essential influence on the sense of social status. Thus, the sense of economic welfare is connected with the notion of subjective welfare that expresses the individual’s own respect to his or her life and surrounding and is characterized by the sense of satisfaction by various aspects of vital activity. Realizing themselves in certain social position, individuals weigh their potentialities and prospects in the social space. This weighing representation tells on economic demands and requirements.

Under adequate relation of resource potentialities and personal demands, the real status of the individual and his or her social self-identification coincide. However, there are variants when this relation does not coincide. The idea of own social status often surpasses real property state, that is, the individual takes himself or herself as more prosperous than he or she really is. Or a lower self-appraisal of the social status is observed in an individual in spite of high objective indices of his or her material welfare (Golovakha, 1997).

The process of property acquisition in post-communist Ukraine was intensified with the beginning of privatization of state property, which acquired considerable deformation feature. In a time of mass privatization in 1992-1998, citizens of Ukraine obtained 45,700,000 property certificates (about 88% of the population). Besides, the population used about 30% of compensation certificates. Employees could use the property certificates for payment of shares or part of the property under privatization of their enterprise, other people—for payment of shares intended for free distribution among citizens of the country through the state system of certificate auctions (Paskhaver, Verkhovodova, & Ageeva, 2008). Most of 19,000,000 shareholders were owners only nominally, since, taking part in the certificate auction and receiving the excerpt from the protocol about its results, they did not even register the right of property in shares. The absence of property security of the investment certificates issued by state in exchange for property certificates turned all of them into fictitious owners. Most citizens suffered losses as a result of inflation processes of shares devaluation and artificial reduction of the value of property of state enterprises that were subject to privatization.

As a result of market reforms in Ukraine in the early 1990s, the former state habitation in the mass came to population and was privatized without conflicts. In 2004, part of non-state-owned habitation in the national housing fund as a whole was 88% (Statistical Yearbook of Ukraine for 2004, 2005). Similar processes took place in the sphere of land, when there was a permission to privatize land plots for building and maintenance of dwelling houses, economic buildings and structures, personal farms, gardening, individual country cottage, and garage construction. Part of citizens who have privatized the land plots is 86.1% of those who have such a right (Paskhaver, Verkhovodova, & Ageeva, 2006). Agriculture as the branch was also formally privatized. Part of state enterprises in the farm, forest, fishery, and hunting economy was only 7% in 2004. On January 1, 2004, the ownership of 28,100,000 hectares of farmland (78%) was transferred in private property (Statistical Yearbook of Ukraine for 2004, 2005).

The process of possession was ideally to make people feel better and raise their social status. However, the fact that this transition was rather initiated by the state than by the society has influenced the whole picture of forming the institute of private property. There were people who took the opportunity to enter into full possession of habitation or land. However, part of population had to privatize the home or land rather because of the necessity of ensuring economic survival in conditions of the economic crisis than because of inner motivation to seize private property. Just this aspect allows us to suppose the existence of peculiar socio-psychological consequences of possessing property obtained by forced methods. Thus, the experience of possession of rights for home or land will determine the character of sense of own social status.

Thus, the aim of this article is to find out peculiarities of connection between the possession of private property and social stratification in the post-communist society. Circumstances of taking possession of property objects are subjective (in accordance with inner desire of an individual) or objective (in connection with outer circumstance of socio-political situation).

That is why the following hypothesis has been formulated.

**Hypothesis 1:** In post-communist society, the property objects obtained unintentionally, under the influence of state policy of privatization, have not become the weighty
factor of social stratification. Instead, the ownership of property objects that were acquired consciously, according to the inner desire of the individual, was connected with social stratification.

**Data and Method**

The availability index of property objects in the respondent’s household may be traced in the instruments of two social surveys of the Institute of Sociology of the National Academy of Sciences (NAS) of Ukraine, conducted on the basis of the national survey network of the SOCIS center. First, these are sociological data of the nation-wide representative survey Public Opinion in Ukraine–2006 (omnibus), conducted by the Institute of Sociology of NAS of Ukraine in April-May 2006. Second, these are sociological data of the nation-wide representative survey Public Opinion in Ukraine–2009 (omnibus), conducted by the Institute of Sociology of NAS of Ukraine in April 2009. In both cases, 1,800 respondents were interrogated by the method of questionnaire distribution in the place of residing. The respondents, as to their socio-demographic characteristics (sex, age, education level), represented adult population of Ukraine from the age of 18.

As to its structure type, the sampling is the three-stage, stratified and occasional one with the quota screening at the last stage (the sampling authors are Natalia Panina and Mykola Churylov). The first stage is that of settlements (survey points) selection; the second stage, the choice of addresses (starting points of the route); and the third one, the choice of respondents. The quota screening at the last stage makes it possible to reserve population proportions as to the settlement type, sex, age, and education level characteristic of the given region and settlement type in the subsamplings of each region of Ukraine.

