



Joan Costa-Font

Anna Nicińska

Melcior Roig-Rosello

September 9th, 2025

Soviet Communism was no more successful at reducing inequality than other regimes

Did communism reduce inequality in the Soviet Union? Joan Costa-Font, Ana Nicinska and Melcior Roig-Rosello show that individuals exposed to Soviet Communism are worse off according to current and retrospective measures of welfare than people in other countries. However, there is some evidence that Soviet Communism delivered higher social mobility than other regimes.

Inequality is a major concern for many economies, as it shapes social stability, economic growth and overall well-being. Across the western world, inequalities have been growing since the 1970s, although the pace and intensity of this trend have varied considerably across countries. In some cases, the rise has been driven primarily by widening income gaps, while in others it has been linked more closely to disparities in wealth accumulation, education or access to secure employment.

Thomas Piketty emphasises the structural forces behind these patterns, including the tendency of capital returns to outpace economic growth, while **Tony Atkinson** highlights the role of policy choices, welfare regimes and labour market institutions in shaping national trajectories. Together, this body of work suggests that inequality is also profoundly influenced by political and institutional contexts.

One important question that arises is whether a regime change – whether in the form of a change to the economic system or institutional framework – would actually contribute to reducing inequality. The answer is not straightforward, since outcomes often depend on the type of regime change, the comparability of outcomes across regimes and the broader social and historical context.

But recent European history provides what can be seen as a natural experiment for studying the effects of regime change, particularly through the availability of datasets that combine both current and retrospective information about individuals who lived under **Soviet Communism**.

Soviet Communism consisted of a set of regimes implemented in Central and Eastern Europe that promised radical egalitarianism through the abolition of private property, centralised planning and the bureaucratic allocation of resources, yet whether this translated into greater equality or merely reproduced new hierarchies remains contested.

Inequality in Soviet Communist regimes

While western European countries responded to the perceived threat of communism by expanding welfare states funded by progressive taxation, the different Soviet Communist regimes in Europe relied on the bureaucratic allocation of private goods such as housing and healthcare, which often fostered privilege, informal networks and persistent social stratification. This bureaucratic distribution of goods provided bureaucrats with opportunities to privilege themselves and their own networks.

Although founded on the principles of egalitarianism, Soviet Communism therefore produced its own hierarchies, with wage differences and distinctive forms of social stratification. Soviet Communism also did not eliminate **the influence of religion**, which continued to shape social norms and preferences, and Soviet Communist regimes displayed enduring regional, ethnic and gender disparities in political representation, mirroring patterns found elsewhere.

In addition, a widespread culture of informal payments and exchanges reinforced social and family networks while sustaining hidden systems of privilege, ultimately limiting the regime's capacity to deliver genuine equality. The provision of healthcare services was further complicated by geographic and infrastructural disparities. Urban centres often had better-equipped facilities and better qualified healthcare professionals compared to rural areas.

