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# **What Russians Think about Transition: Evidence from RLMS Survey**

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# What Russians Think about Transition: Evidence from RLMS Survey

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CEFIR

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## **Abstract:**

We use data from the 2006 round of the Russian Longitudinal Monitoring Survey (RLMS) to describe perceptions of Russian people about the transition process and the role of the state. We also study which groups of the population hold more positive and more negative views of transition. Overall, we find that the Russian population is divided in their assessment of transition. About one half is deeply disappointed with transition results and has serious nostalgia about the life under the communist regime. There is a lot more unanimity about the role of the state in the economy. A vast majority of Russians opts for a very high state intervention into all spheres of economic life. However, an average Russian faces a cognitive dissonance: a perception that the state should be more involved in the economy is combined with a deep mistrust of specific state institutions. The variation in these perceptions is systematically related to age, education, employment histories and transition experiences.

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## 1. Introduction

The transition from plan to market in the post-communist world has been undeniably one of the most incisive institutional transformations in the recent economic history. One and a half decades of transition process is certainly not enough to assess the changes that took place. Yet, since many people still can remember life before transition, it is interesting to learn about people's perceptions of the transition process. In this paper we summarize the perceptions of Russian people about transition and study the determinants of the variation of these perceptions among individuals based on the 2006 round of the Russian Longitudinal Monitoring Survey (RLMS, <http://www.cpc.unc.edu/rlms/>). RLMS is a representative survey of living standards of Russia's population, which provides comparable data for both a repeated cross-section and a panel of individuals for 11 rounds between 1994 and 2006. In 2006, a series of questions were added to the questionnaire which directly inquire about the people's assessment of various aspects of transition. We focus on these questions in this paper. The basic findings are surprising. There is a widespread view that state intervention in the economy is preferable and, at the same time, many respondents express deep mistrust of state institutions and have a strong concern about corruption. The most striking perceptions are summarized in Section 2. Their determinants are studied in Section 3 and conclusions are presented in Section 4.

## 2. Main Findings: Summary Statistics

### 2.1. Overall Assessment of Transition

Only 19% of Russians think that the economic and social changes of the last 15 years improved their life, while 49% think that transition worsened their life (see Figure 1). The negative attitudes towards transition are especially pronounced among older, poorer, and less educated people (see Figures 2-4). A typical winner from the transition process, i.e. somebody who thinks that the economic and social changes improved his or her life, is middle-aged (between 25 and 47 years), has a higher educational degree, works in the private sector, and belongs to the upper deciles of income distribution.

Respondents were asked to mark their relative income position on an imaginary 9-step wealth ladder at present and before the transition had started (see Figure 5). The vast majority of the sample feels that they have become poorer relative to others. The overall wealth distribution shifts to the left and becomes more right-skewed, indicating a sharp increase in the subjective income inequality. This general picture translates also into the assessment of individual success since the start of transition: remarkable 55% of the respondents do not agree that they live better now than before 1991, while only 23% agree to this statement (see Figure 6). This finding is striking because most objective criteria give the opposite results. When evaluating the situation at present with regard to that before transition, it is

probably most instructive to examine the place where the people wish their kids to grow up: modern Russia or the former Soviet Union? About one half of respondents would prefer their kids to grow up in the Soviet Union. Yet, Figure 7 shows that the respective answer is strongly correlated with age. 86% of respondents in the youngest decile want their kids to grow up in modern Russia rather than in the Soviet Union (compared to only 19% of respondents in the oldest decile). Thus, the Soviet Union nostalgia is much more wide-spread among the older people and, thus, ought to be a temporary phenomenon.

It is interesting to understand what people remember about the life in the Soviet Union. In particular, the survey asked questions about people's perceptions of the societal values now and in the past. The question was as follows: "What is most valued in Russia now and what was most valued in the Soviet Union?" The resulting picture is striking (see Figure 8). It turns out that people are romanticizing the Soviet society. For example, more than 40% of Russians think that honesty was most valued in the Soviet Union (and only about 12% think this is the case in today's Russia). Given the wide-spread snitching and under-cover KGB agents in all organizations, it seems very far from reality. In addition, more than 30% of the respondents think that hard work – typically considered as a success factor in market economies – was most valued in the Soviet Union, while only about 5% think this is the case at present. The strongest view is that wealth and power are the most valued now (about 48% and 25% of the respondents share this view, respectively). Only about 4% and 11% of the respondents think that these factors were valued in the Soviet Union.

## *2.2. Concerns about Inequality*

The perception of a dramatic change of values reflects a broad range of issues, including a concern about fairness and inequality. The survey asked what Russians think about why the rich got rich and why the poor got poor. Figure 9 demonstrates that 64% of the respondents think that the current rich got rich because of criminal activities and 47% consider they got rich because of political connections. Only 20% think that the current rich got rich because of their effort and talent. For comparison, the respondents were also asked what is needed to get rich today, and it turns out that people perceive that the age of initial capital accumulation had largely come to an end. In particular, 54% believe that effort and talent are needed to get rich today. But there is still quite a high share of respondents who argue that criminal activities (47%) and political connections (30%) are also needed today to get rich. This perception, however, is in contradiction to the perceptions of values presented in Figure 8, since wealth is highly valued, while hard work and talent are not.

An important question about fairness is why the poor in Russia got poor. Russians believe that misfortune, laziness, or lack of willpower are not the reasons for poverty. Instead, the injustice in the society, unfavorable initial conditions, and the incapability to adapt to new living conditions are crucial factors behind poverty (see Figure 10). About 40% of the respondents think that the poor in Russia got poor because they were not able to adapt to new living conditions.

To sum up, Russians feel that they have become poorer relative to others, they are rather frustrated about possibilities to get a better standing in the society, they have concerns about fairness in widening of income distribution, and they blame transition for increased poverty.

Russians also hold strong views about policies, which are needed to address these concerns. The most striking is the fact that price controls are the most popular policy measure besides a better enforcement of current laws (see Figure 11; in each case 45% of the respondents support these activities). An improved access to education and economic growth are popular issues as well (with a support share of 41% and 29%, respectively). Between 25% and 28% of the respondents ask for an active redistribution of wealth through taxation, renationalization, and subsidies to the poor. Overall, there is a clear demand for state intervention to achieve a more equal income distribution in Russia.

### *2.3. Demand for State Intervention*

A strong demand for state involvement is not limited to the reduction of income inequality. The respondents – especially the older ones – ask for strong state intervention in all areas. Let us highlight three striking facts. First, state price controls are immensely popular for communal services, real estate, gas and fuel, as well as food (between 80% and 95% of the population think that the state rather than the market should set prices for these goods and services; see Figure 12). This is particularly amazing in Russia, where the majority of population still should remember empty shelves in the shops, long lines for basic consumer goods, and coupons for food rationing. Second, 50% of respondents think that mainly the state should be responsible for supplying employment, while only 2% think that employment should be provided mainly by the private sector (see Figure 14). Third, 52% of respondents agree with the statement “the majority of private assets in the country should be renationalized” (see Figure 16).

This very high demand for state intervention into economy is certainly related to concerns about income inequality, concerns about the fairness of privatization, and Soviet nostalgia.<sup>2</sup> All of these factors are more profound among elderly than among young, but they are still quite important among

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<sup>2</sup> Denisova et al. (2007) provide evidence on who wants to revise privatization and why this revision is desired in 28 transition countries (including Russia).

young as well. Figure 13 shows that older respondents have a clearly stronger preference for a state price control of food. Further, only about 38% of younger people living in large cities (compared to about 62% of respondents older than 60 years) think that employment should be provided mainly by the state (see Figure 15). Finally, also the support for renationalization increases with age. 37% of the youngest respondents (compared to 71% of the oldest) support renationalization (see Figure 17).

The demand for state paternalism is also reflected in the attitudes towards various institutions. Among various democratic institutions, law and order is chosen as the most important (see Figure 18); while political liberties and rights, such as free and fair elections, the freedom of speech, and independent press are considerably less essential (although also important) to respondents. Most remarkably, political opposition has the lowest respective importance ranking.

A relatively strong preference for an authoritarian government in Russia is consistent with the results of the Life in Transition Survey (LiTS), a representative survey of 28,000 individuals from 28 transition countries conducted by the World Bank and the EBRD in 2006 (EBRD 2007). People were asked to choose among the following statements: (1) “Under some circumstances, an authoritarian government may be preferable to a democratic one”; (2) “For people like me, it does not matter whether a government is democratic or authoritarian”; (3) “Democracy is preferable to any other form of political system”. In Russia about 33% of the respondents agreed with the first statement, which is by far the strongest preference for authoritarianism among transition countries (Romania and Ukraine follow with 26% and 24%; the lowest support for authoritarianism is in Slovenia and Azerbaijan with 8-9% choosing the first statement). In addition, there is a relatively high share of respondents in Russia who are indifferent between an authoritarian government and democracy (31%) and, thus, the share of people having a clear preference for democracy (36%) is the lowest (Bulgaria and Macedonia follow with about 47%; Montenegro and Mongolia exhibit the highest support for democracy with about 70% choosing statement (3)).

