Poverty related statistics and dynamics in Post-Soviet Russia

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Plan

- Poverty dynamics
- Poverty risks for different groups of population
- Monetary poverty vs. subjective and deprivation poverty
- Social spending and family benefits in Russia
- Role of social benefits in preventing poverty

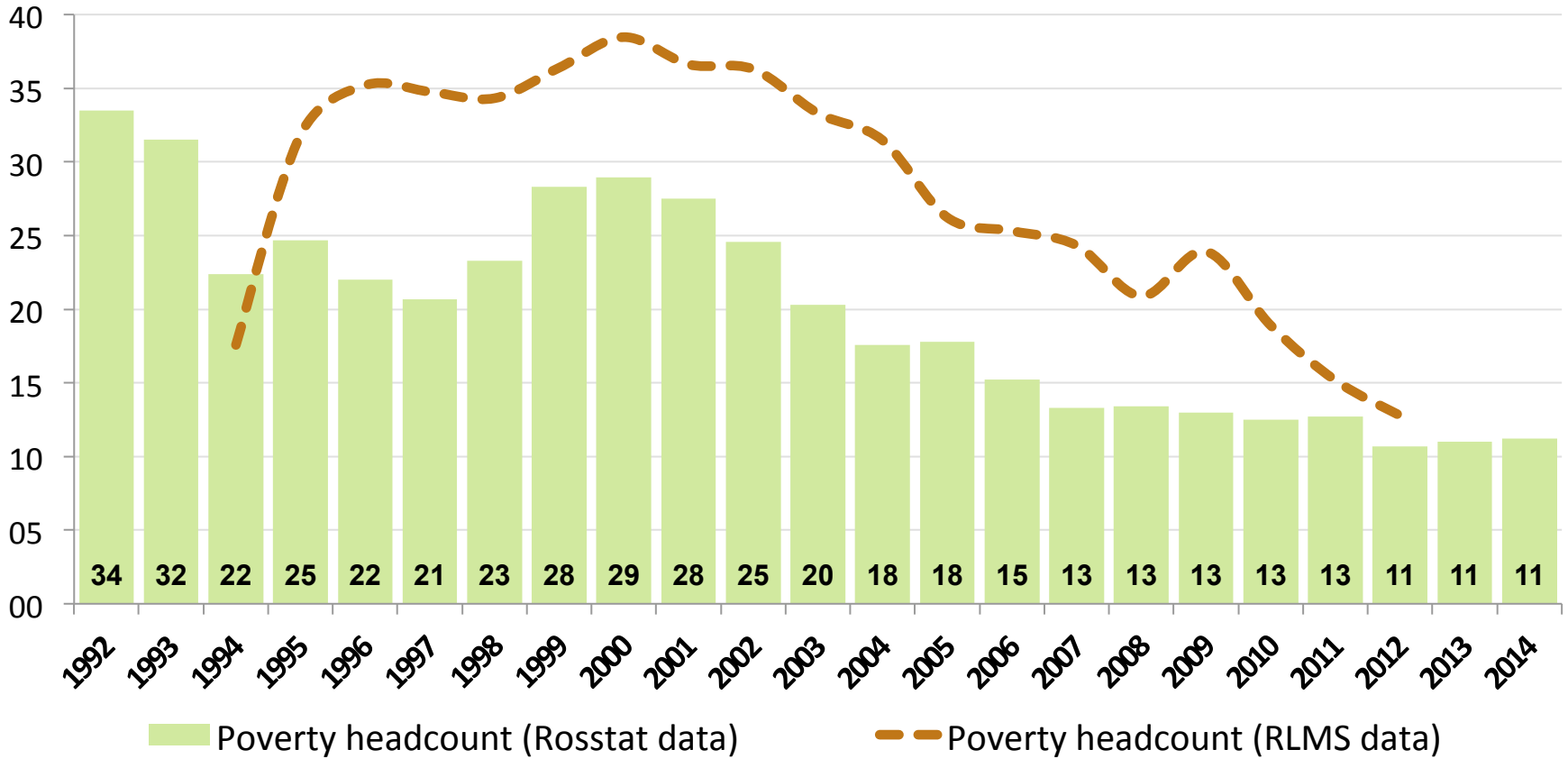
Data

- Statistics of the Russian statistical agency (Rosstat)
  Household budget survey

