

# Standards of Life and Subjective Well-being: Evidence from Russia

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## Cross-regional differences in Russia:

- The standards of life, quality of living and subjective well-being of the population of the peripheral regions of Russia, vary a lot, compared to all-country population and its capital city, in particular. Significant discrepancy in levels of social and economic development can be clearly seen via such indicators as income, HDI, life expectancy, migration, crime rates etc.
- Despite various objective data that shows visibly poorer standards of living in distant Russian regions compared to both average country and capital city indicators (e.g. considerably lower income, life expectancy, public goods delivery, financial and physical security etc.), still, according to survey data, the population of these regions is characterized by higher levels of subjective well-being, as well as happiness, life satisfaction, competitiveness and internal locus of control.

### **The main research question:**

What explains the unexpectedly higher level of SWB in peripheral regions of the country, that are characterized by notably lower levels of income and standards of life?

### **Hypotheses:**

The satisfaction with life is conductive to reference group, a model society that the respondents compare themselves with. So what we can observe in case of Moscow, might be the phenomenon of *frustrated achievers*, or “a relative deprivation, when despite absolute income gains, most income groups find themselves in a more disadvantageous relative position (Brockmann, H., Delhey J., Welzel C., & Yuan H., 2009.)

## The empirical basis of the project

### 1. World Values Survey data

- national survey, 2012, n = 2500
- 6 regional surveys, 2012, n = 6000 (Moscow, Saint Petersburg, Leningrad Region, Chuvash Republic, Altay Territory and the Republic of Bashkortostan)

### 2. Statistical data by the Russian Federal State Statistics Service

**Methods:** correlation and regression analysis

### Newly created variables to test the hypothesis:

- **Relative income**
- **World, national, and local identity, cosmopolitanism index**  
(developed in a research project by A. Koustov, where relative cosmopolitan identity is constructed using the formulae:  $RCI = (NI + LI) / 2$  (WVS variables V210, V211, V212; CL – cosmopolitan identity, NI – national identity, LI – local identity)

Source: [http://www.hse.ru/data/2012/11/03/1249150106/Kustov\\_April2012\\_Presentation.pdf](http://www.hse.ru/data/2012/11/03/1249150106/Kustov_April2012_Presentation.pdf)

## **Factors affecting SWB:**

### **Material conditions: income, wealth, consumption, etc.**

(Dolan, P., T. Peasgood and M. White (2008), “Do we really know what makes us happy? A review of the economic literature on the factors associated with subjective well-being”, *Journal of Economic Psychology*, Vol. 29, pp. 94-122.)

### **Health status, unemployment, social contact and safety**

(Boarini, R., M. Comola, C. Smith, R. Manchin and F. De Keulenaer (2012), *What Makes for a Better Life? The determinants of subjective well-being in OECD countries: Evidence from the Gallup World Poll*, STD/DOC (2012) 3, OECD.)

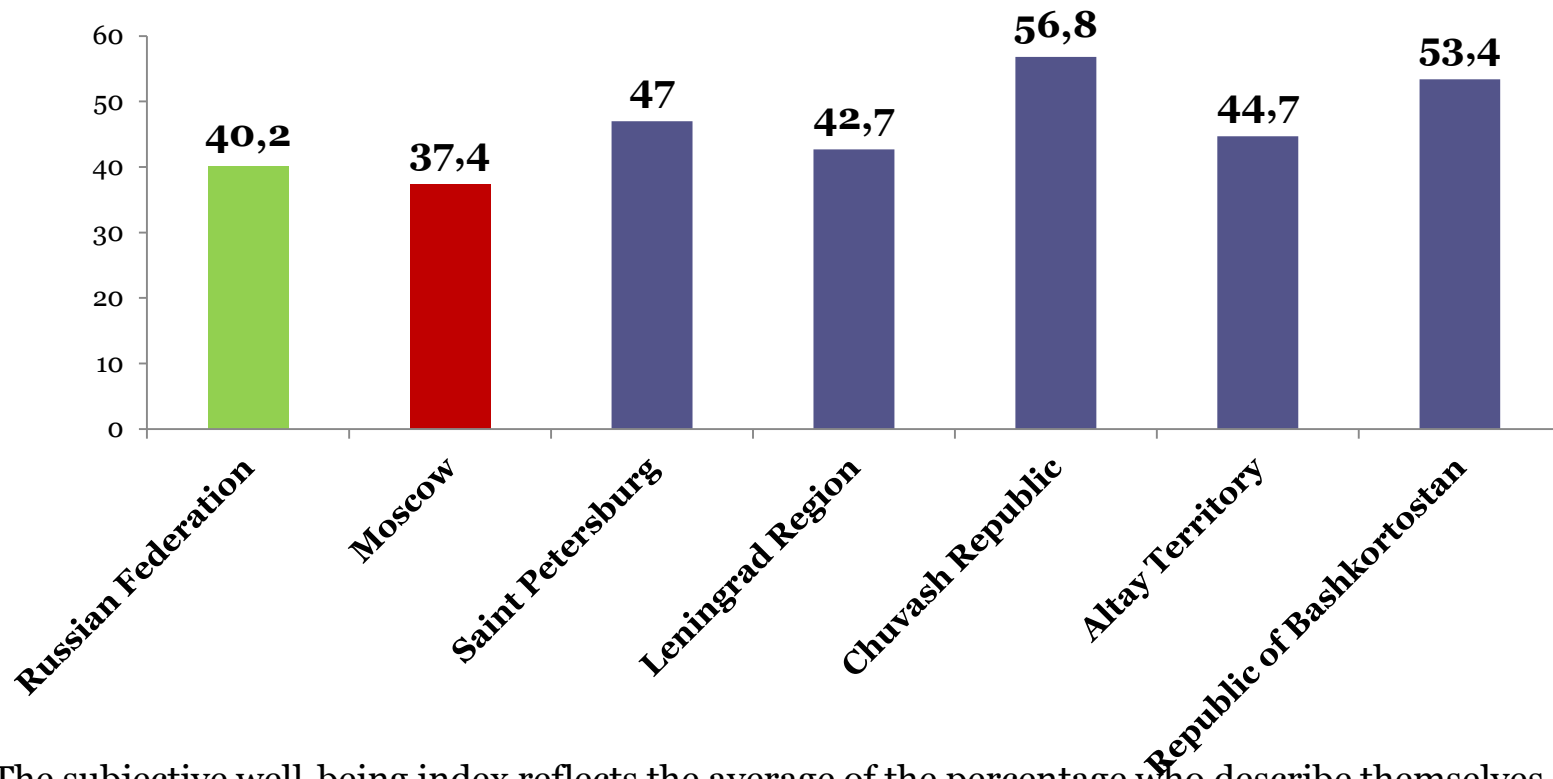
### **Environmental quality, noise and air pollution**