#### *2.4 Corruption and Trust in State Institutions*

Given that people demand increased state involvement, it is of interest whether government officials respect the law; whether people feel that government represents them and is accountable to them; in other words whether people have trust in state institutions.

First, there is a widespread view that it is impossible in Russia to live without violating the law (47% of population share this view, while only 21% disagree; see Figure 19).

Second, people do not feel that their interests are satisfactorily represented by the executive branch. About 55% of the respondents disagree that the national or regional government takes their interests into account when making decisions (see Figure 20).

Third, there is an overriding concern about corruption. 72% of Russians do not agree that the level of corruption has declined in the past few years (see again Figure 20). Bribes are quite common when interacting with government agencies. Bribes are especially common in interactions with road police: about 8% of respondents interacted with road police and nearly 20% of them always bribed and about 41% of them sometimes bribed (see Figure 21). As a consequence, there is low trust in the police (see Figure 22).

Finally, another indication of distrust in state institutions is depicted in Figure 23. Most Russians think that cooperation between simple people and people in power is less feasible than even cooperation between the rich and the poor.

Overall, the very high demand for increased state intervention does not correspond to a high trust in state institutions. In fact, trust in state institutions is remarkably low.

### **3. Main Findings: Regression Results**

To get a better understanding of the determinants of perceptions concerning the overall assessment of transition, legitimacy of privatization and wealth of the rich, as well as views about the role of the state in economic life of the country, we ran a series of binominal logistic regressions. The results are summarized in Table 1. The results show that human capital, current labor market position, as well as employment history during transition and income position shape views of Russian respondents.

#### *3.1. Human Capital*

Higher human capital measured either as better education, better health or computer skills is likely to be associated with better perception of transition results and less demand for the state intervention into the economy.

Even after controlling for a number of other determinants, older respondents tend to have worse overall perception of transition than younger people which is revealed by both the direct question on how transition influenced their lives, and the question on whether they would prefer their children be raised in the Soviet Union or in modern Russia. Older respondents are also more in favor of state provision of various services and price controls. The results are likely to be rooted in the losses in returns to the human capital of the old (obsolete in the new economy) rather than the intergenerational differences in preferences. The latter argument is supported by the fact that a higher level of education – university degree in particular – tends to be associated with a better perception of transition results

and less support for the state intervention into the economy, both in terms of direct provision of services and in terms of price controls.

It is noteworthy that education affects perceptions of the legitimacy of privatization results and the legitimacy of the wealth of the rich in the country in a less straightforward manner. In particular, more educated people share practically the same view as less educated on the legitimacy of privatization. At the same time, more educated people are likely to consider the wealth of the rich in Russia as illegitimate as compared to the secondary school degree holders.

### *3.2. Labor Market Position*

Work for wages in the private sector (as compared to the work for wages in the state sector) increases chances to acknowledge legitimacy of privatization, diminishes support for the state provision of various services and support for the price controls for food. At the same time, experience of working in the private sector does not affect the overall perceptions of transition, does not increase support for the legitimacy of the wealth of the rich, and does not have a general effect on views about price controls.

Self-employed are more in favor of raising their children in current Russia rather than in the Soviet Union as compared to those working for wages in the public sector. They are also more against the state provision of health services and price controls for food. On the rest of the issues they share the same views as those working in the state sector.

Those out-of-labor-force<sup>3</sup> and unemployed share the same views as those working for the public sector with the exception of being less inclined to raising their children in the Soviet Union.

Respondents who work in high positions and have subordinates are more likely to report that transition improved their lives. At the same time, the rest of their views are close to those of the reference group.

### *3.3. Income Position of a Household*

On the one hand, respondents living in households with higher (per capita) income tend to have higher assessment of transition results, to support legitimacy of the wealth of the rich, and to show less support for the state provision of various services. They are against price controls for food or real estate. On the other hand, there is little influence of the respondent's income position on perceptions of legitimacy of property rights and of the need for price controls for gas, fuel, and utilities. In these cases respondents belonging to different income deciles tend to share the same views.

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<sup>3</sup> These are mainly students in our sample since we restricted the sample to respondents younger than 60 years.

Income history of a household measured as a mean decile of the household in 1994-2006 tends to affect respondents' views in a more expected way: those who were consistently in relatively higher income deciles during transition tend to support property rights and wealth legitimacy and are against state involvement into economic life.

### *3.4. Transition-related Employment History, Employment Trajectories and Household Hardships.*

Labor market experience of Russian households influences their perception of transition results. Respondents who had encountered large negative shocks during transition and had to take less qualified jobs or experienced dramatic wage decline for several years tend to report worse overall assessment relative to those who escaped the shocks. They also provide less support to the legitimacy of property rights and wealth of the rich. Interestingly, those who had experienced dramatic wage declines during transition show much less support to the idea of price controls. Respondents with positive experience at the labor market, i.e. those who got a new job at a higher wage or found a job in a new sector during transition are more likely to report that transition improved their lives and are less likely to vote for raising their children in the Soviet Union. They also show less support for state involvement into economic life, especially for state guarantees of employment or price controls for food.

We distinguish between different trajectories in the labor market. In particular, we distinguish between those respondents who always worked for wages (the comparison group in our analysis), always were self-employed, and those respondents who never worked. Additionally, we consider different types of shifts between work for wages, self-employment and non-employment (i.e., unemployment or out-of-labor-force). It turns out that there are some differences in the views of respondents with different labor market trajectories, though not as many as one could expect.<sup>4</sup> In particular, always self-employed are very close to the comparison group except that they are more in favor of price controls for food. This fact could reflect that self-employment in our sample in many cases implies employment in the secondary or shadow market rather than entrepreneurship. Those who were never employed are, to the contrary, against price controls for food.<sup>5</sup> Interestingly, transition from non-employment to work for wages and back to non-employment worsens the overall perception of transition and increases support for provision of state services, including provision of guarantees of employment. In addition, respondents who experienced more than three shifts in the labor market

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<sup>4</sup> Note that we include trajectories in the list of covariates *in addition* to the current labor market status.

<sup>5</sup> Given that trajectories are derived from an unbalanced panel dataset, it could be that 'never employed' are mainly young people, still students. This is especially plausible given traditionally very high male and female labor participation rates in Russia.

during the period are in favor of state involvement through provision of services and guarantees for jobs but are rather against price controls.

Economic hardships experienced by the respondent's household in terms of economizing on food and clothes and in terms of years in poverty are statistically insignificant. At the same time, an increase in the number of years the household was involved into subsistence farming worsens the overall perception of transition and increases the demand for state control of prices. Thus, even though subsistence farming is known to help families to escape poverty, this activity is a mere survival strategy of households.

#### **4. Concluding Remarks**

Russians are very skeptical about the merits of the transition process and their relative success during this process. There is a remarkable concern about fairness of the increase in income inequality and transition is blamed for poverty. Altogether, there is an astonishingly strong demand for state intervention to reduce income inequality, to set prices, to provide employment, to renationalize assets, or to enforce law and order. The demand for a "strong state" is much more pronounced in Russia than in other countries of the post-communist region. This evidence is quite puzzling, given that Russians also have a deep mistrust of state institutions and a widespread concern about corruption of government agencies.

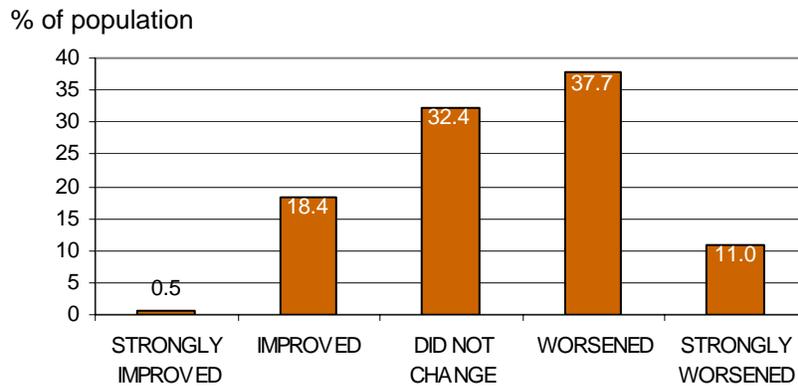
However, we find that younger, better educated, and wealthier Russians are more positive about the present vis-à-vis the Soviet past than are the older people with less promising financial prospects. The Soviet Union as a point of reference is receding given that certain Soviet Union nostalgia is mainly backed by the older generation. In addition, the majority of Russians believe that effort and talent are needed to become rich today.