- Russian Longitudinal Monitoring Survey (RLMS HSE), 1994-now

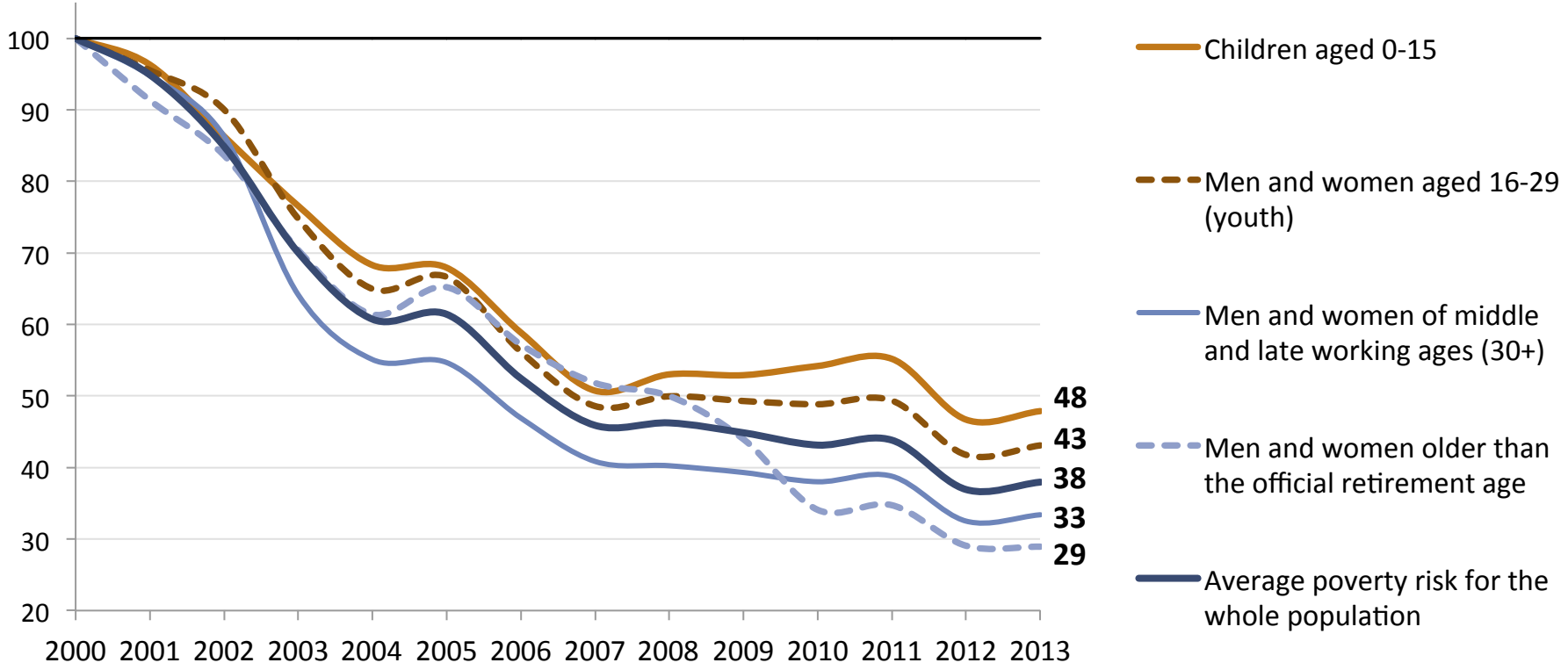
Overall poverty dynamics

- Back to negative tendency for the first time since 2000
- Poverty dynamics proves that 2014 crisis did not occur only due to political shocks