(Silva, J., F. De Keulenaer and N. Johnstone (2012), “Individual and Contextual Determinants of Satisfaction with Air Quality and Subjective Well-Being: Evidence based on Micro-Data”, OECD Environment Directorate Working Paper, OECD Publishing, Paris.; Weinhold, D. (2008), “How big a problem is noise pollution? A brief happiness analysis by a perturbable economist”, MPRA Working Paper, No. 10660.)

### **Personal security, living in unsafe or deprived area, perceived crime rates**

(Balestra, C. and J. Sultan (2013), “Home Sweet Home: The Determinants of Residential Satisfaction and Its Relation with Well-Being”, OECD Statistics Directorate Working Papers, OECD, Paris; Helliwell, J.F. and S. Wang (2011), “Trust and Well-being”, *International Journal of Wellbeing* URL: [www.internationaljournalofwellbeing.org/index.php/ijow/issue/current](http://www.internationaljournalofwellbeing.org/index.php/ijow/issue/current).)

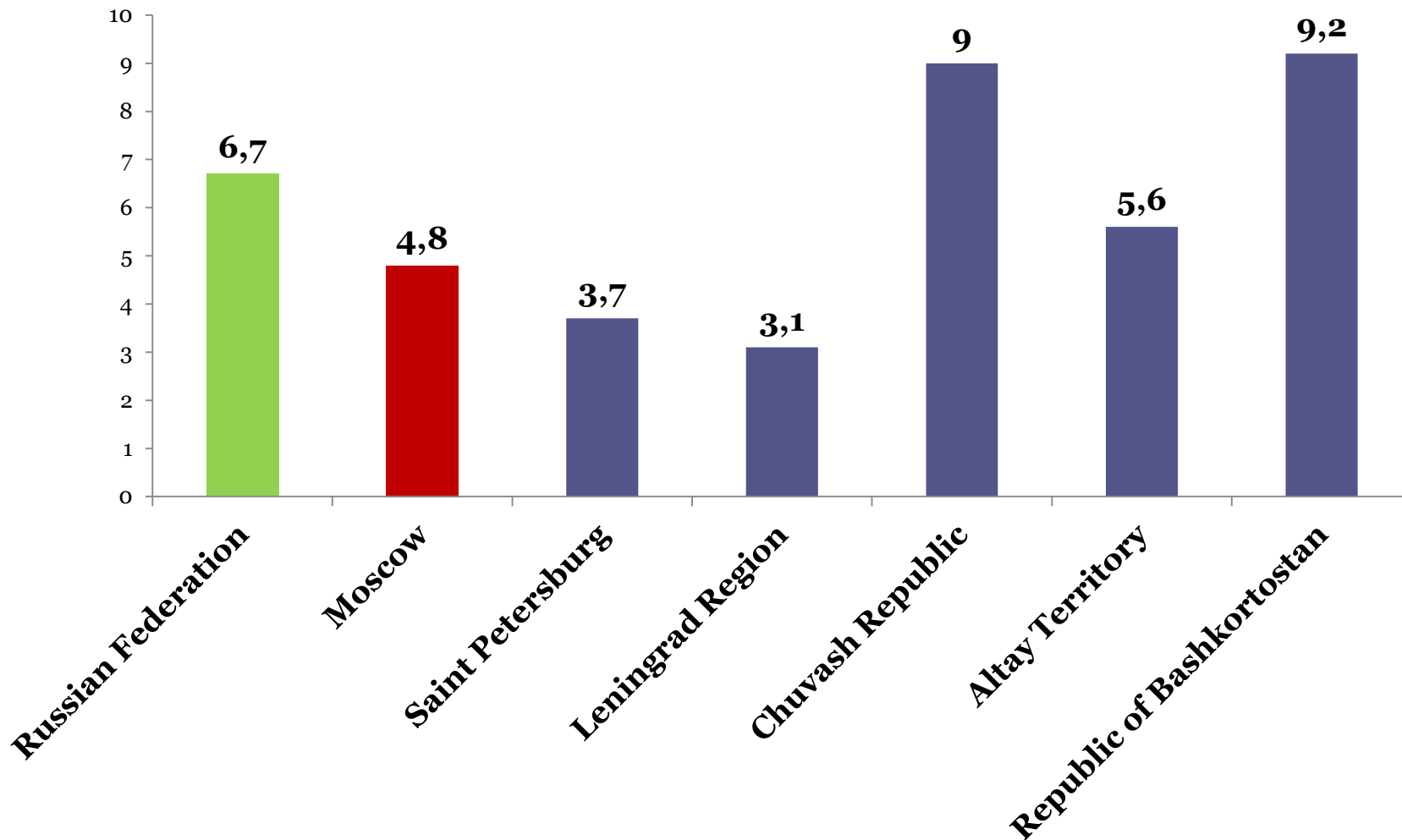
## Subjective Well-being Index, Regions of Russia, WVS, 2012



