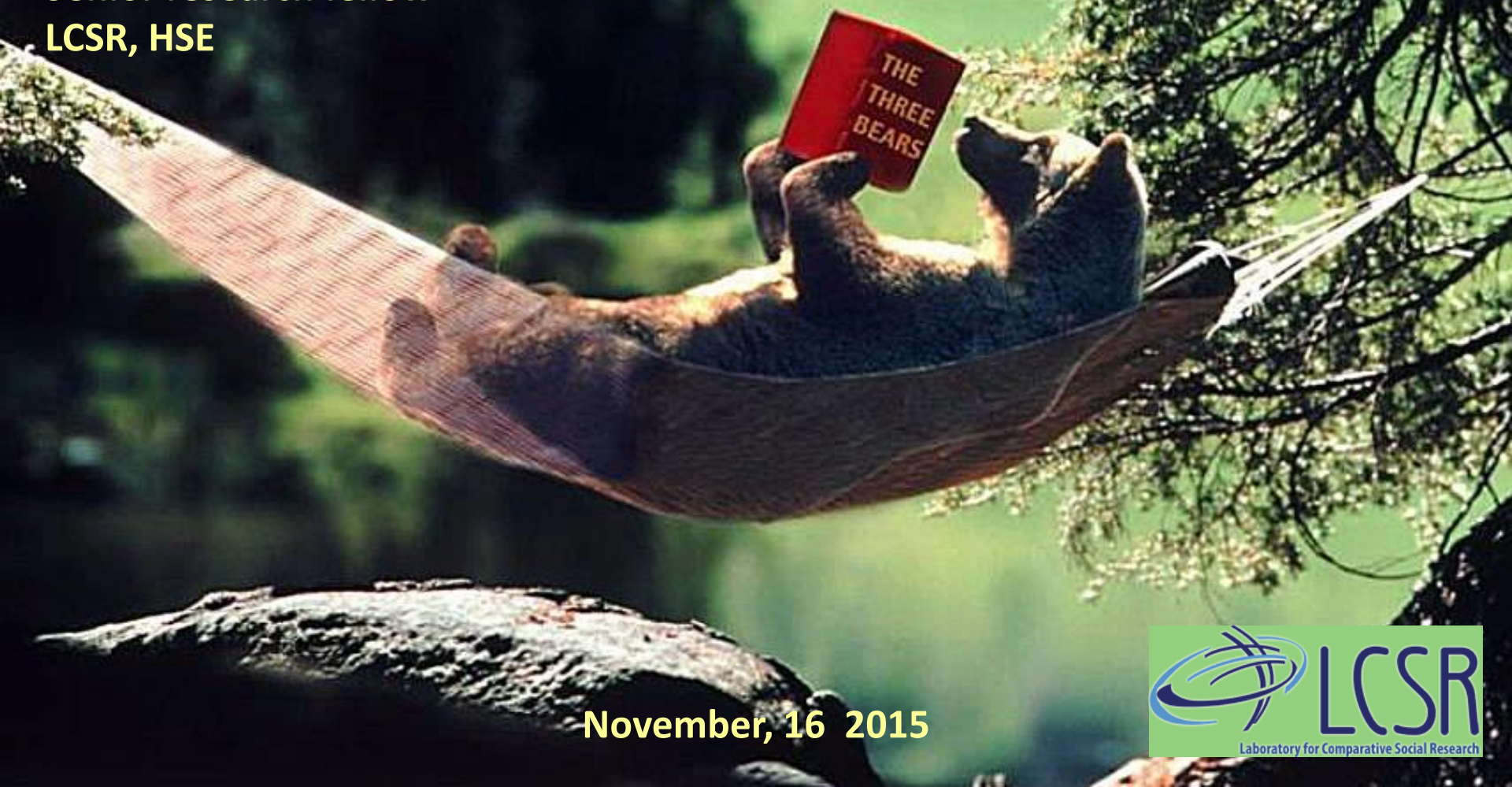


Self-reported Identities and Well-being in the Regions of Russia

Anna Nemirovskaya

Senior research fellow

LCSR, HSE



November, 16 2015

Why to study cross-regional differences in Russia?



Income level, quality of living and SWB vary a lot, great differences between Moscow and the other parts of the country.

Despite statistically approved poorer standards of living in some Russian regions, opinion surveys show higher level of SWB of their population, compared to both country average and capital cities inhabitants' estimates.

Russian population is very heterogeneous when seen as inhabitants of different regions, distinguished according to their self-reported identities, life satisfaction and socio-economic environment, therefore it is hardly possible to consider the people of this highly differentiated country as a monolithic society.

Using the data of the 6th wave of the World Values Survey in European countries and 9 representative samples from regions of Russia, this research will examine differences in self-reported identities and the well-being of Russians living in varied socio-cultural and socio-economic environments, varying from those close to western life to rather pre modern conditions.



What`s new?

- A vast amount of literature, discussing determinants of well-being, ranging from ***economic conditions, income inequality, socio-economic status*** and ***socio-demographic characteristics*** to predictors based on self-reported estimations of the respondents, like ***individual aspirations, self-identifications, attitudes, values, social capital*** and ***agency***.
- Research of this kind may contribute to the quantitative study of socio-economic determinants of SWB in comparative regional perspective.

Existing literature usually analyzes well-being in comparative perspective mostly on the data collected on national samples or in regions within developed states, where good panel data are available. As for the regions of Russia, the sociological data obtained with a representative regional samples were not available for quantitative research before.

The previous study of income level and inequality measures as determinants of SWB led to contradictory empirical results (did not prove to be true explanation for all regions, any nations).

The empirical basis of the research:

WVS data, Russia, 9 regional samples, 2011 -2012:

- **Moscow** and **Saint Petersburg**, well-known for their cosmopolitanism, socio-economic development, higher level of income and job market opportunities;
- **Tambov**, a typical city of Central Russia;
- **Leningrad oblast** - a region located in the North-West of Russia, which is geographically close to Europe;
- **the Altay**, representing a cold and inhospitable region of Siberia;
- **four ethnic republics** as regions representing the Caucasus, Central Russia, the Volga region and the Urals, respectively, with uneven levels of socio-economic development – **the Kabardino-Balkarian Republic, the Chuvash Republic, the Republic of Tatarstan** and **the Republic of Bashkortostan**.

Previous research and theoretical background:

- **Income as a predictor for SWB** (Inglehart, 1990; Diener, 1995); income inequality issues (Alesina et al., 2004)
- Neoclassical utility theory (Easterlin, 1994, 2001; Heady, 1991) – a weak and controversial correlation between income and happiness, life cycle matters
- Relative deprivation theory (Runciman, 1966; Yitzhaki, 1979; Welzel, 2011) – “a theory of social justice”, “frustrated achievers theory”
- **Reference group theory** (Easterlin, 1995; Clarck and Oswald, 1996; Ferrer-i-Carbonell, 2005; Ball and Chernova, 2008; Bartolini, Balancini and Sarracino, 2011) – people are likely to make reference to other people’s state of happiness; SWB depends on income relative to some reference income, which is based on the predicted income of people alike.
- Positional identity theory (Akerlof and Kranton, 2000; Davis, 2006, 2007; Chang, 2012) an increase in relative income leads to a gain in positional identity and therefore raises the level of subjective well-being.
- Conceptual-referent theory (Rojas, 2005, 2007) – individuals have different conceptions of happiness when answering survey questions
- Social identity theory (Tajfel and Turner, 1979) - a person’s need for positive self-identity can be satisfied by membership in prestigious social groups

The research question:

What explains the differences in self-reported well-being in regions of Russia, especially 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 SWB is conducive to self-identification with a reference group, a model society that the respondents attribute themselves to and compare with. Absolute and relative income both significantly correlated with SWB.
- Along with self-reported income level and satisfaction with financial situation in household, self-positioning in social-stratification dimension is an important factor for SWB. Consequently, relative positioning to a reference group of people with similar socio-demographic characteristics will be influential to SWB than comparison with a regional population in general.
- As a measure of comparison with internal or external reference population group, self-identification in the spatial dimension also has significant impact on subjective well-being. According to reference group theory, social, national and ethnic identities may influence the level of happiness and financial satisfaction.
- Socio-economic factors for SWB will be more pronounced for secular and more urbanized regions.

Methodological issues

Income variables in WVS regional samples:

- **Financial satisfaction** is measured by question “How satisfied are you with the financial situation of your household?”, with a scale ranging from 1 to 10, where 1 is “completely dissatisfied and 10 is completely satisfied.
- **Level of income** is evaluated by the self-reported belonging of a respondent to a particular income category in 10 steps income scale. National and regional samples of WVS data in Russia in the 6th wave do not contain a variable on income, measured in local currency, so it is not possible to estimate self-declared income in exact amounts of income.

The positioning of a respondent into income brackets can be considered as a more accurate indicator, compared to self-reported income, which is often falsified and underreported in interviewer-assisted field surveys, since respondents avoid telling how much they earn in exact numbers (Verme, 2011).

There are no special questions in the WVS survey to address the problem of relative position of respondents.

A new variable measuring relative income level was introduced in order to estimate the relative position of respondent`s self-reported income level to a mean income of self-reported income of the residents` of this region.

To compare income level in the region and the relative position of a respondent, the ratio of respondent`s self-estimated household income on 10-point scale to the average income in the region of residence was computed.

Measures for testing reference group hypothesis

Average income in region, according to self-positioning of respondents on 10 brackets scale.

Relative income to regional average, \ln – the ratio of respondent's household income to the average income in the region of residence; based on subjective assessment of one's income level. Relative income is constructed as income of an individual according to positioning on 10 brackets scale, divided by mean income indicator on the same scale within the region of residence.