The respondents were offered to answer the following question: “Note please, what of the below subjects are in the possession of your family?” The following property subjects were proposed among the answer variants: (a) home appliances of long-term use (refrigerator, TV set, etc.); (b) individual transport facilities (motorcar, motorcycle, boat, etc.); (c) habitation (apartment, house, etc.); (d) land plot; (e) land plot near a country cottage; (f) enterprise shares of Closed Joint Stock Company, Open Joint Stock Company, and so on; (g) land share; (h) small enterprise; (i) large-scale enterprise; (j) or nothing.

The objective criteria of social stratification in transition societies (income, education level, profession) cannot often represent adequately all the aspects of social status, since, besides official incomes, a considerable part of financial position is ensured by the unofficial, the so-called gray or shadow economy. To avoid problems of discrepancy between the declared incomes and real assets, sociologists deal with the subjective indices—self-identification or self-appraisal of own status, when people compare themselves with others and “mark” their place in the society.

| Table 1. Subjective Social Status in Ukraine, 2006 (According to the Scale: Point 1—the Lowest Position, Point 10—the Highest Position). |
|---|---|
|   | $n$ | % |
| 10 The highest position | 2 | 0.1 |
| 9  | 2 | 0.1 |
| 8  | 27 | 1.5 |
| 7  | 64 | 3.6 |
| 6  | 163 | 9.1 |
| 5  | 443 | 24.6 |
| 4  | 446 | 24.7 |
| 3  | 397 | 22.1 |
| 2  | 163 | 9.1 |
| 1 The lowest position | 93 | 5.1 |

The method of self-identification of social status according to a 10-point scale of imaginary social scale was used for operationalization of subjective social status in the research of the Institute of Sociology of NAS of Ukraine Public Opinion in Ukraine–2006. The respondents had to answer the following question:

Imagine, that people holding different position in the society are disposed on the steps of a certain staircase: those having the lowest position (1)—on the lowest step, those having the highest (10)—on the highest one. Which of these steps would you place yourself on?

The respondents had to dispose themselves on 1 of 10 steps. Index of self-appraisal of financial level of a family was used in the same way in the database of research of the Institute of Sociology of NAS of Ukraine Public Opinion in Ukraine–2009. The respondents had to answer the question, “Estimate please the financial level of life of your family. Contour an estimate on the scale where 0 points is the lowest level and 10 points—the highest one.” To estimate a relation between a discrete and a continuous variable, the correlation ratio, coefficient eta ($\eta$), was calculated. The discrete variable of possession of a certain property object is considered a factor (independent variable) that affects the continuous variable of subjective social status (dependent variable). Coefficient eta is asymmetrical and acquires values from 0 (absence of relation, absence of influence) to 1 (full relation, full influence). The package SPSS (procedure Nominal by Interval in the wind Statistics/Crosstabs) was used to calculate the correlation ratio $\eta$.

**Results**

Self-identification of Ukrainian respondents with different points of the scale of social status shows that the social structure of Ukraine of the 2006 model resembles a pyramid, when most people see themselves on lower points of the society (see Table 1). This figure is a classic example of the profile of social stratification characteristic of poor or
transition societies. The lower is the level of society development, the sharper is the profile of this pyramid. Under such conditions, climbing up the social “ladder” is faced by a shortage of social positions.

The same tendency was reproduced in 2009 (see Table 2). Allowing for the difference of scales and content of questions, one can state the absence of essential dynamics in social stratification of Ukrainian society. The lower base of the social structure is much broader than indices of middle stages, all the more upper ones. All that contrasts sharply with rhomboid models of social stratification of developed Western countries, where the upper and lower strata of society are not numerous, while middle positions of social status are prevalent.

The property aspect of social status being allowed for, the population of Ukraine, compared with that of developed countries, owes weighted potential assets in a form of private home, land plots, country cottages, transport facilities, and so on. That is evidenced by the results of sociological investigations of the Institute of Sociology of NAS of Ukraine, where in questionnaires of omnibuses Public Opinion in Ukraine–2006 and Public Opinion in Ukraine–2009, the respondents were asked about property possession (see Table 3). It would be noted that the scanty number of people possessing big enterprises calls into question the expediency of analysis of this indicator.

Three-year dynamics evidences as a whole for a sustainable structure of possession of private property of Ukrainian citizens. No essential differences are seen concerning parts of possession of such property objects as home appliances of long-term use, individual transport facilities, land plots (land around houses of countrymen), country cottage land plots, and small enterprises. Inconsiderable decrease of part of those possessing shares may be only noted.

There is no doubt that connection of social status with material conditions of life is a traditional proof of objective basis of social stratification. However, structural gradation of social status does not always correspond to gradation of certain material assets and the more of the objects of private property that has been acquired outside their own aspirations.

The results of correlation analysis between the indicator of availability of property objects and indices of social status in the society in both research studies (2006 and 2009) have shown both the existence and absence of status differences of possession of certain property (see Table 4).
In particular, no connection between subjective social status and possession of home and land share ownership has been fixed as a result of the survey Public Opinion in Ukraine–2006. No essential connection has been traced between subjective social status and possession of home appliances of long-term use, land plot, and papers. At the same time, status differentiation was seen as to possession of individual transport facilities (motorcar, motorcycle, boat, and so on), country cottage land plot, and small enterprise: The rise of social status is accompanied by the increase of indices of possession of these property objects.