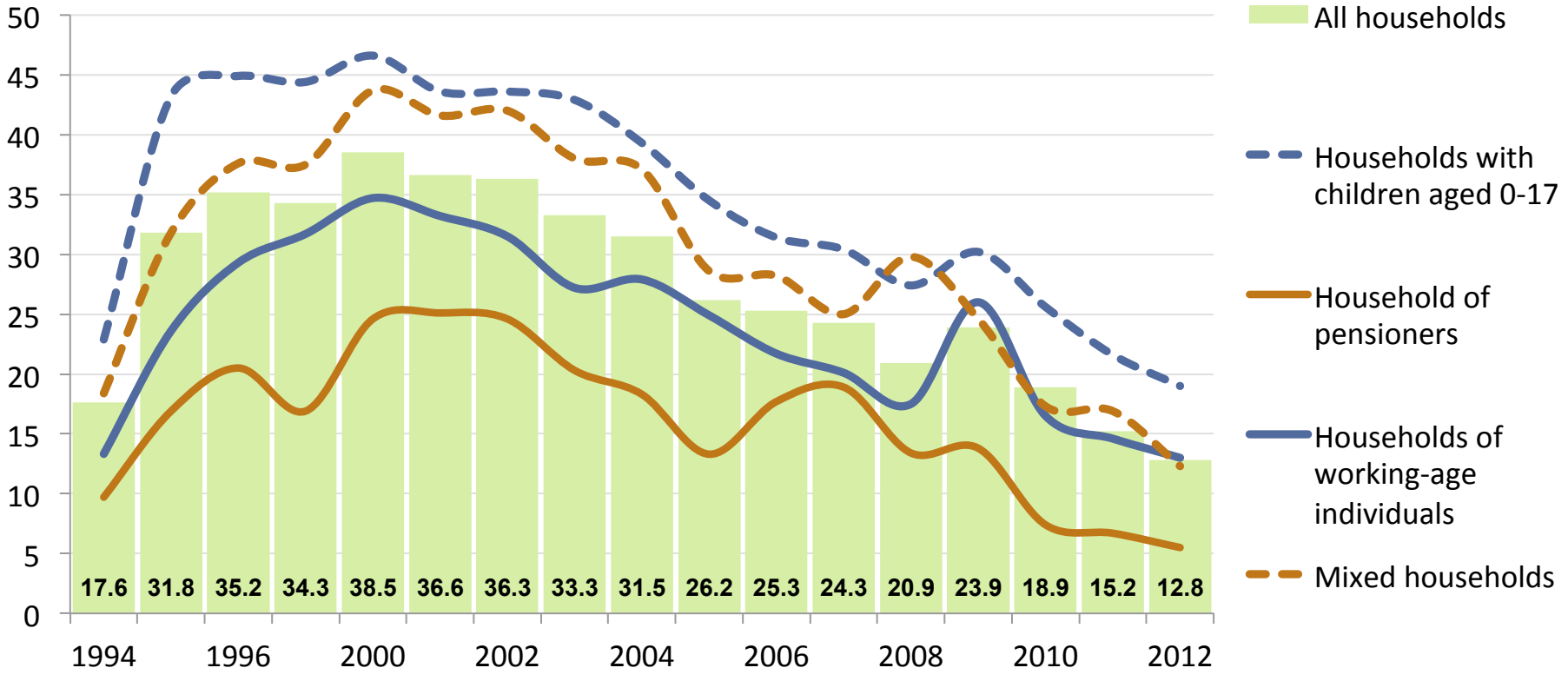
Relative risk of poverty for different groups

- On average for the whole population risk of poverty in 2013 mounts only to 38% of that in 2000
- Since 2000 pensioners saw the most impressive improvement in poverty risks
- The gap between groups has not been changing recently



