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Abstract

This paper assesses the effect of the Russo-Georgian conflict of 2008 on the well-being of minorities in Russia. Using the Russian Longitudinal Monitoring Survey (RLMS), we first provide evidence that, on impact, the well-being of Georgian nationals suffered negatively from the conflict of 2008, both in comparison to their own well-being across time and to the well-being of the Russian majority. We also show that this negative effect of conflict does not have a long-term legacy that goes beyond 2008. Additionally, we demonstrate that the conflict has no direct effect on the livelihoods or the labor market outcomes of Georgian nationals. Therefore, we attribute the negative effect of conflict on well-being to more indirect channels such as fear, altruism, or sympathy. We also analyze the spillover effects of the Russo-Georgian conflict on other minorities that live in Russia. We find that while the well-being of migrant minorities who have recently moved to Russia is negatively affected, there is no effect on local minorities who have been living in Russia for at least ten years.

JEL Codes: I31, N44, P2.

Key Words: Well-being, happiness, transition, conflict, minorities.

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1 Introduction

Since the seminal paper of [Easterlin \(1974\)](#), the economics literature on well-being and happiness has expanded considerably.¹ In particular, after the collapse of the “Iron Curtain”, the evolution of well-being in transition countries has received more systematic scrutiny. For instance, [Guriev and Zhuravskaya \(2009\)](#) document subjective well-being in transition countries, and find that low levels of life satisfaction in transition economies are highly correlated with income, inequality, deterioration of public good provision, increased economic volatility and uncertainty, and a mis-allocation of human capital in a post-communist labor market. Additionally, using World Values Survey data, [Sanfey and Teksoz \(2007\)](#) confirm low levels of life satisfaction in transition countries compared to non-transition countries, even though there is a positive trend since the dip in mid-90s. Also, [Lelkes \(2006\)](#) examines the heterogeneous effect economic transition had on well-being in Hungary, and highlights entrepreneurs as the winners of increased economic freedoms. Nevertheless, it is worth noting that most of the literature on well-being in transition abstracts from the heightened political instability and conflict proneness of transition countries. The current paper contributes to our understanding of well-being in transition in relation to conflict.

The literature has documented the impact of conflict on various socio-economic outcomes.² Researchers have investigated, for example, the relationship between

¹For example, among others, [Alesina et al. \(2004\)](#) study inequality and happiness in Europe and the USA. [Blanchflower and Oswald \(2004\)](#) focus on the evolution of well-being over time in Britain and the USA. [Easterlin et al. \(2012\)](#) survey the evolution of life satisfaction in China in the last two decades. [Rehdanz et al. \(2015\)](#) examine the effect of natural disasters on well-being in the locations affected by the tsunami after the Fukushima disaster.

²See [Blattman and Miguel \(2010\)](#) for a survey of conflict studies in economics literature.

conflict, and the level of GDP (Bove et al., 2016),³ household welfare (Justino, 2011), generalized trust and trust in central institutions (Grosjean, 2014), and election turnout (Coupé and Obrizan, 2016b). Relatedly, conflict has also been found to affect well-being (Frey, 2012; Welsch, 2008). Importantly, Coupé and Obrizan (2016a) study war and happiness in transition using data from the on-going conflict in Ukraine. They show that the average level of happiness declined substantially in areas that directly experienced war.

However, the literature so far overlooked certain indirect impact of conflict on well-being. Conflict might not only influence the citizens of the affected countries, but also the ethnic nationals from those countries that reside abroad. A case in point, Georgian nationals who reside in Russia might be adversely influenced by the recent conflict of their origin country with their resident country. This group of people might be negatively affected for various reasons. First, they might be subject to discrimination by Russian officials and other citizens. Second, they might feel alienated from Russia and from living in a country with which their origin country has conflict. Lastly, independently of with whom their origin country has conflict, they might simply be negatively influenced by the fact of their home country, and family and friends experiencing conflict. Therefore, it is important to analyze how recent conflicts in Georgia impact the well-being of minorities in Russia.

In this paper, we use the Russo-Georgian conflict of 2008 as a natural experiment to study the well-being of Georgian nationals and other minorities who reside in Russia. We argue that the war between Russia and Georgia is exogenous. This is because migrants could not have predicted the conflict

They highlight the impact of war on, for example, economic growth, physical capital, institutions, living standards, and human capital.

³See de Groot et al. (2012) for a survey on the economic costs of conflict.

when they decided to move to Russia, neither can there be a confounder that triggers the start of the war and affects the well-being of minorities in Russia at the same time.