## References

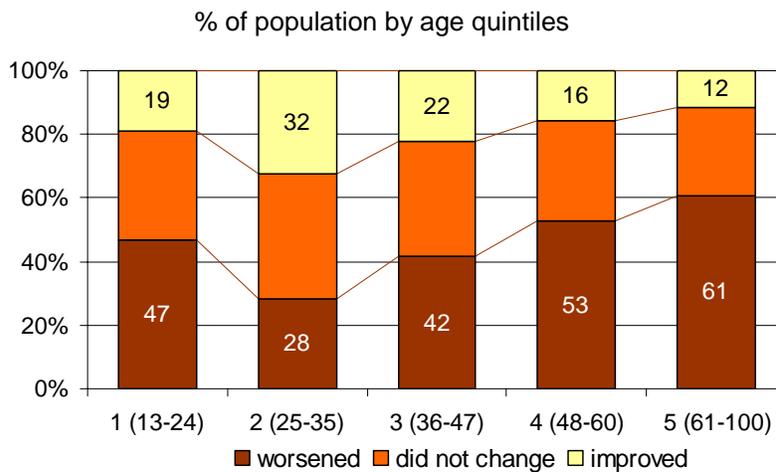
Denisova, Irina, Markus Eller, Timothy Frye, and Ekaterina Zhuravskaya (2007) “Who Wants to Revise Privatization and Why? Evidence from 28 Post-Communist Countries,” CEFIR / NES Working Papers, n. 105, August 2007.

EBRD (2007) “Life in Transition, A Survey of People’s Experiences and Attitudes,” London, European Bank for Reconstruction and Development, May 2007.

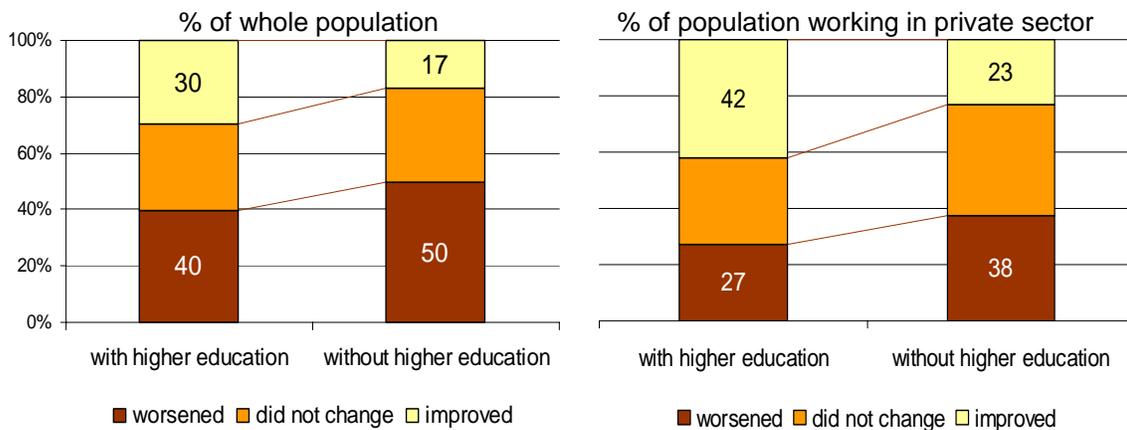
**Figure 1:** How did the economic and social changes of the last 15 years affect your life?



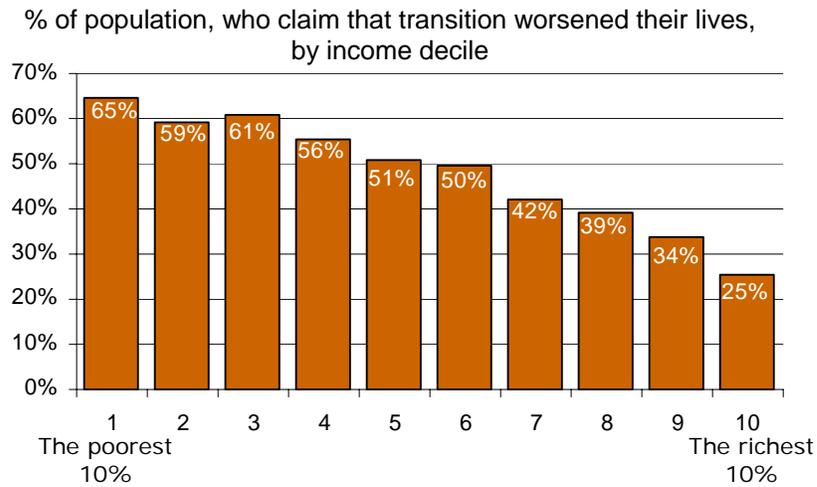
**Figure 2:** How the economic and social changes of the last 15 years affected lives of people (Effect of age)



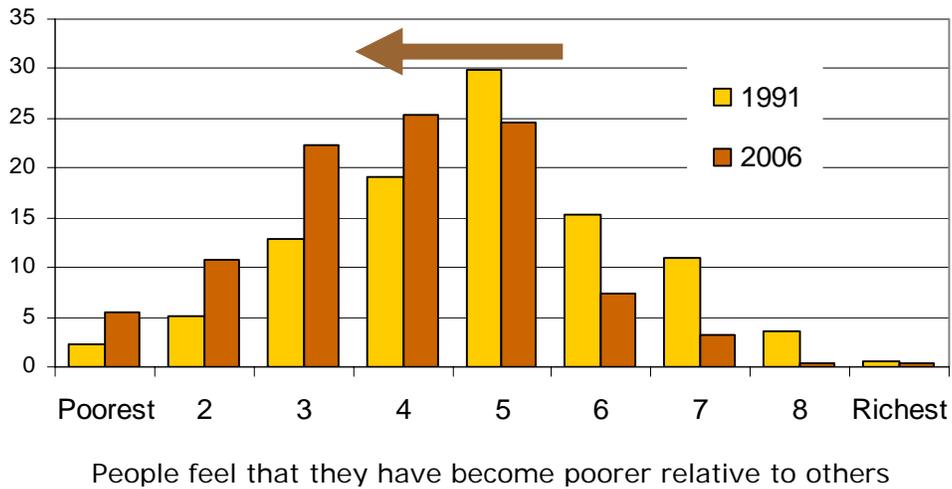
**Figure 3:** How the economic and social changes of the last 15 years affected lives of people (Effect of education and of work in private sector)



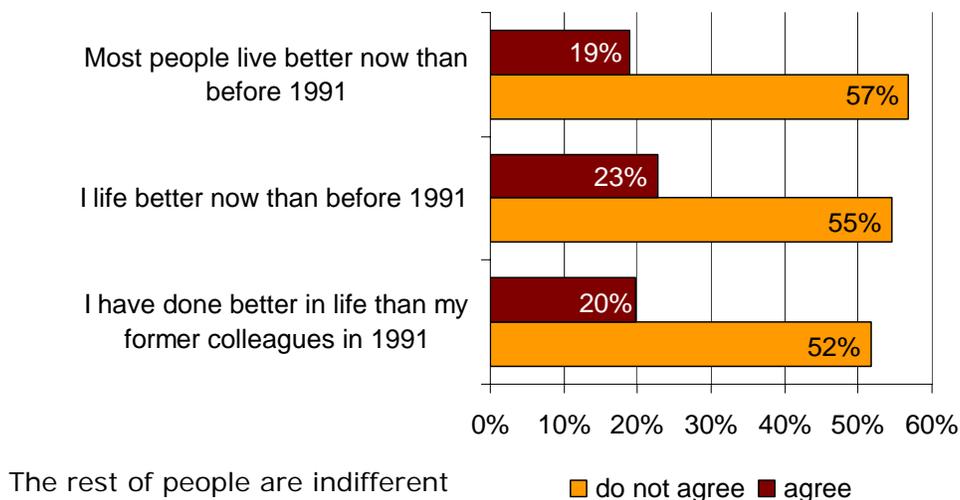
**Figure 4:** How the economic and social changes of the last 15 years affected lives of people (Effect of income)



**Figure 5:** Position on 9-step wealth ladder: at present and before transition started

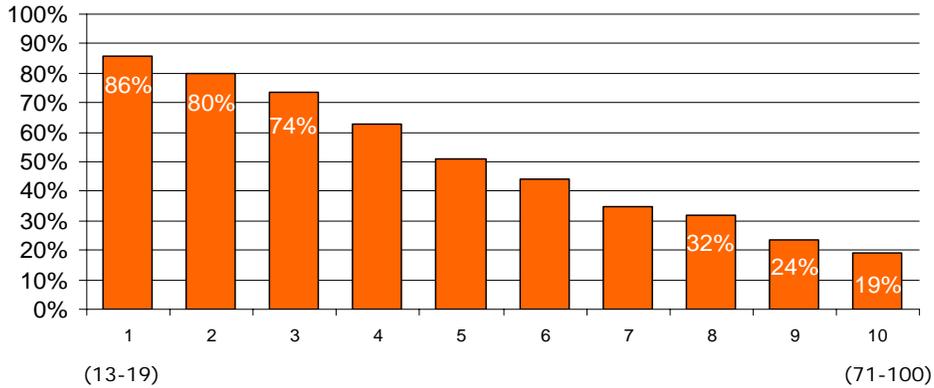


**Figure 6:** Assessment of Transition

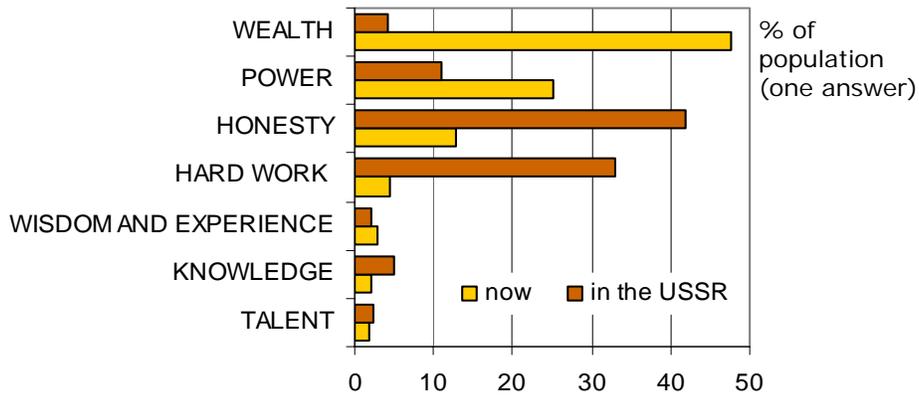


**Figure 7:** Wish for kids to grow up in the modern Russia rather than the USSR, by age decile

% of population who wish for kids to grow up in the modern Russia rather than the USSR by age decile:

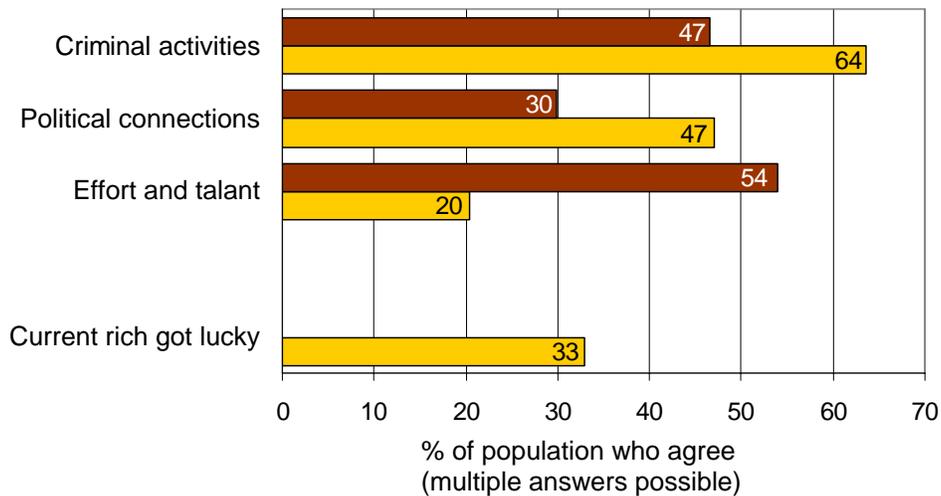


**Figure 8:** What is most valued now and what was most valued in the Soviet Union?



**Figure 9:** Why the rich in Russia got rich and what is needed to get rich today?

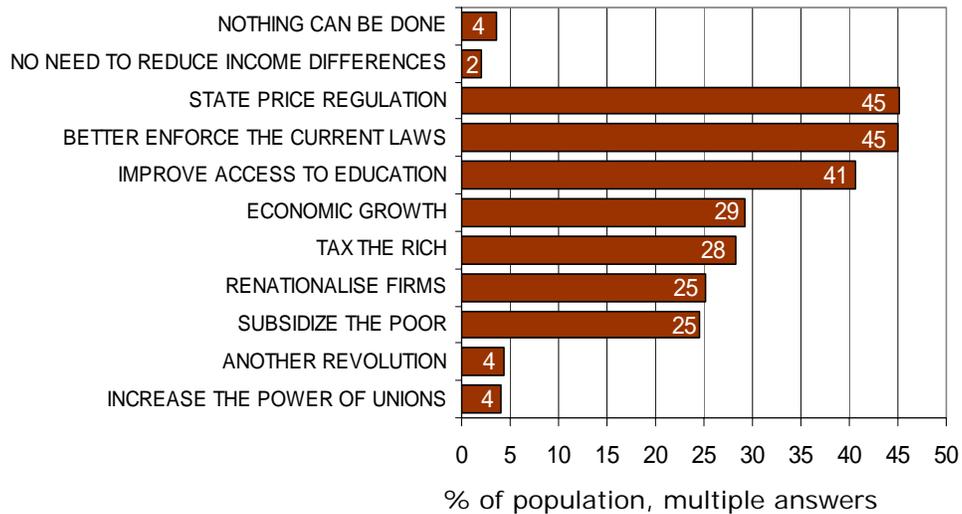
■ Why current rich got rich ■ One needs this to get rich now



**Figure 10: Why the poor in Russia got poor?**

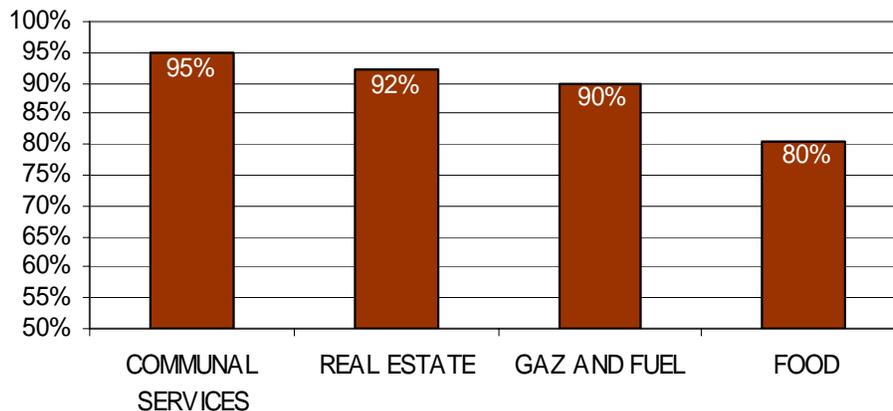


**Figure 11: What should be done in order to reduce income inequality in Russia?**

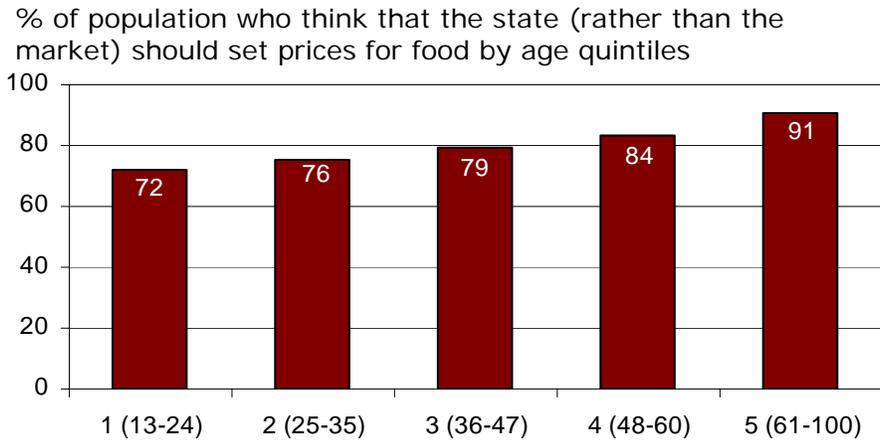


**Figure 12: Price controls are immensely popular**

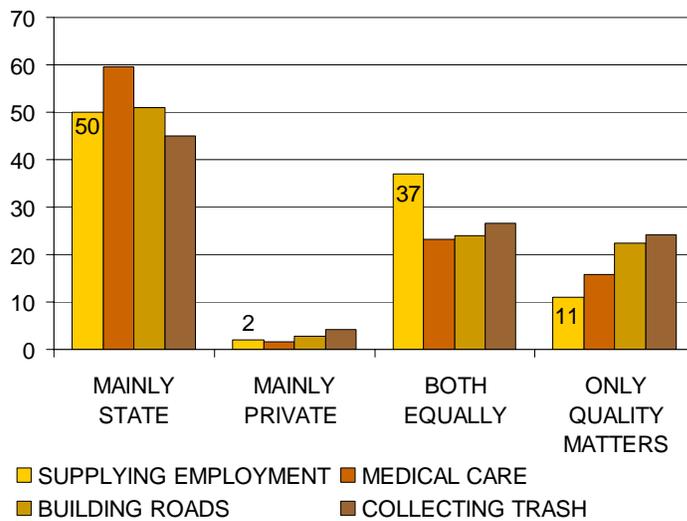
% of population who think that the state rather than the market should set prices for the following goods and services:



