Monitoring Economic Conditions in the Russian Federation

The Russia Longitudinal Monitoring Survey 1992-2004

May 2005

Russian Longitudinal Monitoring Survey

University of North Carolina at Chapel Hill

The Russia Longitudinal Monitoring Survey (RLMS) is a series of nationally representative surveys of the Russian Federation implemented between 1992 and 2004. This report is based on surveys conducted in September 1992 (Round 1), February 1993 (Round 2), August 1993 (Round 3), November 1993 (Round 4), December 1994 (Round 5), October 1995 (Round 6), October 1996 (Round 7), November 1998 (Round 8), October 2000 (Round 9), October 2001 (Round 10), October 2002 (Round 11), October 2003 (Round 12), and October 2004 (Round 13). Data from all rounds have been weighted to ensure comparability of the information presented herein. The October 2004 data used in this report comes from a sample of 12,656 respondents in 4,715 households.

To date, the RLMS has been carried out in two phases, each of which has followed a different nationally representative sample of the Russian population. All aspects of field work in Phase II (the current phase, consisting of Rounds 5-13) were handled by the Institute of Sociology, Russian Academy of Sciences, headed by Drs. Polina Kozyreva and Mikhail Kosolapov, along with the late Dr. Michael Swafford, Paragon Research International. The Institute of Nutrition, Russian Academy of Medical Sciences, headed by Dr. Alexander Baturin coordinated and carried out the collection and processing of health and diet data.

Data collection for Phase I (Rounds 1-4) was implemented by the Russian State Statistical Bureau (Goskomstat), with Alexander Ivanov and Igor Dmitrichev co-directing this effort. Assistance was provided by the Russian Center for Preventive Medicine, led by Drs. Alexander Deev and Svetlana Shalnova. The Russian Institute of Sociology, especially Drs. Polina Kozyreva and Mikhail Kosolapov, and the late Dr. Michael Swafford of Paragon Research International also provided detailed assistance in Phase I.

Current funding for the RLMS has been provided by the United States Agency for International Development, the Pension Fund of Russian Federation, SIDA, and Vision International People Group Public Limited. Earlier funding came from the National Institutes of Health (Grant # RO1HD30880), the National Science Foundation (Grant # SES92-23326), the World Bank, the Swedish Ministry of Foreign Affairs (through the Stockholm Institute of Transition Economics), the Ford Foundation, and the University of North Carolina at Chapel Hill.

The University of North Carolina team that has coordinated all phases of the RLMS includes: Barry Popkin, Principal Investigator, and co-investigators Namvar Zohoori and Thomas Mroz.

This document may be referenced as:

> Mroz, T.A., L. Henderson, and B.M. Popkin. Monitoring Economic Conditions in the Russian Federation: The Russia Longitudinal Monitoring Survey 1992-2004. Report submitted to the U.S. Agency for International Development. Carolina Population Center, University of North Carolina at Chapel Hill, North Carolina. May 2005.

Detailed information on the RLMS can be obtained from:

Barry M. Popkin
Carolina Population Center
University of North Carolina
CB # 8120 University Square
123 W. Franklin St.
Chapel Hill, NC 27516-3997
Phone: (919) 966-2155 FAX:(919) 966-9159 E-MAIL: POPKIN@UNC.EDU

Access to RLMS data is being provided to the public as data sets become available at the RLMS home page, http://www.cpc.unc.edu/projects/rlms

Monitoring Economic Conditions in the Russian Federation

The Russia Longitudinal Monitoring Survey 1992-2004

Thomas Mroz, Laura Henderson, and Barry Popkin
took the lead in the preparation of this report

Part 1. Overview of Key Findings

1. Price increases have been moderate for the past six years. For the second year in a row nominal prices have increased by only 12%.

2. The overall poverty rate declined by 3.6 percentage points during the past year. It now stands at 9.5%, the lowest level ever observed in the RLMS. Only 17% of children six and younger and 3% of pension-aged individuals live in households with below poverty line incomes.

3. Real household income increased by 7% during the past year, the highest observed in the RLMS. Incomes for the poorest 20% of households rose by 13% during the past year, implying a moderate decline in relative income inequality. Per capita incomes also suggested more real growth at lower income levels.

4. Wage income grew by 12% during the past year, and 28% of all households received income from working for private organizations. The amount of labor income from private sources increased by almost 25% over the past year, and now 43% of wage income comes from working for privately-owned organizations. Households in the highest income quintile are three times more likely to receive wage income from private sources than are household in the lowest income quintile.

5. Gender earnings differentials appear to be smaller in privately-owned firms than in State-owned organizations, but the across sector difference in the gender gap has narrowed over the past year.

6. Transfer payments from the State rose by 4% during the past year. State transfers and State wages provide 45% of all household income, with pension payments making up almost 90% of all State transfer payments.

7. Real household expenditures increased by 2% over the past year. Real food expenditures did not change during the past year. The average budget share for food remains at 54% for the second year in a row.

8. One in six households now owns a computer. Almost 20% of individuals have access to the internet, with 8% having internet access at home.

9. The unemployment rate increased from 6.3% in October 2003 to 6.9% in October 2004. The composition of unemployment spells, however, appears to have shifted towards shorter duration spells.

10. It continues to be difficult to reconcile the fall in the budget share of food from 73% in 1992 to 54% in 2004 with the relatively high levels of real income in the mid 1990s. A simple calculation of the real cost per calorie consumed using the RLMS data reveals that the implicit price of food has fallen by 20 to 40% since 1992. If there have been important relative price shifts, then it might be necessary to adjust poverty lines and price indices to reflect these important real changes.

Inflation

Recent price increases in Russia have been moderate. Since late 1998 inflation rates have followed a pronounced downward trend. From December 2003 to December 2004 prices rose by only 12%. Due to these modest inflation levels, the income, wage, and expenditure measures for October 2000 through October 2004 in the RLMS are likely to provide relatively accurate indications of real economic conditions. Incomes and expenditures measured in the RLMS for 1998 and in many earlier years, however, took place during high and variable inflationary periods. Consequently, changes in real ruble incomes and expenditures as measured with the RLMS using data from 1998 and some earlier years should be interpreted cautiously.

In this report all incomes, expenditures, and payments for all survey years are in December 2003 prices; some earlier reports normalized to June 1992 rubles.[1] This report uses Goskomstat's consumer price index to translate nominal values to December 2003 rubles. Prices at the end of 2004 were only 24% higher than those in June 1992, but it is important to recall that the ruble was re-denominated by a factor of 1000 at the beginning of 1998.[2] At the end of December 2004, the exchange rates were about 28 rubles per dollar and 38 rubles per euro, almost unchanged from the end of 2003.

The consumer price index reflects changes in the overall cost of living for all Russians, but it might not measure accurately the relevant prices faced by poor individuals. To overcome this shortcoming, in some earlier rounds of the RLMS we used the official Russian poverty lines to define the incidence of poverty in Russia. These official measures were developed by Russian officials and researchers and UNC-CH researchers, and they reflect the average cost of food items in a Russian food basket for low-income persons. For more recent reports on the RLMS, we refined the official all-Russia poverty lines to incorporate oblast-level price variations, regional food baskets, and adjustments for family size (economies of scale adjustments). Our adjusted poverty lines, like the official poverty lines, reflect the cost of living for low-income persons. In this report all poverty measures for all years use our modified poverty lines.

Figure 1a contains a comparison of the consumer price index and the adult male poverty line, constructed with all-Russia average prices, across all time periods covered by the RLMS. Note that the vertical axis is measured on a logarithmic scale; equal increases on this scale correspond to equal proportionate changes.

Figure 1a: Monthly Price Levels (6/92-12/04)

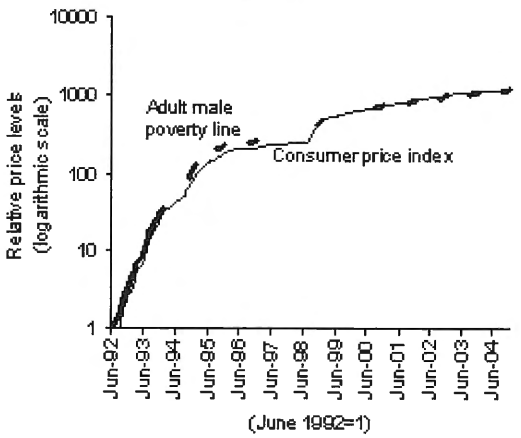
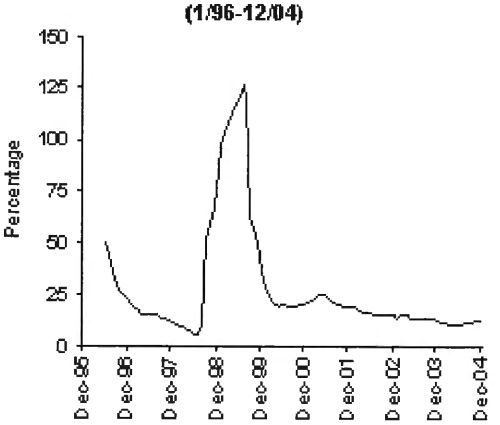


Figure 1b: Annual (12 month) Inflation Rates (1/96-12/04)



From December 2003 to December 2004, the adult male poverty line increased by 12%, almost nearly the same as the overall price index. Figure 1b focuses on inflation over each 12 month period starting in 1996. Inflation during this time period was much less severe than the period 1992 to 1995 when 12 month inflation rates were always over 100% and exceeded 1000% and 2000% at several points. Currently price inflation is at its lowest level since just before the banking collapse started in August 1998. A later section of this report presents some additional information about the current relevance of both the consumer price index and the poverty lines.