Collapse of the USSR derailed the balance of power and international relations across the former Soviet space. This unstable political environment in some instances gave way to tension among former Soviet states, which has an impact on the daily lives of ordinary people. Already in the 1980s towards the end of the Soviet Union, tension in the regions of South Ossetia and Abkhazia has been brewing. After the independence of Georgia from the Soviet Union in 1991, a series of skirmishes between Georgian and South Ossetian, and Abkhazian forces occurred.⁴ Meanwhile in the 2000s, the relationship between Russia and Georgia began to sour as Georgia shifted away from Russia in a pro-Western course. Finally, when conflict between Georgian and Ossetian forces broke out in South Ossetia in August of 2008, Russia got involved on the side of the Ossetians and launched an offensive against Georgia. At the same time, the conflict spread to Abkhazia with Russian forces also backing up Abkhazian forces. This was declared the first war in Europe in the 21st century as Russia ended up occupying parts of undisputed Georgian territories (e.g. Gori) and moving deeper into Georgia as close as 40 km away from Tbilisi. By the end of August 2008, a ceasefire agreement has been reached, and, by October 2008, Russian troops withdrew from the undisputed Georgian territories.

By utilizing the Russian Longitudinal Monitoring Survey (RLMS), we first assess the effect of the Russo-Georgian conflict on the well-being of Georgian

⁴For an example, see Georgian and South Ossetian conflict of 1991-1992, or Georgian and Abkhazian conflict of 1992-1993.

nationals in Russia in terms of their life satisfaction, job satisfaction or health evaluation. Employing frameworks within the global regression discontinuity design and the difference-in-differences method, we provide evidence that, on impact, the well-being of Georgian nationals, measured by any three outcomes, suffered negatively from the conflict of 2008, in comparison to both their own well-being across time and the well-being of the Russian majority. For example, their life satisfaction went down by about 33 percent of the mean life satisfaction of Georgians, and by about 24 percent of the average life satisfaction. Furthermore, we show that this negative effect of conflict on well-being of Georgians does not have a long-term legacy that goes beyond 2008 into the subsequent years. Additionally, we demonstrate that the conflict has no direct effect on the livelihoods or the labor market outcomes of Georgian nationals. Therefore, we attribute the negative effect of conflict on well-being to more indirect channels such as fear, altruism, sympathy, or just uncertainty in general. We also analyze the spillover effects of the Russo-Georgian conflict on other minorities that live in Russia. We find that while the well-being of migrant minorities who have recently moved to Russia is negatively affected, there is no effect on local minorities who have been living in Russia for a long time (at least ten years). Lastly, we carry out placebo exercises to show that there is no pre-treatment effect.

This paper contributes to the literature on conflict and well-being in transition. We add to the previous studies by showing that the effect of conflict on well-being goes beyond the conflict zone ([Coupé and Obrizan, 2016a](#)). Instead of focusing on the direct impact of conflict on happiness in war-torn areas, we contribute to this literature by scrutinizing the well-being of people whose country of origin experiences conflict, but they themselves are not in the

war zone. Additionally, we show that some other minority groups also suffer from such negative spillovers, and it is not only the Georgian nationals who reside in Russia are negatively influenced. Thus, our findings suggest that previous studies that do not take into account such indirect effects most likely underestimate the cost of conflict on well-being.

The rest of the paper is structured as follows. Section 2 presents the data and in Section 3 we discuss our empirical strategy. In Section 4 we present results, and we conclude in Section 5.

2 Data

In this study, we employ the Russian Longitudinal Monitoring Survey (RLMS) which contains data on small neighborhoods where respondents live.⁵ Starting from 1992, the RLMS provides nationally-representative annual surveys that cover more than 4000 households with 10000 to 22000 individual respondents.

The RLMS surveys comprise a broad set of questions, including a variety of individual demographic characteristics, health status, and well-being. Our study utilizes rounds 9 through 24 of the RLMS from 2000 to 2015. Georgian conflict occurred in the middle of this time-span (year 2008). The data cover 35 regions, 33 “oblasts” (krays, republics), plus Moscow and St. Petersburg. In this survey, we identify Georgians and other minorities with the question

⁵This survey is conducted by the Carolina Population Center at the University of Carolina at Chapel Hill, and by the Higher School of Economics in Moscow. Official Source name: “Russia Longitudinal Monitoring Survey, RLMS-HSE,” conducted by Higher School of Economics and ZAO “Demoscope” together with Carolina Population Center, University of North Carolina at Chapel Hill and the Institute of Sociology RAS. RLMS-HSE web sites available at: <http://www.cpc.unc.edu/projects/rlms-hse>, and, <http://www.hse.ru/org/hse/rlms>.

of “What nationality do you consider yourself?” Accordingly, anybody who answers this question with a non-Russian nationality is assigned to that minority group. Out of 35 regions, four (Udmurtia, Tatarstan, Kabardino-Balkarija, Komi) have non-Russian majority, and in remaining 31 regions Russians are majority. Seventy-five percent of the respondents live in urban areas. Forty three percent of respondents are male. The percentage of male respondents decreases with age, from 49% for the age-group of 13-20, to 36% for ages above 50. Russian majority constitute 70%.