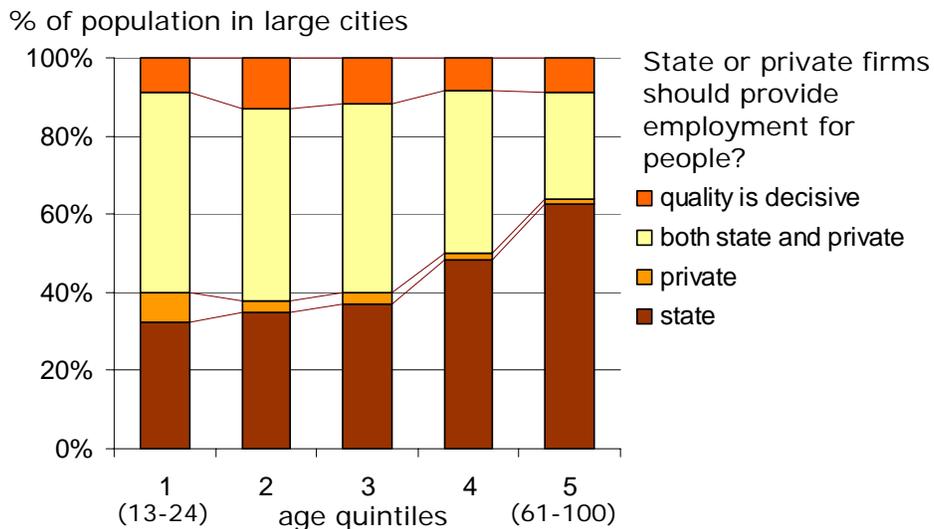
**Figure 13: Attitudes towards price controls on food, by age quintiles**



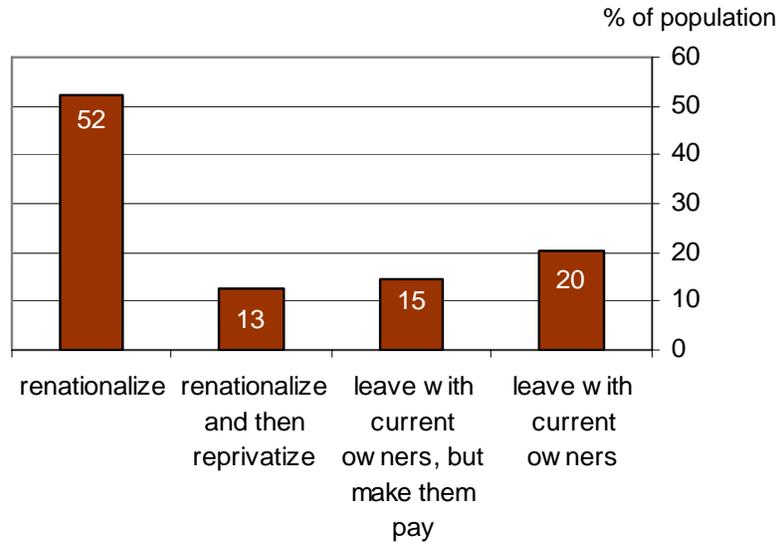
**Figure 14: State or market should provide medical care, roads, trash collection, and employment?**



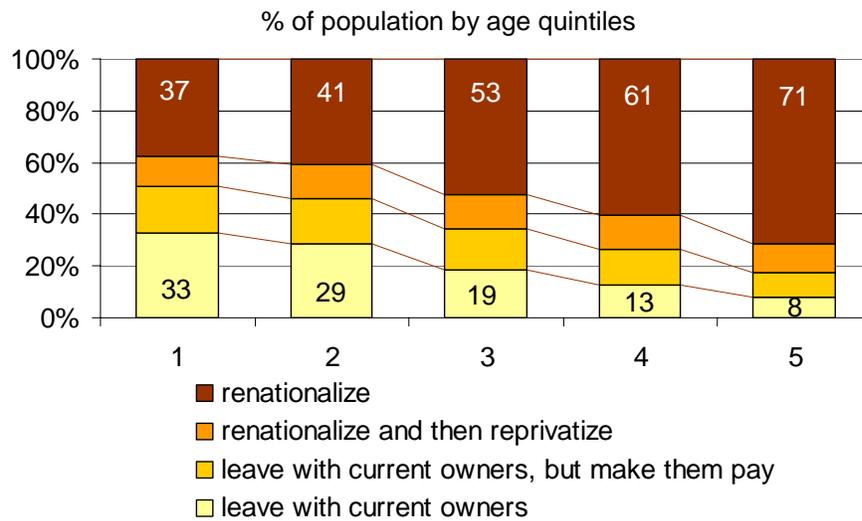
**Figure 15: Younger people in large cities do not rely on the state to provide employment**



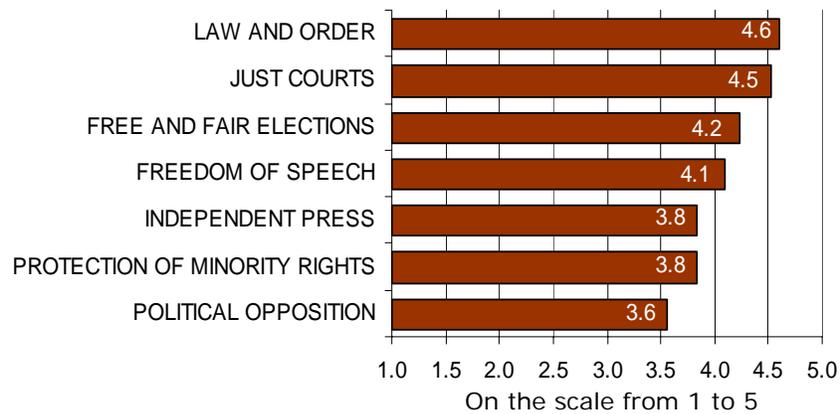
**Figure 16:** What should be done with the majority of private assets?



**Figure 17:** There is lower support for renationalization among the young

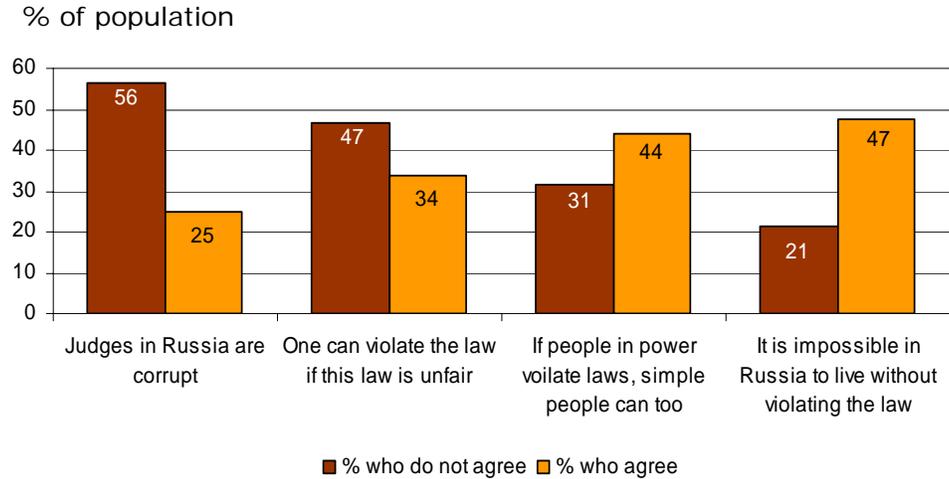


**Figure 18:** Importance of different institutions



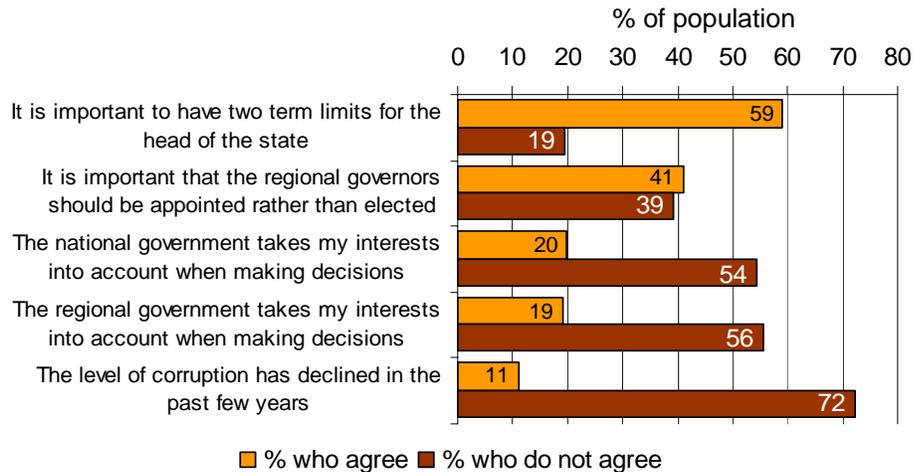
1 is "not at all important", 2 is "rather unimportant", 3 is "yes and no", 4 is "rather important", and 5 is very important"

