

THE LIVING STANDARDS OF THE POPULATION OF THE RF

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The slowdown of the population's income growth rate that had started in the first half year of 2013 continued through January 2014. Due to the implementation of measures designed to raise the salary level in the budget-funded sphere in accordance with the President of the Russian Federation's Executive Order of 7 May 2012, No 597 'On Measures Aimed at the Implementation of Government Social Policy', the highest growth rate in 2013 was displayed by salaries in the spheres of education, healthcare and social services. In 2013, the planned salary levels were practically achieved for certain categories of employees in the budget-funded sphere; however, the salary levels in municipal institutions are still below the planned targets.

The nominal per capita index of the population's money income in January 2014 amounted to Rb 18,626, which is by 51.9% below its December 2013 value. This is a seasonal decline, caused by the traditional December payments (year-end rewards and bonuses, 'thirteenth salaries', etc.). The nominal per capita money income increased on January 2013 by 5.5%. The population's real disposable money income¹ in January 2014 amounted to 98.5% of its January 2013 level, and to 47.8% of its December 2013 level.

Table 1

CHANGES IN THE REAL DISPOSABLE MONEY INCOME, %

	As percentage of	
	corresponding period of previous year	previous period
2013		
January	100.6	49.3
February	105.9	132.1
March	109.1	103.1
Q1	105.6	76.1
April	108.0	106.5
May	99.3	86.8
June	101.6	115.6
Q2	103.0	112.9
1 st half-year	104.2	
July	104.0	95.1
August	103.4	101.8
September	99.8	96.0
Q3	102.4	99.6
Jan–Sep	103.5	
October	105.2	105.4
November	101.1	103.2
December	102.1	140.9
Q4	102.7	120.1
Year	103.3	
2014		
January	98.5	47.8

Source: data released by Rosstat.

¹ The amount of income cleared of mandatory payments and deductions and adjusted by the Consumer Price Index.

If these developments are compared with the situation observed a year ago, it becomes evident that the income growth rate in January 2014 is lower than in January 2013. This trend is true with regard to both the nominal and real money income of the population. Thus, the slowdown of the income growth rate that started in the second half year of 2013 is continuing through the first month of 2014.

The average monthly charged wage in January 2014 amounted to Rb 28,945, or 73% of its December 2013 index, thus having increased on January 2013 by 8.7%.

The real average monthly charged wage in January 2014 dropped on December 2013 by 27.4%. However, when compared with the corresponding period of last year, the real monthly charged wage increased by 2.5%.

The salary raise in the budget-funded sphere resulted in a situation where, in 2013, the salary index in the public education and healthcare sectors was growing at an accelerated rate by comparison with its counterparts in other sectors. The overall increase, in 2013, of the average monthly charged wage index (less social benefits) amounted to 123.2% in the public education sector and to 118.9% in the public healthcare and social welfare sectors, which resulted in the average monthly salary in the education sphere amounting to Rb 23,421, and that in the public healthcare and social welfare sectors – to Rb 24,564, while the national average monthly wage index for that year is Rb 29,960.

The upward movement of these indexes pushed up the sectoral-to-national salary ratio in the following three sectors:

- in the public education sector – to 78%,
- in the public healthcare and social welfare sectors – to 83%.

Rosstat (Russia's Federal State Statistics Service) continues to monitor the salary levels of those categories of employees in the budget-funded sphere, the

THE MOVEMENT OF AVERAGE MONTHLY CHARGED WAGE, %

	Average monthly charged wage per worker			
	Nominal		Real	
	on corresponding period of previous year	on previous period	on corresponding period of previous year	on previous period
2013				
January	112.9	73.4	105.4	72.7
February	110.8	99.6	103.3	99.0
March	112.5	107.9	105.1	107.5
Q1	111.9	90.4	104.5	88.7
April	116.4	104.7	108.5	104.2
May	112.4	99.0	104.7	98.4
June	112.6	104.3	105.3	103.9
Q2	113.8	110.6	106.2	109.0
1 st half-year	112.9		105.4	
July	113.3	97.6	106.4	96.8
August	113.7	96.9	106.8	96.8
September	112.8	100.4	106.3	100.2
Q3	113.2	97.8	106.4	96.4
January–September	113.0		105.7	
October	112.0	102.5	105.4	101.9
November	110.9	101.4	104.1	100.8
December	109.3	130.9	102.7	130.2
Q4	110.6	113.2	103.9	111.7
Year	112.4		105.3	
2014				
January	108.7	73.0	102.5	72.6

Source: data released by Rosstat.

targets for which were set by the RF President's Executive Order of 7 May 2012, No 597 'On Measures Aimed at the Implementation of Government Social Policy'.

In general over the year 2013, the salary levels of the relevant categories of employees in the budget-funded sphere of each RF subject were geared as follows to the average monthly wage index

- in the public education sector: 73.5% for tutors employed at educational establishments providing extracurricular education to children,¹ 94,9% for tutors employed at pre-school educational establishments², 96,9% for teachers employed at secondary schools and other general-education establishments, and 134,9% for the faculty members of a higher (professional) educational establishment;
- in the public healthcare sector: 47.8% for nursing staff, 141% for physicians and other healthcare practitioners with higher education diplomas, employed at medical institutions and providing medical care services to the population.

1 As a percentage of the average monthly salary of secondary school teachers in a RF subject.

2 As a percentage of the average monthly salary in the general education sphere in a RF subject.

It should be noted that the growth rate of the average salary index for municipal budget-funded medical institutions is falling behind that of the corresponding indexes for federal and regional medical institutions. So, the average figures cited here are by no means true for each employee belonging to the relevant categories in the budget-funded sphere.

By the RF President's Executive Order of 7 May 2012, No 597 'On Measures Aimed at the Implementation of Government Social Policy' for 2012 it is established that in that year the average salary level of secondary school teachers and the tutorial staff of other general education establishments should be raised to match the average salary for a given region's economy. In 2012, this target was not achieved. However, it was practically achieved in 2013, when the average salary of the staff of general-education establishments reached the level of 96.9% of each region's average salary. At the same time, the average salary level at municipal general-education establishments so far has amounted to only 86.8% of the average salary level in each given region.

In 2013, in accordance with the RF President's Executive Order of 7 May 2012, No 597, it was planned that the average salary of tutors employed at pre-school ed-

educational establishments should be raised to match the average salary level in the general education sphere of each region. This target has very nearly been achieved: the average salary of tutors employed at pre-school educational establishments in 2013 amounted to 94.9% of the average salary level in the general education sphere of each given region, but the salary level of tutors employed at municipal pre-school educational establishments is below the average and amounts to only 89.9%

of the average salary of tutors employed in the general education sphere in each region.

From 1 February 2014, labor pension indexation was carried out in order to adjust the pension size to the inflation rate. The size of pension was increased by 6.5%. Indexation was applied to a total of 37.8m pensioners. According to data released by the RF Pension Fund, the resulting average labor pension now amounts to Rb 11.4 thousand. ●