Reference group income – represents the average income of all individuals in the same reference group. The reference group is defined by age, gender, education, employment status, region, size of settlement, and position at work (supervisor or subordinate). The sample is divided into 52 reference groups.

Relative income to reference group average, \ln - the ratio of respondent's household income to the average income in her reference group, correspondingly.

Self-identification in spatial dimension: world, national, and local identity

Due to skew in the distribution of absolute and relative income data, the natural log of these variables is used in all regressions.

Dependent variable:

SWB Index, a product of variables measuring self-reported life satisfaction and happiness

Index construction: V10 happiness recoded into (1=1) (2=.66) (3=.33) (4=0)

compute life_satisfaction.var = (V23-1)/(10-1)

compute SWB_index.var = lifesat.var*happy.var

Predictors:

self-reported income, relative income to regional average, reference group income, relative income to reference group average, satisfaction with financial situation, religiosity, self-identification in the spatial dimension or regional identity

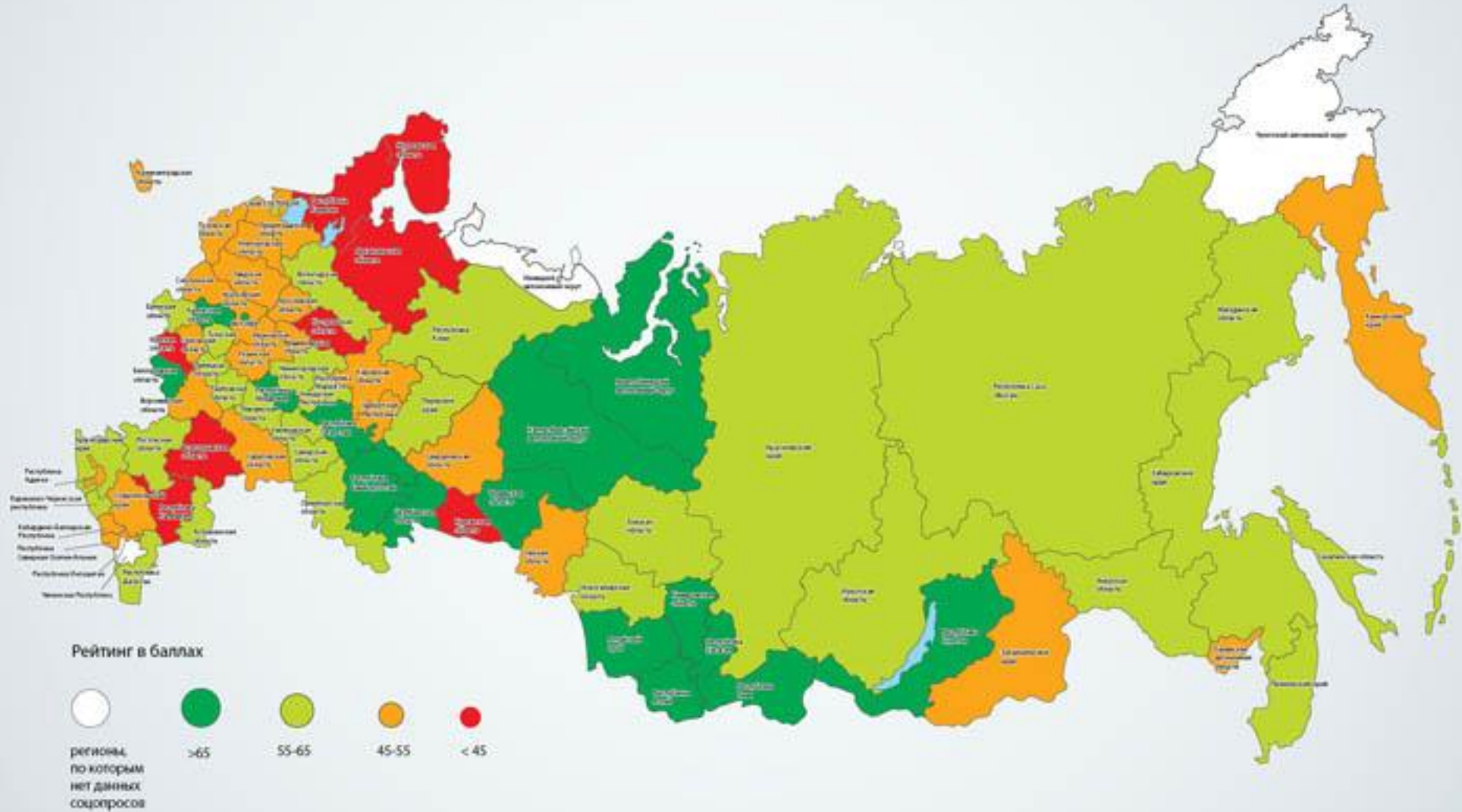
Socio-demographic controls:

age, gender, education (5 item scale), marital status, number of children, size of town, employment status, social class, self-reported health