Risk of poverty. Household level

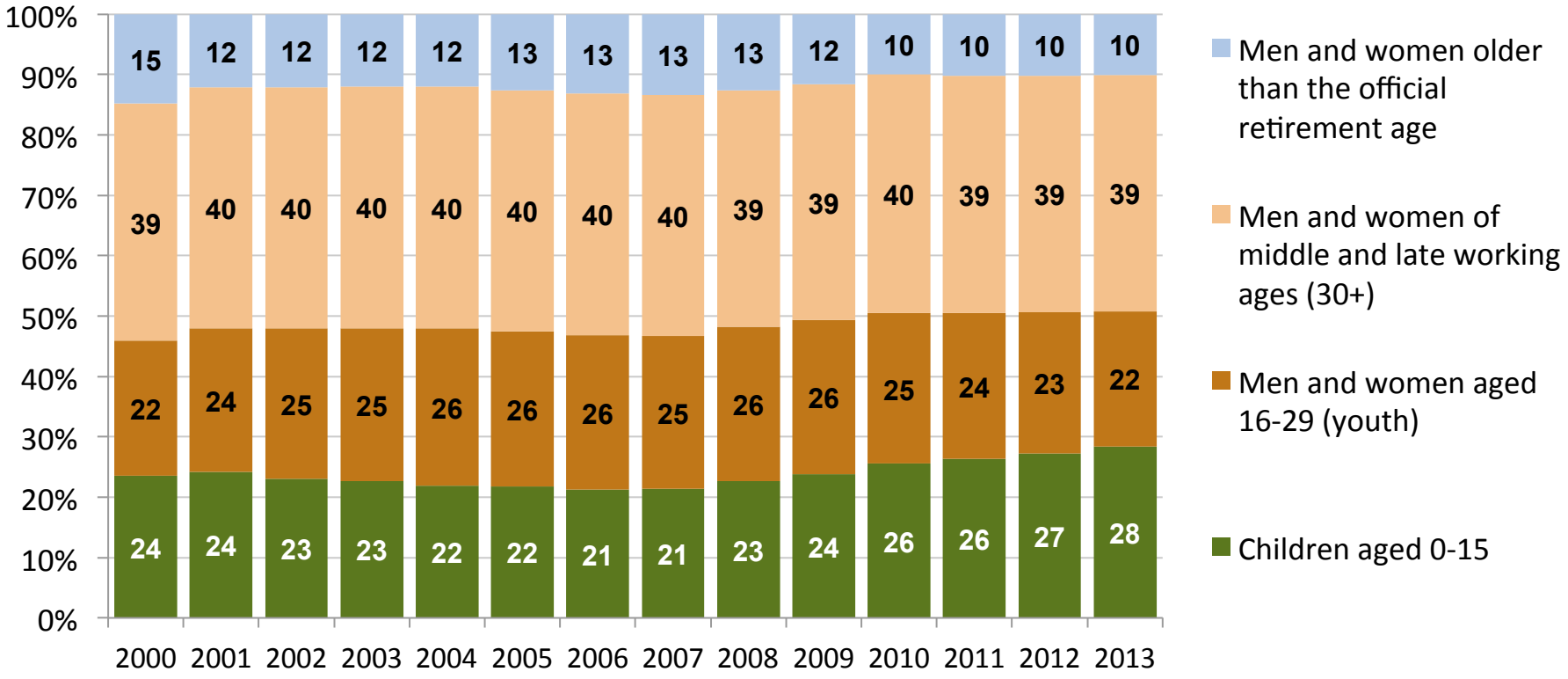
- Households with children form the most vulnerable group
- Only the households of pensioners experience significantly lower poverty risks compared to average estimates
- Note that a lot of them balance just above the poverty line



RLMS data. Results of 2014 HSE Basic Research Program Project (TZ-154)

