THE LIVING STANDARD IN RUSSIA IN 2012
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In 2012, households' real disposable income rose by 4.2% which situation points to the fact that the trend of zero growth in households' income in 2011 was overcome. In January 2013, a decrease in households' income was justified by a seasonal factor, so, one may expect stable growth in households' real disposable cash income in this year in general. In 2012, growth in households' real income was justified by growth both in wages and salaries and pensions. Growth in households' income found expression in an insignificant increase in the income inequality index and decrease in poverty indices.

Households' income. In January 2012, nominal average per capita cash incomes amounted to Rb 17,233, while in December 2012, to Rb 34,993 (in 2012 in general they amounted to Rb 22,821). That was only 49.3% of the December level of income. A drop in average per capita incomes and, primarily, wages and salaries can be explained by a seasonal factor and is related to the fact that incomes in December included year-end bonuses (remunerations, bonuses, thirteenth salaries and other) and that resulted in a situation where the value of households' December incomes exceeds the value of that index in any other month of the year. So, for example, a year ago a drop in average per capita income in January as compared to the value of that index in December amounted to 49.4%. As compared to the level of January 2012, incomes in January 2013 amounted to 108%, while a year ago the January incomes amounted to 106.3% of the income level of January 2011.

It is to be noted that growth in average per capita cash income in December 2012 was somewhat lower than in 2011: in December 2011 nominal average per capita cash income rose by 48.2% as compared to November 2011, while in 2012, by 43.2%.

In 2012, households' real disposable cash income adjusted to the consumer price index, less mandatory payments and contributions rose by 4.2%, but in January 2013 returned virtually to the level of 2012 which situation was observed a year ago, too. So, the cash income situation late in 2012 and early in 2013 is virtually a repetition of that which was observed late in 2011 and early in 2013.

Growth in households' cash disposable income which virtually came to a halt in 2011 renewed in 2012 and amounted to 4.2%. However, growth rates of households' real disposable cash income failed to attain the level of the year 2010 when the value of that index was formed at the level of 5.9% and high growth rates of households' real disposable cash income were the result, among other things, of dramatic growth of 34.8% in pensions; such a situation was not observed in 2012.

Table 1

DYNAMICS OF REAL DISPOSABLE CASH INCOME, %

	percentage	
	Of the respective period of the previous year	Of the previous period
2010		
December	104,4	138,3
Year	105,9	
2011		
Q1	99,4	75,7
January	100,5	53,0
Q2	98,9	113,2
Q3	101,9	100,4
Q4	101,5	118,1
December	103,6	144,3

Table 1, cont'd

	percentage	
	Of the respective period of the previous year	Of the previous period
Year	100,4	
2012		
QI	101,6	75,7
January	100,6	51,5
Q2	104,1	116
Q3	104,6	100,8
Q4	105,6	119,3
December	105,6	141,3
Year	104,2	
2013		
January	100,7	49,1

Source: Rosstat's data.

In 2012, the average accrued wages and salaries of a worker increased in nominal terms by 13.3% and amounted to Rb 26,690, while the real wages and salaries in the same period rose by 7.8%.

In January 2013, the wages and salaries were at the level of Rb 27,340 which amounted to the three-fourths and 115.6% of wages and salaries in December 2012 and January 2012, respectively.

In January 2013, real average monthly wages and salaries fell by 25.7% as compared to December 2012, but increased by 8% as compared to January 2012.

In 2012, pensions were not raised so lavishly as in the 2008–2010 period, but the situation of the year 2011 when growth in real accrued pensions amounted to the mere 1% was overcome, as well.

In 2012, pensions were indexed twice:
- In February, labor pensions rose by 7%,
- In April:
  – Labor pensions were indexed by another 3.41%,
  – while social pensions, by 14.1%.

In 2012, the average amount of assigned pensions increased by 10.2%, while real growth amounted to 4.9%. In December 2012, the average amount of the assigned pensions amounted to Rb 9,161 a month, while in 2012 it was Rb 9,041 a month. It is to be noted that some pensioners have much lower pensions: according to the data of the Pension Fund after pension indexation in April 2012 recipients of survivor's benefit and social pensions received on average Rb 5,892 a month and Rb 5,938 a month, respectively.

Social and economic differentiation of households. If in 2011 a decrease in growth rates of households' cash income resulted in a small reduction of the social and economic inequality, growth in income in 2012 renewed the reverse trend: inequality indices grew, but failed to attain the values of the year 2010.

In 2012, changes in distribution of households' cash income found expression in:
- a drop of 0.1 p.p. in the income of the 2nd and 3rd quintiles of households,
- and growth of 0.2 p.p. in the income of the 5th quintile of better-off households.

As a result, in 2012 the Gini index rose from 0.417 in 2011 to 0.420, while the funds coefficient increased from 16.2 times to 16.4 times.

Table 2

DISTRIBUTION OF THE TOTAL VOLUME OF HOUSEHOLDS' CASH INCOME, %

	2010	2011	2012[1]
Cash income	100	100	100
Including that by 20 percent groups of households: the first one (with the lowest income)	5.2	5.2	5.2

1   The initial data.

Table 1, cont'd

	2010	2011	2012[1]
The second one	9.8	9.9	9.8
The third one	14.8	14.9	14.9
The fourth one	22.5	22.6	22.5
The fifth one (with the highest income)	47.7	47.4	47.6
Including 10% of households with the highest income	30.9	30.7	n/a
Gini coefficient (the income concentration index)	0.421	0.417	0.420
The funds coefficient, times	16.6	16.2	16.4
Decile coefficient, times	7.4	7.3	n/a

Source: the Rosstat's data.

Poverty. The data on poverty in the Russian Federation has been formed by Rosstat only for 9 months so far.

Taking into account the following facts:
- in 2012 growth was observed in households' income and it was accompanied by a very small increase in income inequality; the specifics of the above increase consisted in the fact that the share of income of the 1st quintile of the least well-off households was quite stable;
- the quarterly, half-yearly and nine-month data on poverty in Russia was below that of the year 2011.
- it can be supposed that in 2012 the poverty data will be lower than in 2011. Consequently, the trend towards reduction of poverty indices – the above trend was formed in the 2000s – will continue.

Table 3

THE POVERTY LEVEL

	2011				2012		
	Q1	1st half-year	9 months	year	Q1	1st half-year	9 months
Number of the population with cash income below subsistence level: million people	22.9	21.1	20.2	18.0	19.1	17.7	17.2
% of the total number of the population	16.1	14.9	14.3	12.7	13.5	12.5	12.1

Source: the Rosstat's data.