We employ three measures of well-being. Our main outcome variable is “life satisfaction.” Additionally, we use “job satisfaction” and “health evaluation” as outcomes of well-being. The life satisfaction question is as follows: “To what extent are you satisfied with your life in general at the present time?”, and evaluated on a 1-5 scale from *not at all satisfied* to *fully satisfied*. The job satisfaction question is as follows: “Tell me, please: How satisfied or unsatisfied are you with your job in general?”, and evaluated on a 1-5 scale from *absolutely unsatisfied* to *absolutely satisfied*. The health evaluation question is as follows: “Tell me, please: How would you evaluate your health?”, and evaluated on a 1-5 scale from *very bad* to *very good*.

To better isolate the effect of conflict, we also control for the logarithm of wages, employment status, years of education, age, and years lived in the current place of residence, all of which might for example affect the economic conditions, and hence, the well-being, of an individual.

Summary statistics for primary characteristics are presented in Table 1.

3 Empirical Strategy

To analyze the effect of the Russo-Georgian conflict on well-being, we apply multiple strategies. First, for a given group under study (e.g. Georgians) we estimate the following regression:

$$(1) \quad Y_{it} = \theta I(\text{year}2008)_{it} + f(t)_{it} + \eta_r + \Psi D_{it} + u_{it}$$

This regression specification resembles global Regression Discontinuity framework (see [Lee and Lemieux \(2010\)](#)). Here, Y_{it} stands for a well-being indicator (life satisfaction, job satisfaction or health evaluation) for individual i in year t ; $I(\text{year}2008)_{it}$ is 2008 dummy; $f(t)$ is a smooth function of time (defined as $t = \text{year} - 2008$), and captures all factors that affect well-being and change smoothly over time; η_r stands for regional fixed effects; and D_{it} includes a set of control variables such as wage, employment, education, age, and the number of years lived in current place of residence. We use a triangular kernel and parameterize $f(t)$ to be a second order polynomial of t . Disturbance terms, u_{it} , are allowed to be clustered at the individual level.

Second, we look at the effect of the Russo-Georgian conflict on the well-being of Georgians and other minority groups relative to the Russian majority. To do so, we explore a Difference-in-Differences analogue of equation (1) as follows.

(2)

$$Y_{it} = \theta_M I(\text{year}2008)_{it} I(\text{Minority}) + \theta_R I(\text{year}2008)_{it} + f_M(t)_{it} I(\text{Minority}) + f_R(t)_{it} + \eta_r + \Psi D_{it} + u_{it}$$

Here, Y_{it} , $I(\text{year}2008)_{it}$, η_r , and D_{it} are the same as in equation (1). $I(\text{Minority})$ is a dummy for a minority group, $f_M(t)_{it}$ and $f_R(t)_{it}$ are group-specific smooth functions of the time variable, for the minority group, M , and Russians, R , respectively. Again, we use a triangular kernel and parameterize $f_M(t)_{it}$ and $f_R(t)_{it}$ to be second order polynomials of t . Error terms are allowed to be clustered at individual level.

Furthermore, we check how persistent the effect of the conflict was. To this end, we estimate, equation (3), both by lumping post-2008 years altogether and by including a separate dummy for each post-2008 year:

$$(3) \quad Y_{it} = \sum_{t=2008}^{2015} \theta_t I(\text{year} = t)_{it} + f(t)_{it} + \eta_r + \Psi' D_{it} + u_{it}$$

4 Results

In this section, we first present our findings on the effect of the Russo-Georgian conflict on the well-being of Georgian nationals who reside in Russia. Subsequently, we analyze whether the conflict has any spillover effects on the well-being of other minorities who also reside in Russia. We finish off by providing placebo exercises for robustness.

4.1 Effect of the Russo-Georgian Conflict on Georgian Nationals in Russia

We start off our analysis by estimating equation (1) for Georgian nationals who reside in Russia. Results are presented in Table 2. Column (1) of Table 2

suggests that our primary indicator of well-being, life satisfaction, shows a drop in the conflict year of 2008 in comparison to years before and after 2008. This reduction in well-being of Georgian nationals is larger and more precisely estimated in column (4) when we include controls such as wages or employment. The magnitude of the drop in life satisfaction in column (4) is about 33 percent of the mean life satisfaction of Georgians.

In the remaining columns of Table 2, we have regressions of the other two well-being indicators, job satisfaction and health evaluation, on 2008 dummy with and without controls. Evidence suggests that, for Georgian nationals who reside in Russia, also these indicators of well-being dip in the conflict year of 2008 (with a p-value of about 11% in column (5), and a significance level of 5% in column (6)). The effect is not as large as the one on life satisfaction though.