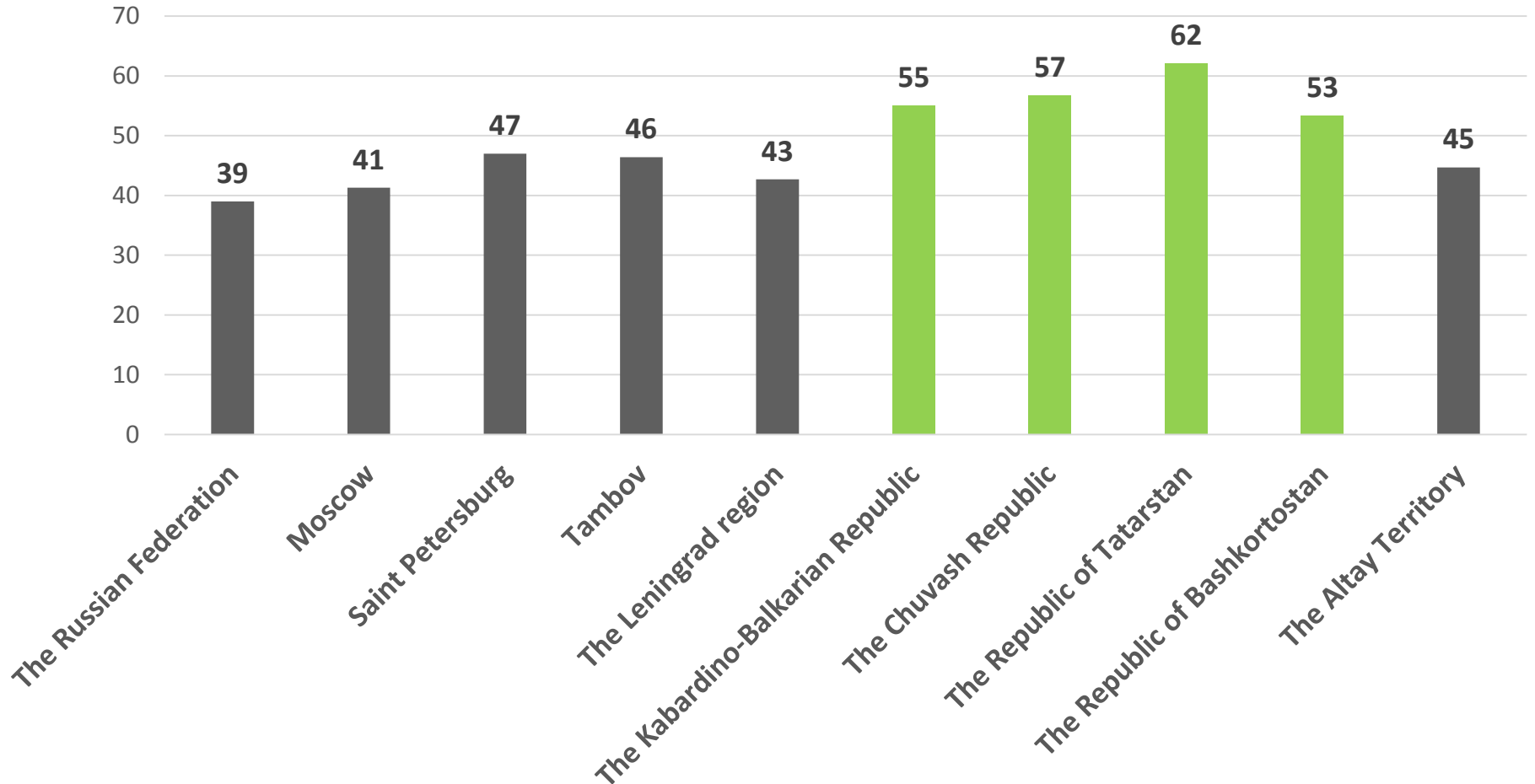


ФОНД РАЗВИТИЯ
ГРАЖДАНСКОГО
ОБЩЕСТВА

Карта социального самочувствия регионов России

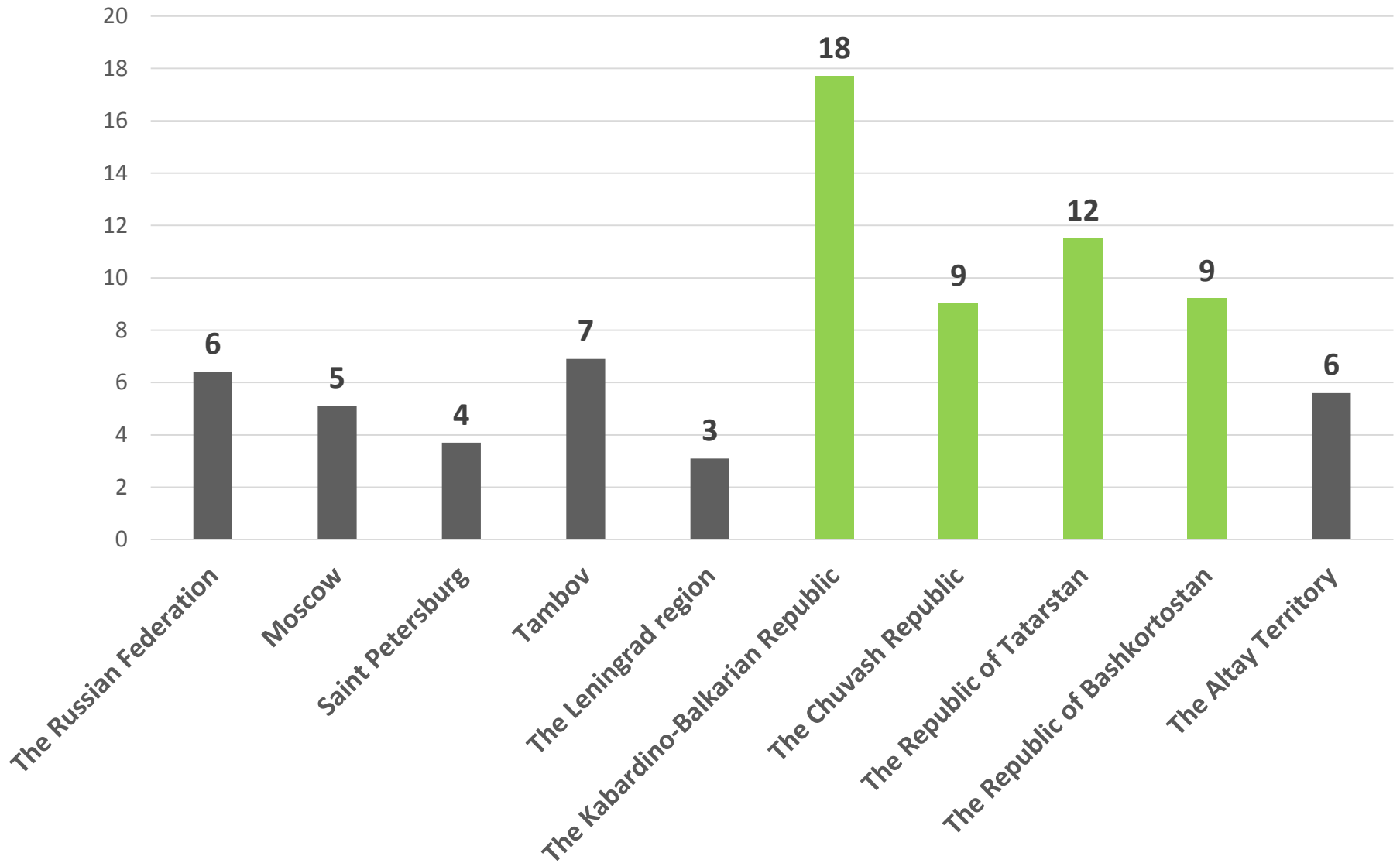


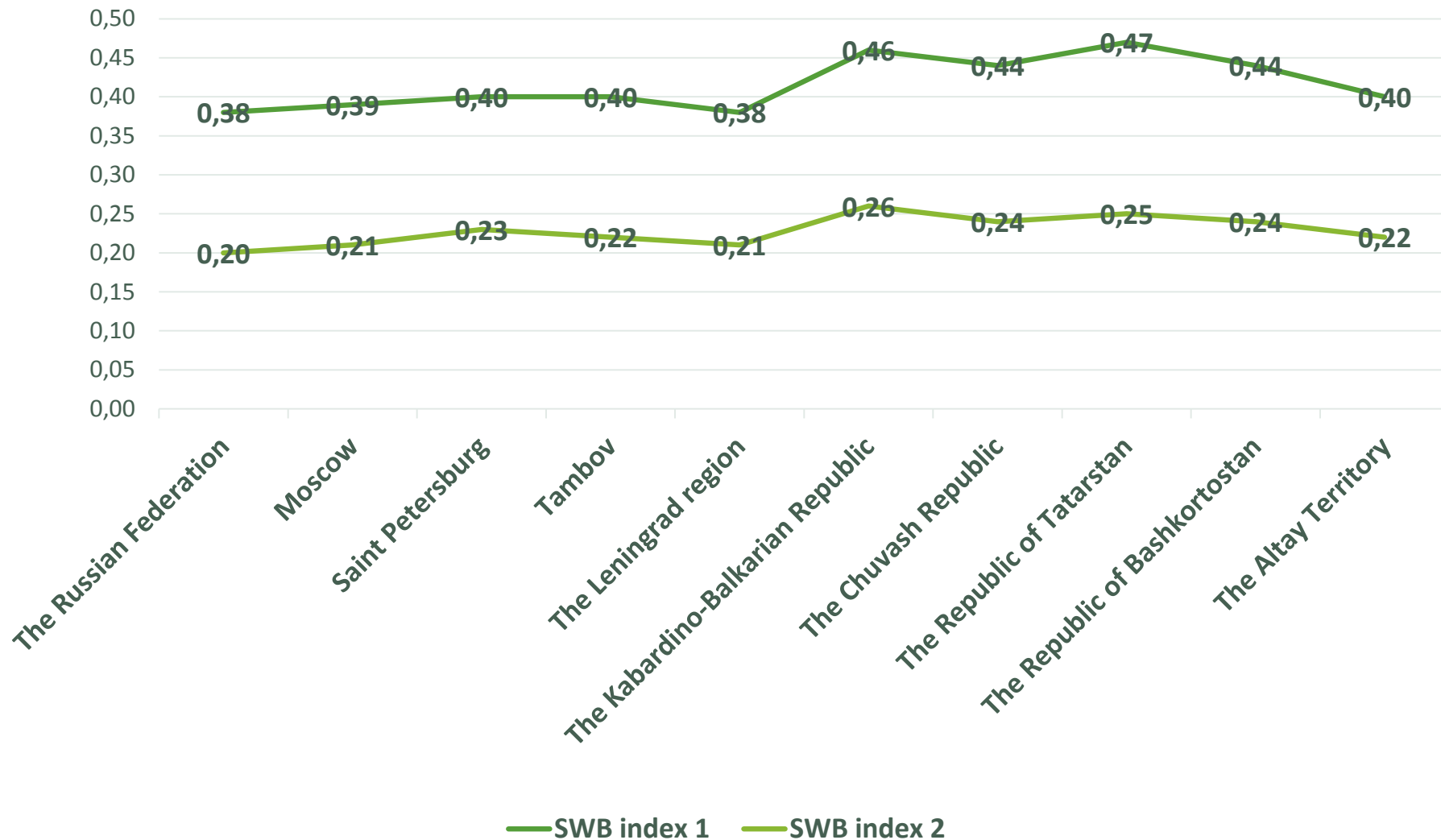
Subjective Well-being, WVS, 2011-2012



The subjective well-being index presented in the picture 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., 2000).

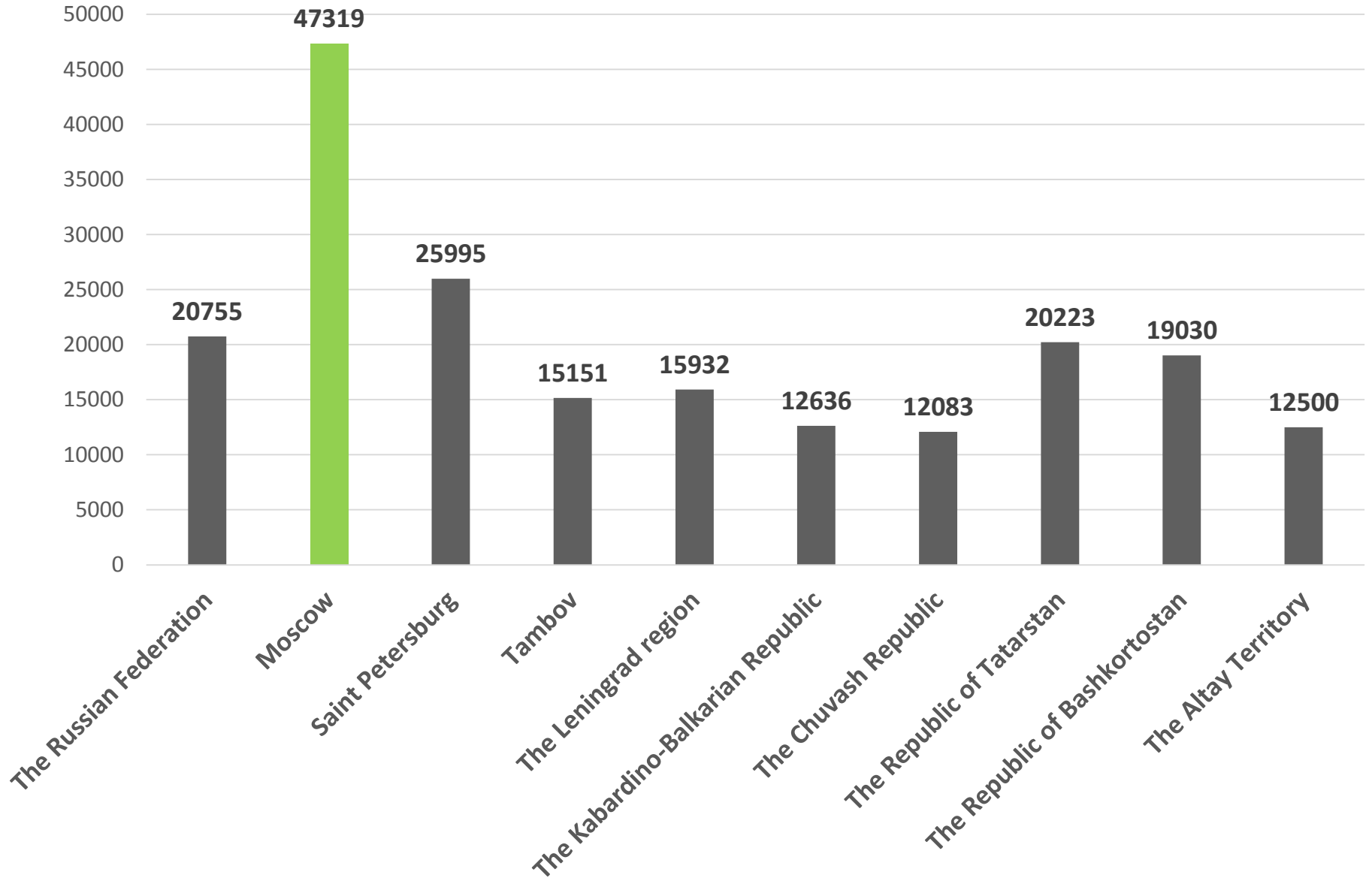
Percentage of respondents “completely satisfied” with their lives, WVS, 2011 – 2012