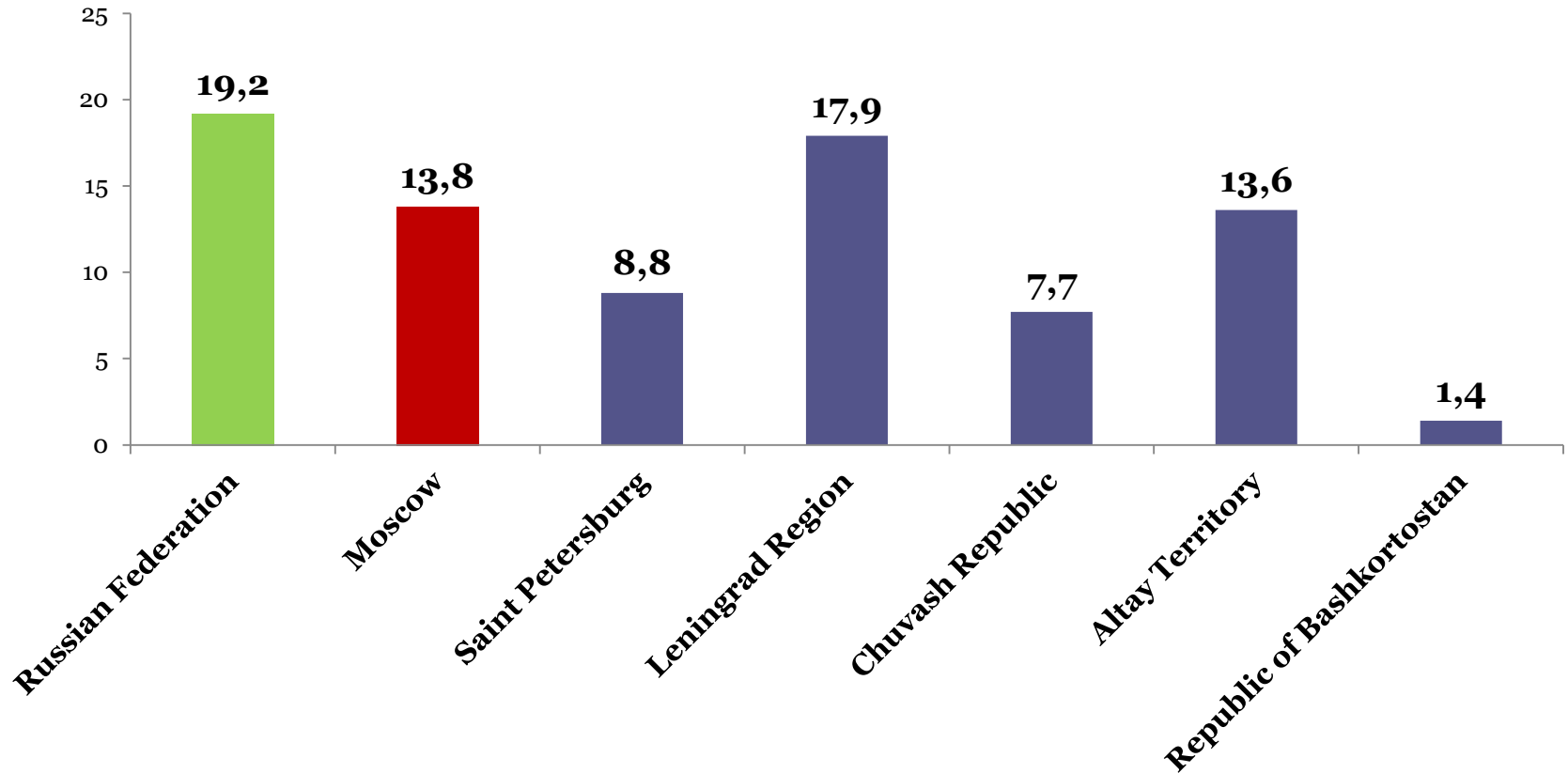
Note: The subjective well-being index reflects the average of the percentage who describe themselves as "very happy" or "happy" minus the percentage who describe themselves as "not very happy" or "unhappy"; and the percentage placing themselves in the 7-10 range, minus the percentage placing themselves in the 1-4 range, on a 10-point scale on which 1 indicates that one is strongly dissatisfied with one's life as a whole, and 10 indicates that one is highly satisfied with one's life as a whole.

(Inglehart R. *Globalization and Postmodern Values*. *The Washington Quarterly*, Volume 23, Number 1, Winter 2000, pp. 215-228).