**Figure 19: Legal social norms**



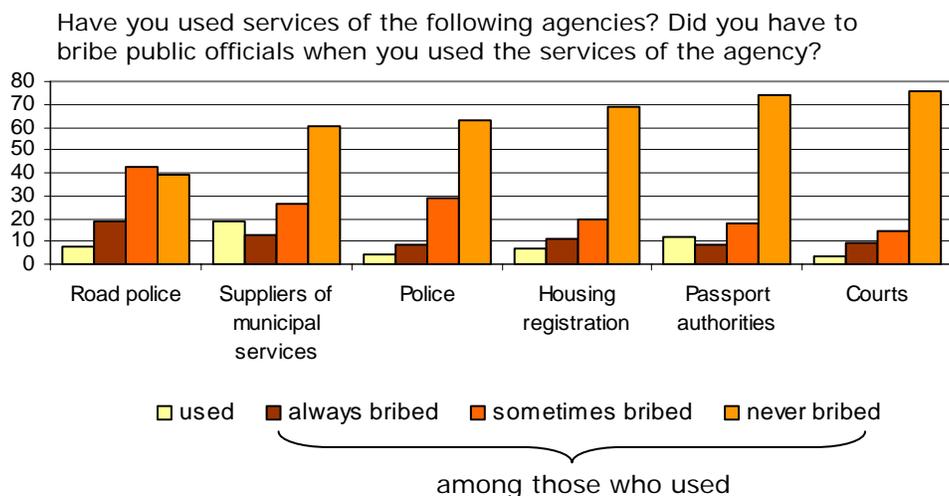
The rest of people are indifferent

**Figure 20: Political accountability**

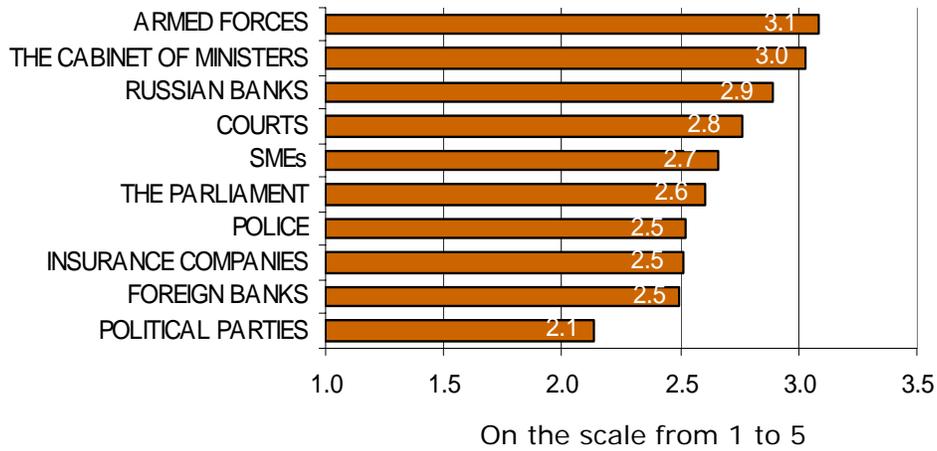


The rest of people are indifferent

**Figure 21: Corruption of government agencies**



**Figure 22:** Trust towards organizations and certain groups of people



1 is “completely distrust”, 2 is “rather distrust”, 3 is “neither trust nor distrust”, 4 is “rather trust”, and 5 is “completely trust”

**Figure 23:** Could there be understanding and cooperation reached between...

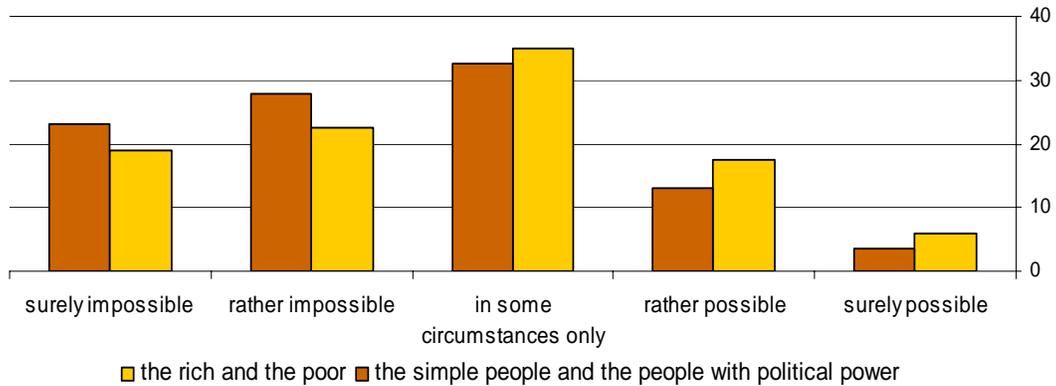


Table 1. Binominal logit. Marginal effects reported.

	<i>Dependent variable - Probability that</i>											
	<i>Support for the state provision of services</i>						<i>Support state price controls for</i>					
	Transition improved life	Prefer children be raised in the USSR	Current property rights are legitimate	The rich got rich legitimately	guaranteed employment	garbage collection	health services	road construction	Gas and Fuel	Food	Real Estate	Utilities
<b>Human capital</b>												
Age	-0.002 [2.01]**	0.01 [11.60]***	-0.005 [5.82]***	-0.003 [4.17]***	0.005 [6.08]***	0.002 [2.43]**	0.003 [4.40]***	0.003 [3.72]***	0.001 [2.06]**	0.001 [1.88]*	0 [1.23]	0.001 [2.56]**
Education = 'Secondary and below' - comparison group												
= 'Vocational and secondary professional'	0.008 [0.44]	0.012 [0.56]	-0.024 [1.24]	-0.042 [2.28]**	-0.055 [2.99]***	-0.049 [2.69]***	-0.04 [2.20]**	-0.041 [2.27]**	0.009 [0.92]	0.005 [0.32]	-0.004 [0.40]	0.005 [0.67]
= 'Higher professional (university)'	0.039 [1.65]*	0.002 [0.08]	0.033 [1.33]	-0.079 [3.28]***	-0.122 [5.12]***	-0.085 [3.63]***	-0.07 [2.91]***	-0.065 [2.72]***	-0.014 [1.09]	-0.049 [2.56]**	-0.033 [2.86]***	-0.012 [1.39]
Self-reported health status [1-Poor ... 5-Excellent]	0.06 [5.33]***	-0.124 [8.86]***	0.043 [3.39]***	0.048 [3.99]***	-0.015 [1.21]	0.006 [0.47]	-0.023 [1.96]*	-0.014 [1.18]	-0.015 [2.27]**	-0.009 [0.98]	-0.008 [1.55]	-0.003 [0.76]
Ever used personal computer?	0.024 [1.32]	-0.083 [3.86]***	0.056 [2.80]***	0.018 [0.92]	-0.044 [2.31]**	-0.038 [1.96]**	-0.038 [2.00]**	-0.023 [1.21]	-0.029 [2.75]***	-0.046 [3.07]***	-0.03 [3.42]***	-0.023 [3.38]***
Used the internet last 12 months?	0.044 [1.85]*	0 [0.00]	0.031 [1.30]	0.029 [1.24]	-0.06 [2.57]**	-0.034 [1.47]	-0.074 [3.23]***	-0.041 [1.79]*	-0.017 [1.52]	-0.101 [5.64]***	-0.03 [3.01]***	-0.003 [0.39]
Mother's Education = 'Vocational, secondary and below' - comparison group												
= 'Secondary professional'	0.002 [0.09]	0.01 [0.45]	0.046 [2.29]**	0.021 [1.11]	-0.031 [1.64]	-0.03 [1.62]	-0.043 [2.28]**	-0.037 [1.97]**	-0.025 [2.33]**	-0.022 [1.45]	-0.026 [3.00]***	-0.007 [1.14]
= 'Higher professional (university)'	0.018 [0.73]	-0.087 [3.16]***	0.114 [4.55]***	-0.001 [0.05]	-0.063 [2.58]***	-0.054 [2.28]**	-0.004 [0.16]	-0.058 [2.41]**	-0.04 [3.08]***	-0.036 [1.92]*	-0.03 [2.73]***	-0.016 [2.00]**
= 'Not reported (missing)'	0.002 [0.09]	-0.027 [0.83]	0.066 [2.08]**	0.011 [0.38]	-0.029 [1.01]	0.011 [0.38]	0.011 [0.37]	0.022 [0.75]	-0.066 [3.79]***	-0.038 [1.58]	-0.033 [2.21]**	-0.006 [0.56]
<b>Current labor market position</b>												
Current LM position = 'Work for wages in public sector' - comparison group												
= 'Work for wages in private sector'	-0.004 [0.23]	-0.03 [1.44]	0.043 [2.24]**	-0.009 [0.50]	-0.057 [3.12]***	-0.04 [2.20]**	-0.067 [3.67]***	-0.031 [1.69]*	-0.011 [1.07]	-0.04 [2.78]***	-0.011 [1.31]	-0.008 [1.22]
= 'Self-employed or entrepreneur'	0.069 [1.23]	-0.144 [2.17]**	0.099 [1.48]	0.02 [0.32]	0.026 [0.40]	-0.029 [0.48]	-0.169 [2.63]***	-0.006 [0.09]	-0.02 [0.59]	-0.193 [3.52]***	-0.047 [1.55]	-0.037 [1.56]
= 'Out of labor force'	-0.014 [0.33]	-0.157 [2.96]***	-0.042 [0.81]	0.006 [0.14]	-0.002 [0.05]	0.002 [0.05]	0.006 [0.12]	0.016 [0.35]	-0.043 [1.63]	0.047 [1.24]	-0.021 [0.98]	-0.025 [1.57]
= 'Unemployed'	-0.037 [0.65]	-0.125 [1.98]**	-0.094 [1.60]	0.051 [0.91]	0.031 [0.55]	-0.017 [0.32]	0.01 [0.17]	0.034 [0.60]	-0.055 [1.58]	0.036 [0.84]	-0.02 [0.76]	-0.02 [0.96]
Has subordinates	0.043 [2.37]**	-0.013 [0.53]	-0.02 [0.90]	-0.02 [0.92]	-0.012 [0.54]	-0.005 [0.24]	-0.05 [2.33]**	-0.017 [0.77]	-0.003 [0.29]	-0.012 [0.77]	0.004 [0.44]	0 [0.06]