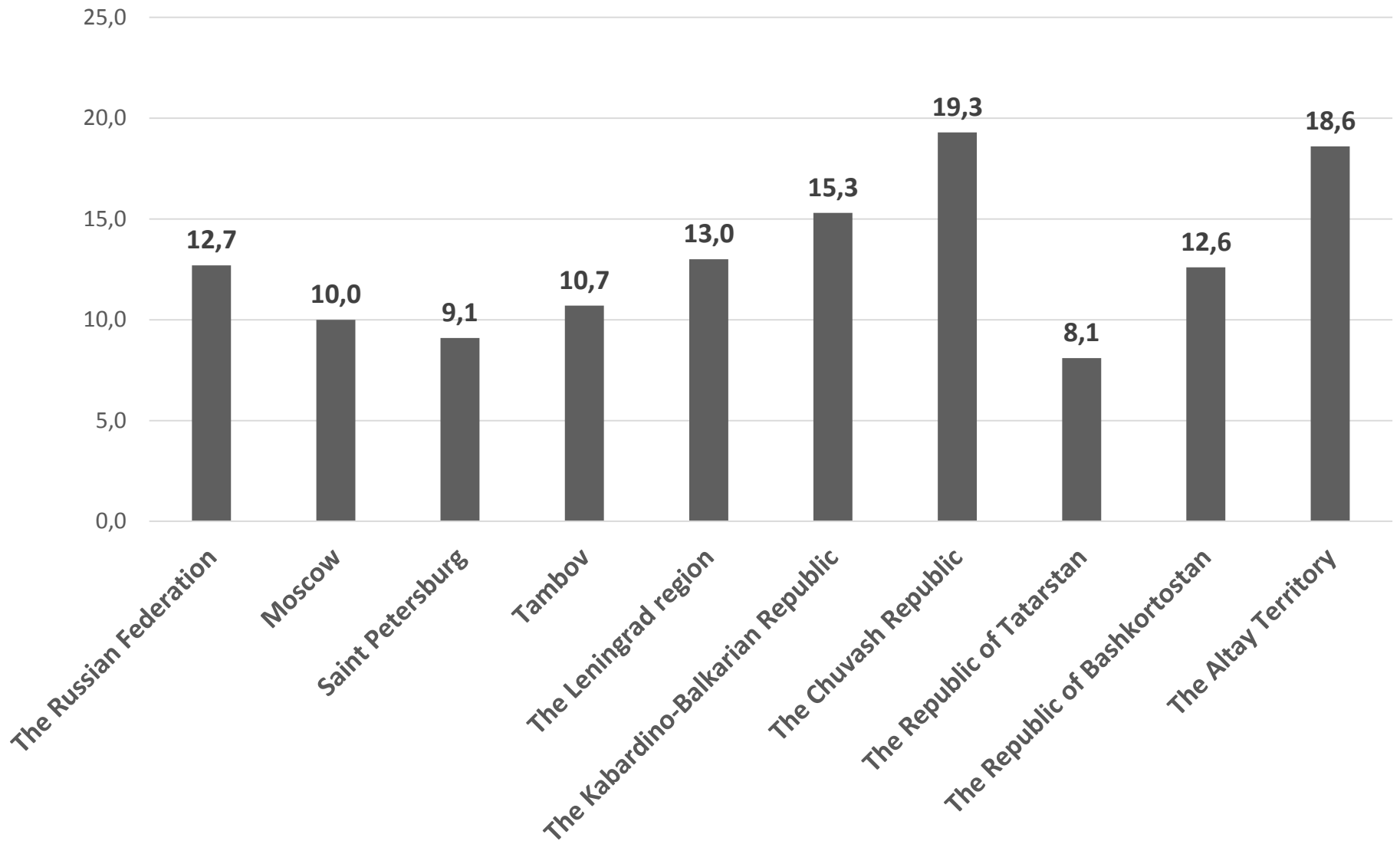


Subjective well-being index (dependent variable), ranging from 0 to 1, mean values.
 SWB1 comprises of self-estimations of life satisfaction and happiness.
 SWB2 is constructed of self-estimations of life satisfaction, happiness and health.
 Source: WVS data, 2011-2012.

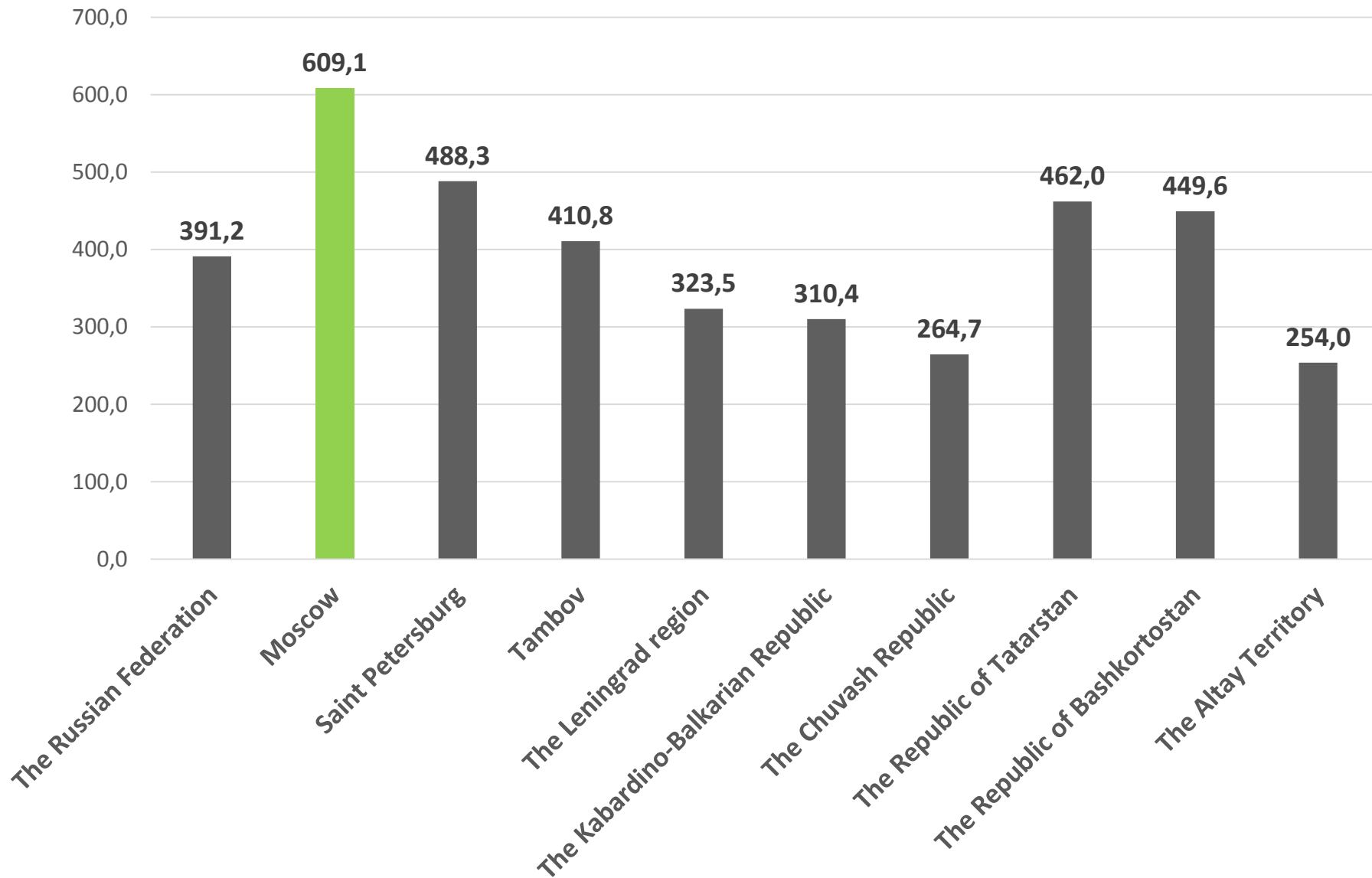
Average income per capita, in rubles, 2011