Household Income Sources

The last row of Table 1 indicates that average real household income increased by 7% from October 2003 to October 2004. This is slightly above the 2002-3 growth rate, but well below the 10% to 18% annual real income growth rates experienced from 1998 to 2002. Average real household income is now at the highest level ever recorded in the RLMS. Total wage income increased by 12% during the past year, and income from working for private organizations increased by nearly 25%. Overall, total real wage income

Table 1 - Income: Composition of Household Income in the Russian Federation (in December 2003 rubles)

	Dates Data Collected						
Sources of Income	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Income from work for State-owned organizations	4057	1851	1290	1673	2347	2314	2379
Income from work for private organizations	256	977	621	805	1559	1813	2239
Income from work for combined State-owned and private organizations	519	672	373	514	536	484	559
Total income from wages	4832	3500	2284	2992	4443	4611	5177
Transfers from the State (pensions, unemployment benefits, stipends, State allowances)	1343	1133	968	1089	1608	1687	1753
Cash income from home production and informal sector	540	522	424	690	838	863	879
Noncash income from home production and informal sector	560	699	758	604	513	472	408
Sale of personal belongings	374	140	136	134	254	342	223
Rental of personal property	6	11	12	12	24	20	39
Dividends	n/a	88	23	115	30	19	199
Family and charity transfers	1032	621	383	452	498	610	568
Total monthly income (December 2003 rubles)	8686	6715	4988	6087	8208	8624	9246

is at its highest level observed in the RLMS. Note that 43% of all wage income now comes from strictly private sources. Income from working at State owned organizations now makes up only 46% of all wage income, its smallest percentage in all RLMS surveys.

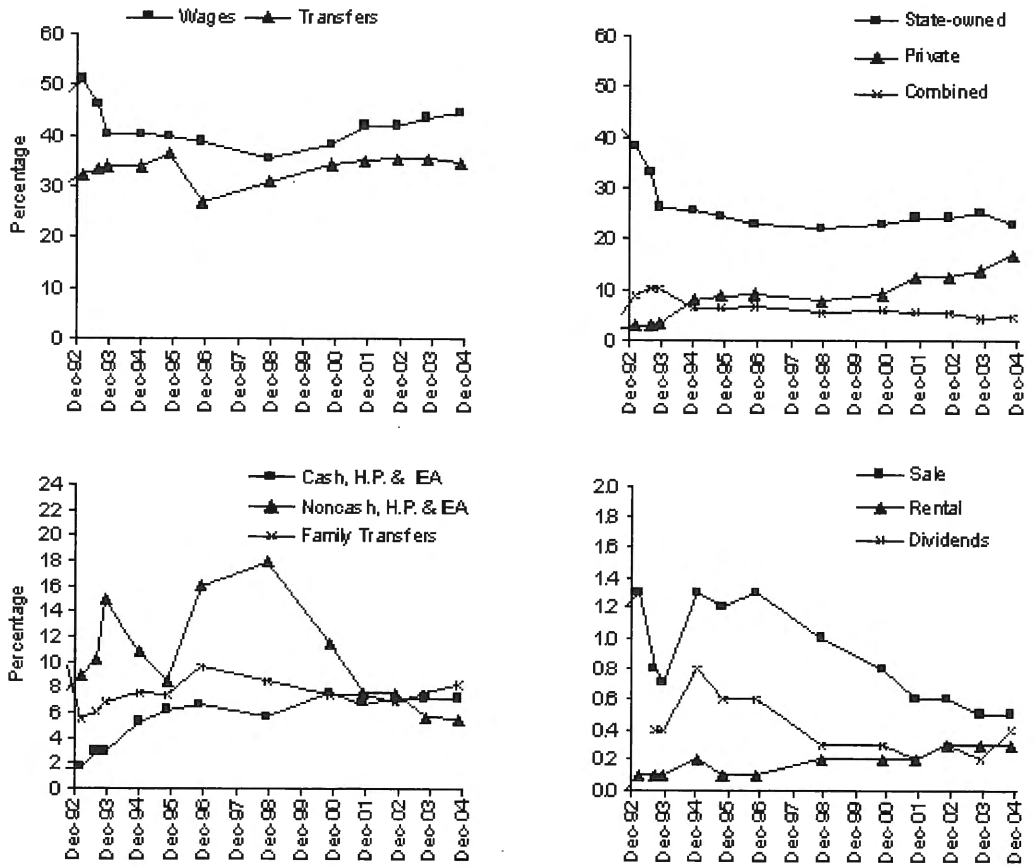
Real transfers from the State increased by 4% over the past year. Within this category, unemployment benefits increased by over 50% and apartment and child benefits increased by about 15%; pensions only increased by 3% on average, while fuel subsidies fell by nearly one half. Cash income from home production rose by 2% over the past year. Noncash income from home production fell by nearly 15%, continuing its long-term decline in importance. The 408 ruble value is the smallest ever observed in the RLMS. Income from the sale of personal belongings fell by almost 35% over the past year, bringing it back below its 2002 level. On average dividends increased sharply, but this was due to only a few individuals in the sample reporting high values. Overall 99% of households report no income from dividends or insurance payments. Family and charity transfers fell by 7%.

Table 2 and Figure 2 show the average percentages of household income by source from 1992 to 2004.[3] The average fraction of income from wages is now about 45%, its highest level

Table 2 - Income: Distribution of Sources of Income (percentages)

	Dates Data Collected						
Sources of Income	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Income from work for State-owned organizations	41.5	22.9	22.3	22.9	24.1	25.1	22.9
Income from work for private organizations	2.3	9.2	8.0	9.2	12.5	14.0	16.9
Income from work for combined State-owned and private organizations	5.1	6.8	5.3	6.1	5.4	4.4	4.7
Total income from wages	48.9	38.9	35.6	38.2	42.0	43.5	44.5
Transfers from the State (pensions, unemployment benefits, stipends, State allowances)	30.9	27.1	30.9	34.3	35.5	35.4	34.7
Cash income from home production and informal sector	1.6	6.5	5.6	7.5	7.1	7.1	7.1
Noncash income from home production and informal sector	7.8	15.9	17.8	11.5	7.5	5.6	5.5
Sale of personal belongings	1.2	1.3	1.0	0.8	0.6	0.5	0.5
Rental of personal property	0.0	0.1	0.2	0.2	0.3	0.3	0.3
Dividends	n/a	0.6	0.3	0.3	0.3	0.2	0.3
Family and charity transfers	9.7	9.6	8.5	7.3	6.8	7.5	7.1
Total monthly income (percent)	100%	100%	100%	100%	100%	100%	100%

Figure 2: Average Share of Income from Source



since the summer of 1993. The average fraction of total income from working for fully or partially State-owned enterprises fell slightly from last year, but it remains high at almost 28%. The fraction of income from working for private organizations increased by three percentage points during the past year. It now stands at 17%, its highest level ever observed in the RLMS.

The importance of state transfers as an income source fell slightly during the past year; note that almost 90% of all transfers comes from pensions. In total, the average income share from state transfers is only two percentage points below its peak level of 36.5% observed in October 1995. In 2004, the average fraction of income from all State or combined State-private sources, including transfers and wages, fell by 2.6 percentage points from its level of 65% in 2003. Given the only trivial changes in the importance of the State as an income source in the early part of the decade, it is unclear if this recent change should be considered evidence of a new, reduced reliance on income from State sources.

Home production and informal sector activities make up an average 13% of total household income, nearly identical to last year. Cash income from home production and informal sector activities make up an average income share of about 7 percent; non cash income from these activities, at 5.5%, continues its downward trend and is at its lowest level observed in the RLMS. Private transfers as a percent of household income increased slightly and now comprise an average budget share of 7%.

Table 3 reports the percentages of households having any income from each of the sources listed in Table 2. The fraction of households receiving income from State jobs fell slightly during the past year. Over 28% of all households in 2004 received some wage income from private organizations, up from 24% in 2003. It is now at the highest level ever observed in the RLMS. The fraction of households with no income from wages fell slowly throughout this decade and now stands at 36%. There was a slight increase in the fraction of households receiving transfers from the State, and at the end of 2004 more than three out of every four households received State transfer payments. This high incidence is due to the fact that more than half of all households contain pension-aged persons. Note that pension payments provide 54% of those households' total income.

Table 3 - Income: Percent of Households with Income from each Source

	Dates Data Collected						
Sources of Income	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Income from work for State-owned organizations	64.9	41.2	42.1	44.4	44.2	43.6	43.0
Income from work for private organizations	5.3	16.6	16.0	17.5	23.0	24.4	28.4
Income from work for combined State-owned and private organizations	10.5	12.4	10.7	12.1	10.7	8.7	9.0
Any income from wages	72.4	59.2	57.6	60.9	62.1	61.6	64.1
Transfers from the State (pensions, unemployment benefits, stipends, State allowances)	86.5	54.8	60.3	69.8	75.1	76.4	76.8
Cash income from home production and informal sector	15.2	24.9	24.1	26.4	25.6	27.0	24.4
Noncash income from home production and informal sector	56.3	60.0	62.9	59.2	55.2	53.5	50.5
Sale of personal belongings	3.8	3.2	2.8	2.6	2.0	1.5	1.4
Rental of personal property	0.2	0.3	0.6	0.6	1.3	1.0	1.3
Dividends	n/a	1.8	1.1	1.2	1.2	1.1	1.1
Family and charity transfers	34.7	25.9	25.5	27.5	26.7	27.8	29.0

The fraction of households receiving cash income from home production fell slightly during the past year. This was accompanied by a fall in the fraction of households with noncash income from home production and the informal sector. Only 1% of households received any income from the sale of personal belongings. The fraction of all households reporting the receipt of family transfers or charity payments continued its rise since the late 1990s, and it now stands at 29%.