Furthermore, in Table 3, we provide estimates of equation (2) in a setup akin to diff-in-diff by including an interaction of Georgian and 2008 dummies. In this framework, the comparison group is the Russian majority residents. These results in Table 3 as well show us that the well-being of Georgian nationals has gone down in year 2008, with respect to the Russian majority in this case. Although all three indicators show a negative effect throughout, the coefficients are more precisely estimated in columns (4) to (6) and are significant at conventional levels when the controls are included in the regressions. The estimated magnitude of the drop in column (4) corresponds to 24 percent of the mean life satisfaction. The corresponding numbers, in columns (5) and (6), for job satisfaction and health evaluation are 22 and 14 percent, respectively.⁶

⁶Please note that one might think about a possible endogenous self-selection of Georgians

All in all, the evidence from the above two tables demonstrates that, in the conflict year of 2008, the well-being of Georgian nationals has had a negative shock with respect to both their own well-being across time and the well-being of the Russian majority. It is worth to note that the negative effect we find is unlikely to be due to the global financial crisis of 2008-2009. First, the year in which Russia was hit greatly was 2009. The Russian economy had actually peaked in 2008. We plot the evolution of the average real income and wages in our survey data in the Appendix Figure A.1, and show that income and wages were negatively shocked in 2009.⁷ Second, in our regressions we control for region fixed effects that account for any variation in regional economic conditions. Third, we also control for income and employment status, which would take into account any negative economic shock an individual experiences. Relatedly, we will later show in Table 5 that wages and employment status of Georgians were not significantly impacted in 2008. Fourth, if the effect we find was due to the economic crisis, we would have observed a negative effect also in 2009. In Table 4, we provide evidence that there is no negative and significant effect in 2009. Fifth, our diff-in-diff results of Table 3 suggest that, if anything, Georgians were differentially more negatively affected in 2008 than Russians might have been. Sixth, our results in Table 7 show that local minorities in Russia were not negatively affected in 2008. Arguably, they would have been negatively affected as well if the source of the shock was the economic crisis.

Next, we investigate in Table 4 whether the negative effect of conflict on the well-being of Georgians has long lasting consequences. In Panels A and

who stay in Russia during the conflict. If some Georgian nationals were profoundly unhappy and concerned about the conflict, they might have left Russia. This would imply that the negative effect we find with our data set could be a lower bound estimate.

⁷Also, if we instead look at the World Bank figures on PPP adjusted GDP per capita, we reach a similar conclusion. Available at: <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?locations=RU>.

B, we estimate two versions of equation (3). In Panel A, we lump together the period 2009-2015, while in Panel B, we include indicators for every year from 2008 to 2015. First, we focus on Panel A. Although there is a reduction in the well-being of Georgians in 2008 with respect to pre-2008 period, the post-2008 period until 2015 is no different from the pre-2008 period. This suggests that the negative impact of the conflict does not last long. In Panel B, life satisfaction in 2008 goes down vis a vis the pre-2008 period, whereas the years after 2008 are not statistically different from pre-2008. If anything, health evaluation seems to improve from 2011 on. Overall, we conclude that the negative effect of the 2008 conflict on impact does not have any longer term bearings for Georgian nationals.⁸

Lastly, to have an understanding of the mechanisms at play for the reduction in the well-being of Georgian nationals, we run some auxiliary regressions of wages and employment. In Table 5, we estimate equation (1) in columns (1) and (2), and equation (2) in columns (3) to (6). The idea here is that if there was some direct negative effect of conflict on the livelihoods of Georgians, we should be able to capture this effect on their wages or employment status. For instance, due to conflict Georgians might have been negatively affected or discriminated against on the labor market. And such a negative effect in turn might have affected their well-being negatively, which we find in the main results.

The evidence in Table 5 does not support the above hypothesis. We find no negative and significant coefficient for any of the variables of interest. Therefore, there is no direct impact of conflict on Georgians in the labor market, which could have affected their wages or employment status.

⁸When we repeat the same exercise in a diff-in-diff framework, the conclusion is similar.

Given that there is no evidence on the direct influence of conflict on Georgian livelihoods or employment status, we attribute the negative effect on well-being, our main results in Tables 2 and 3, to more indirect channels. These could be fear of being affected due to official or unofficial discrimination, psychological suffering for family and friends in the home country, or just altruism and sympathy felt for those affected in the war zones.⁹ These are consistent with Welsch (2008) who finds a negative link between conflict and happiness. Importantly, he points out that the effect related to suffering, fear and altruism is more important than that of more direct pecuniary effects on work or income. Also, in support of our interpretation, Danzer and Danzer (2016) demonstrate the psychological implications of the 1986 Chernobyl catastrophe in Ukraine after 20 years on individuals' poorer subjective well-being, higher depression rates, and lower subjective survival probabilities. As they exclude from their analysis individuals whose physical health was directly affected due to high levels of radiation, they argue that divergence between objective and subjective disaster related well-being hints at psychological effects of fear and anxiety of contamination and potential health risks.