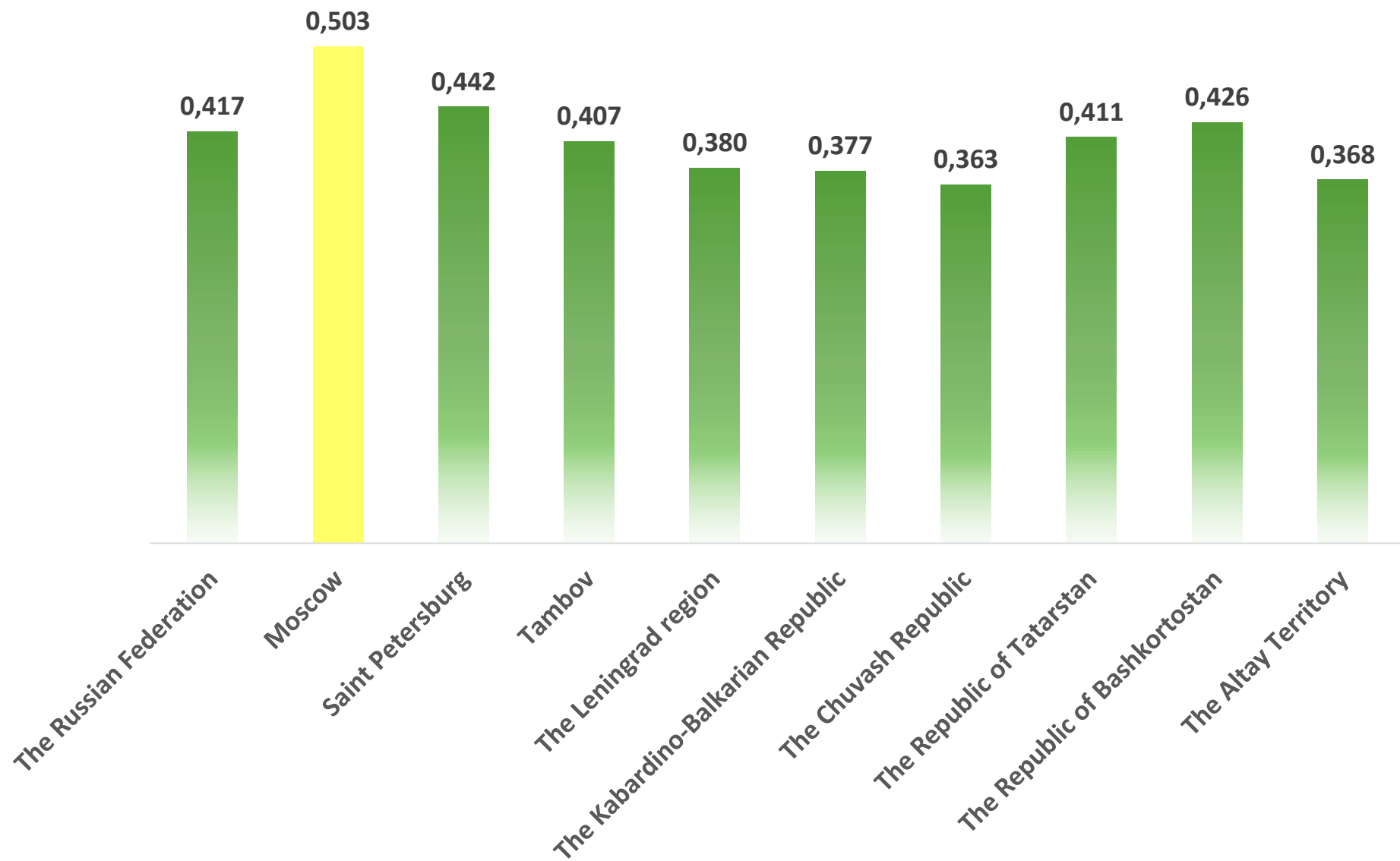
Share of population living below the poverty line, 2011

