**Abstract**

**RS-117**

Title: "The Monitoring of the socio-economic behavior of households and the movement towards digital society in Russia"

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1. **Goal of research** is to create a panel database “Russia Longitudinal Monitoring Survey of Higher School of Economics (RLMS-HSE)” for the period between 1994 and 2019, to analyze the socio-economic circumstances of Russian households in 1994–2019, and to trace a population response to the development of digital society.
2. **Methodology:** quantitative analysis of the data obtained from the series of nationally representative household-based surveys “Russia Longitudinal Monitoring Survey of Higher School of Economics (RLMS-HSE)”. The panel nature of the data is ensured by the repeated observations of the same economic units (individuals and households) made annually from 1994 to 2019 on the basis of a uniform survey methodology. Probabilistic, stratified, multistage territorial sampling is representative at the national level.
3. **Empirical base of research:** a panel database “­­­Russia Longitudinal Monitoring Survey of Higher School of Economics (RLMS-HSE)”, which includes 28 rounds of observations completed in the period between 1994 and 2019.
4. **Results of research:**

In 2019, the recovery of real household income continued to slow down. An average household income grew 6.0%, which was 0.9 percentage points less than in 2018. Work-related household income went up by 8.6%. There was a 6.3% increase in income from work in state-owned enterprises, a 10.1% increase if an employer was a privately-owned firm and a 12.6% rise if an employer was a public-private company.

Household income from government transfer payments increased by 7.0% in 2019, which was 0.9 percentage points more than in 2018. Household income from domestic production and informal employment fluctuated. Although income in cash grew at the same pace, adding another 2.9%, income in kind took a dip of 24.5% after an impressive growth of 35.8% registered the year before. Income from private transfers (assistance received from relatives and charitable donations) also went down by 10.0%.

In 2019, government transfer payments accounted for 41.1% of household income, wages – for 41.5%, and income in cash from domestic production and informal employment – for 4.4%. Those shares grew little, while the proportion of in-kind income and private transfers decreased slightly and amounted to 2.0 and 5.0% respectively.

Income inequality decreased slightly as poorer households enjoyed faster income growth compared to the rest of the income distribution. In 2019, the top 20-percent of households earned 2.6 times more than the bottoms 20-percent, which was 0.1 percentage points less compared to 2018.

After going down in 2018, household expenditures grew by 3.6% in 2019. Although food expenditures continued to stagnate, non-food spending rose by 5.1% to almost offset a 6.5-percent decrease that started in 2017. As a result, the proportion of food expenditures in total household spending accounted for 40.7%.

The spending gap between the top and the bottoms 20-percent of households remains stable. In 2019, well-off families spent 4.7 times more than low-income households.

The unemployment rate went up from 3.2% in 2018 to 3.3% in 2019. The unemployment rose from 3.2 to 3.3% among men and from 3.3 to 4.0% among women. The growth of short-term unemployment was of particular concern. The workforce participation rate stood at 81.5% of the adult population. There was a slight uptick in the numbers of employed retirees, with 19.9% of male and 24.6% of female retirees continuing to work.

Men continued to outperform women in the labor market. In 2019, the proportion of wage-earners amounted to 79.4% among men and 72.3% among women of the working age. Women earned 75.2% of men average income in 2019, which was an improvement compared to 73.9% in 2018.

In 2019, the number of workers who had wage arrears declined to the all-time low at 1.1%. An average amount of money due in back pay grew by 4.9%, however, it was a moderate increase compared to 19.6-percentage growth in 2018. The number of retirees who did not receive their pension in a month rose from 1.5% in 2018 to 2.6% in 2019 among men and from 1.4 to 2.8% among women.

In 2019, the share of households struggling to pay rent or utility bills remained stable and amounted to 6.2% of households. However, the average amount of money due rose dramatically; there was a 43-percent increase in outstanding debts compared to 2018.

In 2019, a positive trend in reported life satisfaction resumed. While the proportion of those generally satisfied with their life decreased from 51.1% in 2017 to 49.6% in 2018, it rebounded to reach 52.0% in 2019. On the contrary, the share of those unsatisfied went down to 23.2% in 2019 after a slight increase from 24.2 to 24.7% between 2017 and 2018.