4.2 Spillover Effect of the Russo-Georgian Conflict on other Minorities in Russia

In this subsection, we look into whether there is any spillover effects of the Russo-Georgian conflict on the well-being of other minorities. In Table 6, we estimate equations (1) and (2) in Panels A and B, respectively. We run

⁹It is unlikely that Russians would be subject to such effects. First, the conflict actually took place in Georgia, and Russians were far removed from its influence. Second, the relative firing power of Russia is far greater than that of Georgia, and therefore, it is improbable that Russians ever felt their safety was threatened.

regressions for the sample of *Migrant Minorities*. Migrant minorities are minorities other than Georgians who have been living in their residents in Russia for less than 10 years. We conjecture that these minorities, as opposed to the minorities who have been in place for a long time, could be more susceptible to any internal or external conflict between Russia and some other minority group for fear that they themselves could also be affected. This could be partly the fear that there might be a backlash towards minorities in general or they might fear that the conflict might spread. On the other hand, other types of longer-term resident minorities, which we will call *local minorities*, are probably less vulnerable since they have had more time to establish their networks, job security, and they most likely also have Russian citizenship.

Panels A and B of Table 6 demonstrate that migrant minorities suffer negatively from the spillover effects of the Russo-Georgian conflict onto their life satisfaction and job satisfaction. They also seem to endure a negative shock in 2008 compared to both their own well-being across time and the well-being of the Russian majority.

On the other hand, in Panels A and B of Table 7, we run similar regressions for *Local Minorities* who have been in their residences for at least ten years. In line with our conjecture above, the well-being of local minorities do not seem to suffer negatively from the spillover effects of the conflict.

In sum, there is some spillover effect of the Russo-Georgian conflict on the well-being of other minorities of Russia. However, this effect is heterogeneous. While more recent migrant minorities are negatively impacted, there is no effect for local minorities who are in Russia for a long time.

4.3 Placebo Exercises

In this subsection, we provide falsification exercises to demonstrate that our results are robust to different placebo treatment years. In a setup similar to that of equation (2) and Table 3, we pick alternative placebo treatment years and estimate the effect for each placebo year. Figures 1a to 1c present the placebo exercise results for three outcome variables of Georgian nationals, while Figures 1d to 1f present the results for migrant minorities.

Our placebo exercises indicate that there is no negative and significant reduction in the well-being of Georgians prior to the actual treatment of 2008. The only drop in the life satisfaction and the job satisfaction of Georgians over the entire time span happens in 2008. Health evaluation is negatively affected for two consecutive years in 2008 and 2009.

For migrant minorities, the conclusion is similar. Be it either life satisfaction or job satisfaction or health satisfaction, the placebo treatment years before 2008 have never any significant effect on well-being. Thus, this exercise assures us about the robustness of our results.

5 Conclusion

Collapse of the USSR derailed the balance of power and international relations across the former Soviet space. This unstable political environment in some instances gave way to tension among former Soviet states, which has an impact on the daily lives of ordinary people. In this paper, we assess the effect of the Russo-Georgian conflict on the well-being of Georgian nationals in Russia in terms of their life satisfaction, job satisfaction or health evaluation. We

provide evidence that, on impact, the well-being of Georgian nationals suffered negatively from the conflict of 2008, both in comparison to their own well-being across time and to the well-being of the Russian majority. Furthermore, we show that this negative effect of conflict on well-being of Georgians does not have a long-term legacy that goes beyond 2008 into the subsequent years. Importantly, we demonstrate that the conflict has no direct effect on the livelihoods or the labor market outcomes of Georgian nationals. Therefore, we attribute the negative effect of conflict on well-being to more indirect channels such as fear, altruism, sympathy, or just uncertainty in general.

Lastly, we also analyze the spillover effects of the Russo-Georgian conflict on other minorities that live in Russia. We find that while the well-being of migrant minorities who have recently moved to Russia is negatively affected, there is no effect on local minorities who have been living in Russia for a long time (at least ten years).

This paper adds to the previous literature by showing that the effect of conflict on well-being goes beyond the conflict zone ([Coupé and Obrizan, 2016a](#)). Instead of focusing on the direct impact of conflict on happiness in war-torn areas, we contribute to this literature by scrutinizing the well-being of people whose country of origin experiences conflict, but they themselves are not in the war zone. Additionally, we show that some other minority groups also suffer from such negative spillovers, and it is not only the Georgian nationals who reside in Russia are negatively influenced. Being aware of such negative indirect effects of conflict on well-being is essential for policy makers, politicians and researchers. Most policy analyses ignore such indirect costs of conflict, and this study highlights the bleak fact that the cost of conflict on well-being is probably larger than it has been previously estimated.