Soviet Communism did not reduce inequality

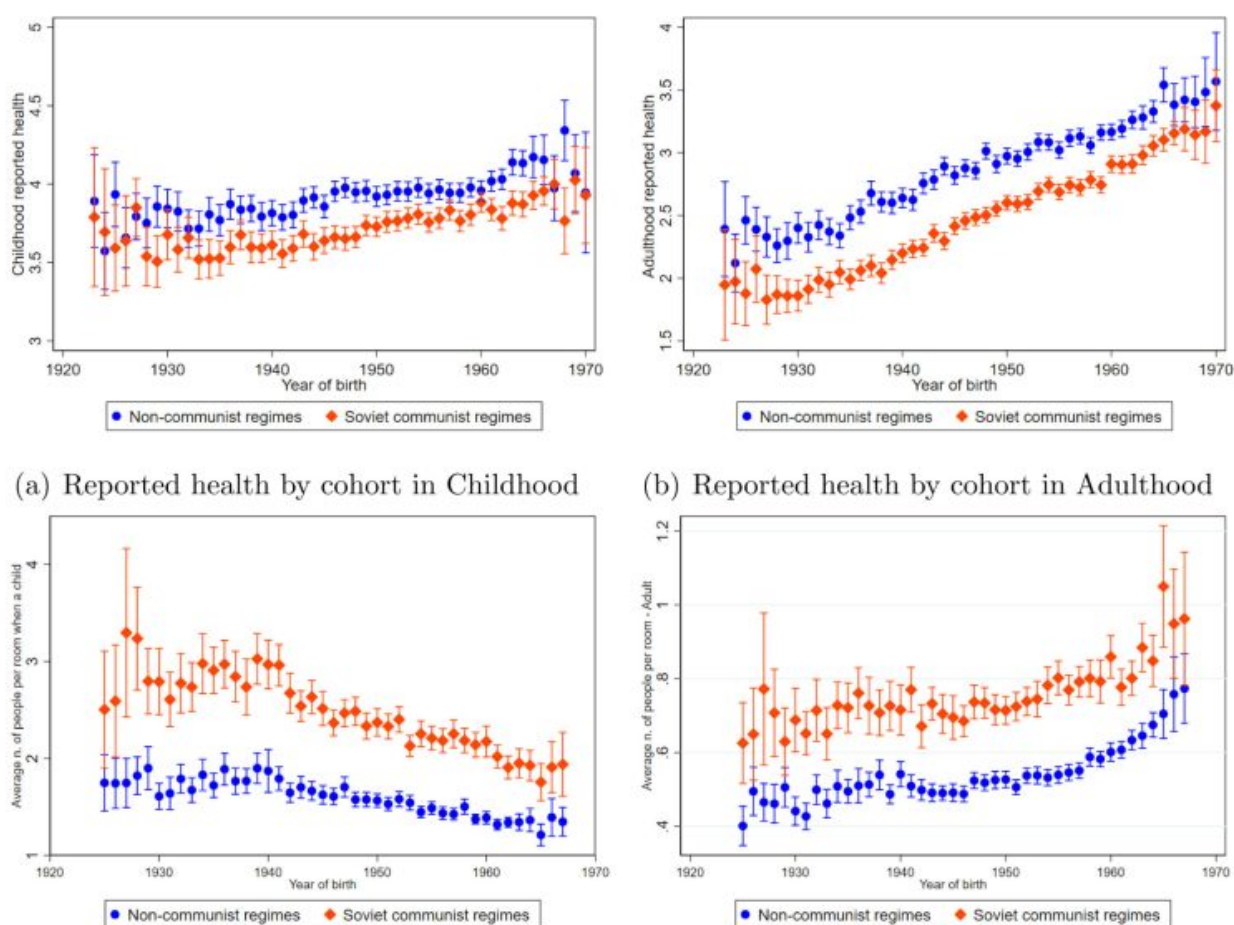
Research by Lucas Chancel, Amory Gethin and Thomas Blanchet shows that between 1980 and 2017, **most European countries experienced a rise in income inequality**. The level and evolution of income inequality in Europe reflected what occurred within countries rather than differences in average standards of living or macroeconomic growth rates across countries.

Today, inequality among EU citizens is significantly lower than among US citizens, but **slightly higher than in countries with established welfare models** such as Australia and Japan. Although previous

research has shown that **income inequality declined under Soviet Communism**, this potentially overlooks important hidden inequalities resulting from the bureaucratic allocation of private goods.

In **our research**, we use comparable welfare metrics that are relevant and more consistent across different contexts and less subject to manipulation, such as inequalities in measures of health and living conditions during adulthood and childhood. We use measures that work well for categorical and ordinal data. Figure 1 reveals that both measures of welfare – self reported health and living space – are higher among individuals that were not exposed to Soviet Communist regimes.

Figure 1: Self-reported health across age cohorts of individuals exposed and not exposed to Soviet Communist regimes



(a) Childhood n. of people per room by cohort (b) Adulthood n. of people per room by cohort

*Note: For more information, see the authors' accompanying paper in the **Journal of Comparative Economics**.*

Figure 2 reveals that health inequality levels were not dramatically different between communist and non-communist countries. Figure 3 shows that inequality in living space was comparable across regimes. This challenges the common assumption that communist regimes either achieved radical equality or, conversely, created deeply unfair systems that favoured party elites.