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	Transition improved life	Prefer children be raised in the USSR	Current property rights are legitimate	The rich got rich legitimately	Support for the state provision of services				Support state price controls for			
					guaranteed employment	garbage collection	health services	road construction	Gas and Fuel	Food	Real Estate	Utilities
<b>Income position</b>												
Household per capita income = '1st income decile' - comparison group												
= '2nd income decile'	0.151 [3.47]***	-0.131 [3.56]***	0.079 [2.15]**	-0.031 [0.92]	-0.024 [0.74]	-0.017 [0.54]	0.021 [0.64]	-0.004 [0.12]	-0.038 [1.76]*	-0.043 [1.38]	-0.047 [1.97]**	-0.008 [0.52]
= '3rd income decile'	0.121 [2.67]***	-0.222 [6.22]***	0.081 [2.14]**	-0.039 [1.13]	-0.074 [2.23]**	-0.087 [2.67]***	-0.043 [1.26]	-0.066 [1.95]*	-0.025 [1.17]	-0.053 [1.64]	-0.042 [1.73]*	-0.007 [0.47]
= '4th income decile'	0.229 [4.77]***	-0.161 [4.22]***	0.028 [0.73]	-0.119 [3.43]***	-0.062 [1.81]*	-0.057 [1.69]*	-0.064 [1.81]*	-0.078 [2.28]**	-0.01 [0.45]	-0.078 [2.31]**	-0.081 [2.98]***	-0.002 [0.11]
= '5th income decile'	0.134 [2.82]***	-0.163 [4.06]***	0.076 [1.86]*	-0.046 [1.23]	-0.123 [3.49]***	-0.128 [3.73]***	-0.131 [3.59]***	-0.09 [2.50]**	-0.033 [1.41]	-0.07 [2.00]**	-0.045 [1.82]*	-0.003 [0.18]
= '6th income decile'	0.259 [5.24]***	-0.208 [5.18]***	-0.016 [0.38]	-0.082 [2.17]**	-0.073 [1.98]**	-0.108 [3.01]***	-0.068 [1.79]*	-0.096 [2.57]**	-0.017 [0.74]	-0.103 [2.81]***	-0.071 [2.61]***	-0.002 [0.14]
= '7th income decile'	0.152 [3.11]***	-0.213 [5.17]***	-0.017 [0.40]	-0.077 [1.93]*	-0.112 [2.95]***	-0.138 [3.73]***	-0.138 [3.51]***	-0.144 [3.77]***	-0.016 [0.66]	-0.052 [1.43]	-0.031 [1.23]	0.004 [0.25]
= '8th income decile'	0.238 [4.45]***	-0.187 [4.11]***	-0.003 [0.06]	-0.091 [2.17]**	-0.15 [3.76]***	-0.143 [3.63]***	-0.147 [3.49]***	-0.128 [3.14]***	-0.009 [0.36]	-0.077 [1.97]**	-0.043 [1.65]*	-0.001 [0.06]
= '9th income decile'	0.221 [4.08]***	-0.203 [4.31]***	-0.026 [0.53]	-0.086 [1.94]*	-0.097 [2.26]**	-0.132 [3.17]***	-0.143 [3.21]**	-0.121 [2.80]**	-0.022 [0.81]	-0.07 [1.72]*	-0.029 [1.13]	0.006 [0.41]
= '10th income decile'	0.286 [5.06]***	-0.214 [4.31]***	0.003 [0.06]	-0.097 [2.12]**	-0.128 [2.88]***	-0.122 [2.81]***	-0.159 [3.45]***	-0.132 [2.95]**	-0.023 [0.84]	-0.06 [1.45]	-0.043 [1.60]	-0.009 [0.53]
Mean decile of the hh in 1994-2006	0.014 [2.62]***	-0.014 [2.21]**	0.029 [4.75]***	0.017 [2.94]***	-0.001 [0.22]	0 [0.07]	0.002 [0.36]	0 [0.03]	-0.005 [1.73]*	-0.013 [2.78]***	-0.006 [2.52]**	-0.005 [2.59]***
Had vacation abroad	0.008 [0.18]	-0.043 [0.79]	0.144 [2.61]***	0.108 [2.24]**	-0.083 [1.60]	-0.045 [0.93]	-0.07 [1.45]	0.022 [0.45]	-0.028 [1.17]	-0.109 [2.89]***	-0.051 [2.43]**	-0.02 [1.42]
<b>Transition-related employment history</b>												
Was made redundant during transition years	0.014 [0.55]	0.032 [1.02]	0.036 [1.14]	-0.034 [1.17]	0.025 [0.86]	0.027 [0.99]	0.032 [1.12]	0.047 [1.65]*	0.005 [0.37]	0.033 [1.48]	0 [0.03]	0.002 [0.23]
Years made redundant	-0.029 [2.05]**	0.025 [1.54]	-0.02 [1.14]	0.025 [1.49]	-0.003 [0.17]	-0.008 [0.58]	-0.013 [0.83]	-0.031 [2.09]**	-0.005 [0.69]	-0.022 [1.89]*	0.001 [0.14]	-0.003 [0.60]
Had to take less qualified job during transition	-0.055 [2.14]**	0.074 [2.19]**	-0.018 [0.58]	-0.062 [1.99]**	0.025 [0.81]	0.002 [0.07]	-0.007 [0.23]	0.04 [1.30]	0.021 [1.27]	0.056 [2.48]**	0.013 [1.03]	0.009 [0.92]
Years less qualified job	0.003 [0.21]	-0.017 [1.23]	0.007 [0.52]	0.036 [2.41]**	0.005 [0.34]	0.008 [0.58]	0.017 [1.13]	-0.002 [0.12]	0.006 [0.70]	-0.011 [1.09]	-0.004 [0.67]	0 [0.10]
Experienced dramatic wage decline during transition	-0.006 [0.26]	-0.034 [1.14]	-0.021 [0.74]	-0.019 [0.71]	-0.052 [1.95]*	-0.037 [1.39]	-0.019 [0.72]	-0.012 [0.43]	-0.036 [2.09]**	-0.071 [3.19]***	-0.047 [3.24]***	-0.017 [1.71]*
Years dramatic wage decline	-0.02 [2.83]***	0.035 [3.90]***	-0.022 [2.60]***	-0.018 [2.19]**	-0.002 [0.30]	0.001 [0.17]	-0.002 [0.30]	-0.003 [0.38]	0.011 [2.17]**	0.005 [0.92]	0.007 [1.68]*	0.002 [0.69]
Got new job at higher wage during transition	0.079 [3.37]***	-0.04 [1.30]	0.007 [0.24]	0.016 [0.59]	-0.09 [3.25]***	-0.023 [0.84]	-0.014 [0.51]	-0.019 [0.68]	-0.028 [1.62]	-0.003 [0.12]	-0.012 [1.03]	-0.014 [1.40]
Years new job higher wage	0.005 [0.44]	0.001 [0.06]	0.019 [1.40]	-0.007 [0.51]	0.023 [1.81]*	-0.004 [0.36]	0.011 [0.84]	0.012 [0.97]	0.019 [2.17]**	0.01 [0.99]	0.007 [1.25]	0.006 [1.43]
Found job in new sector during transition	0.064 [2.17]**	-0.073 [1.83]*	0.012 [0.30]	0.003 [0.07]	-0.102 [2.72]***	-0.09 [2.44]**	-0.047 [1.21]	-0.087 [2.36]**	-0.031 [1.56]	-0.092 [3.04]***	-0.064 [3.51]***	-0.024 [1.92]*
Years job in new sector	0.016 [1.96]*	0.004 [0.29]	-0.001 [0.10]	-0.002 [0.15]	-0.002 [0.14]	0.021 [1.74]*	-0.002 [0.11]	0.01 [0.84]	-0.002 [0.29]	0.005 [0.57]	0.005 [1.05]	-0.002 [0.46]