**Percentage of respondents, who are "completely satisfied",  
Regions of Russia, WVS, 2012**



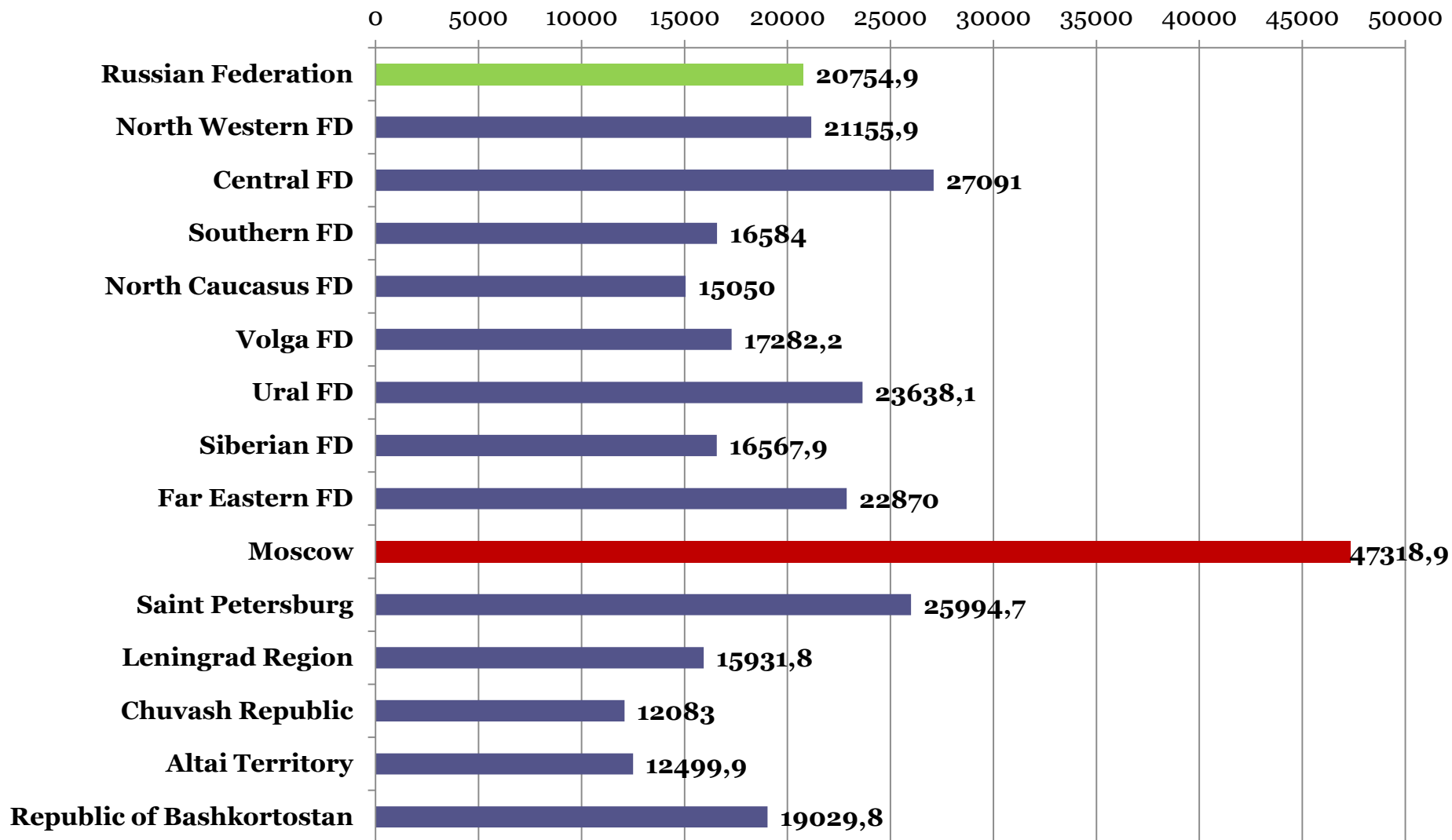
## Financial satisfaction index, WVS regional sample



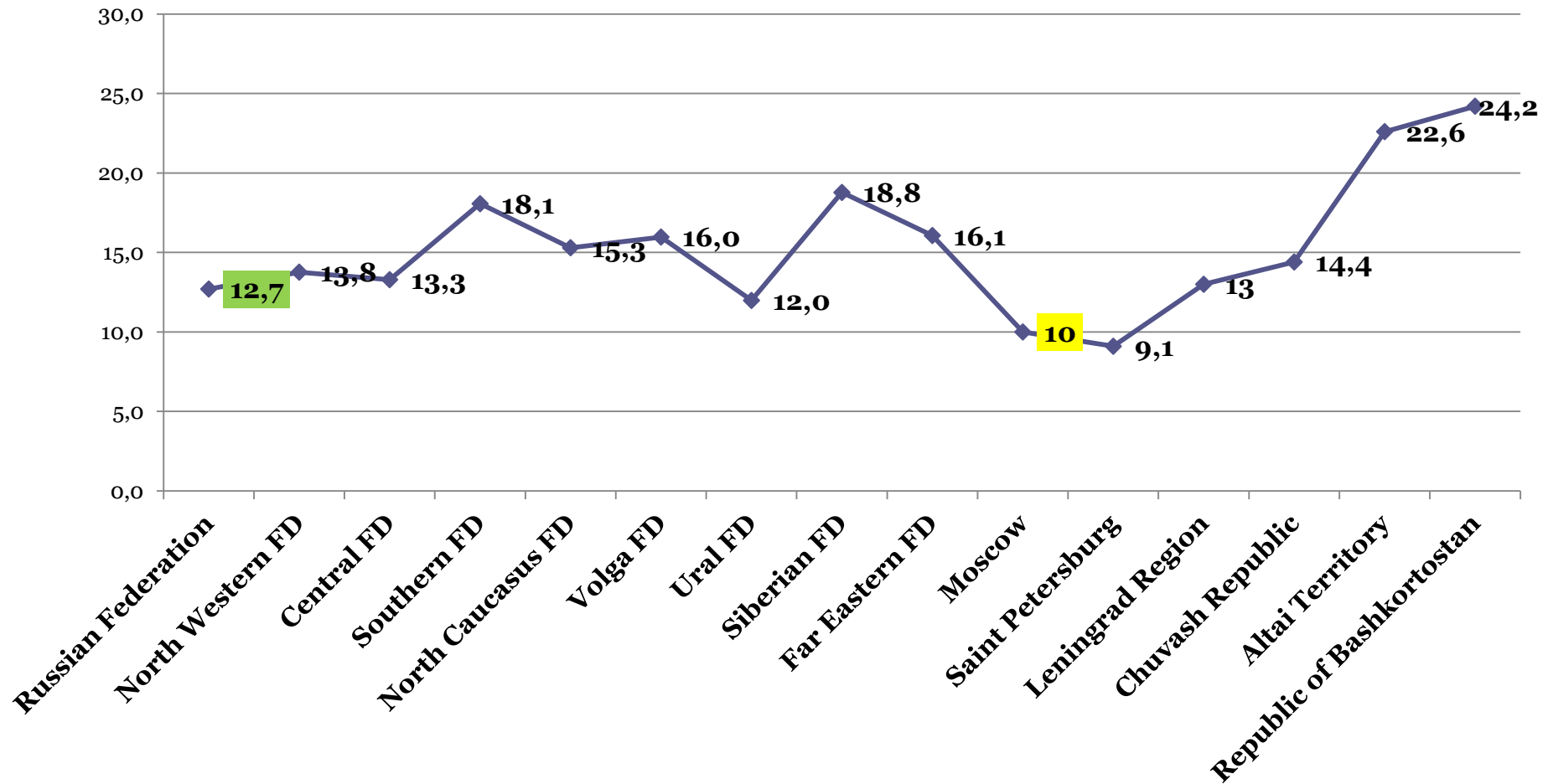
Note: The financial satisfaction index reflects the percentage placing themselves in the 7-10 range, minus the percentage placing themselves in the 1-4 range, on a 10-point scale on which 1 indicates that one is strongly dissatisfied with the financial situation in their household, and 10 indicates that one is highly satisfied with the financial situation in their household.



