

Abstract

Ruslan Yemtsov, "Data on Inequality in the Russian transition, 1992-2003: How Reliable Are They?"

The paper looks at the evolution of Russia's official system for monitoring inequality over ten years of transition 1992-2003. Russia represents an interesting case in which officially published data on inequality are not based on any specific survey. Rather they come from different sources: household budget survey, macroeconomic statistics of money balances, and parametric model of the distribution, calibrated using these two sources. Each of Russia's 80+ regions has its own configuration of these three elements producing the series of inequality indices (Gini indices and decile ratios) which are more or less regularly published series. The statistical office insisted on the need to combining the three elements to deal with problems which are not unique to Russia: low response rate in household surveys and under-reporting by survey respondents. Each of these three elements underwent a complex evolution over the period, reflecting rapid the evolution of statistical concepts and data collection practices, nature of the economy and relationship between the Russian state and its citizens. The paper describes this evolution in detail and discusses its implications for the levels of inequality produced. It finds several breakpoints and inconsistencies which are often ignored by the users of data. It emphasizes the role of the concepts and definition of welfare as the key source of the data inconsistencies. Taking 2003 survey micro data it decomposes the published indices of inequality for all Russian regions into the contribution coming from each of the elements: the raw measured level of inequality using various concepts of welfare, the discrepancy between survey and macrobalances, and the assumption about the parameters of the (lognormal) model imposed on the data. The paper finds that again that details of construction of welfare index plays the key role, more than other factors.