According to the results of the survey Public Opinion in Ukraine–2009, no essential relation between the self-appraisal of material level of family life and possession of home appliances of long-term use and homeownership has been fixed. The same was with the correlation between status differentiation of possession of such property objects as country cottage land plot, individual transport facilities, and small enterprise. And although the fixed correlations are weak on the whole, the available tendencies may be taken into account to explain our assumptions.

**Discussion**

The analysis results have shown that most Ukrainians are homeowners. This contrasts with the situation in the West European countries. In particular, by the data of investigation of the European Central Bank in 2013, parts of homeowners in developed West European countries with high unemployment level are considerably less: in Germany—44.2%, in France—55.3%, in Austria—47.7%, in the Netherlands—57.1%, in Luxemburg—67.1%, in Belgium—69.6%, in Italy—68.7%, and in Finland—69.2%. At the same time, in other, less economically developed European countries with high level of unemployment, part of homeowners is higher and approaches Ukrainian indices: in Portugal—71.5%, in Greece—72.4%, in Malta—77.7%, in Slovenia—81.1%, in Spain—82.7%, and in Slovakia—89.9% (Eurosystem Household Finance and Consumption Survey, 2013).

Most Western societies have a much lower percentage of house ownership, and much less focus on private property, as the state takes on important social functions, including social housing provision and housing subsidies (also, Western Europeans show a much greater reliance on public transport than in the United States, where car ownership is more widespread). Instead, in less economically developed European countries, especially in cities, where habitation has become extremely expensive, is the last limit of the stable picture of an individual’s life. The home loss seems a catastrophe and a start of social fall. That is why this object of ownership does not become a factor of social status as the display of actualization of higher demands but remains the object of primary requirements. The availability of stable workplace and thus stable wages permits an individual to rent a house without worrying about the future. Home is considered the economic, material asset that gives additional advantages to social status. It is rather commodity that may be sold or mortgaged for starting own business or own project. Besides, in economically developed countries, many people are drawn to share market, where they keep their savings in securities, while in less developed countries, people invest their savings to real estate.

Lack of correlation between the subjective social status and possession of land plots and shares may be explained by the fact that the owners of land shares and personal plots of land live mainly in the countryside where material state of people is much lower than in cities. They have obtained involuntarily their land shares as a result of breakup of soviet collective farms. The same was with employees of industrial enterprises: They were given the enterprise shares and could not understand the true value of their own assets because of the absence of a true share market.

Individual self-affirmation in transition society does not proceed through production activity but through production consumption; that is, the hierarchy of traditional class relations (possession of private property, education, profession) was gradually forced out by hierarchy of commodity consumption. The position in the social scale is defined by the type of “prestigious commodities” that an individual can buy even if he or she has suffered financial losses. Under such approach, the vertical mobility is considered the process of upward movement on the “stages” of prestigious commodities and services. Prestigious commodities and services are a guide on such stratification scale rather than belonging to certain professional group or social class. Although belonging to the higher strata foresees this prestigious consumption, just the attributes of prestigious consumption determine social stratification in the transition society. Thus, the need of self-affirmation results in practicing new, forced social actions oriented rather to immediate consumption of commodities and services than to accumulation and saving of financial resources.

New consumption practices intensify contradictions between objective conditions of appertaining to social class and subjective thought of people about their place in the social structure. Differences between capacity of different people to buy and consume commodities explain and justify the available difference in statuses. Thus, social value of success is produced, which allows an individual to feel his or her significance when consuming some commodities. Because the contradiction between anticipation and reality threatens the individual’s self-appraisal, the available rules in the society are allotted with standard features to create psychological comfort.

**Conclusion**

Thus, the method of property acquisition has an influence on the socio-psychological comprehension of own social status. Property objects acquired on an individual’s own initiative
and according to his or her material status have a capacity to differentiate people by the status indication. These property objects are acquired in the course of financial potentialities of an individual, which also serves as the material indication. Instead, the “forced” property acquisition, possession under the effect of outer political factors, has no essential influence on the social status. This concerns also the so-called “non-liquid” assets, such as land shares, when the lack of full-value land market in Ukraine decreases considerably the capitalization of these assets. That is why people who possess non-liquid assets place themselves on the lowest steps. The possession of non-liquid property objects cannot affect status characteristics of an individual in the society with undeveloped economy, low life expectancy, and instability of the institute of private property. And only property objects that can be commodities determine status sensations, as an individual mentally considers them as certain assets owing to which one can meet his or her material demands, realize creative dreams, or satisfy social ambitions.

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Author Biography
Oleksandr Reznik was born on May 8, 1975 in Kamyanets-Podilsky, Ukraine. From 1992 to 1997 he studied History and Sociology at Kamyanets-Podilsky State Pedagogical Institute. From 1998 to 2001 he was a post-graduate student of the Institute of Sociology of the National Academy of Sciences of Ukraine, Kyiv. From 2001 he works at Institute of Sociology of the National Academy of Sciences of Ukraine. Doctor of Sociology.