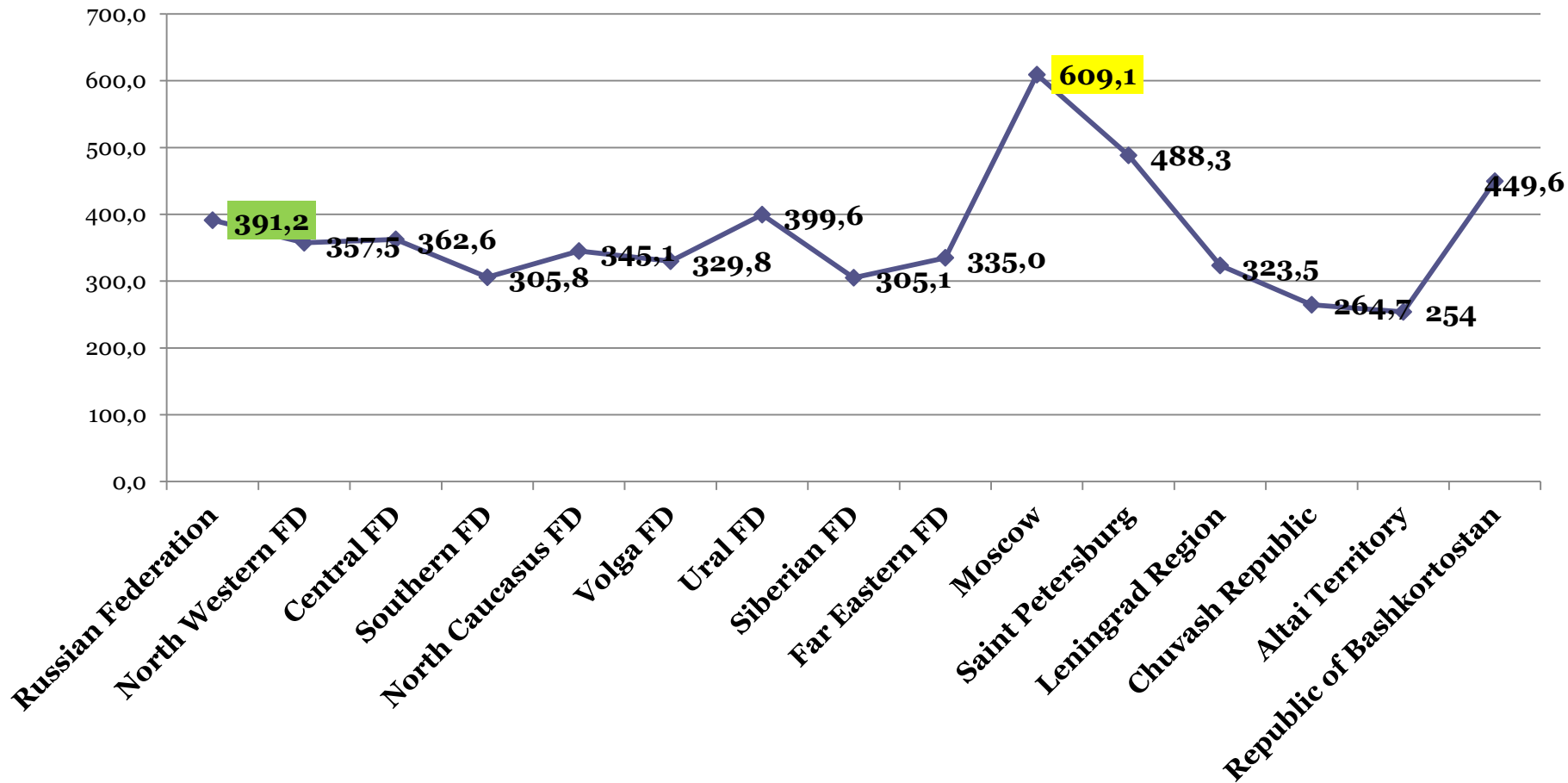
## Average income per capita, 2011



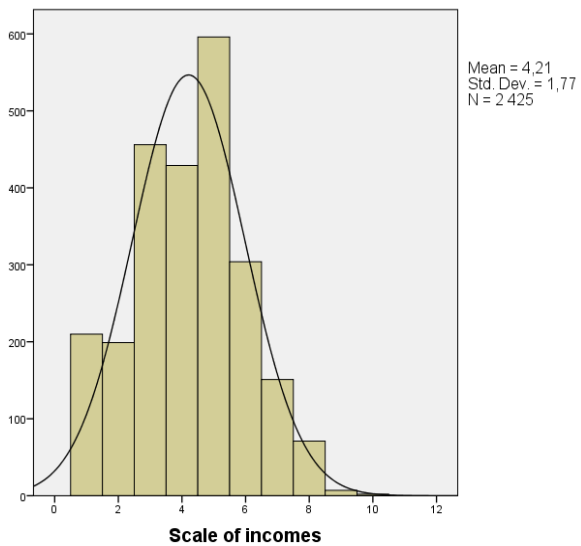
## Share of population living below poverty line, 2011