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	Transition improved life	Prefer children be raised in the USSR	Current property rights are legitimate	The rich got rich legitimately	Support for the state provision of services				Support state price controls for			
					guaranteed employment	garbage collection	health services	road construction	Gas and Fuel	Food	Real Estate	Utilities
<b>Transition hardships of households</b>												
Had to buy less clothing during transition	-0.01 [0.41]	0.045 [1.41]	0.051 [1.69]*	-0.001 [0.04]	0.012 [0.39]	-0.026 [0.92]	-0.009 [0.30]	0 [0.00]	0.029 [1.97]**	0.022 [0.94]	0.025 [2.00]**	0.019 [1.93]*
Had to buy fewer food during transition	-0.019 [0.74]	-0.011 [0.31]	-0.033 [1.05]	0.01 [0.33]	-0.035 [1.14]	0.022 [0.72]	-0.025 [0.81]	-0.013 [0.41]	-0.026 [1.45]	0.013 [0.50]	-0.029 [1.73]*	-0.017 [1.25]
Year hh involved in subsistence farming	-0.006 [1.67]*	0.009 [2.04]**	-0.002 [0.43]	-0.001 [0.30]	-0.008 [1.91]**	-0.005 [1.16]	-0.003 [0.78]	0 [0.06]	0.01 [3.66]***	0.011 [3.00]***	0.006 [2.72]***	0.006 [2.95]***
Years hh in poverty	-0.004 [0.68]	0.011 [1.61]	-0.007 [1.02]	0.018 [2.96]***	-0.004 [0.65]	-0.005 [0.88]	-0.002 [0.26]	-0.007 [1.25]	-0.004 [1.15]	-0.002 [0.36]	-0.002 [0.56]	-0.003 [1.32]
<b>Employment trajectories</b>												
<i>No shift</i>												
= 'Always worked for wages' - comparison group												
= 'Always self-employed'	0.039 [0.51]	0.135 [1.29]	0.044 [0.48]	0.165 [1.85]*	-0.129 [1.41]	-0.041 [0.44]	0.156 [1.77]*	0.016 [0.17]	0.027 [0.69]	0.105 [1.98]**	0 [0.01]	0.005 [0.23]
= 'Always not employed'	-0.043 [0.99]	0.111 [1.96]*	0.071 [1.29]	-0.006 [0.13]	-0.055 [1.17]	0.013 [0.28]	-0.057 [1.15]	-0.007 [0.14]	0.017 [0.71]	-0.095 [2.16]**	-0.007 [0.34]	0.005 [0.38]
<i>One shift</i>												
= 'Moved from work for wages to non-employment'	-0.028 [0.58]	0.139 [2.23]**	0.021 [0.35]	0.015 [0.29]	-0.023 [0.43]	0.065 [1.23]	-0.004 [0.07]	0.04 [0.74]	0.05 [2.04]**	-0.074 [1.44]	-0.013 [0.49]	0.002 [0.10]
= 'Moved from non-employment to work for wages or self-employment'	0.008 [0.29]	-0.061 [1.89]*	0.033 [1.13]	0.01 [0.38]	0.016 [0.59]	0.042 [1.51]	0.008 [0.30]	0.006 [0.23]	-0.014 [0.98]	-0.015 [0.69]	-0.018 [1.43]	0.002 [0.28]
= 'Had other types of a shift'	-0.021 [0.31]	0.063 [0.66]	-0.064 [0.73]	0.041 [0.46]	0.053 [0.63]	-0.016 [0.18]	0.134 [1.56]	0.004 [0.04]	-0.015 [0.30]	-0.003 [0.04]	0.018 [0.52]	0.016 [0.63]
<i>Two shifts</i>												
= 'Worked for wages, then had periods of non-employment but is with job now'	0.014 [0.54]	-0.002 [0.06]	0.005 [0.13]	-0.01 [0.32]	-0.011 [0.35]	0.027 [0.85]	0.018 [0.57]	0.022 [0.72]	-0.043 [2.38]**	-0.04 [1.55]	-0.002 [0.13]	-0.003 [0.29]
= 'Was not employed, then had periods of employment but is not employed now'	-0.002 [0.04]	0.145 [1.99]**	0.065 [0.90]	0.032 [0.52]	0.023 [0.37]	0.118 [1.85]*	-0.003 [0.05]	0.115 [1.85]*	0.018 [0.55]	-0.057 [0.93]	0.02 [0.76]	0.034 [2.19]**
= 'Had other types of two shifts'	0.228 [2.98]***	-0.274 [3.25]***	0.117 [1.34]	0.108 [1.29]	-0.027 [0.31]	0.031 [0.36]	0.019 [0.23]	-0.104 [1.19]	-0.067 [1.52]	-0.06 [1.00]	-0.039 [1.14]	-0.034 [1.29]
<i>Three shifts</i>												
= 'Worked for wages, then had periods of non-employment, then again worked for wages and is not employed now'	-0.065 [1.11]	0.236 [2.87]***	0.057 [0.75]	-0.034 [0.49]	0.145 [2.10]**	0.173 [2.55]**	0.109 [1.60]	0.106 [1.57]	0.06 [1.83]*	-0.131 [1.86]*	-0.007 [0.19]	0.015 [0.64]
= 'Was not employed, then worked for wages, then had periods of non-employment, and work for wages now'	-0.039 [0.82]	-0.018 [0.31]	0.045 [0.78]	-0.018 [0.33]	-0.025 [0.47]	0.006 [0.11]	0.006 [0.12]	-0.015 [0.27]	-0.006 [0.22]	-0.034 [0.76]	-0.045 [1.59]	-0.007 [0.39]
= 'Had other three shifts'	-0.058 [1.00]	0.018 [0.21]	0.112 [1.30]	0.091 [1.20]	-0.037 [0.50]	0.09 [1.19]	0.085 [1.13]	0.013 [0.17]	0.067 [1.95]*	0.041 [0.67]	0.027 [0.85]	0.011 [0.45]
= 'Had more than three shifts'	-0.011 [0.33]	-0.003 [0.07]	-0.033 [0.71]	-0.034 [0.80]	0.126 [2.86]***	0.138 [3.23]***	0.078 [1.80]*	0.062 [1.45]	-0.004 [0.17]	-0.084 [2.26]**	-0.013 [0.68]	0.005 [0.35]

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	Transition improved life	Prefer children be raised in the USSR	Current property rights are legitimate	The rich got rich legitimately	Support for the state provision of services				Support state price controls for			
					guaranteed employment	garbage collection	health services	road construction	Gas and Fuel	Food	Real Estate	Utilities
<b>Ideology</b>												
Anybody of the family ever been a member of the Communist Party	-0.01 [0.68]	0.015 [0.79]	0.023 [1.33]	0 [0.01]	0.02 [1.19]	-0.009 [0.55]	0.03 [1.78]*	0.003 [0.19]	-0.007 [0.73]	-0.023 [1.79]*	-0.002 [0.21]	-0.008 [1.46]
<b>Basic Controls</b>												
Gender [Male compared to Female]	-0.043 [3.24]***	0.023 [1.43]	-0.007 [0.48]	-0.095 [6.63]***	-0.022 [1.56]	-0.014 [1.02]	-0.005 [0.36]	0.011 [0.74]	-0.004 [0.49]	-0.004 [0.38]	-0.019 [2.96]***	-0.017 [3.42]***
Russian national (self-identification)	0.015 [0.92]	-0.006 [0.29]	-0.015 [0.85]	-0.036 [2.13]**	0.02 [1.18]	0.001 [0.08]	-0.005 [0.27]	-0.012 [0.70]	0.01 [1.10]	0.008 [0.64]	0.013 [1.78]*	-0.01 [1.79]*
Place of living = 'Rural settlement' - comparison group												
= 'Urban settlement'	-0.021 [0.65]	0.004 [0.11]	-0.065 [1.88]*	-0.038 [1.20]	-0.033 [1.05]	-0.019 [0.62]	0.034 [1.05]	-0.007 [0.23]	-0.042 [2.20]**	-0.019 [0.76]	-0.019 [1.28]	0.001 [0.07]
Family size (number of people in family)	0.021 [3.57]***	-0.021 [3.00]***	-0.005 [0.75]	-0.003 [0.55]	-0.002 [0.37]	0.003 [0.51]	-0.007 [1.13]	-0.001 [0.10]	-0.007 [2.17]**	0 [0.00]	0 [0.05]	0.001 [0.63]
Number of of kids( <7 yrs ) in hh	-0.012 [0.75]	0.016 [0.85]	0.039 [2.26]**	0.008 [0.49]	0.003 [0.17]	-0.012 [0.76]	0.018 [1.08]	-0.012 [0.72]	0.015 [1.74]*	0.002 [0.13]	-0.001 [0.15]	0 [0.01]
Number of kids (7-18 yrs) in hh	0.003 [0.28]	0.003 [0.22]	0.017 [1.32]	0.013 [1.05]	0.017 [1.44]	-0.005 [0.46]	0.028 [2.32]**	-0.003 [0.21]	0.003 [0.42]	-0.006 [0.64]	-0.002 [0.40]	0.004 [1.01]
Dummies of primary sampling units - included												
Observations	4083	4993	5196	5715	5920	5862	5927	5911	5777	5783	5767	5631

Robust z statistics in brackets

\* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%