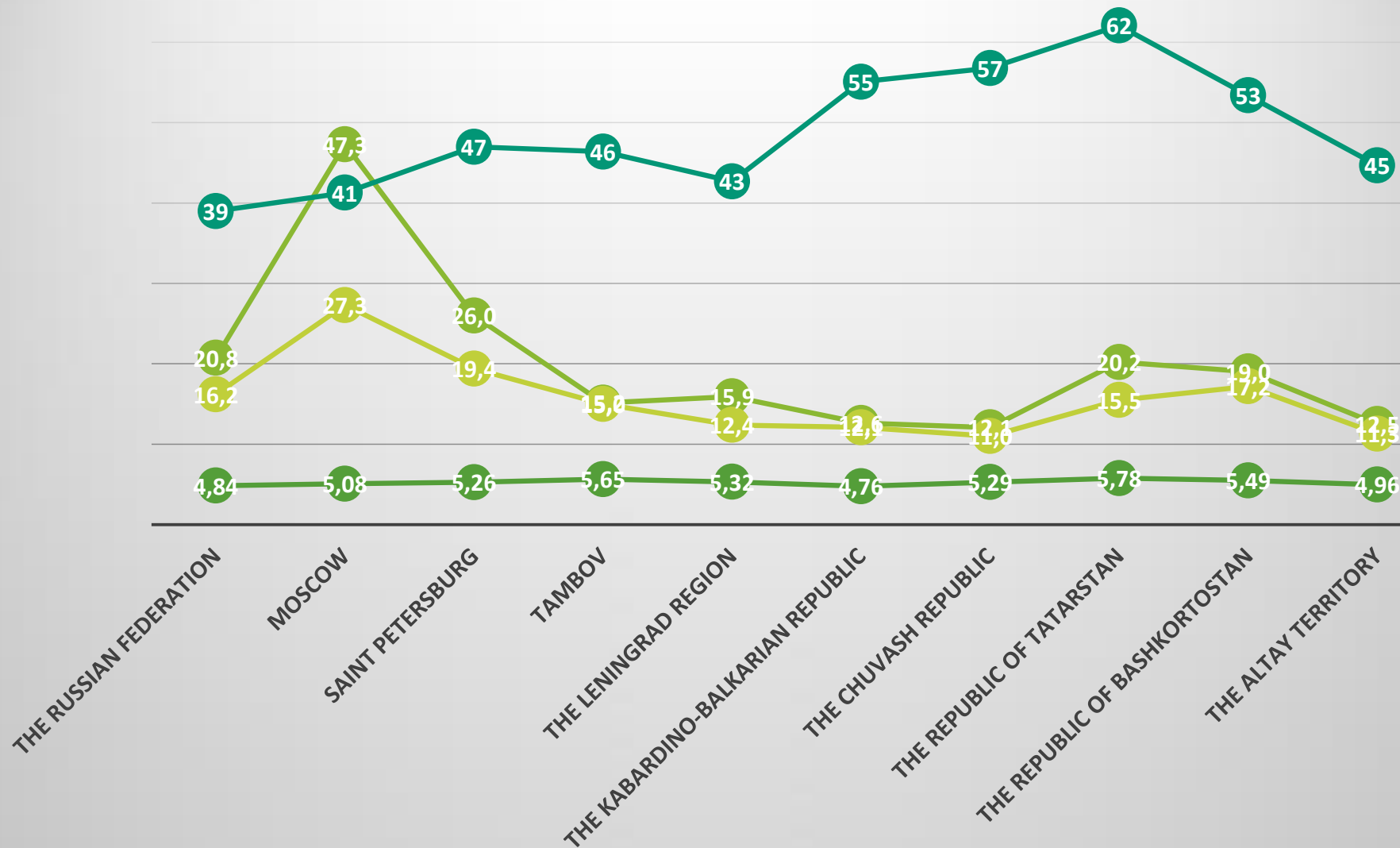


The balance of average income and the cost of living, %, 2011



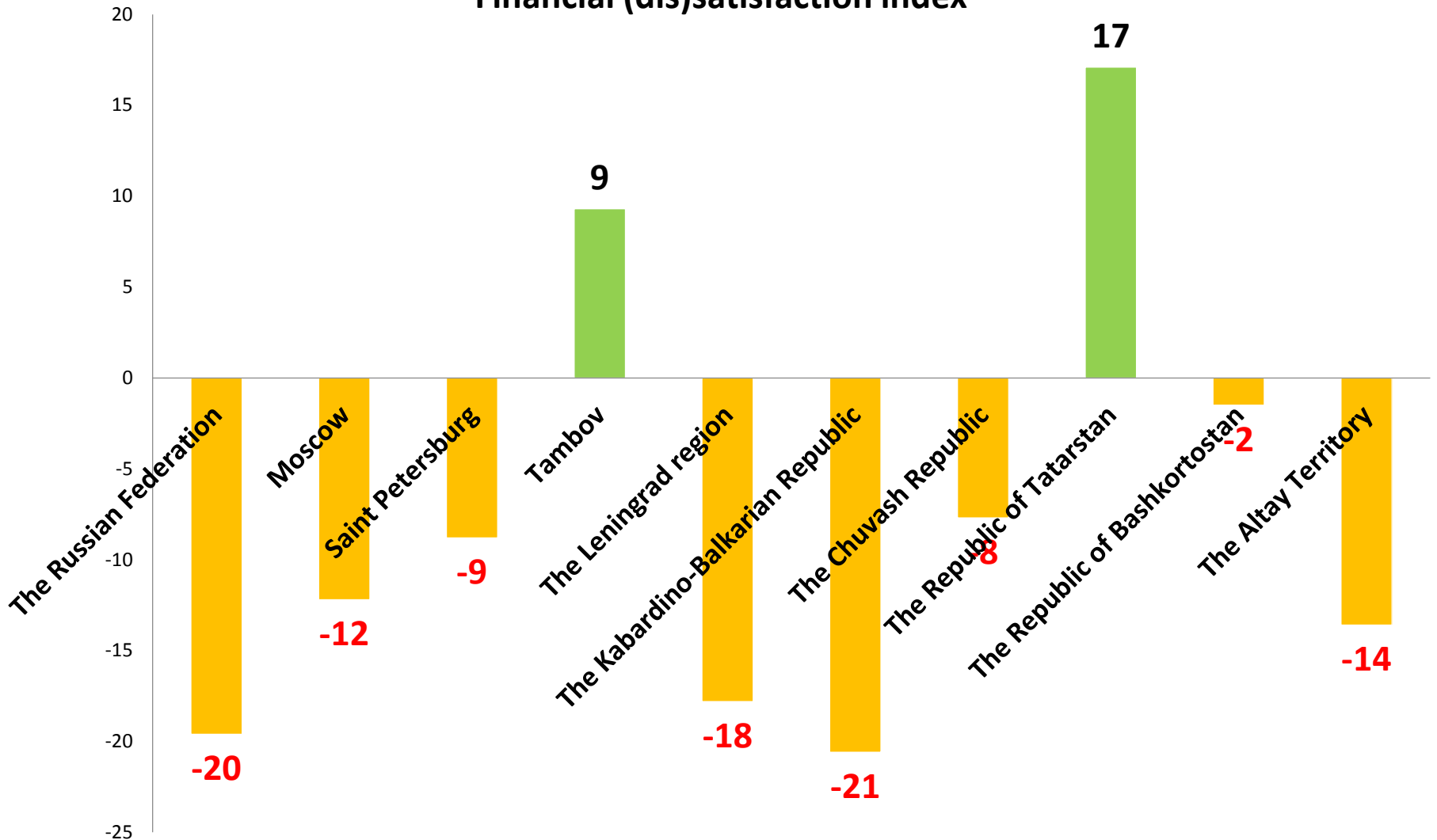
THE GINI INDEX, 2011



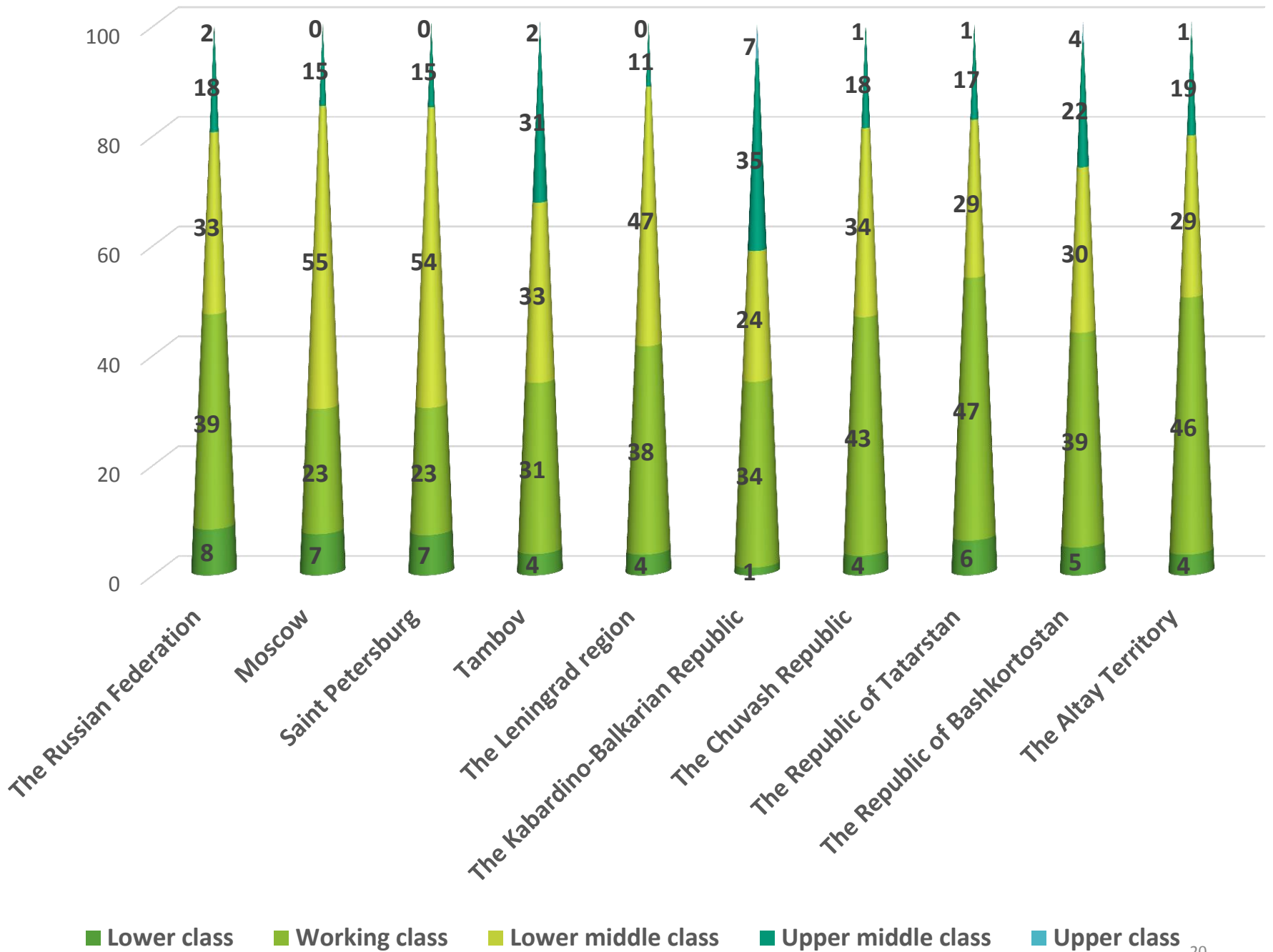


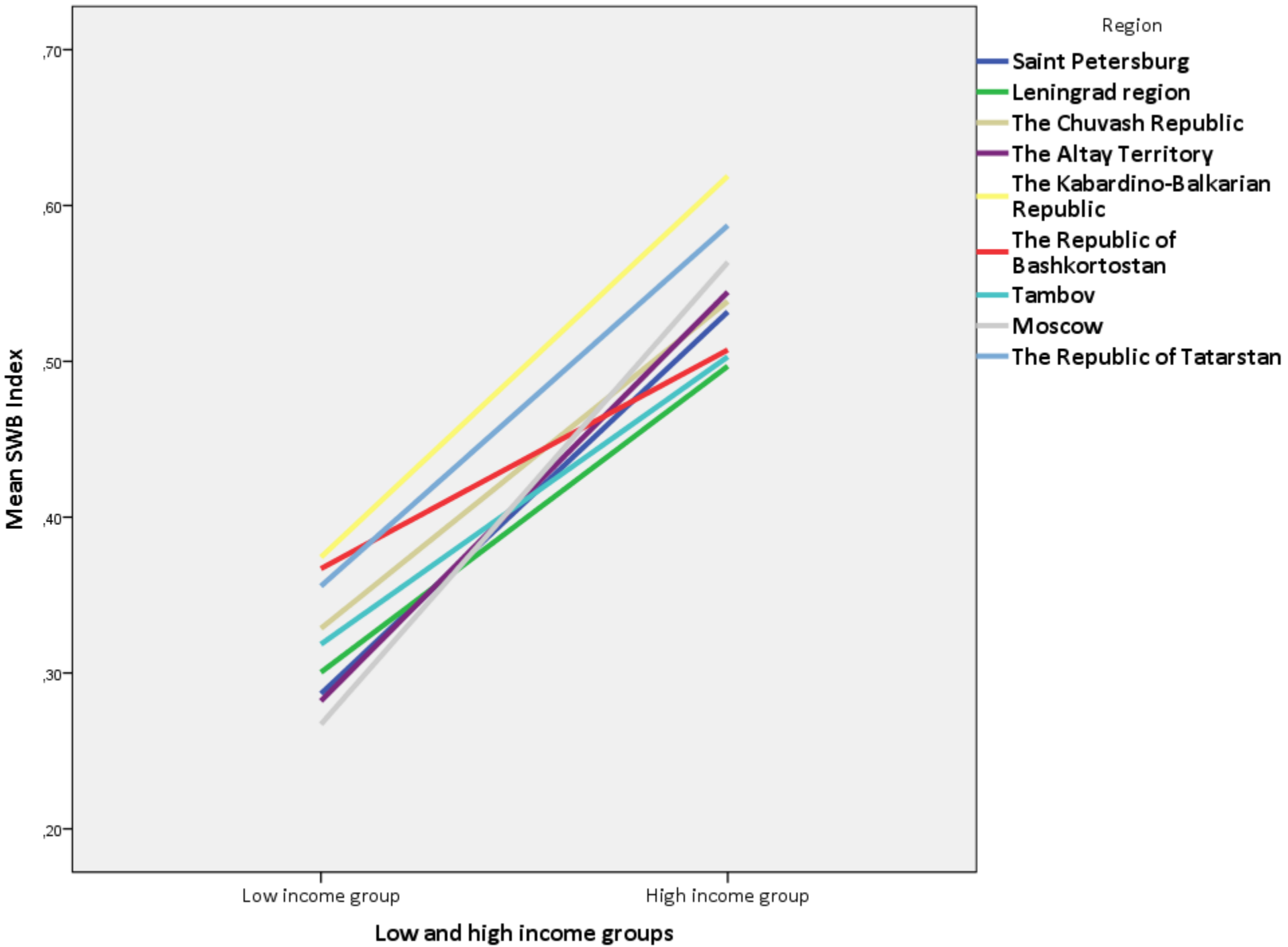
- Satisfaction with financial situation of household, mean
- Average income in region
- R/P 10% ratio
- Subjective Well-being Index, WVS, 2011-2012