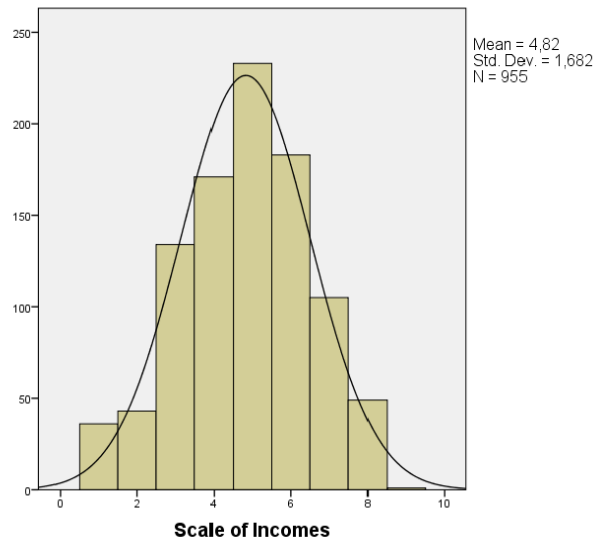
## The balance of average income and the cost of living, %, 2011



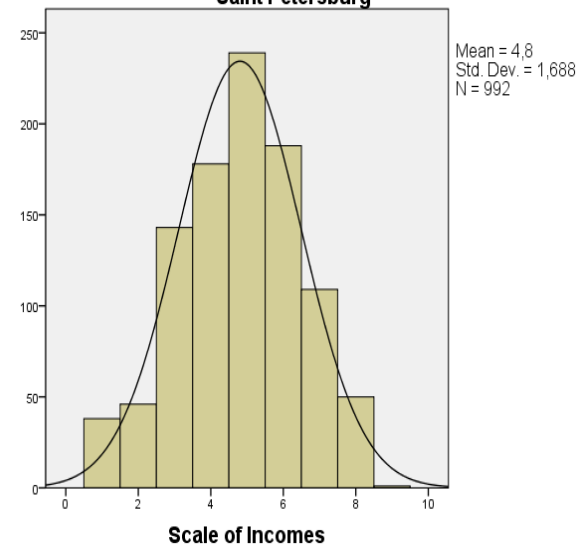
Russia



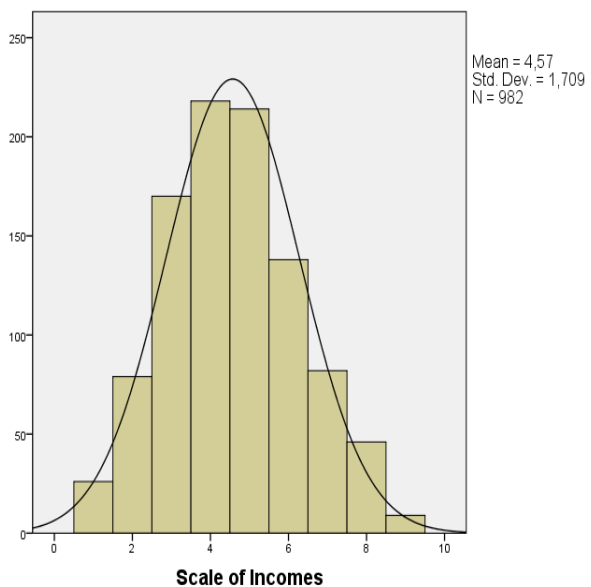
Moscow



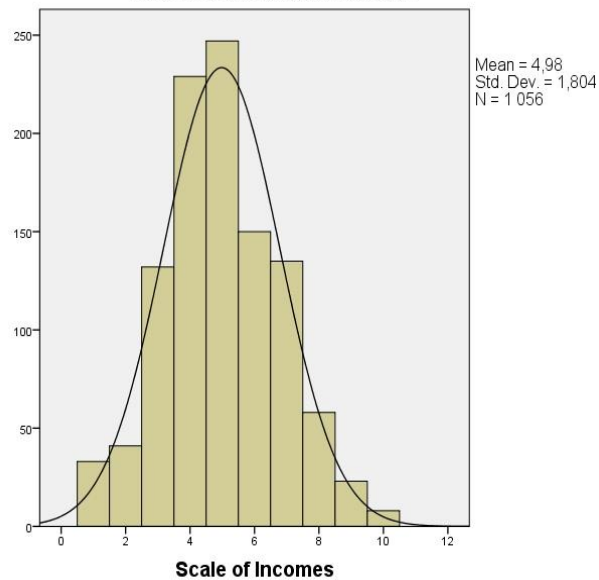
Saint Petersburg



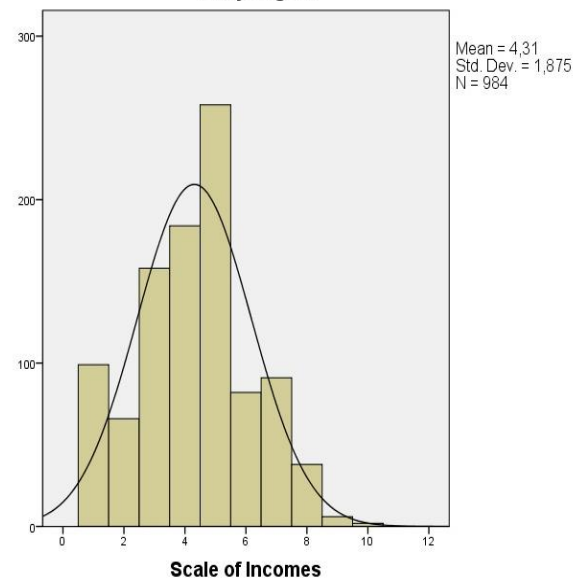
Leningrad Region



The Republic of Bashkortostan



Altay Region



Social Well-being Index	Russia	Moscow	Republic of Bashkortostan	Saint Petersburg	Leningrad Region	Chuvash Republic	Altay Region
age	-0,537*** (-4,239)	-0,360** (-1,961)	-0,069 (-0,323)		-0,439** (-2,056)	-0,493** (-2,648)	-0,919*** (-4,670)
age squared	0,502*** (4,045)	0,361** (1,975)	0,073 (0,347)		0,446** (2,086)	0,416** (2,266)	0,948*** (4,753)
gender (male)	-0,062*** (-2,840)	-0,075** (-2,324)	-0,074* (-1,987)		-0,079** (-2,200)	-0,017 (-0,510)	0,002 (0,066)
partner	0,099*** (4,316)	0,031 (0,898)	0,133*** (3,463)		0,073** (1,947)	0,054 (1,615)	0,122*** (3,400)
number of children	0,039 (1,581)	0,007 (0,195)	0,030 (0,815)		0,014 (0,391)	0,068** (2,046)	0,082** (2,381)
health	0,298*** (11,718)	0,246*** (6,760)	0,237*** (6,154)	0,356*** (12,992)	0,278*** (7,172)	0,229*** (6,600)	0,230*** (5,863)
had no cash	-0,139*** (-5,869)	-0,148*** (-4,210)	-0,101** (-2,665)	-0,063** (-2,197)	-0,037 (-0,960)	-0,057 (-1,629)	-0,059 (-1,634)
was unsafe	-0,059** (-2,571)	-0,027 (-0,841)	-0,058 (-1,572)		-0,042 (-1,173)	-0,140*** (-4,347)	0,004*** (0,137)
locus of control	0,241*** (10,609)	0,280*** (8,142)	0,205*** (5,208)	0,261*** (9,521)	0,245*** (6,457)	0,226*** (6,947)	0,277*** (7,844)
independence in work	0,076*** (3,386)	0,056 (1,769)	0,096** (2,494)		-0,067 (-1,849)	0,079** (2,456)	0,000 (0,014)
log of relative income	-0,067*** (-2,901)	0,161*** (4,048)	0,107** (2,915)	0,182*** (6,118)	0,181*** (4,752)	0,173*** (4,918)	0,155*** (3,942)
world identity	0,069*** (3,048)	0,014 (0,404)	0,032 (0,805)		-0,004 (-0,103)	-0,003 (-0,082)	0,051 (1,599)
national identity	0,014 (0,645)	0,111*** (3,537)	-0,123*** (-3,375)		0,060 (1,716)	0,043 (1,348)	-0,023 (-0,716)
