**Abstract**

**RS-144**

Title: **"­­­Monetary and Non-Monetary Inequalities in Modern Societies: Objective Situation and Subjective Perception by the Population"**

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**Research object:** ­­­Monetary and non-monetary inequalities in modern Russian society.

**Goal of research:** Analysis of the objective situation and dynamics of various monetary and non-monetary inequalities (income inequality, wealth inequality, inequality in earnings, educational inequalities, inequalities in health care) in modern Russian society, assessment of the role of different institutions and practices in reducing various types of inequality, analysis of subjective perception of inequalities by the population.

To achieve this goal, the following **methods** were used: theoretical and methodological analysis of Russian and foreign scientific literature and analytical materials; analysis of Russian and international statistical data, analysis of micro-data from sample population surveys.

**Empirical base of research:** scientific and analytical literature, including materials by international organizations; base of regulatory legal acts of the Russian Federation and its constituent entities; budget statistics; statistical data from the Federal State Statistics Service of Russia (Rosstat), the OECD, the World Bank, the United Nations etc.; data from international monitorings of education quality (TIMSS, PISA, PIRLS); micro-data from sample surveys of the population, including the Russian Longitudinal Monitoring Survey - HSE (RLMS-HSE), Earnings Survey by Professions by Rosstat, a longitudinal study “Trajectories in education and the profession”, a number of specialized population surveys on the different aspects of health care conducted by request of NRU HSE, as well as other surveys conducted in different years by NRU HSE or other research centers.

**Results of research:**

1. The differences in the approach to monetary inequality measurement in comparative international perspective, combined with the use of various data sources, lead to different estimates of its degree and depth. Estimates of income inequality related to the distribution of income among the population as a whole position Russia as a country with high degree of inequality (especially against the background of Western European countries), but not the extreme. Measuring inequality by income, and, especially, wealth concentration in the hands of the top 1-10% of the population, provides a qualitatively different picture - on a global background, Russia occupies leading positions.

2. The transition to a market economy was accompanied by a rapid increase in wage differentiation; all inequality indicators increased by 2-3 times in 1992-1994. Inequality increased not only in the upper, but also in the lower part of the distribution. In subsequent years, the growth of inequality in earnings slowed, but did not stop. This vector changed only in 2000-2001; by this time, the Gini coefficient for wages exceeded 0.5. From there, inequality began to decline at a rapid pace — in 10–12 years, the Gini coefficient fell to 0.35. In recent years, inequality in earnings has remained at this stable level.

3. The regional factor makes a leading contribution to the general inequality in earnings, exceeding the contributions of the sectoral factor and of human capital. A spatial clustering of regions by nominal wage can be seen; a number of northern and north-eastern regions, as well as Moscow and St. Petersburg, are among the leaders, while the southern republics and a number of regions of the Central Federal District are outsiders in this respect. In the 2000s and early 2010s there was a gradual reduction in both nominal and real inter-regional inequality, and real inequality decreased more rapidly due to some leveling of prices by regions; in 2015-2016 regional inequality has begun to grow, but at the moment it is difficult to predict whether this trend will continue in subsequent years.

4. Government regulation is able to influence wage inequality, but the key factor in reducing inequality is economic growth. The effect of the increase in the minimum wage is mainly directed towards either young people or low-paid and low-skilled labor. Labor legislation regulating layoff practices makes it difficult to optimize the number of employees, supporting incomes of employees who otherwise could have lost their jobs due to low productivity. At the same time, labor legislation is becoming an obstacle to the creation of new efficient jobs with higher wages. Unemployment benefits contribute to reducing inequalities, but increasing their size and optimizing eligibility criteria could increase their effectiveness.

5. The educational, social and cultural capital of the family directly affects the choice of educational trajectories of students after the 9th and 11th grade, while the effect of academic performance remains less noticeable.