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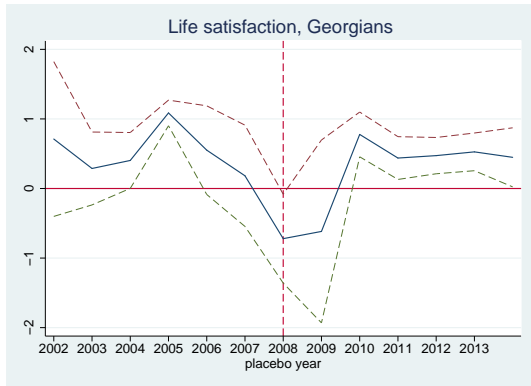
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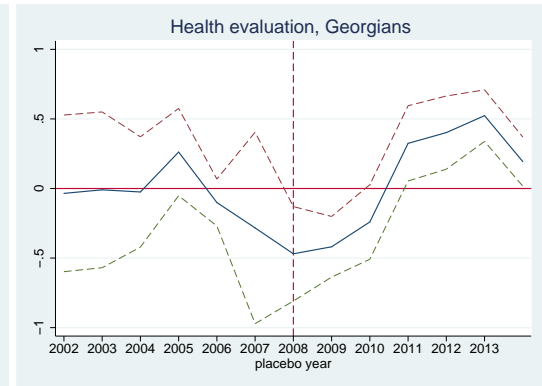
Figure 1: Falsification Exercises with Different Placebo Years as Treatment (within 90% Confidence Intervals)



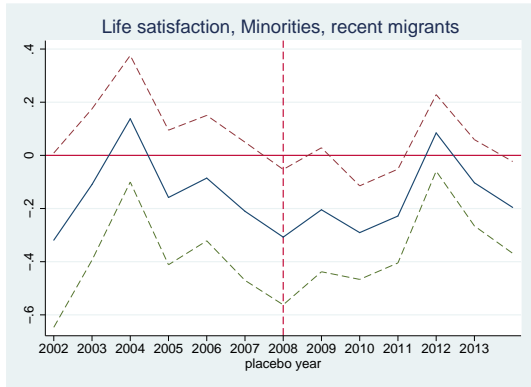
(a) Life Satisfaction, Georgians



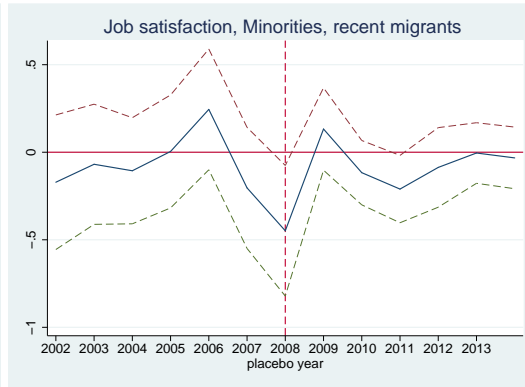
(b) Job Satisfaction, Georgians



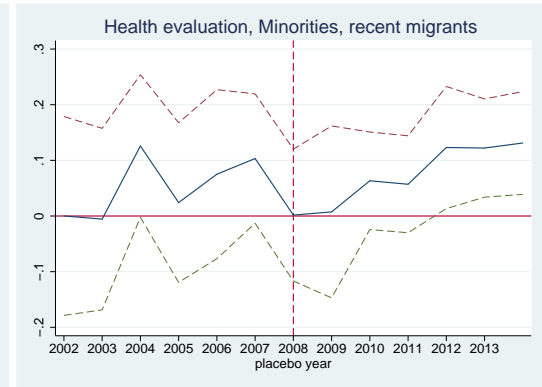
(c) Health Evaluation, Georgians



(d) Life Satisfaction, Migrant Minorities



(e) Job Satisfaction, Migrant Minorities



(f) Health Evaluation, Migrant Minorities

Table 1: Summary Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
Life satisfaction	211420	3.08	1.13	1	5
Job satisfaction	105570	3.52	1.03	1	5
Health evaluation	253505	3.29	.744	1	5
I(Georgian)	254790	.001	.027	0	1
I(minority, migrant)	254790	.025	.155	0	1
I(minority, local)	254790	.219	.413	0	1
I(Russian)	254790	.700	.458	0	1
log(wage)	254790	2.17	2.69	0	8.95
I(employed)	254790	.428	.495	0	1
Years of education	212305	15.4	4.84	0	23
# years lived in current residence	238943	16.0	6.25	0	20
Age	254772	37.3	22.0	0	104

Note: Migrants are defined as those who have resided in their current residence for less than 10 years. Minority is defined as those who have non-Russian nationality and reside in regions with Russian majority (31 out of 35 regions in the RLMS survey).