local identity	0,000 (0,003)	-0,038 (-1,143)	0,040 (0,972)		0,041 (1,122)	-0,070** (-2,045)	0,017 (0,473)
constant	0,232*** (4,513)	0,175** (2,601)	0,204** (2,126)	0,068** (2,689)	0,215** (2,373)	0,244** (2,364)	0,367*** (4,106)
R <sup>2</sup>	0,323	0,378	0,273	0,355	0,276	0,293	0,321
Adj. R <sup>2</sup>	<b>0,316</b>	<b>0,365</b>	<b>0,256</b>	<b>0,353</b>	<b>0,259</b>	<b>0,279</b>	<b>0,307</b>
n	1505	694	625	951	632	740	685

<b>Social Well-being Index</b>	<b>Russia</b>	<b>Moscow</b>	<b>Leningrad Region</b>	<b>Chuvash Republic</b>	<b>Altay Region</b>
<b>age</b>	-0,547*** (-4,322)	-0,326 (-1,768)	-0,448** (-2,096)	-0,514** (-2,763)	-0,915*** (-4,652)
<b>age squared</b>	0,514*** (4,143)	0,333 (1,805)	0,455** (2,126)	0,438** (2,386)	0,953*** (4,778)
<b>gender (male)</b>	-0,064*** (-2,904)	-0,071** (-2,177)	-0,083** (-2,328)	-0,018 (-0,558)	0,004 (0,110)
<b>partner</b>	0,100*** (4,381)	0,034 (0,987)	0,071* (1,893)	0,055 (1,635)	0,125*** (3,484)
<b>number of children</b>	0,040 (1,615)	-0,009 (-0,264)	0,014 (0,392)	0,072** (2,175)	0,080** (2,362)
<b>health</b>	0,295*** (11,640)	0,253*** (6,905)	0,284*** (7,394)	0,228*** (6,570)	0,238*** (6,130)
<b>had no cash</b>	-0,136*** (-5,758)	-0,155*** (-4,410)	-0,046 (-1,202)	-0,041 (-1,207)	-0,054 (-1,513)
<b>was unsafe</b>	-0,059** (-2,613)	-0,032 (-0,988)	-0,044 (-1,218)	-0,140*** (-4,331)	0,007 (0,208)
<b>locus of control</b>	0,242*** (10,665)	0,275*** (7,946)	0,248*** (6,558)	0,227*** (6,967)	0,279*** (7,926)
<b>independence in work</b>	0,076*** (3,411)	0,056 (1,768)	-0,065 (-1,783)	0,080** (2,472)	0,004 (0,130)
<b>log of relative income</b>	-0,069*** (-3,004)	0,169*** (4,233)	0,176*** (4,622)	0,171*** (4,843)	0,165*** (4,308)
<b>relative cosmopolitan identity</b>	0,058** (2,698)	-0,009 (-0,284)	-0,021 (-0,592)	0,009 (0,284)	0,044 (1,366)
<b>constant</b>	0,265*** (5,705)	0,239*** (3,646)	0,267*** (3,093)	0,303*** (3,611)	0,344*** (4,344)
<b>R<sup>2</sup></b>	0,321	0,365	0,272	0,286	0,320
<b>Adj. R<sup>2</sup></b>	<b>0,315</b>	<b>0,354</b>	<b>0,258</b>	<b>0,274</b>	<b>0,308</b>
<b>n</b>	1505	694	632	740	685