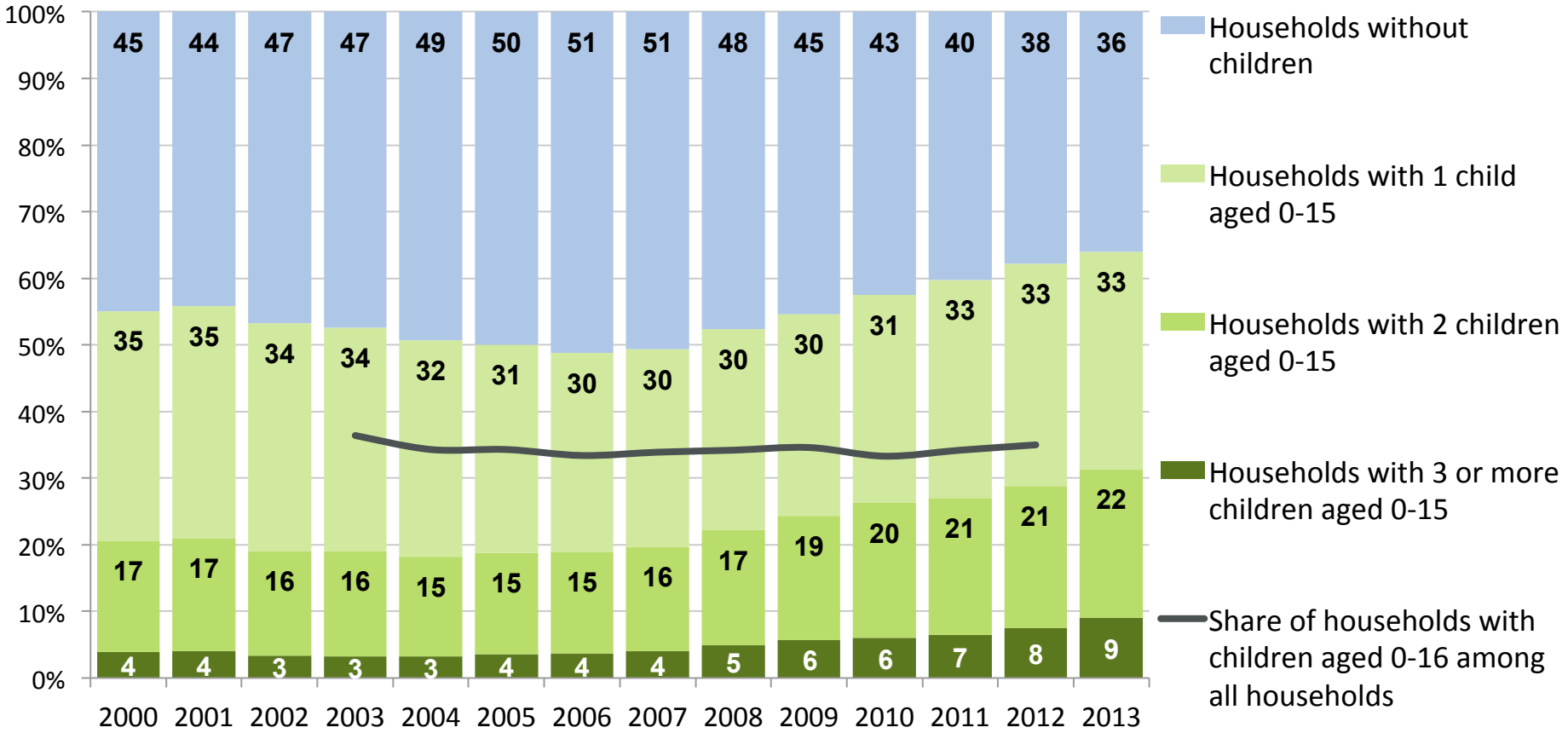
Poor population. Individual level

- Poverty risk dynamics determines the structure of the poor
- Share of children among the poor is growing



Poor population. Household level

- This evidence is even more striking at the household level



Alternative conceptions of poverty estimation

- Monetary poverty (absolute)
- Some groups of population sometimes have enough financial recourses to meet the official poverty criteria, but still live in a highly unsatisfactory conditions
  - No access to services
  - No access to consumption above the minimum subsistence level
  - No access to social activity/life

  => Deprivation poverty

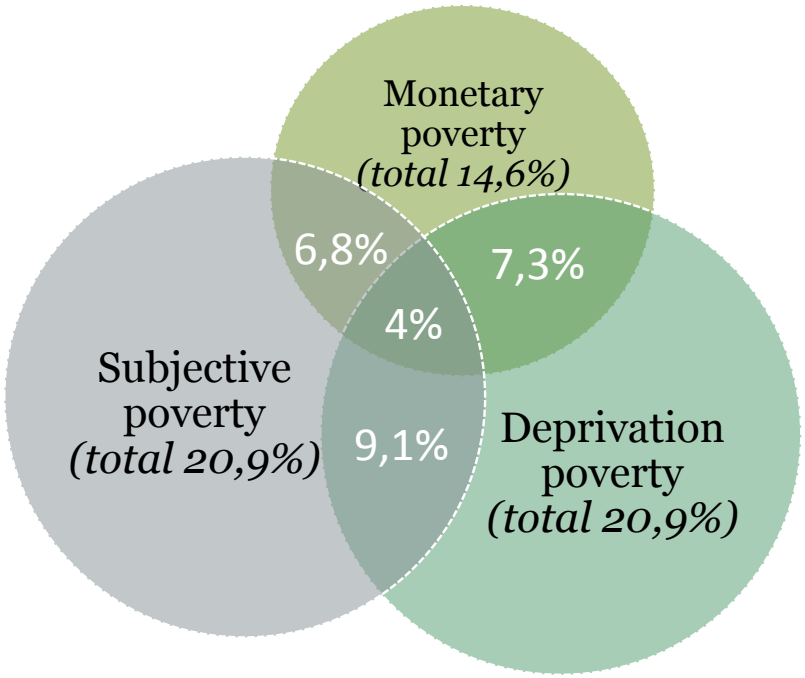
- Quality of live can still be low/ lower than average/ lower than desirable => Subjective poverty