Table 2: The Effect of the Russo-Georgian Conflict on the Well-being of Georgian Nationals in Russia

Dependent Variable:	(1) life satisfaction	(2) job satisfaction	(3) health evaluation	(4) life satisfaction	(5) job satisfaction	(6) health evaluation
2008 Dummy	-1.081** [0.406]	-1.006* [0.588]	-0.495* [0.266]	-1.167*** [0.359]	-0.926 [0.575]	-0.396** [0.191]
Log Wage				0.013 [0.062]	0.065 [0.071]	0.043 [0.029]
Employment				-0.243 [0.351]	-0.393 [0.777]	-0.135 [0.211]
Education				0.046* [0.026]	0.044 [0.035]	-0.020 [0.023]
Years in residence				-0.012 [0.020]	0.003 [0.022]	-0.015 [0.013]
Age				-0.013*** [0.004]	-0.005 [0.014]	-0.027*** [0.006]
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Observations	179	93	179	151	77	151
R-squared	0.136	0.084	0.166	0.249	0.129	0.590
Sample	georgian	georgian	georgian	georgian	georgian	georgian

Robust standard errors are in brackets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 3: The Effect of the Russo-Georgian Conflict on the Well-being of Georgian Nationals in Russia, Diff-in-Diff Results

Dependent Variable:	(1) life satisfaction	(2) job satisfaction	(3) health evaluation	(4) life satisfaction	(5) job satisfaction	(6) health evaluation
Georgian*2008 Dummy	-0.531 [0.433]	-0.762 [0.545]	-0.496 [0.303]	-0.721* [0.388]	-0.785* [0.474]	-0.469** [0.206]
2008 Dummy	-0.046*** [0.010]	0.018 [0.013]	-0.049*** [0.006]	-0.046*** [0.010]	0 [0.013]	-0.017*** [0.005]
Log Wage				0.062*** [0.003]	0.056*** [0.003]	0.027*** [0.001]
Employment				-0.134*** [0.015]	-0.220*** [0.022]	0.018** [0.008]
Education				0.010*** [0.001]	0.032*** [0.002]	0.009*** [0.001]
Years in residence				-0.011*** [0.001]	-0.001 [0.001]	-0.002*** [0.001]
Age				-0.010*** [0.000]	0 [0.000]	-0.020*** [0.000]
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Georgian Specific Time Function	yes	yes	yes	yes	yes	yes
Observations	169,795	92,052	169,828	159,777	88,451	159,776
R-squared	0.018	0.023	0.004	0.069	0.047	0.304
Sample	whole	whole	whole	whole	whole	whole

All regressions include group-specific time functions. Comparison group is Russian nationals.
Robust standard errors are in brackets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 4: Long-term Effect of the Russo-Georgian Conflict on the Well-being of Georgian Nationals in Russia

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent Variable:	life satisfaction	job satisfaction	health evaluation	life satisfaction	job satisfaction	health evaluation
Panel A						
2008 Dummy	-1.046*	-0.722	-0.613**	-1.234**	-0.650	-0.803***
	[0.553]	[0.736]	[0.233]	[0.567]	[0.784]	[0.256]
2009-2015 Dummy	0.043	0.132	0.309	0.073	0.384	-0.386
	[0.556]	[0.670]	[0.422]	[0.666]	[0.913]	[0.372]
Controls	no	no	no	yes	yes	yes
Observations	183	93	183	152	77	152
R-squared	0.118	0.045	0.123	0.167	0.118	0.541
Sample	georgian	georgian	georgian	georgian	georgian	georgian
Panel B						
2008 Dummy	-1.209**	-1.256	-0.244	-1.240**	-1.052	-0.445
	[0.543]	[0.908]	[0.227]	[0.569]	[1.197]	[0.290]
2009 Dummy	-1.300	-0.838	-0.049	-1.065	-0.484	-0.349
	[0.923]	[1.035]	[0.382]	[1.085]	[1.539]	[0.430]
2010 Dummy	0.109	-0.337	0.270	0.371	0.085	-0.069
	[0.551]	[0.842]	[0.431]	[0.777]	[1.403]	[0.507]
2011 Dummy	-0.132	-0.877	1.140**	0.100	-0.535	0.421
	[0.507]	[1.085]	[0.504]	[0.728]	[1.813]	[0.559]
2012 Dummy	-0.172	-0.668	1.209**	0.190	-0.294	0.611
	[0.623]	[1.084]	[0.547]	[0.908]	[1.766]	[0.594]
2013 Dummy	-0.209	-1.197	1.342**	0.265	-0.744	0.786
	[0.679]	[1.291]	[0.571]	[0.986]	[2.051]	[0.624]
2014 Dummy	-0.442	-1.570	1.111*	0.089	-0.826	0.523
	[0.698]	[1.409]	[0.650]	[1.007]	[2.214]	[0.743]
2015 Dummy	-0.645	-1.564	1.368*	-0.040	-0.898	0.804
	[0.750]	[1.455]	[0.684]	[1.128]	[2.339]	[0.792]
Controls	no	no	no	yes	yes	yes
Observations	183	93	183	152	77	152
R-squared	0.168	0.092	0.212	0.225	0.153	0.584
sample	georgian	georgian	georgian	georgian	georgian	georgian

Columns (4)-(6) control for Log Wages, Employment, Education, Years in residence, and Age.