Table 4 categorizes the composition of household income by quintiles of the per capita income distribution. Within each quintile it also provides summary information on the level of real income. The last row in the top panel of Table 4 presents the average 2004 income by income quintiles in 2004. The last panel in Table 4 contains summary data for comparisons with incomes and income sources in 2003 across income groups. Overall, real household income grew over 13 percent since 2003 for the poorest group, while it grew only 6 to 11 percent for the higher four income groups.

Table 4 - Income: Distribution of Sources of Income by Quintiles Based on Per Capita Income, October 2004

	Per Capita Income Quintiles				
Sources of Income	bottom 20%	21-40%	41-60%	61-80%	top 20%
Income from work for State-owned organizations	21.7	20.3	20.2	25.8	26.6
Income from work for private organizations	10.3	11.1	15.1	17.7	30.2
Income from work for combined State-owned and private organizations	3.7	2.3	4.0	6.2	7.4
Total income from wages	35.7	33.7	39.3	49.7	64.2
Transfers from the State (pensions, unemployment benefits, stipends, State allowances)	37.0	51.2	43.9	28.5	12.8
Cash income from home production and informal sector	9.5	4.8	5.3	6.9	9.2
Noncash income from home production and informal sector	7.7	4.8	5.5	5.8	3.5
Sale of personal belongings	0.4	0.3	0.1	0.4	1.2
Rental of personal property	0.5	0.0	0.1	0.4	0.6
Dividends	0.0	0.3	0.1	0.1	1.2
Family and charity transfers	9.2	4.9	5.8	8.1	7.4
Average monthly income, October 2004	3359	5120	6809	10183	20793
Income from wages, October 2003	42.6	34.2	33.8	47.7	58.9
Transfers from the State (pensions, unemployment benefits, stipends, State allowances), October 2003	37.0	49.1	47.6	29.5	13.6
Average monthly income, October 2003	2967	4818	6157	9551	19658

Households in the lowest income quintile receive only 36 percent of their income from wages. This is down from the 43 percent share for the poorest fifth in 2003; nearly all of this decline is due to a reduction in wage income from State owned organizations. Wage income from state owned sources, however, is an important income source for households in every quintile. The top two quintiles have higher fractions of their income coming from working for the State than the lower

three quintiles. Wages from privately owned organizations provide less than 10 percent of income, on average, for the lowest income quintile; this rises monotonically with income and reaches over 30% for those in the highest income group.

State transfers constitute half of total income for those in the second lowest income groups, but state transfers provide an average of only 37% of income for the lowest income group. The highest two income groups are much less dependent on state transfers as a fraction of total income.

For those in the lowest income quintile, the fraction of income from home production and informal sector activities rose from 11% in 2003 to 17% in 2004. Much of this increase is due to an increased reliance on noncash income. There is considerable variability over time in the importance of home production for the poor. In earlier years for the lowest income group, household and informal sector activities provided a considerable fraction of income. For example, in 2000 the lowest quintile had nearly 23% of its income from these sources, and in 1998 these sources provided over 30% of all income for this group.

On average, households in the wealthiest quintile have 6.2 times more income than households in the poorest quintile. This income ratio has fallen in almost every survey since 1998, when households in the top wealthiest quintile received 7.5 times more income than poorest quintile households. (The figures for earlier years come from the 1998, 2000, 2001, 2002, 2003, and 2004 RLMS Reports.)

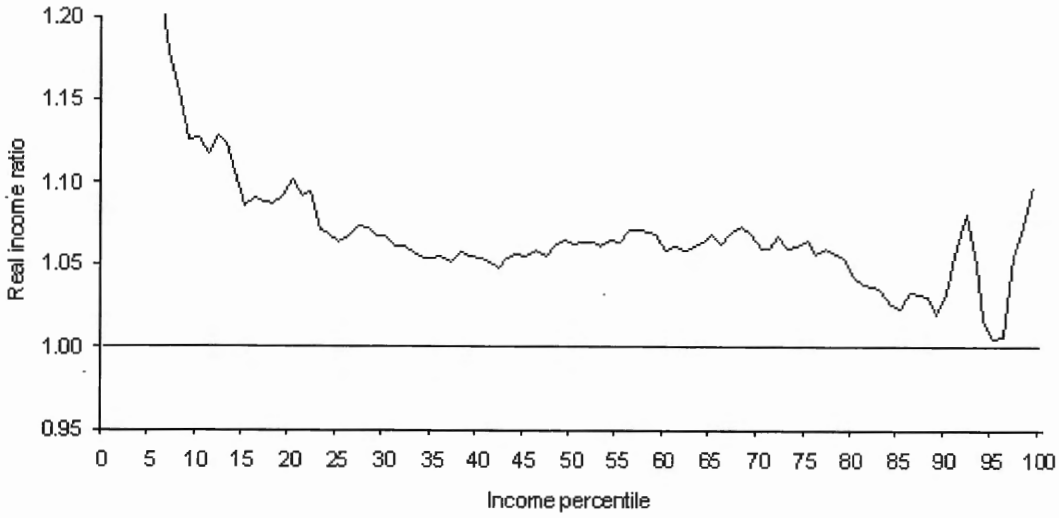
Table 5 provides information on the fraction of households receiving wage income from the various sources by income quintile. Households in the highest quintile are nearly three times as likely to receive wage payments from private organizations than are households in the lowest income group. For each of the four highest income quintiles, the fraction of households with income from working for private organizations increased substantially, by 2 to 7 percentage points. Nearly half of all households in the top quintile has private wage income. There were only modest changes over time in the incidence of having received wage income from the State, and each income group experienced slight increases in the fraction of households receiving income from combined State-owned and private organizations.

Table 5 - Income: Percent of Households with Income from each Source by Quintiles Based on Per Capita Income, October 2004

	Per Capita Income Quintiles				
Sources of Income	bottom 20%	21-40%	41-60%	61-80%	top 20%
Income from work for State-owned organizations	37.4	37.6	37.0	49.2	54.0
Income from work for private organizations	16.2	20.0	25.4	33.1	47.3
Income from work for combined State-owned and private organizations	6.3	4.6	7.5	11.8	14.9

Figure 3 displays the changes in the per capita income distribution from October 2003 to October 2004. It plots the value of the real per capita income at each income percentile in 2004 as a fraction of the real per capita income at the same percentile in 2003. Note that this graph refers to per capita incomes, while most earlier tables and graphs were for household incomes. Because of measurement issues, the lowest two and the highest two percentile groups are not included in this figure. At every displayed percentile of the income distribution there has been an increase in real per capita income. The lowest per capita income percentiles experienced the most income growth relative to their income levels, suggesting a decline in relative income inequality over the past year. The lowest per capita income growth rates happened towards the upper tail of the income distribution, with most percentiles above the 75th having less than 5 percent growth over the past year.

Figure 3: October 2004 to October 2003 Income Percentile Ratios (Real Income at Percentile P in 2004 Divided by Real Income at Percentile P in 2003)



The impacts of these recent income increases are reflected in answers to several attitudinal questions asked during the 2004 and earlier RLMS surveys. When asked in 2004 about how they thought that their family's financial position had changed in the last twelve months, 24% felt that there had been a slight or great improvement, while 20% believed their condition had either slightly or greatly worsened. The rest, 56%, felt there had been no change. When asked in 2004 if they were satisfied with their lives in general, 36% reported that they were either "fully satisfied" or "rather satisfied." This fraction is slightly higher than the 34% reporting so in 2002 and the 32% reporting so in 2003. It is considerably higher than the 24% reporting such in 2001 and is nearly double the percentage found for 2000 (18%). Still, in 2004 39% felt that they were less than satisfied or not at all satisfied with their life at present. This dissatisfaction measure is down from 45% 2003, and it is much lower than the 52% feeling not satisfied in 2001 and the 59% in 2000.

The subjective evidence of economic improvements over the past year, as measured by how individuals placed themselves on a nine-step economic ladder, is more positive. About five percent place themselves on one of the top three rungs, up from under four percent in 2003. Only 39 percent currently place themselves on one of the lowest three rungs, compared to 42 percent in 2003. In response to a question about how they thought their family would fare over the coming year, 30% expected some improvement while only 16% were expecting their condition to deteriorate. Overall, the subjective evidence supports the above quantitative evidence of moderate improvements in economic conditions from October 2003 to October 2004.

Household Expenditures

Table 6 indicates that average total household expenditures rose by two percentage points from October 2003 to October 2004, from 9447 to 9612 rubles. Even with the continuous growth in real expenditures in RLMS surveys since 1998, it is important to recognize that there were higher real average expenditures measured ten to twelve years ago. Total real average expenditure is currently 15% below its peak level observed from August 1993 through December 1994. (See the 1998 RLMS Report).

Since 2001, average household food expenditures have barely changed. About the only changes within food consumption of note during the past year are the 30% drop in potato expenditures, the slight increase in expenditures on dining away from home (+7%), and the decline in the expenditure value of home produced foods (-8%). Dining away from home is now at is highest real level observed in all thirteen RLMS surveys. Real food expenditures are only three fifths as high as the maximum real level observed in the RLMS (in August 1993).

The annual growth rate in nonfood expenditures slowed considerably over the past year, with expenditures on nonfood items increasing by less than 3 percentage points. It is, however, the largest real amount spent in this category since the inception of the RLMS. The largest increase during the past year was in electronics and durables (+21%, +230 rubles). Average household expenditures on rent and utilities increased by two percent (+11 rubles) over the past year. Expenditures on services and recreation fell (-1%, -21 rubles), as did expenditures on clothing (-9%, -78 rubles). The absolute level of savings fell by 23 percent (-91 rubles) from October 2003 to October 2004. This is the second year in a row that the level of household savings fell.