6. At the end of primary school, students with high cultural capital significantly outrun the rest of schoolchildren in all subjects (mathematics, reading, science), but by the end of basic school, differences in student scores in the context of cultural capital tend to shrink, mainly due to the increase in achievements of students with low cultural capital.

7. In terms of the territorial accessibility of higher education, there can be seen a decrease in its geographical accessibility, a risk of a decrease in its financial accessibility (especially in the paid higher education sector), and high regional differentiation of accessibility of trajectories that increase the educational level.

8. There is no pronounced inequality in the access of citizens to medical care related to differences in gender, age, education, place of residence or income in modern Russian society. The dynamics of differences between the main socio-demographic groups of the population in access to medical care corresponds to periods of economic development in the country: in the 1990s, these differences tended to grow, during the period of economic growth they began to decrease, and then started to increase again in recent years. However, there are significant and consistently reproduced differences in the use of paid medical services, associated with the age and place of residence of the respondents, as well as significant inequalities in the possibilities of choice of medical organization and doctors.

9. Estimates of per capita health care costs from the budgets of the constituent entities of Russian Federation and the territorial compulsory health insurance funds indicate regional inequality, which decreased after 2010 as a result of the reform of the compulsory health insurance system, but remains significant: the differences between the most and least wealthy regions are 2 and more times.

10. Distribution of medical expenses on services and medicines between different income groups of the population is characterized by a high degree of inequality. From 1994 to 2016, the difference in medical expenses between the poorest and richest grew from 4.5 to 30 times; the inequality in their medical expenses considerably exceeds the inequality in their incomes.

11. In recent years, the share of medical expenses in per capita incomes has decreased in all income groups, but to a lesser extent among higher income groups. As a result, the burden of medical expenses has increased for the higher income groups and became relatively smaller for the lower income groups whose representatives had to reduce their medical expenses.

12. There is a widespread opinion among Russians about the significant limitations for obtaining quality medical care. According to subjective estimates of the population, property inequality is the main factor for these limitations. Territorial and regional differences in the availability of medical care are also perceived as rather acute, but less significant.

13. The size of the average differences between the subjective and objective position of the respondents in the income distribution deciles is 2 steps (or 3 - without taking into account the sign of difference), and there are both negative and positive deviations. Only one in ten respondents correctly assesses their position in income distribution. Two thirds of respondents underestimate the income decile to which they belong, and every fifth overestimates it. An analysis of the socio-demographic determinants of such perception errors revealed a significant effect of the respondents' age, their employment status, the presence of children, and their place of residence.

14. Over the past decade and a half, fundamental changes have taken place in the subjective social structure of Russian society — the majority of Russians no longer consider themselves to be social outsiders. Characteristic features of the subjective stratification model in Russia are the lack of stable identity with the middle class among Russians, as well as the growing overestimation in the public consciousness of the role of material well-being and diminishing the prestige of the profession, position, education and other factors in determining social status.

15. Subjective poverty, i.e. identifying oneself with the poor, characterizes that part of the population that has long been in a difficult life situation and cannot change it themselves, therefore it is more common in those groups who see the causes of their own helplessness in the adverse external conditions - older people, women, people with poor health, among representatives of households who have dependents with disabilities, chronic illnesses, unemployed family members or family members having difficulties with regular work.

16. Measuring and constructing models of subjective stratification and subjective poverty is an important tool for analyzing public opinion and attitudes. However, given the strong dependence of self-assessments of status and subjective poverty on the level of an individual's requests, his conviction that a certain level of life is “deserved”, psychological readiness to accept certain status positions and social roles, indicators of subjective stratification and identification with the poor cannot be used as tools for the implementation of measures of targeted assistance to the population or for assessing its real financial situation.

**Level of implementation, recommendations on implementation or outcomes of the implementation of the results**: Using the results of the study, 16 analytical briefs were prepared. The results were also used in the preparation of two scientific publications. The results of this work can be used to advise public authorities and improve existing or developing legislation in the field of social and economic policy measures aimed at managing inequalities in various fields, as well as at reducing social tensions.