All regressions include Region Fixed Effects and and 2nd Order Time Function.

Robust standard errors are in brackets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 5: The Effect of the Russo-Georgian Conflict on Wages and Employment of Georgian Nationals in Russia

Dependent Variable:	(1)	(2)	(3)	(4)	(5)	(6)
	Log Wages	Employment	Log Wages	Employment	Log Wages	Employment
	estimating equation 1		estimating equation 2			
2008 Dummy	-0.256	-0.003	0.338***	0.034***	0.341***	0.040***
	[0.851]	[0.142]	[0.022]	[0.004]	[0.022]	[0.003]
Georgian*2008 Dummy			-0.406	-0.08	0.142	0.031
			[0.988]	[0.177]	[0.840]	[0.134]
Education					0.183***	0.033***
					[0.003]	[0.000]
Years in residence					0.040***	0.008***
					[0.003]	[0.001]
Age					-0.033***	-0.008***
					[0.001]	[0.000]
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Georgian Specific Time Function	no	no	yes	yes	yes	yes
Observations	179	179	170,776	170,776	160,693	160,693
R-squared	0.014	0.016	0.008	0.001	0.166	0.209
Sample	georgian	georgian	whole	whole	whole	whole

Columns (1) and (2) estimate equation 1. Columns (3)-(6) estimate equation 2.

Columns (3) to (6) include group-specific time functions.

Robust standard errors are in brackets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 6: The Spillover Effect of the Russo-Georgian Conflict on the Well-being of Migrant Minorities in Russia

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent Variable:	life	job	health	life	job	health
	satisfaction	satisfaction	evaluation	satisfaction	satisfaction	evaluation
Panel A						
2008 Dummy	-0.299**	-0.327*	0.035	-0.216	-0.403*	-0.081
	[0.138]	[0.196]	[0.041]	[0.135]	[0.222]	[0.066]
Controls	no	no	no	yes	yes	yes
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Observations	2,261	1,055	5,945	1,113	622	1,113
R-squared	0.020	0.012	0.022	0.036	0.060	0.246
Panel B: Diff-in-Diff Results						
Migrant Minorities*2008 Dummy	-0.14	-0.322	0.478***	-0.308**	-0.448**	0.002
	[0.147]	[0.202]	[0.044]	[0.155]	[0.227]	[0.072]
2008 Dummy	-0.047***	0.018	-0.061***	-0.044***	0.001	-0.017***
	[0.010]	[0.013]	[0.006]	[0.010]	[0.013]	[0.005]
Controls	no	no	no	yes	yes	yes
Group-specific time functions	yes	yes	yes	yes	yes	yes
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Observations	171,830	92,993	175,547	160,708	88,979	160,707
R-squared	0.018	0.022	0.009	0.069	0.047	0.303

Migrant Minorities are defined as recent movers to Russia who lived there for less than ten years.

Robust standard errors are in brackets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 7: The Spillover Effect of the Russo-Georgian Conflict on the Well-being of Local Minorities in Russia

Dependent Variable:	(1)	(2)	(3)	(4)	(5)	(6)
	life satisfaction	job satisfaction	health evaluation	life satisfaction	job satisfaction	health evaluation
Panel A						
2008 Dummy	0.015 [0.027]	0.004 [0.035]	0.010 [0.011]	0.011 [0.027]	-0.015 [0.035]	0.002 [0.015]
Controls	no	no	no	yes	yes	yes
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Observations	27,107	11,690	53,499	25,882	11,223	25,994
R-squared	0.023	0.026	0.003	0.037	0.052	0.293
Panel B: Diff-in-Diff Results						
Local Minority*2008 Dummy	0.129*** [0.031]	-0.053 [0.040]	0.436*** [0.016]	0.149*** [0.031]	-0.039 [0.040]	0.217*** [0.019]
2008 Dummy	-0.056*** [0.010]	0.023* [0.013]	-0.137*** [0.007]	-0.059*** [0.010]	0.003 [0.013]	-0.042*** [0.006]
Controls	no	no	no	yes	yes	yes
Group-specific time functions	yes	yes	yes	yes	yes	yes
Region Fixed Effects	yes	yes	yes	yes	yes	yes
2nd Order Time Function	yes	yes	yes	yes	yes	yes
Observations	195,590	102,951	222,012	184,391	98,908	184,499
R-squared	0.019	0.023	0.029	0.063	0.047	0.297

Local Minorities are defined as people of minority origin who have been residing in Russia for at least ten years.

Robust standard errors are in brackets. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Appendix

Figure A.1: Average Real Income and Wages in Russia over Time