Table 7 presents household expenditures by per capita expenditure quintile for October 2004. Food expenditures comprise 61% of total expenditures for households in the lowest total expenditure quintile, up slightly from 2003, but considerably below the 71% expenditure share in 1998.[4] The expenditure share of food declines with increases in the expenditure quintile, falling to only 31 percent of expenditures for the highest quintile. Nevertheless the highest expenditure quintile does spend nearly four times more on food than does the lowest quintile. Meat, poultry, and fish expenditures rise rapidly with increased expenditure level, as do expenditures on dining away from home. The top income quintile spends eight times more on fruits and vegetables than the lowest quintile, while they spend less than 40% more on bread.

The increase in expenditures on electronics and durables with the total level of expenditures is remarkable. The poorest quintile spends only 1% on these goods, while the wealthiest quintile has nearly 25% of their total expenditures in this category. On average in 2004, just as in 2002 and 2003, households in the highest expenditure quintile spend almost eight times more than the amount spent by the poorest 20% of households in total. This relative differential, however, has fallen from about a factor of 10 in 1998.

Table 6 - Monthly Household Expenditures in the Russian Federation (in December 2003 rubles)

	Dates Data Collected						
Expenditure Categories	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Food Expenditures							
Dairy products	404	374	257	264	328	319	330
Meat, poultry, fish	1341	1135	752	793	1007	971	1025
Potatoes	175	136	39	170	150	156	109
Bread	642	732	440	463	386	405	420
Fruits, vegetables	656	396	196	256	323	341	350
Other food items	1712	870	754	752	764	793	757
Dining away from home	280	321	212	290	427	454	486
Home production of food	585	679	804	687	591	533	493
Alcohol	324	195	125	135	150	135	146
Total spent on food	6119	4838	3582	3810	4127	4107	4116
Nonfood Expenditures							
Tobacco	172	137	128	108	128	140	135
Clothing	920	748	680	790	856	869	791
Fuel[1]	119	266	163	275	305	373	351
Electronics and other durables	478	777	535	790	693	1081	1311
Services and recreation	150	1175	726	1079	1276	1423	1402
Payment for tuition, loans, other debts, insurance	403	191	209	117	284	245	367
Rent and utilities	125	338	275	303	492	570	581
Stocks, bonds	56	11	2	1	0	0	0
Miscellaneous household items (soap, toys, newspapers, etc.)	546	n/a	n/a	138	227	244	252
Savings	186	251	192	309	413	396	305
Total spent on nonfood	3155	3894	2910	3909	4675	5340	5496
Total food and nonfood expenditures	9274	8732	6491	7719	8802	9447	9612

[1]Beginning with the data collected in December 1994, the definition of fuel changed to include auto fuel, bottled gas, and firewood. In previous rounds, bottled gas and firewood were included in the utilities category. The proportions of fuel obtained from each source in the above survey years are: 12/1994: auto fuel - 49%, firewood - 19%, bottled gas - 32%; 10/1996: auto fuel - 56%, firewood - 18%, bottled gas - 26%; 11/1998: auto fuel - 58%, firewood - 16%, bottled gas - 26%; 10/2000: auto fuel - 71%, firewood - 11%, bottled gas - 18%; 10/2002: auto fuel - 72%, firewood - 11%, bottled gas - 17%; 10/2003: auto fuel - 71%, firewood - 13%, bottled gas - 16%; 10/2004: auto fuel - 73%, firewood - 13%, bottled gas - 13%.

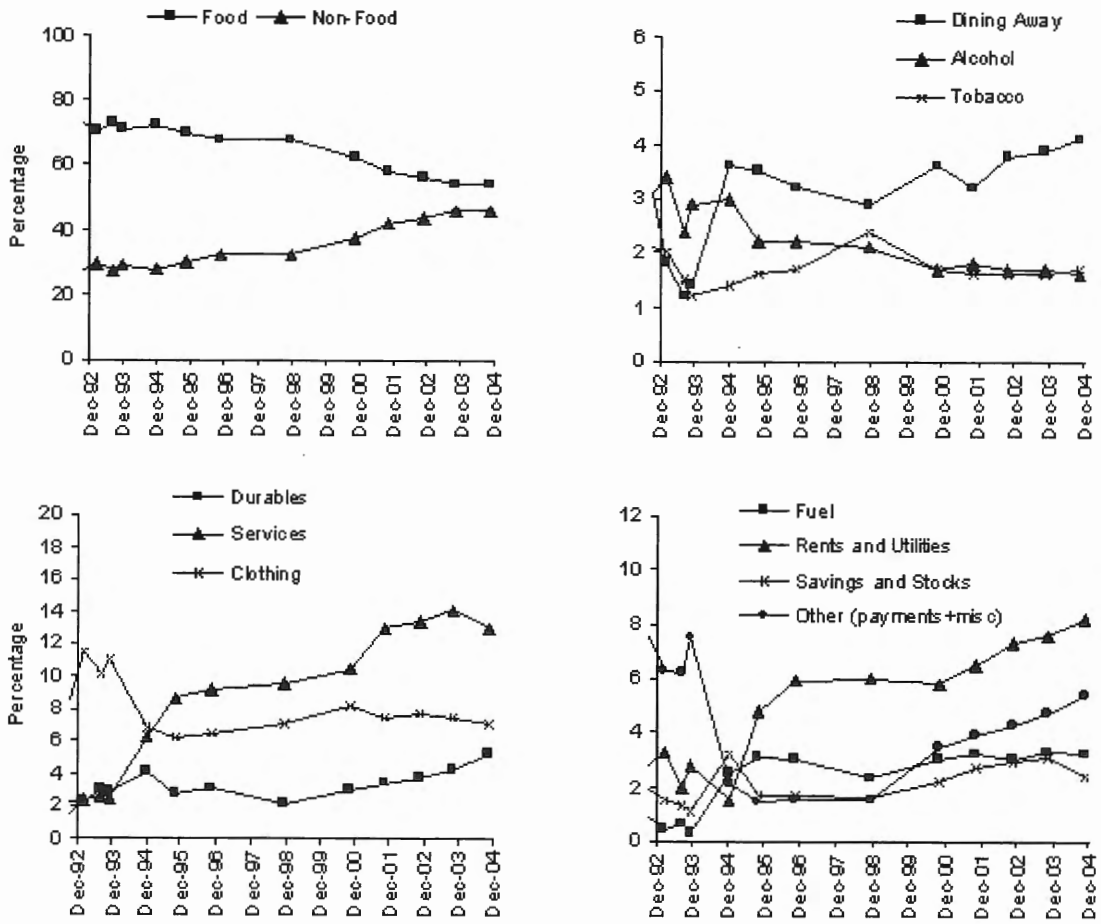
The top expenditure households spend 14 times more on nonfood items than the poorest households. Of particular note, the highest expenditure households spend 40 times more on payments for tuition and loans, they save 44 times larger amounts, and they spend 200 times more on electronics and durables than the lowest expenditure group. Overall from 2003 to 2004, total expenditures in the second lowest quintile decreased by 1 percent, while expenditures for all other quintiles increased by one half to 3 percent.

Table 7 - Monthly Household Expenditures by Quintiles based on Per Capita Expenditures (October 2004)

	Per Capita Expenditure Quintiles				
Expenditure Categories	bottom 20%	21-40%	41-60%	61-80%	top 20%
Food expenditures					
Dairy products	126	242	330	413	538
Meat, poultry, fish	333	722	1016	1289	1772
Potatoes	19	47	92	154	236
Bread	352	408	423	436	484
Fruits, vegetables	90	215	322	411	716
Other food items	326	550	681	964	1266
Dining away from home	96	230	377	625	1107
Home production of food	352	432	580	639	463
Alcohol	37	73	104	184	332
Total spent on food	1731	2918	3925	5114	6914
Non-food expenditures					
Tobacco	68	100	126	155	230
Clothing	248	428	599	891	1796
Fuel	61	155	296	483	764
Electronics and other durables	25	135	286	730	5410
Services and recreation	278	548	891	1470	3840
Payments for tuition, loans, other debts, insurance	27	91	203	429	1093
Rent and utilities	287	425	541	681	973
Stocks, bonds	0	0	0	0	0
Miscellaneous household items (soap, toys, newspapers, etc.)	93	161	226	277	506
Savings	22	80	150	312	967
Total spent on non-food	1108	2123	3318	5428	15579
Total food and non-food expenditures	2839	5041	7243	10542	22493
Total spent on food, October 2003	1662	2896	3859	5115	7021
Total spent on non-food, October 2003	1107	2197	3351	5371	14731
Total food and non-food expenditures, October 2003	2768	5094	7210	10486	21752

Figure 4 shows long term trends in average budget shares for various expenditure categories. The average share of food expenditure declined almost monotonically over whole survey period, from 72.5 percent in 1992 to 54.1 percent in 2004. The share of total expenditure spent on dining away from home, however, displays a positive trend since 1998. In the nonfood group, the budget shares of rents and utilities and electronics and durables continue to trend upwards, while clothing expenditures as a fraction of all consumer spending has been declining since 2000. The increases over time in the budget shares of services and fuel appear to have leveled out.

Figure 4: Average Share of Expenditure



Ownership of Assets

Table 8 reports the ownership of assets from 1992 through 2004. As expected, fewer households own black and white televisions in 2004 than in the previous years of the survey, accompanied by a moderate increase in the fraction of households owning color TVs and VCRs. Currently one in six Russian households owns a personal computer. This is up from one in nine households owning a computer in October 2003 and one in twelve in October 2002. Access to the internet increased during the past year; now nearly 20% of individuals having some internet access and 8% have internet access at home. The fraction of households owning the other assets listed in Table 8 changed little during the past year.