- All three criteria meet to form *multidimensional approach*

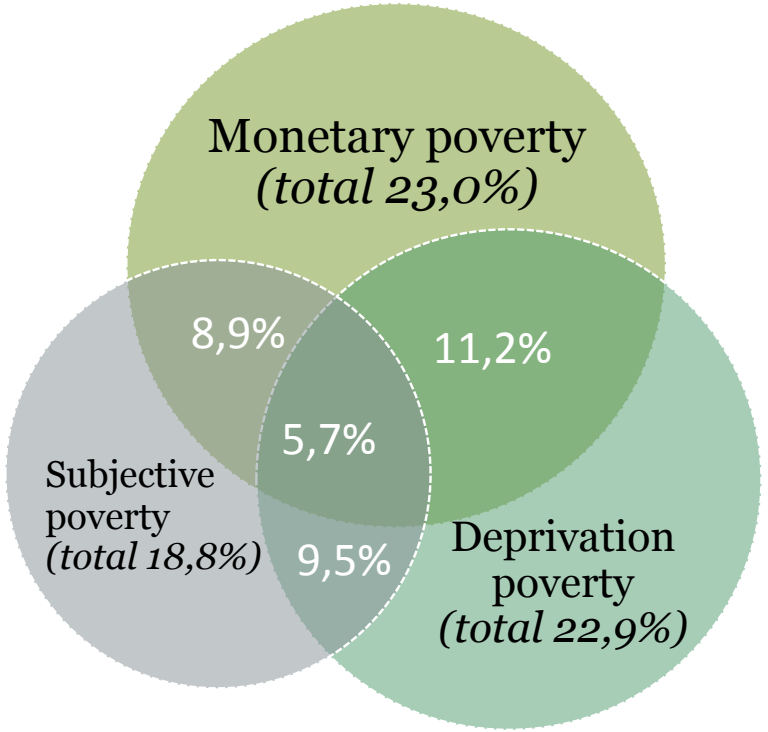
Household poverty. Multidimensional approach