<b>DV - social well-being index</b>	<b>M1 (6 regions)</b>	<b>M2 (6 regions)</b>	<b>M3 (6 regions)</b>
<b>age</b>	-0,578*** (-8,391)	-0,581*** (-8,516)	-0,581*** (-8,600)
<b>age squared</b>	0,508*** (7,798)	0,517*** (7,814)	0,515*** (7,854)
<b>gender (male)</b>	-0,031** (-2,651)	-0,033** (-2,850)	-0,033** (-2,837)
<b>partner</b>	0,068*** (5,254)	0,068*** (5,295)	0,068*** (5,358)
<b>number of children</b>	0,065*** (4,500)	0,066*** (4,611)	0,066*** (4,658)
<b>health</b>	0,283*** (21,200)	0,282*** (21,339)	0,279*** (21,276)
<b>had no cash</b>	-0,092*** (-7,181)	-0,082*** (-6,493)	-0,085*** (-6,738)
<b>was unsafe</b>	-0,058*** (-4,803)	-0,052*** (-4,389)	-0,047*** (-3,968)
<b>locus of control</b>	0,162*** (13,307)	0,267*** (16,717)	0,270*** (16,746)
<b>independence in work</b>	0,044*** (3,706)	0,037*** (3,117)	0,037*** (3,152)
<b>log of relative income</b>	0,183*** (14,137)	0,166*** (12,835)	0,168*** (13,104)
<b>world identity</b>	0,004 (0,284)	0,011 (0,842)	-
<b>national identity</b>	0,018 (1,541)	0,023** (1,964)	0,022** (1,936)
<b>local identity</b>	-0,001 (-0,045)	-0,003 (-0,228)	-
<b>Moscow dummy</b>	-	0,164*** (10,486)	0,155*** (9,888)
<b>Bashkortostan dummy</b>	-	0,050*** (4,222)	-
<b>constant</b>	0,354*** (13,492)	0,272*** (0,027)	0,282*** (10,618)
<b>R<sup>2</sup></b>	0,278	0,294	0,289
<b>Adj. R<sup>2</sup></b>	<b>0,276</b>	<b>0,292</b>	<b>0,287</b>
<b>n</b>	5437	5437	5532

## Findings

Having run comparable OLS regression models using SWB index as a dependent variable with 6 Russian regions, capital cities and national sample (7 sets of WVS data), it was found that there are universal and specific predictors of SWB in different regions.

1. **Universal factors**, significant for all regions and national sample turned to be: **health, locus of control, relative income**
2. **Specific factors**, contributed to the level of SWB not in all regions:
  - **age** (*not significant*: in the Republic of Bashkortostan, Saint Petersburg),
  - **gender** (*not significant*: Chuvash Republic and Altay Region, Saint Petersburg),
  - **partner** (*not significant*: Moscow and Chuvash Republic, Saint Petersburg),
  - **number of children** (*not significant*: Russia, Moscow, Republic of Bashkortostan, Saint Petersburg, Leningrad region)
  - **financial insecurity** (*not significant*: Leningrad region, Republic of Bashkortostan, Altay region)
  - **independence in work** (*not significant*: Saint Petersburg, Leningrad region, Altay region)

**Identification with the world** turned to be a significant predictor of SWB only for all-country sample, while **self-identification with nation** contributed to the explanation of SWB only in Moscow and Republic of Bashkortostan, and respondents from the Republic of Bashkortostan, who **do not identify themselves with the local community**, tend to be more satisfied with their life.

**Relative cosmopolitan identity** was significant only in all-Russia survey sample.



The level of subjective well-being of **Moscovites** is mainly determined by fewer number of factors, including *gender, state of health, relative income, financial security, locus of control, independence in work, relative income and self-identification with the nation.*

**Saint Petersburg** also seems to be a peculiar case: *health, financial security, locus of control and relative income* are the only significant predictors in the model.

### **Some thoughts for the development of this research:**

Probably, what we observe in the regions of Russia, especially in case of Moscow, is the result of a shift from modernization to post-modernization (R. Inglehart and C. Welzel, 2005), when these regions stand at different stages of modernization process and the SWB levels correspond with the different phases of it. But we lack data in dynamics.

Another idea follows the results of F. Sarracino`s research on the determinants of SWB in low-income countries (2009), that in rich, more developed capital cities of o Russia, compared to its` regions in this sample, people might also face positional competition, so that they adjust their attitudes on the basis of a new arising social values.

And the third idea is to evaluate the contribution of social capital components – already tried this with general trust, that revealed differentiation between Moscow and Saint Petersburg, Leningrad and Bashkortostan.

**Thank you for your attention!**

**Questions, comments and suggestions are welcome!**