Table 8 - Proportions Owning Various Assets at the Time of the Survey

Assets	Sept.1992	Oct. 1996	Nov. 1998	Oct. 2000	Oct. 2002	Oct. 2003	Oct. 2004
Television, b&w	53.7	43.4	34.5	29.8	21.5	18.5	13.4
Television, color	54.6	67.6	73.5	75.9	82.9	84.4	87.8
VCR	3.1	24.7	32.2	33.4	38.8	41.0	42.6
Computer	n/a	n/a	4.0	4.1	8.2	11.2	16.1
Car or truck	16.5	22.5	24.8	26.3	28.6	27.7	27.8
Refrigerator	93.0	92.8	92.4	93.3	94.4	94.2	94.6
Washing machine	76.6	78.4	78.5	79.1	78.9	80.0	80.4
Dacha*	17.8	30.8	30.9	30.4	28.8	27.2	27.1

*Dacha includes garden or country house; proportion of ownership is calculated for urban households only.

Unemployment, Labor Force Participation, and Job Changes

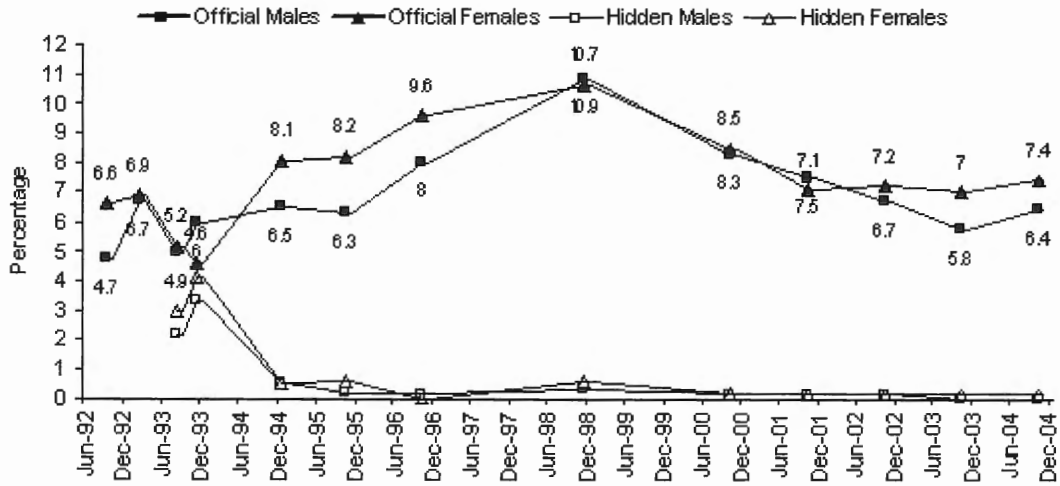
Table 9 contains detailed information on the incidence of unemployment, the frequency of work without pay, and the duration of unemployment from 1992 to 2004. It contains both official unemployment (BLS/ILO definition) and hidden unemployment. The official rate, the fraction of the labor force not working and looking for work, decreased from its highest level of 10.8% in November 1998 to 6.3% in October 2003. During the past year it increased by more than one half a percentage point and now stands at 6.9%. Adjustments for "hidden" unemployment, while substantial during the first few years of reform, have at most trivial importance for the more recent RLMS survey years.[5] The fraction of the labor force reporting having worked in the past month but receiving no labor earnings fell to 5%, after remaining roughly constant near 9% from 2001 through 2003. It reached its peak value of 21% in 1996. Figure 5 shows the time trends in unemployment separately for men and women.

The lower panel in Table 9 indicates a noticeable shift in the composition of unemployment spells from medium and long term spells towards shorter term unemployment spells (under one month). Almost 70 percent of the unemployed, however, have been without a job for more than three months. The last two rows in Table 9 indicate significant job turnover and occupational realignments. Within the past year, 13% of the currently employed report having changed their place of employment, and nearly 8% had changed their profession.

Table 9 - Unemployment Rates among Working-Aged Adults (Men 18-60; Women 18-55), Russian Federation, 1992-2004

Categories	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Unemployment rate (BLS/ILO definition)	5.6	8.8	10.8	8.4	6.9	6.3	6.9
Unemployment rate (including hidden unemployment)*	n/a	8.8	11.2	8.5	7.0	6.4	6.9
"Hidden unemployment" rate *only*	n/a	0.0	0.5	0.1	0.1	0.1	0.1
Percentage of labor force reporting employment and no labor earnings in the last 30 days	5.8	21.4	17.1	10.8	8.8	8.7	5.1
Duration of unemployment (excluding hidden unemployment)							
Less than 1 month	n/a	7.7	5.4	9.0	6.8	11.1	11.4
1-3 months	n/a	13.0	20.6	15.8	20.9	17.2	20.1
More than 3 months	n/a	79.4	74.0	75.3	72.3	71.7	68.5
Labor force participation rate	86.7	84.5	82.6	82.4	82.4	82.5	82.2
Percentage reporting change in place of work	n/a	n/a	9.9	11.2	13.1	12.9	12.9
Percentage reporting change in profession	n/a	n/a	7.5	8.1	9.3	9.5	7.9

Figure 5: Unemployment Rates by Gender



Figures 6 and 7 present the trends in labor force participation rates since 1992. Over the past year the prime-aged male labor force participation rate continued its moderate decline since the 2001 RLMS, while the female rate has been slowly increasing during the same period. The male participation rate, at 84.2%, is at its lowest value observed in the RLMS. Among pension-aged persons, the male labor force participation rate rose slightly to 16 percent in 2004, while the pension-aged female participation rate fell slightly. About one in six pension-eligible persons actively participated in the labor market at the end of 2004.

Figure 6: Labor Force Participation of Working-Aged Adults (those with jobs or looking for jobs)

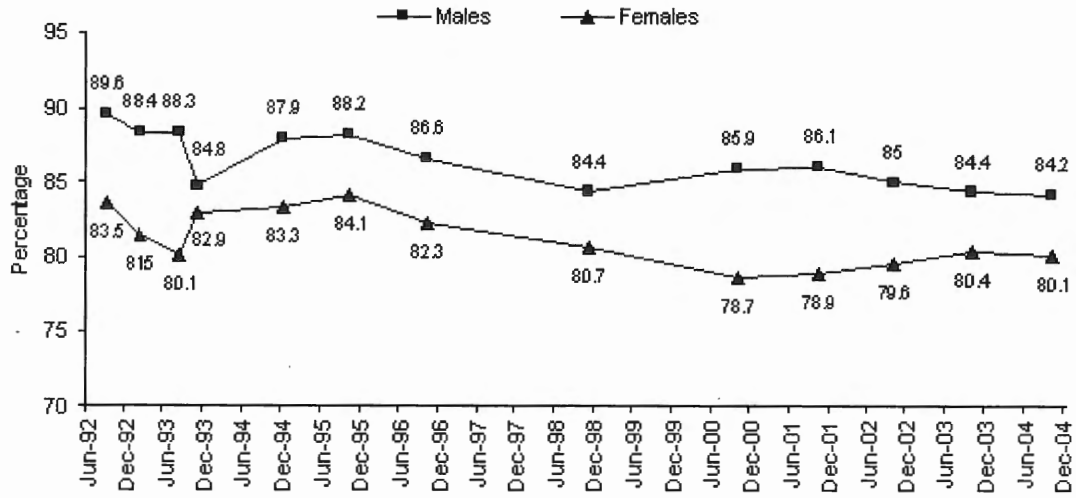
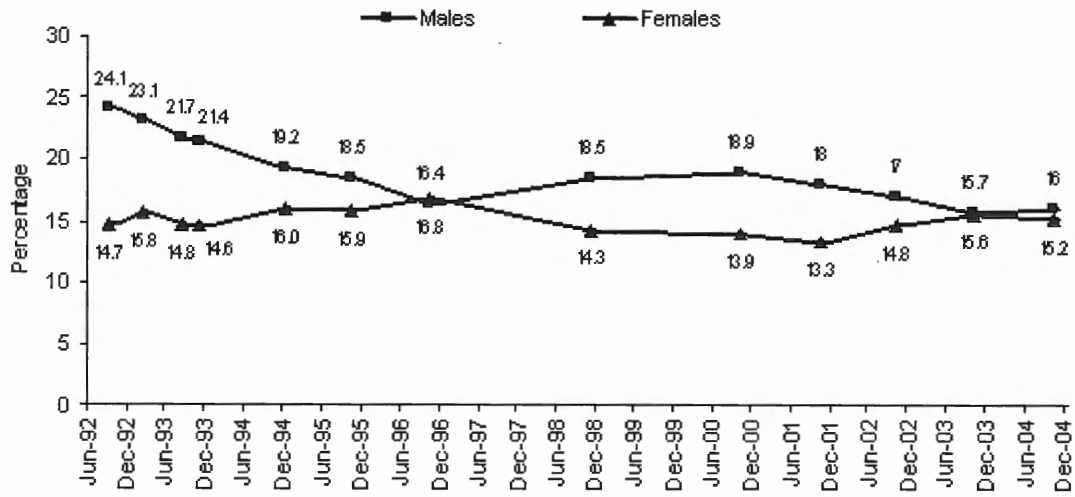


Figure 7: Percentages of Pensioners with Any Kind of Job



Poverty

Table 10 shows the changing incidence of poverty from 1992 to 2004. The fraction of households with income below the poverty line continued its fall since peaking at 38% in 1998.[6] The poverty rate now stands at 9.5%, and it is the lowest incidence of poverty ever measured by the RLMS.