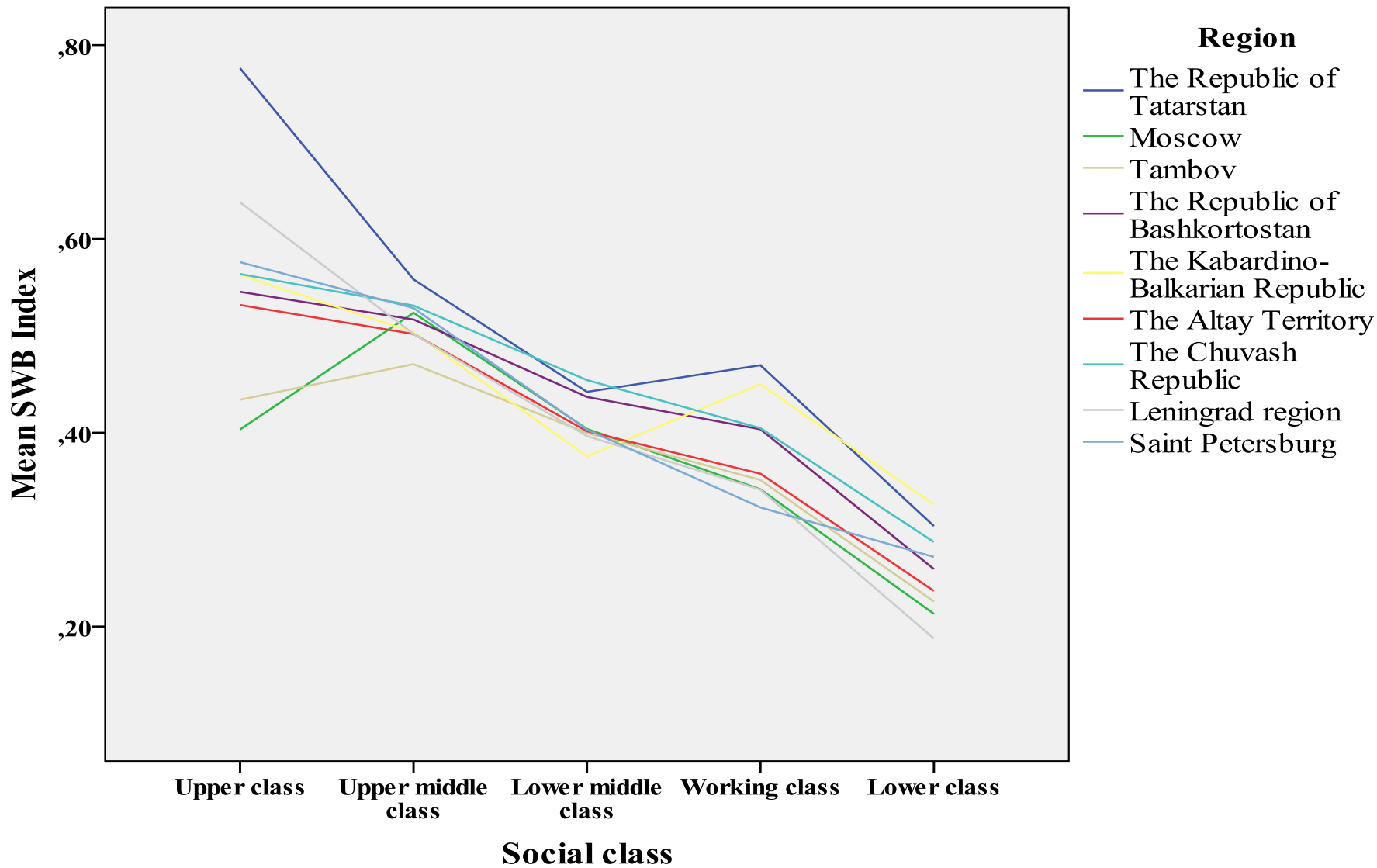
Financial (dis)satisfaction index



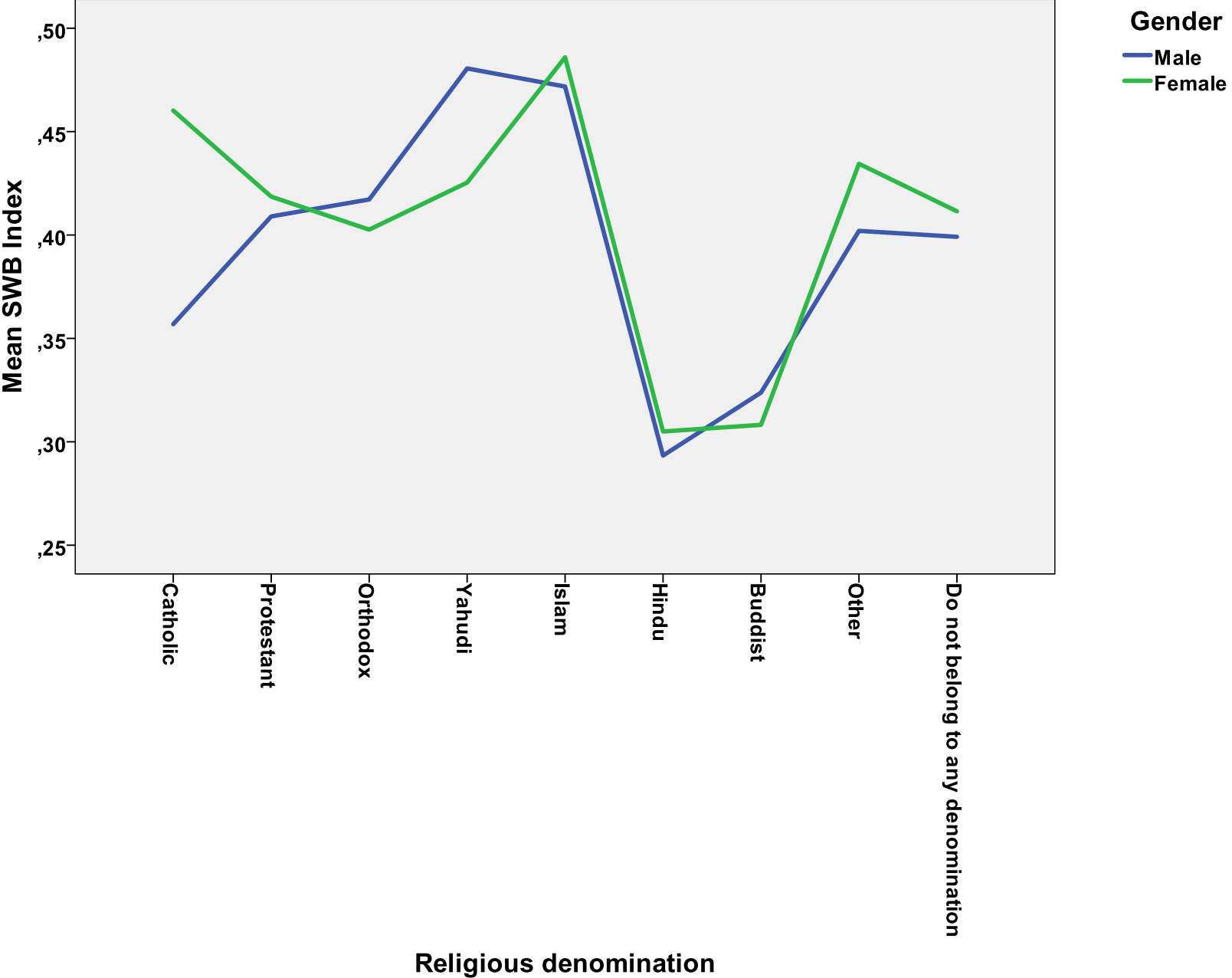
The financial satisfaction index reflects the percentage placing themselves in the 7-10 range, minus the percentage placing themselves in the 1-4 range, on a 10-point scale on which 1 indicates that one is strongly dissatisfied with the financial situation in their household, and 10 indicates that one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