- Households with children have higher risks of monetary and deprivation poverty

ALL HOUSEHOLDS

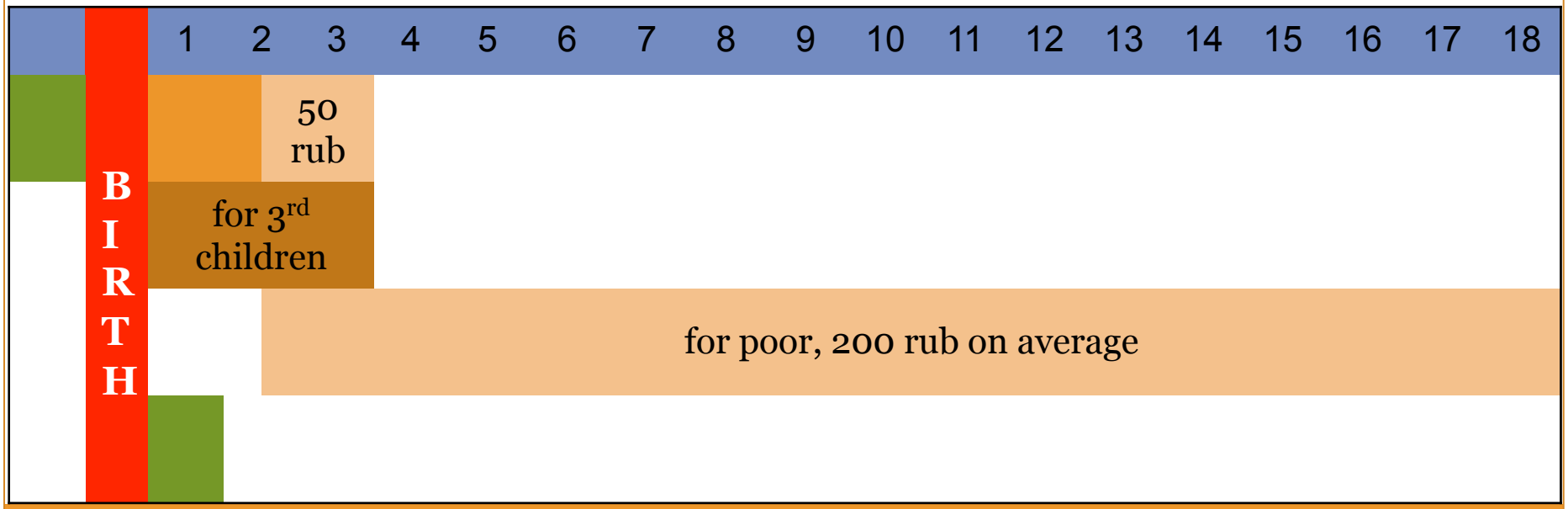


HOUSEHOLDS WITH CHILDREN



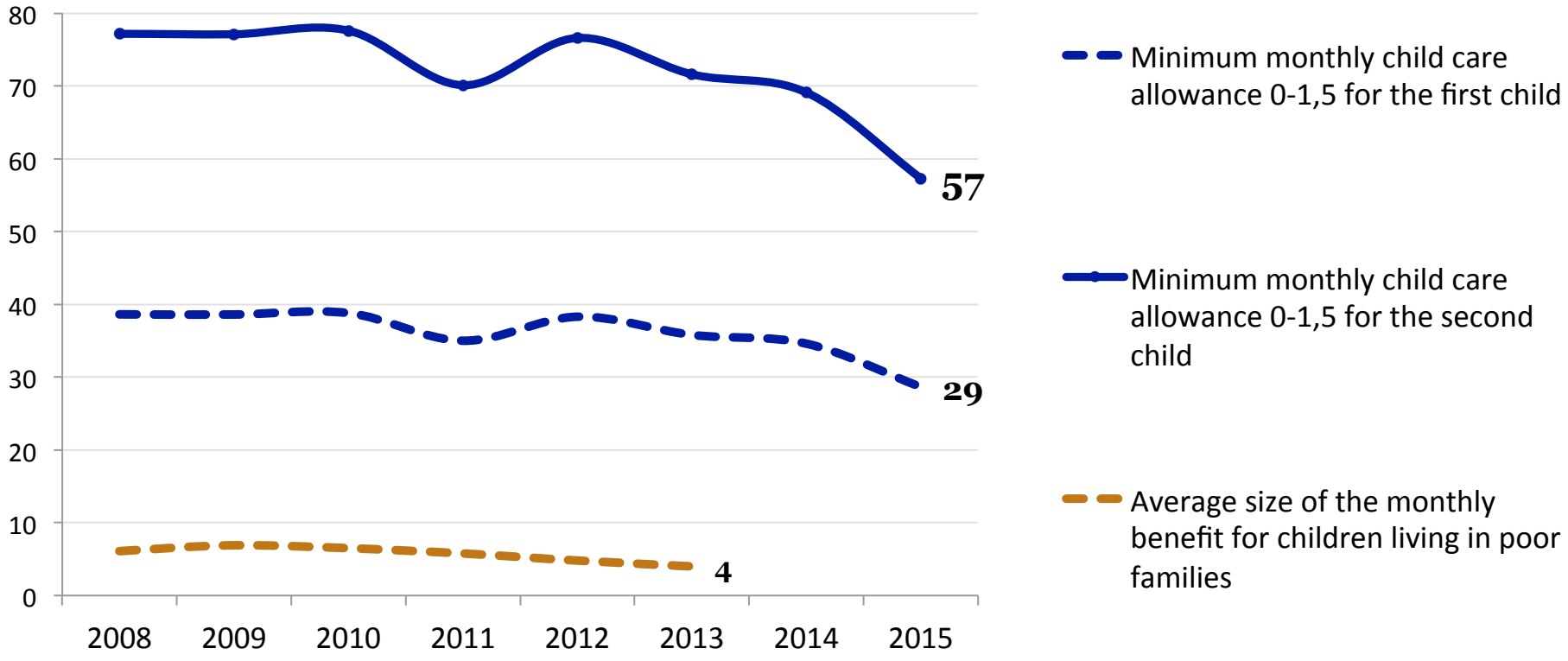
Family benefits. Timing

- All regular benefits of a significant size end when a child reaches 1,5 years old
- Child care allowance 0-1,5 – orange
- Compensational benefit (50 rubles), benefit for children from poor families (regional, average sum 200 rubles) – light orange
- Monthly payment for those who had a third child (regional, since 2013) – dark orange
- Green – non-regular one-time allowances



Family benefits. Size (1)

- Figure – *Size of some family benefits in comparison with the minimum subsistence level of a child (dynamics)* – it proves that some payments are insignificant
- We observe decline in 2015. Nominal cost of living grows faster than benefits.