The incidence of extreme poverty, as indicated by the fraction of households with less than one-half of the poverty line in income now stands at 3.2%, the second lowest level ever observed in the RLMS. (It was 3.0% in both September 1992 and August 1993).

Table 10 - The Distribution of Poverty by Household and Age: Russian Federation (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	3.0	18.5	15.9	9.1	5.5	5.1	3.2
50-<100% of poverty line	8.1	16.1	22.2	17.4	9.1	8.0	6.3
Total under poverty line	11.1	34.6	38.1	26.5	14.6	13.1	9.5
Children Aged 0-6							
Under 50% of poverty line	4.4	20.8	25.4	14.7	8.7	6.4	5.7
50-<100% of poverty line	11.4	21.1	30.8	21.8	14.0	14.6	11.5
Total under poverty line	15.8	41.9	56.2	36.5	22.7	21.0	17.2
Persons of Pension Age							
Under 50% of poverty line	1.2	18.4	9.3	2.8	1.8	1.5	0.8
50-<100% of poverty line	5.4	11.4	16.1	11.3	4.8	3.1	2.7
Total under poverty line	6.6	29.8	25.4	14.1	6.6	4.6	3.5

Poverty among children similarly declined from 2003 to 2004. The poverty rate for young children in October 2004 is 17%, the lowest level observed since the first RLMS survey in 1992 (see the 1998 RLMS Report). During the past year the fraction of children living in extreme poverty, as defined above, declined to 5.7%. Children appear to have benefitted considerably from the household income increases that took place since 1998. Poverty among pension-aged persons, at 3.5% in 2004, is also at its second lowest level observed in the RLMS. Only eight out of a thousand pension-aged persons are in a household with an income of less than one-half the poverty line. Through all the observed time periods since 1992, households with pensioners were less likely to have below poverty incomes than average.

In Appendix A, we present Tables 10a-10f with regional distributions of the incidence of poverty. It is important to note that the RLMS was not designed to be used to construct regional measures; the figures in these tables should be considered only illustrative. From 2003 to 2004 the overall level of poverty fell in each in the six regions displayed in these tables. The lowest poverty rate is found in Moscow and St. Petersburg. The highest poverty rate was in the

North Caucasus region, and there it was only 14.7%. The highest poverty rate for children aged 0 to 6 was the 28.2% incidence measured in Siberia and the Far East. The incidence of poverty for pension-aged individuals did not exceed 8% in any region. The regional poverty lines used throughout this report reflect the varying costs of goods and varying consumption patterns across the regions of the Russian Federation.

Other Economic Adjustment Issues

Since the start of the economic reforms in 1992 there has been concern about a number of key economic issues, including unemployment, unpaid wages, the need to train workers, gender differences, and the importance of State and enterprise subsidies of housing and utilities. The RLMS collects additional information to help inform about these issues. In general, the measures we construct from these additional data indicate improved economic performance over the past year.

Unpaid wages: Table 11 shows that only 15% of working-aged people were owed back wages at the end of 2004, down from 20% at the end of 2003. This is considerably lower than its peak of 64% in November 1998 and is at its lowest level since before the RLMS started collecting data on unpaid wages in 1994. Among those owed back wages, 72% have been owed back pay for two months or less. The mean amount owed to workers remained largely unchanged since 2002. Women continue to be less likely to be owed back pay than are men, they are owed less, and they are less likely to be owed for the longer periods of time.

Labor income sources and gender differentials: Table 12 presents monthly labor income for men and women by the source of the labor income. About 33% of all working-aged men and 26% of all working-aged women currently work at privately owned enterprises. About 31% of men and 38% of women still work at State sector jobs. On average women earn 63% of what men earn; this relative gender pay differential has remained roughly constant since 2002. In State-owned firms, women earn 39% less then men, and in privately owned firms they earn 34% less. From 2003 to 2004 State-owned firms' wages increased by 6% for women and by 2% for men. Average wages received from privately-owned firms increased by 2% for women and by 8% for men. Men working in privately-owned firms earn 35% more than those working in State-owned firms; for women, earnings are 47% higher in private firms. Note that while the incidence of informal sector work decreased slightly during the past year, the amount earned among those working in the informal sector increased by 18% for men and 8% for women.

Pensions and pension arrears: Figure 8 presents information on average paid pensions and the extent of pension arrears since November 1993. Pension arrears were an important factor in 1996, when more than one third of pensioners did not receive a pension in the month preceding the RLMS interview. The time trends for received real pension payments show a sharp decline from October 1996 to November 1998, perhaps reflecting the high inflation rates during the summer and fall of 1998. Since then, there has been a gradual increase in real pensions. In 2004 pensions were higher than in 1996, and only 2% of pensioners reported delinquent pension payments. The average pension paid to women is now at its highest level since 1994. Nevertheless, in October 2004 women's pensions were on average one fifth lower than men's.

Table 11 - Unpaid Wages Owed by Primary Employers to Working-Aged Adults*

	Percent Owed Money	Time Period That Money Has Been Owed (% among those owed)				Mean Amount Owed If Owed (in December 2003 rubles)
		<=1 month	>1-<=2 months	>2-<=3 months	>3 months	
Dec. 1994						
Men	40.3	35.6	29.6	16.9	18.0	8139
Women	35.8	41.6	25.4	14.9	18.1	4198
Total	38.1	38.3	27.7	16.0	18.0	6264
Oct. 1996						
Men	54.5	25.1	24.7	18.3	32.0	10351
Women	53.7	26.2	27.7	18.0	28.1	6231
Total	54.1	25.6	26.2	18.1	30.1	8254
Nov. 1998						
Men	65.1	19.4	19.3	18.7	42.6	10487
Women	62.8	21.2	21.0	17.0	40.7	5395
Total	63.9	20.3	20.2	17.8	41.7	7824
Oct. 2000						
Men	33.1	38.0	18.9	10.8	32.4	5460
Women	25.9	46.3	21.8	9.1	22.8	3251
Total	29.6	41.5	20.1	10.1	28.3	4511
Oct. 2002						
Men	24.6	41.2	22.6	10.9	25.3	6315
Women	21.7	54.3	17.6	7.4	20.7	4517
Total	23.2	47.1	20.3	9.3	23.2	5456
Oct. 2003						
Men	22.7	41.6	26.4	9.7	22.3	6628
Women	17.9	56.6	18.4	6.1	18.9	4189
Total	20.3	48.0	23.0	8.2	20.8	5515
Oct. 2004						
Men	16.8	42.1	26.9	12.9	18.1	6266
Women	12.6	54.0	22.7	13.2	10.1	4158
Total	14.7	47.2	25.1	13.0	14.7	5337

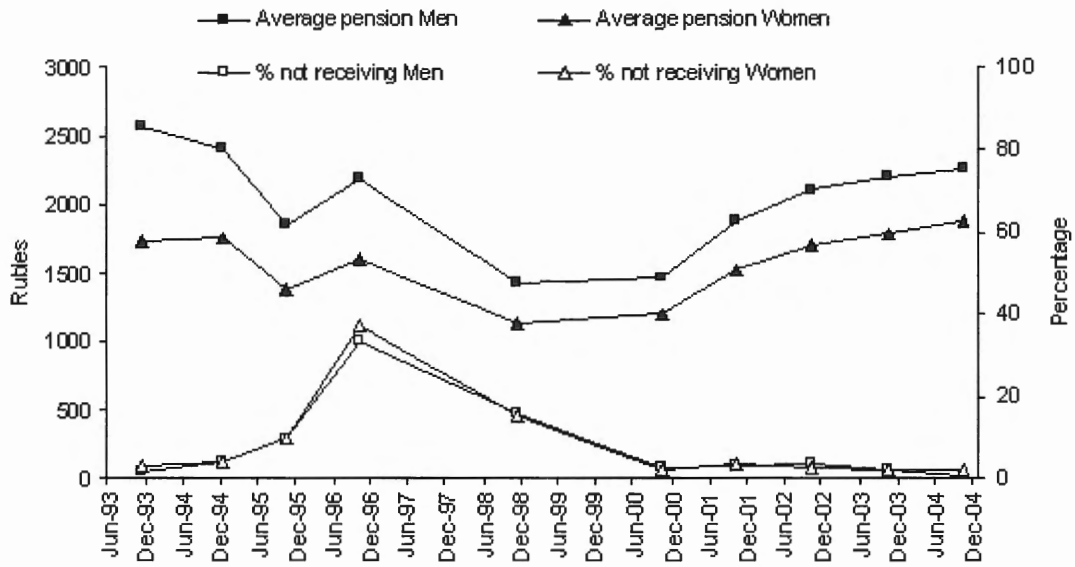
*Working-aged is defined as 18-60 years old for males and 18-55 years old for females.