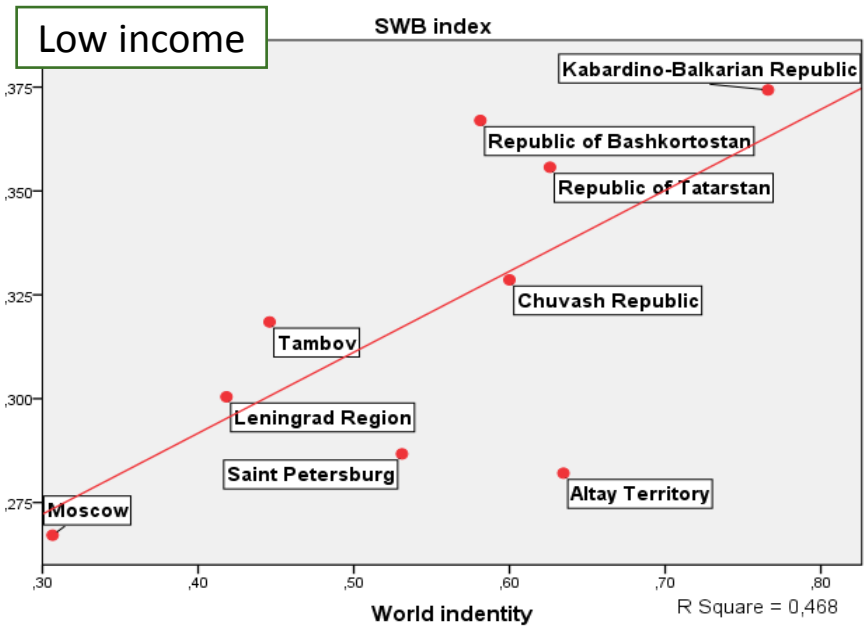
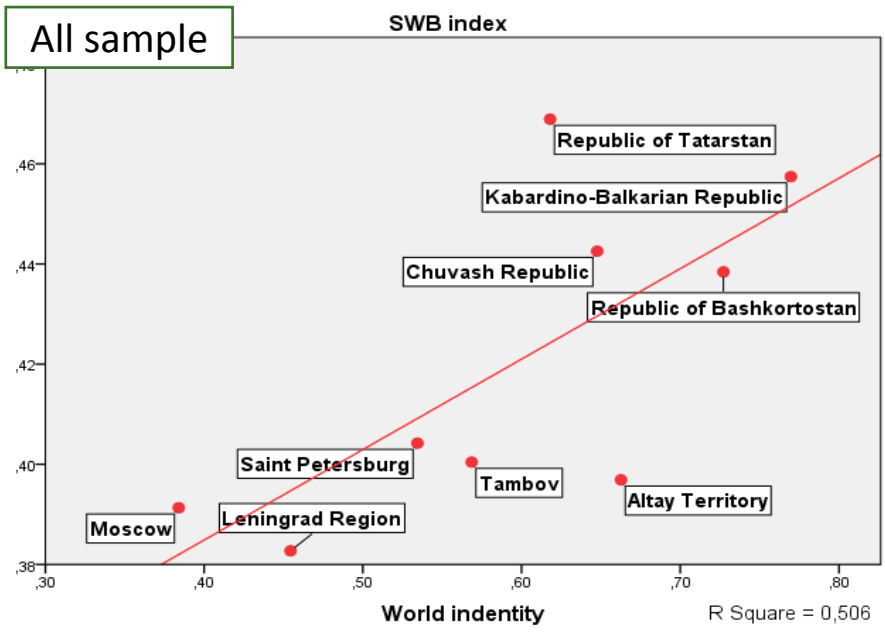
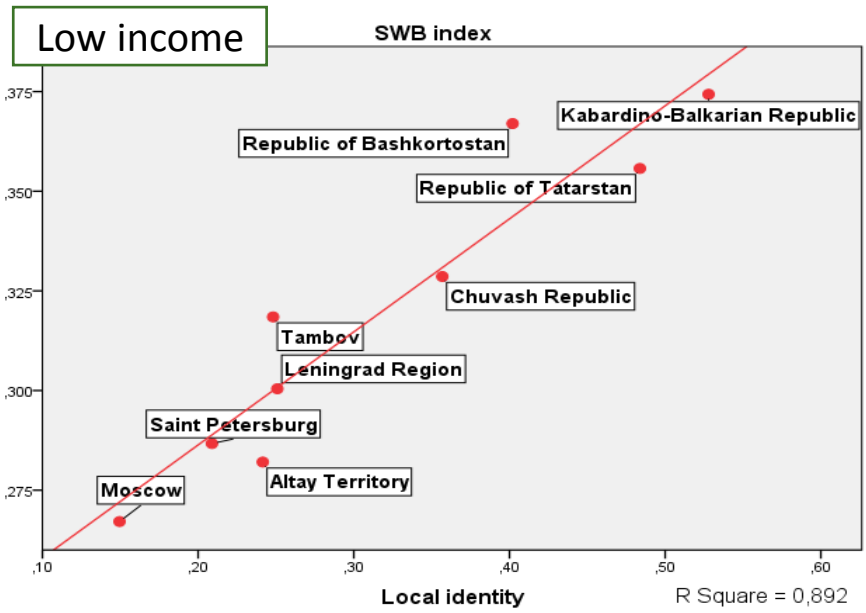
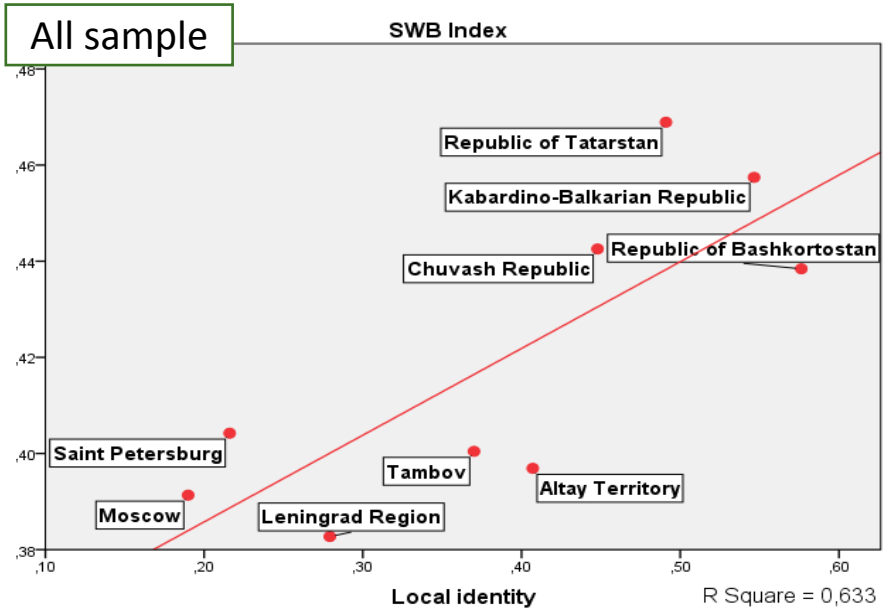






Controlled comparison for the SWB Index and religious denomination





age	-0,560***	-0,589***	-0,534***	-0,524***	-0,542***	-0,563***	-0,527***	-0,479***
age squared	0,514***	0,512***	0,477***	0,450***	0,491***	0,496***	0,484***	0,431***
gender (male)	-0,042***	-0,038***	-0,039***	-0,039***	-0,040***	-0,031**	-0,043***	-0,043***
married	0,110***	0,107***	0,102***	0,107***	0,096***	0,099***	0,097***	0,089***
number of children	0,037**	0,035**	0,039**	0,038**	0,040**	0,040**	0,039**	0,042**
health	0,331***	0,329***	0,319***	0,324***	0,308***	0,313***	0,306***	0,294***
size of town	-0,048***	-0,030**	-0,036**	-0,032**	-0,048***	-0,039***	-0,049***	-0,046***
unemployed	-0,027*	-0,047***	-0,034**	-0,038***	-0,031**	-0,042***	-0,034**	0,032***
religious person	0,072***	0,071***	0,069***	0,066***	0,069***	0,067***	0,067***	0,062***
reference group income ln	0,140***						0,158***	0,133***
relative income ln (to ref. group average)		-0,152***				-0,122***	-0,150***	-0,124***
relative income ln (to regional average)			0,177***					
financial satisfaction				0,179***				0,129***
social class						0,124***		
income scale ln					0,210***			
R ²	0,184	0,189	0,195	0,198	0,206	0,204	0,211	0,225
n	7732	7658	7656	7747	7658	7482	7658	7641

age	-0,513***	-0,509***	-0,592***	-0,517***	-0,511***	-0,464***
age squared	0,457***	0,439***	0,500***	0,470***	0,471***	0,421***
gender (male)	-0,041***	-0,042***	-0,033**	-0,043***	-0,045***	-0,045***
married	0,103***	0,107***	0,109***	0,097***	0,097***	0,089***
number of children	0,026*	0,025*	0,029*	0,026*	0,025*	0,027*
health	0,314***	0,319***	0,321***	0,296***	0,301***	0,289***
size of town	-0,025	-0,017	-0,033*	-0,034*	-0,033***	-0,030*
unemployed	-0,039***	-0,044***	-0,042***	-0,037***	0,040***	0,039***
religious person	0,052***	0,050***	0,053***	0,047***	0,050***	0,046***
reference group income ln					0,156***	0,132***
relative income ln (to ref. group)					-0,151***	-0,125***
relative income ln (to region)	0,177***					
financial satisfaction		0,178***				0,130***
social class			0,159***			
income scale ln				0,234***		
Saint Petersburg	-0,039**	-0,043**	-0,043**	-0,042**	-0,041**	-0,043**
Leningrad Region	-0,067***	-0,068***	-0,065***	-0,063***	-0,065***	-0,067***
Altay Territory	-0,058***	-0,058***	-0,063***	-0,046***	-0,047***	-0,045**
Tambov	-0,051***	-0,058***	-0,060***	-0,058***	-0,057***	-0,061***
Moscow	-0,041**	-0,044**	0,039*	-0,041**	-0,042**	-0,040**

Thank you for your attention!

Questions, comments and suggestions are welcome!

This report was presented at the 5th LCSR International Annual Conference “Cultural and Economic Changes under Cross-national Perspective”.

November 16 – 20, 2015 – Higher School of Economics, Moscow, Russia.

<http://lcsr.hse.ru/en/conf2015>

Настоящий доклад был представлен на V ежегодной международной конференции ЛССИ «Культурные и экономические изменения в сравнительной перспективе».

16-20 ноября 2015 года – НИУ ВШЭ, Москва, Россия.

<http://lcsr.hse.ru/en/conf2015>