The proportion of respondents satisfied with the financial circumstances of their families rose from 21.1% in 2018 to 23.6% in 2019, while the share of those who felt discontented went down from 57.9 to 56.2%. The proportion of those who noticed an improvement in their financial circumstances grew from 16.0 to 18.1%, while the share of those who reported negative changes decreased from 24.2 to 23.9%. The proportion of respondents reporting no changes went up from 59.8 to 60.6%.

In 2019, the proportion of those who expected no future improvement in living standards continued to increase and reached a local maximum of 49.7% since 2016. The share of optimists (those who believed in positive change) rebound to 21.8% in 2019 after a drop from 21.5 to 19.6 between 2017 and 2018. The share of pessimists (those who expected their living standards to fall) went down from 13.3% in 2018 to 12.0% in 2019.

In 2019, respondents felt less anxious about losing their job but more concerned over the prospect of not finding another one. The share of those who felt that their position was insecure dropped to 61.0%, while the share of those who never gave it thought increased to 24.4%. The proportion of respondents who were optimistic about their chances to find a new job went down from 37.1% in 2018 to 35.5% in 2019, while the share of those doubting their employment prospects grew from 42.4 to 43.1%.

Between 2018 and 2019, there was an increase in the share of employees leaving their job because of low wages (the proportion went up from 11.0 to 13.6%), unsatisfactory working conditions (from 8.9 to 9.5%), lay-offs or company closures (from 12.8 to 13.9%). In contrast, there was a drop in the proportion of people who quit their job as a result of a health condition (their share decreased from 15.2 to 14.5%), retirement (from 10.2 to 7.0%), family circumstances (from 6.5 to 5.8%), or the termination of a contract (from 6.3 to 5.5%).

In 2019, the most common way to find a new job was to ask a friend (80.8%), to search job boards, including those online (69.6%, with 29.8% of respondents searching social media for a job opening), to directly contact a company to apply for a job (50.1%), to ask relatives for assistance (49.5%). State and private employment agencies were significantly less popular, with 20.2 and 11.4% of respondents using their services.

In 2019, there was another increase in job satisfaction, with the share of satisfied rising from 68.6 to 70.0% compared to 2018. More people felt content with working conditions (the proportion grew from 66.5 to 70.0%) and career opportunities (from 47.0 to 51.7%). Low wages remained the leading cause of discontent at the workplace.

The use of digital devices (personal computers, laptops, mobile phones) spread rapidly during the last decade, with mobile phones enjoying considerable popularity. The proportion of people who own a mobile phone skyrocketed from 6.4% in 2012 to 62.7% in 2019. Nonetheless, 26.6% of respondents still had no other digital devices except for a basic mobile phone without an Internet connection. About 64.1% of the elderly had only such phones in 2019.

In 2019, people under 40 on average spent three to four hours a day using digital devices; the older people spent two or two and a half hours a day in front of their devices. Those who used digital devices longer were more likely to report tiredness and anxiety.

The number of Internet users increased dramatically, from 10.3% in 2003 to 72.0% in 2019 in general and from 22.4 to 97.8% among the youth. The digital divide persisted as age, education and residence remained a critical factor in getting an Internet connection. In 2019, the elderly who lived in the countryside had the lowest chances to access the Internet. In 2019, compared to 2009, people more often searched the web to network and communicate, to find entertainment and information, to purchase goods and services. An Internet connection became less important when it comes to work and education.

In 2019, 79.3% of Internet users had an account on social media. The number of people checking their social media profiles on a daily basis increased from 62.1% in 2016 to 71.3% in 2019 in general and from 81.9 to 88.0% among the youth. The majority of respondents (89.0%) used social media to send private messages. People regarded social media as a convenient tool for sharing and receiving information, keeping their mind off everyday routine, and finding emotional and financial support. The high level of online networking did not correspond to the decreasing level of social activities offline.

1. **Level of implementation, recommendations on implementation or outcomes of the implementation of the results**

The database “Russia Longitudinal Monitoring Survey of HSE” (RLMS–HSE), 1994–2019, with documentation in Russian and English, is publicly available at http://www.hse.ru/rlms.

Between 2010 and 2019, more than 1500 scholarly publications in Russian, English and other languages were produced using RLMS-HSE data; more than 40% of these publications were included in citation databases Web of Science and Scopus. The full list of publications is available at https://www.hse.ru/rlms/publ.