Figure 2: Inequality in health in childhood and adulthood

Note: For more information, see the authors' accompanying paper in the [Journal of Comparative Economics](#).

In reality, inequality was moderated by broader social and economic dynamics, not just ideology. Despite the ideological emphasis on equality within communist regimes, we find no significant difference in the distribution of welfare indicators such as living space or health between the two groups.

Figure 3: Inequality in living space (GINI indices)

Note: For more information, see the authors' accompanying paper in the [Journal of Comparative Economics](#).

These findings challenge common assumptions that Soviet-style governance either dramatically reduced inequality or created extreme disparities. Instead, it suggests that broader social and economic factors, beyond political systems, influenced welfare outcomes across the continent.

Social mobility across regimes

Nonetheless, we examine trends in health and social mobility. We find no major differences in health mobility across regimes. However, we also measure the intergenerational elasticity in our

measure of socio-economic status (living space) across regimes, finding that individuals who were exposed to Soviet Communism did experience higher upward mobility compared to their counterparts in countries that did not experience Soviet-style governance.

This suggests that, despite inefficiencies in many aspects of governance, the structure of communist regimes allowed greater fluidity for individuals to move across socioeconomic strata, at least relative to their peers in non-communist countries.

Two main explanations explain these patterns. First, in countries that were not exposed to Soviet Communism, the presence of well-developed welfare states might have played a key role in keeping inequality in check. These welfare systems often provided consistent support, such as public housing, education and healthcare, which mitigated disparities and promoted a baseline of equality.

Second, while there was a strong ideological push to reduce inequality in countries living under Soviet Communism, bureaucratic inefficiencies undermined these efforts. The centralised and often poorly managed allocation of goods and resources meant that inequality was not effectively eliminated, even though social mobility opportunities were higher.

Finally, by weakening trust and abolishing the accumulation of wealth, Soviet Communism strengthened preferences for family support. This suggests that rather than fading, family structures and networks might have **become ever more important**, very much in contrast to **the ideas Marx and Engels articulated**.

Legacy and lessons

The legacy of Soviet Communism in Europe is complex. On the one hand, it failed to eliminate inequality as effectively as promised. Inequality levels converged across countries regardless of political ideology, even though social mobility opportunities diverged, with higher mobility in communist regimes.

The balance between strong welfare systems in western Europe and bureaucratic shortcomings in eastern Europe created a landscape where equality in welfare distribution was broadly similar, but the paths to social advancement were markedly different.

Meanwhile, western European countries, with their adaptive welfare states, provided stability and fairness but sometimes at the cost of more rigid class structures. These results suggest that policy intervention can potentially exert a similar influence as regime change.

*For more information, see the authors' accompanying paper in the **Journal of Comparative Economics**.*

*Note: This article gives the views of the authors, not the position of EUOPP – European Politics and Policy or the London School of Economics. Featured image credit: **Alexey Borodin** /*

About the author

Joan Costa-Font

Professor Joan Costa-Font is a Professor of Health Economics at the London School of Economics and Political Science, where he is one of the coordinators of the Ageing@LSE group. He is a faculty associate of LSE Health and the International Inequalities Institute, where he leads the Ageing and Health Incentives Lab (AHIL) and co-leads the perceptions of inequality programme.

Anna Nicińska

Dr Anna Nicińska is an Assistant Professor in the Faculty of Economic Sciences and Digital Economy Lab at the University of Warsaw. She is a fellow of The Bekker Programme visiting the London School of Economics and Political Science, and a fellow of Higher Education Scholarship for Excellent Young Scholars.

Melcior Roig-Rosello

Melcior Roig-Rosello is an Econometrician with NHS England. In his academic research, he uses applied econometrics to tackle topics in political economy, immigration and health outcomes.



© LSE 2025