Table 12 - Sources of Labor Income Among Working-Aged Adults*

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Men							
Percent reporting income from work for State-owned organizations	64.2	30.7	31.6	35.0	34.6	32.3	30.9
Average amount received**	5053	4508	3012	3868	5280	5251	5375
Percent reporting income from work for private or combined State-owned and private organizations	15.7	21.6	20.9	25.7	28.1	29.3	32.9
Average amount received**	4748	6132	3751	4401	6280	6734	7283
Percent reporting income from informal sector	2.4	10.9	10.0	11.9	12.6	12.7	12.4
Average amount received**	7482	2520	1692	2401	2955	3251	3849
Percent reporting income from labor	80.3	58.3	58.3	67.5	71.3	69.5	72.7
Average amount received**	5190	5118	3263	4100	5556	5873	6231
Women							
Percent reporting income from work for State-owned organizations	60.0	31.8	34.4	39.0	37.1	38.0	37.6
Average amount received**	3401	2903	1952	2088	2995	3097	3297
Percent reporting income from work for private or combined State-owned and private organizations	9.7	18.8	17.5	18.5	23.7	22.6	26.0
Average amount received**	3369	4050	2799	3139	4251	4764	4836
Percent reporting income from informal sector	1.8	6.0	5.9	6.8	6.3	7.2	6.6
Average amount received**	4511	2012	925	1497	1888	2267	2438
Percent reporting income from labor	70.0	54.0	55.4	61.8	64.2	64.8	67.7
Average amount received**	3507	3351	2198	2424	3484	3727	3921

*Working-aged is defined as 18-60 years old for men and 18-55 years old for women
**Average amount received among those who received income (in December 2003 rubles).

Figure 8: Percent of Elderly Not Receiving a Pension Payment in the Last Month and Average Monthly Pension for Those Receiving a Pension Payment (in December 2003 rubles)



Delinquent rent and utilities payments: According to Table 13, 17% of all households owe back rent or utilities payments. For each of the four subgroups listed in the table, the incidence of delinquent rent and utility bills fell during the last year. Those with delinquent payments owe, on average, three and one half months' back rent and utilities' payments. Households headed by working-aged men or working-aged women are more likely than average to owe back rent (21%) than are households headed by retirement-aged individuals. Only 5 to 7 percent of all households headed by retirement-aged individuals owe back rent and utility payments. As in earlier RLMS data, households headed by working-aged adults are those most responsible for the overall incidence of overdue rent and utilities payments.

Relative price changes: The economic transformation started in 1992 was almost certainly accompanied by important shifts in relative prices as the newly liberalized prices started to move away from disequilibrium levels set by the state. Over time relative price levels may have continued to change due to a wide variety of factors, such as the influx of imported electronics and other durable goods, increases in the efficiency of agriculture and transportation, flexible exchange rates, and global changes in the prices of gas and oil. Relative price changes can make it difficult to define accurate consumer price indices and poverty lines, and this may result in misleading trends in real income and poverty rates. Of particular concern for this analysis are the consequences of possible changes in the relative price of food, since food purchases comprise a large share of the market basket used to define poverty lines and consumer price indices.

There is some suggestive evidence from the RLMS indicating a possible decline in the relative price of food in Russia since 1992. For example as displayed above in Figure 4, there has been a nearly continuous decline in the average budget share of food, falling from 72.5% in 1992 to 54.1% in 2004. Since food is considered a necessity, economists typically interpret such declines in the food budget share as evidence of increasing real incomes. However, real income in 2004, constructed using the official price deflator, appears to be lower than it was at several points during the early 1990s. It is difficult to reconcile these conflicting trends without questioning the accuracy of the price deflator.

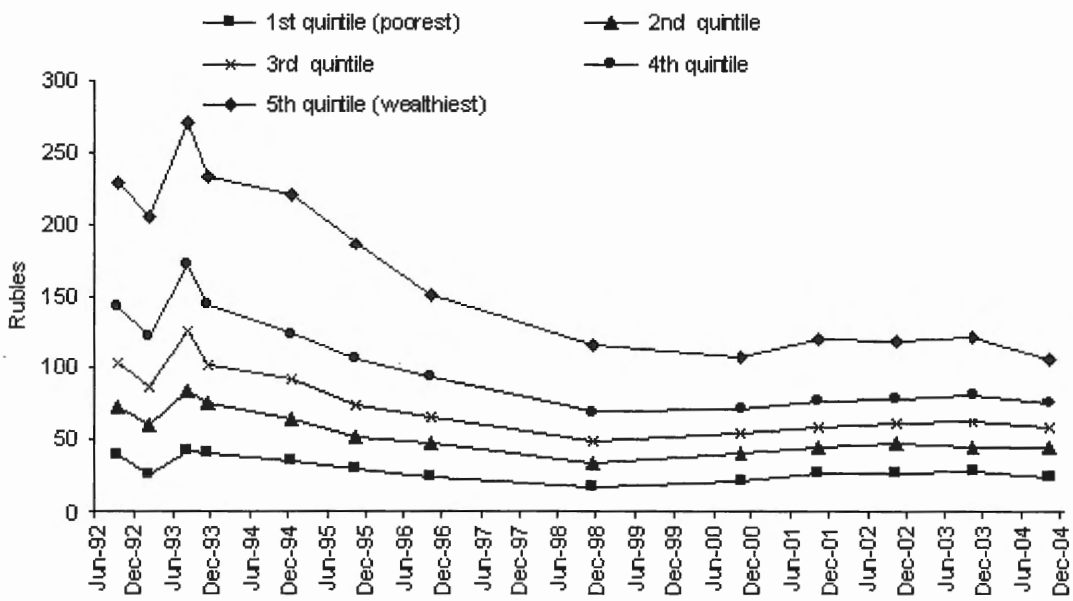
Table 13 - Households that Owe Rent and/or Utilities

	All Households	Working Aged Male-headed Households	Working Aged Female-headed Households	Retired Male-headed Households	Retired Female-headed Households
October 1995					
Percent that owe	22.0	25.2	30.6	7.6	13.4
Amount owed, if owed (in December 2003 rubles)	781	844	817	377	292
Average monthly rent and utility bill, if not owed (in December 2003 rubles)	422	495	418	276	254
November 1998					
Percent that owe	37.5	43.1	43.4	19.6	24.9
Amount owed, if owed (in December 2003 rubles)	1525	1750	1461	652	423
Average monthly rent and utility bill, if not owed (in December 2003 rubles)	432	541	422	260	227
October 2000					
Percent that owe	26.9	33.1	32.9	9.6	11.8
Amount owed, if owed (in December 2003 rubles)	1470	1519	1820	412	640
Average monthly rent and utility bill, if not owed (in December 2003 rubles)	387	483	396	244	195
October 2003					
Percent that owe	18.9	23.3	23.0	6.7	7.5
Amount owed, if owed (in December 2003 rubles)	2390	2681	2020	372	1210
Average monthly rent and utility bill, if not owed (in December 2003 rubles)	672	836	707	376	338
October 2004					
Percent that owe	17.2	21.3	20.7	4.7	7.3
Amount owed, if owed (in December 2003 rubles)	2497	2636	2510	3245	414
Average monthly rent and utility bill, if not owed (in December 2003 rubles)	722	888	810	428	332

Coincident with the fall in the food expenditure share was a decline in average real household expenditures on food. Nutritional intakes, as measured by average per capita calorie consumption, however, barely changed over this time period. This decline in food expenditures was accompanied by large increases in real expenditures on nonfood items. Most economists would consider these goods, especially electronics and other durables, to be luxury goods rather than necessities.

A possible explanation of these conflicting trends is that the real price of food has declined over time. Using total food expenditures and total calories consumed by all individuals in each household, we construct an average cost of consuming 2000 calories by expenditure quintile groups. Figure 9 plots this average cost over time. It is clear that this average food price fell substantially during the 1990s for each expenditure group. The real price of food in 2004 is approximately 40% lower than it was in 1992. However, it is possible that some of this cost decline could be due to increased consumption of lower quality foods.

Figure 9: Average Cost Per 2000 Calories By Per Capita Expenditure Quintiles

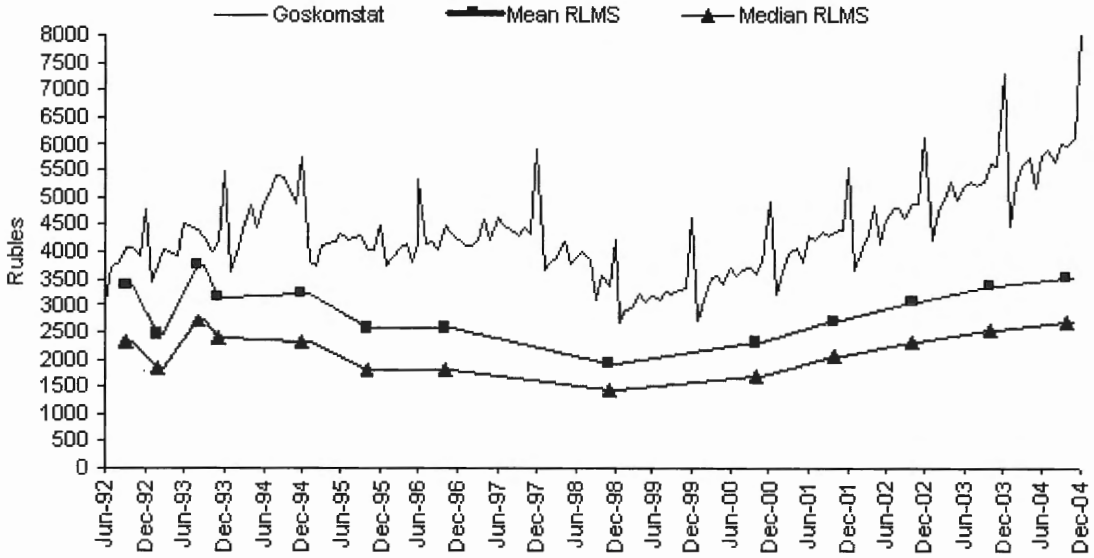


If the real price of food were falling relative to other goods, then using fixed quantity market baskets to define price indices would tend to yield inflation adjustments that increase faster than the true cost of living. This would lead to underestimates of the extent of real income increases. Poverty lines like those used here that rely on a proportionate markup of the cost of a food basket, however, would tend to rise too slowly when the relative price of food falls. This would lead to underestimates of poverty rates. While the evidence presented in this report is clearly not definitive, it does suggest that it might be important to reexamine the construction of consumer price indices and poverty lines in Russia.