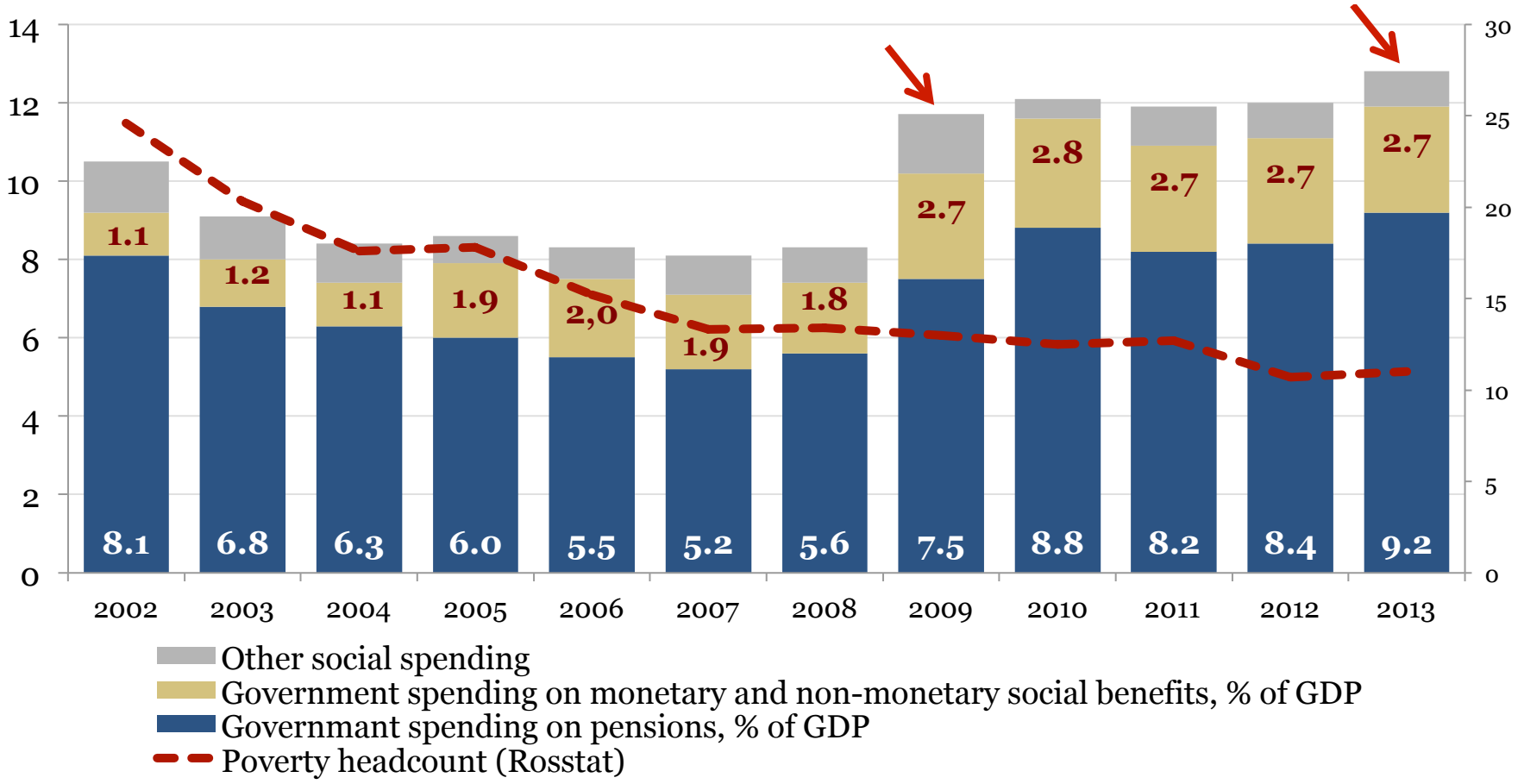
Family benefits. Size (2)

- Families with more children depend more on social security system
- One-parent families are the most dependent if we judge by share in disposable incomes, but families with three or more children are the most involved in the system

Household type	Child benefits		Subsidies	
	% of families entitled	Share in total disposable income of these families	% of families entitled	Share in total disposable income of these families
Two-parent families with one child	24.8	5.2	19.4	6.0
Two-parent families with two children	43.5	7.5	26.3	6.8
Two-parent families with three children	77.2	11.6	35.2	8.6
Single-parent families with children	28.6	11.3	22.4	13.0

RLMS 2013. Results of 2014 HSE Basic Research Program Project (TZ-130)

Government social spending



Role of social benefits in preventing poverty

Household type	Poverty risk	Poverty risk in the absence of child benefits	*Poverty risk after correcting benefits and list of entitled households**
All households	14.7	19.0 (+4.3)	*10.4*
Families with children	23.4	28.1 (+4.7)	*12.4*
Two-parent families with children	29.0	35.7 (+6.7)	*13.0*
Single-parent families with children	33.5	40.4 (+6.9)	*16.6*

- **Corrections:* child care allowances for children aged under 1.5 are not less than ½ of subsistence level, social pensions are not less than 1 subsistence level, poverty benefit for children is not less than 0.7 subsistence level and are provided only for poor households.

Conclusion

- Poverty risks for children and families with children keep being significantly higher comparing to the average, share of these groups in the poor population grows
- Families with children also face higher risks of deprivation poverty (consumption and services), but not subjective
- Existing social security system for children and families with children seems to be not efficient (enough?); there are capacities for development
- Economic crisis of 2014-2015 provokes further growth of poverty risks among children and social system is not responding to this challenge well

THANK YOU

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