Per Capita Income

Figure 10 examines differences in per capita income measures from the RLMS and from Goskomstat as reported in *Information on the Social and Economic Situation of Russia* and *Russian Economic Trends*.[7] The Goskomstat estimates indicate large real-income fluctuations that appear to follow a seasonal pattern. Given the large end-of-the-year income fluctuations displayed in Figure 10, it is likely that most of the larger fluctuations in the Goskomstat monthly series could be due to the receipt of the 13th salary in late December of each year. In general the RLMS, being based on surveys of a nationally representative sample, has a much lower mean per capita income level than that reported by Goskomstat. Figure 10 also reports the across-individual median of per capita income from the RLMS. The median per capita income lies 20 to 30 percent below the mean per capita income level at each RLMS interview date. Mean incomes can yield quite misleading pictures of income levels for the majority of the population. For example, in October 2004 mean per capita income from the RLMS was 3533 rubles while the median per capita income was almost 25 percent lower, 2673 rubles.

Figure 10: Comparison of Goskomstat and RLMS Real Income Figures (monthly income per capita)



For the 2002 to 2003 period the Goskomstat income series indicated a growth rate almost twice that of the two RLMS series (14% versus 8%). From October 2003 to October 2004, however, the Goskomstat and RLMS per capita growth rates were in closer agreement. The Goskomstat data indicate a 6 per cent growth in per capita income from October 2003 to October 2004, while mean per capita income in the RLMS increased by 5 per cent and the RLMS median per capita income increased by 6 percent. This relatively close agreement in income growth rates across data sources also occurred from 2000 to 2001 and from 2001 to 2002.

Endnotes

1. All income figures are expressed in December 2003 rubles by using the Goskomstat price deflator (CPI). Multiplying these prices and incomes by 1.113 will translate these real rubles into real June 1992 prices. RLMS reports prior to 1996 used a price index that the World Bank derived from Goskomstat price indices. In some instances extreme values for incomes and expenditures were removed before calculating average values for this report.

2. The currency reform of January 1, 1998, divided old ruble prices by 1000 in order to obtain the newly denominated ruble prices.

3. The numbers reported in Table 2 and Figure 2 are based on averages of income-shares across households; they cannot be calculated directly from the average incomes in Table 1. If one used the Table 1 figures, the ratio of the average income by source to the average total income would correspond to a weighted average of the household income-shares, where the weights are proportional to each household's total income.

4. Ratios of average expenditures in a category to average total expenditure measure, like those discussed for the different expenditure quintile groups, are not simple averages of budget shares. Instead, such ratios of averages correspond to weighted averages of household budget shares, where the weights are proportional to the household's total expenditures. The results displayed in Figure 5, however, are based upon unweighted average budget shares. Expenditures on clothing and electronics and other durables were reported over a three-month horizon. Since 1998 we have allocated these three-month expenditures uniformly (to four points) over the three months preceding each interview date before adjusting the nominal expenditures for inflation.

5. We define "hidden unemployment" as being on involuntary unpaid leave with no alternative labor income.

6. These poverty measures use a poverty line based on adjustments for economies of scale, oblast-level prices, and regional food baskets.

7. These are Goskomstat figures published in *Information on the Social and Economic Situation of Russia* from December 2003 through December 2004 and *Russian Economic Trends* prior to December 2003. *Information on the Social and Economic Situation of Russia* is published monthly by Goskomstat of Russia. The publication history of *Russian Economic Trends* is complex. For a list of former sponsors see previous RLMS reports.

Appendix A

Table 10a - The Distribution of Poverty, by Household and Age: Moscow and St. Petersburg (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	3.1	5.2	7.0	6.1	3.0	2.8	1.5
50-<100% of poverty line	7.1	5.7	15.4	7.4	4.1	2.3	2.0
Total under poverty line	10.2	10.9	22.4	13.5	7.1	5.1	3.5
Children Aged 0-6							
Under 50% of poverty line	3.9	4.5	**	**	**	**	**
50-<100% of poverty line	10.6	4.5	**	**	**	**	**
Total under poverty line	14.5	9.0	**	**	6.8	4.2	6.1
Persons of Pension Age							
Under 50% of poverty line	1.2	5.0	1.2	3.2	0.4	0.4	0.4
50-<100% of poverty line	5.7	2.4	13.3	3.4	3.0	1.2	0.8
Total under poverty line	6.9	7.4	14.5	6.6	3.4	1.6	1.2

**Potentially imprecise. Fewer than 50 individuals were in the RLMS sample for this group in this region at this time period.

Table 10b - The Distribution of Poverty, by Household and Age: North and Northwest (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	3.5	12.4	13.7	7.3	4.7	11.1	2.9
50-<100% of poverty line	8.8	21.9	25.4	16.6	10.1	8.9	6.0
Total under poverty line	12.3	34.3	39.1	23.9	14.8	20.0	8.9
Children Aged 0-6							
Under 50% of poverty line	4.1	7.4	24.1	0.0	**	**	**
50-<100% of poverty line	10.6	27.6	27.9	21.4	**	**	**
Total under poverty line	14.7	35.0	52.0	21.4	**	**	**
Persons of Pension Age							
Under 50% of poverty line	3.7	13.3	8.4	1.9	1.9	2.5	0.0
50-<100% of poverty line	5.6	16.0	14.0	10.0	4.2	3.5	1.1
Total under poverty line	9.3	29.3	22.4	11.9	6.1	6.0	1.1

**Potentially imprecise. Fewer than 50 individuals were in the RLMS sample for this group in this region at this time period.

Table 10c - The Distribution of Poverty, by Household and Age: Central Black Earth, Volga-Vaytski, and Volga Basin (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	2.3	18.0	15.3	8.0	4.5	4.0	3.1
50-<100% of poverty line	7.4	15.8	23.7	18.3	9.1	7.5	5.5
Total under poverty line	9.7	33.8	39.0	26.3	13.6	11.5	8.6
Children Aged 0-6							
Under 50% of poverty line	2.6	17.8	25.5	12.9	5.8	4.2	8.5
50-<100% of poverty line	10.4	24.2	33.1	24.9	14.7	14.2	9.7
Total under poverty line	13.0	42.0	58.6	37.8	20.5	18.4	18.2
Persons of Pension Age							
Under 50% of poverty line	0.7	16.0	9.3	2.3	0.8	0.8	0.8
50-<100% of poverty line	4.5	9.8	16.3	10.9	3.5	1.6	1.5
Total under poverty line	5.2	25.8	25.6	13.2	4.3	2.4	2.3

Table 10d - The Distribution of Poverty, by Household and Age: North Caucasus (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	5.1	27.5	23.7	14.0	8.6	8.4	4.4
50-<100% of poverty line	10.9	15.2	22.1	18.1	14.1	10.6	10.3
Total under poverty line	16.0	42.7	45.8	32.1	22.7	19.0	14.7
Children Aged 0-6							
Under 50% of poverty line	10.4	32.3	34.6	23.0	15.7	8.6	6.3
50-<100% of poverty line	14.1	16.2	31.0	24.6	19.3	20.5	14.1
Total under poverty line	24.5	48.5	65.6	47.6	35.0	29.1	20.4
Persons of Pension Age							
Under 50% of poverty line	1.7	25.8	13.3	5.6	2.3	4.6	1.4
50-<100% of poverty line	6.7	13.7	18.9	12.9	9.1	7.6	6.2
Total under poverty line	8.4	39.5	32.2	18.5	11.4	12.2	7.6

Table 10e - The Distribution of Poverty, by Household and Age: Urals (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	1.9	16.1	13.8	9.2	3.9	3.7	2.2
50-<100% of poverty line	7.6	17.4	23.1	21.4	9.6	9.5	6.4
Total under poverty line	9.5	33.5	36.9	30.6	13.5	13.2	8.6
Children Aged 0-6							
Under 50% of poverty line	2.3	18.3	18.1	14.8	8.0	3.4	4.1
50-<100% of poverty line	10.8	22.3	30.4	19.7	16.9	17.4	7.0
Total under poverty line	13.1	40.6	48.5	34.5	24.9	20.8	11.1
Persons of Pension Age							
Under 50% of poverty line	1.1	17.8	5.8	1.7	0.4	0.5	0.4
50-<100% of poverty line	4.0	10.4	15.9	14.0	6.4	3.3	2.5
Total under poverty line	5.1	28.2	21.7	15.7	6.8	3.8	2.9

Table 10f - The Distribution of Poverty, by Household and Age: Siberia and Far East (Regional Poverty Lines)

	9/92	10/96	11/98	10/00	10/02	10/03	10/04
Household-Level Poverty							
Under 50% of poverty line	3.3	23.5	18.4	9.7	8.6	5.8	4.5
50-<100% of poverty line	7.8	18.2	20.2	15.2	8.4	8.9	7.8
Total under poverty line	11.1	41.7	38.6	24.9	17.0	14.7	12.3
Children Aged 0-6							
Under 50% of poverty line	3.3	26.4	23.7	16.8	10.2	8.2	5.4
50-<100% of poverty line	11.1	22.6	27.4	19.2	15.5	18.0	22.8
Total under poverty line	14.4	49.0	51.1	36.0	25.7	26.2	28.2
Persons of Pension Age							
Under 50% of poverty line	0.6	26.0	12.5	2.5	5.7	1.7	0.8
50-<100% of poverty line	7.0	16.6	15.6	12.1	4.6	3.9	4.5
Total under poverty line	7.6	42.6	28.1	14.6	10.3	5.6	5.3