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Factors influencing economic disengagement in state-society relations in Russia

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Abstract

This paper offers a quantitative analysis of factors influencing economic disengagement in state-society relations in Russia. Referring to the concept of *disengagement from the state* and the notion of *syndrome of withdrawal*, it examines the relationship between economic disengagement and certain individual, household and region-level characteristics. Economic disengagement is measured by means of a composite index constructed out of several elements comprising the phenomenon. Through a multilevel regression analysis of RLMS-HSE data, the study demonstrates, *inter alia*, that representatives of minority ethnic groups are on average more economically disengaged than representatives of Russian and titular ethnic groups. Furthermore, the analysis shows that this association holds also when controlling for migratory status which suggests that there is something about ethnic identity *per se* that has an effect on economic disengagement. It might be both an issue of ethnic discrimination towards the ‘other’ group in access to state resources and a question of a more proactive position taken by representatives of the minority groups. Surprisingly, at the same time the study shows that rootedness enhances economic disengagement.

Key words: economic disengagement, state-society relations, public-private, Russia, RLMS-HSE

Streszczenie

Artykuł stanowi ilościową analizę mającą na celu zidentyfikowanie czynników wpływających na zaangażowanie w stosunkach państwo-społeczeństwo w Rosji w wymiarze ekonomicznym. Odwołując się do koncepcji *disengagement from the state* i pojęcia *syndromu wycofania*, analizuje on związki pomiędzy brakiem zaangażowania a cechami jednostek, gospodarstw domowych i regionów. Brak zaangażowania w wymiarze ekonomicznym mierzony jest za pomocą wskaźnika syntetycznego zbudowanego z szeregu elementów składających się na badane zjawisko. Wykorzystując regresję wielopoziomową i dane sondażu RLMS-HSE, analiza pokazuje między innymi, że przedstawiciele mniejszościowych grup etnicznych są średnio bardziej oddaleni od państwa w wymiarze ekonomicznym niż etniczni Rosjanie lub przedstawiciele narodów tytularnych. Co więcej, wyniki wskazują na to, że ta prawidłowość utrzymuje się również, gdy kontrolujemy status migracyjny, co sugeruje, że to właśnie sama przynależność etniczna ma znaczenie. Może to wiązać się z dyskryminacją w dostępie do zasobów publicznych wymierzoną wobec grup mniejszościowych, ale także z bardziej aktywną postawą przedstawicieli tych grup. Co zaskakujące, jednocześnie badanie pokazuje, że osiadłość sprzyja ekonomicznemu oddaleniu od państwa.

Słowa kluczowe: ekonomiczny wymiar zaangażowania, stosunki państwo-społeczeństwo, publiczny-prywatny, Rosja, RLMS-HSE

1. Introduction

Reliance on public resources was a ‘natural’ state of affairs under state socialism. The Soviet state provided free education, health care, housing, jobs with salaries equal across the population, pensions, social and family allowances. Starting from the system’s crisis in the late 1980s, Russian citizens had to cope with some of their needs on their own, without the previously omnipresent state support. Especially in the early 1990s, when the newly emerged country was in a deep institutional crisis, the new free-market coping strategies had not fully developed yet and households had to bear the transformation costs (Round, Williams 2010), assistance offered by the state was not sufficient. Fortunately the systemic change sanctioned private ownership and provided space for actions taking place beyond the public¹ space. In the new reality, individuals (at least theoretically) gained a choice between the private and public alternative (in practice they are sometimes deprived of the choice, for example when the state decides for them, without offering a satisfactory alternative). Given the Soviet legacy it seems justified to speak about private initiative (and elements of the market economy in general) in terms of disengagement in state-society relations.

Disengagement in state-society relations is understood as a process of limiting the interaction between society and the state and its institutions. It may be determined by deliberate actions of individuals or by the state’s withdrawal from some of its competences. In other words, we encounter disengagement in state-society relations when a person decides on a non-public alternative (regardless of whether it is in fact his/her choice or a consequence of a choice taken by the state or the rest of society). This paper concentrates on economic disengagement, which involves practices connected to the sphere of income and expenditure among individuals and households. It is assumed that disengagement is reflected in the extent to which citizens take over the financing of some services, e.g. in the field of education or health care, and/or generate income in the non-public sector. The latter includes not only employment in the private or informal sector, but also, for example, resorting to private channels of job searching. Thus disengagement may be seen as tantamount to substituting the public sphere with a private alternative. Substituting the public sphere with private channels is a natural process, as a consequence of the systemic change. It includes both positive (from the point of view of country’s development, e.g. private entrepreneurship) and negative phenomena (for example, informal employment). Although disengagement is a process, we may assess its level of advancement by looking at the current status quo (disregarding the fact whether in the longer perspective the process intensifies or, on the contrary, is in decline²).

Russia represents an interesting case in this respect, as there is little ground to speak of continuity and path dependence when comparing people from the same age cohort. Focusing on ordinary people and ignoring the fact that influential people, e.g. representatives of the

¹ I use the terms *public* and *state* interchangeably although, to be strict, the former is more capacious as it pertains to both state and municipal ownership. By non-state I mean non-public, i.e. neither belonging to the state nor to the municipal actors.

² The term disengagement erroneously suggests that it is an ongoing process that proceeds forward. Actually, state ownership, in particular in strategic sectors, e.g. mining and energy sector, has expanded in Russia since 2004, at least in terms of its share in overall production (Tompson 2007). In particular, the level of state participation in the economy, often through indirect influence, increased in times of the economic crisis (Radygin, Simachev, Jentov 2015). An example of a sector that became subject to state regulation in the late 2000s is retail trade (see Radaev 2011). What’s more, the authorities introduced a number of restrictive laws concerning the activity of NGOs, media and science, while high revenues from energy resources allowed to return to statist and paternalist models of social policy (Cook 2014). Thus one can ask whether we should not rather speak of engagement in state-society relations since 2000s. This question, however, goes beyond the scope of this text which does not study a process, but rather pictures the state of the phenomenon at a given point in time, adopting a static perspective.

former nomenclature, may have had better access to resources³, we may risk the statement that everybody started from scratch. Despite the absence of a traditionally strong private initiative, in some spheres the non-public alternative currently occupies a significant part of the market. In 2013, about 25 years after the changes, over 60% of the employed population in Russia worked in the private sector. There were almost 2.5 million registered individual entrepreneurs, and thanks to the privatization of housing, almost 89% of the housing stock at the beginning of 2014 was privately owned. In other areas the public sphere still prevails. For example, less than 16% of students in the academic year 2013/2014 studied at private institutions of higher education, and in the same year only 0.7% pupils in general education establishments attended private schools. As regards the medical service, 35% of health care expenditures in Russia in 2011 were paid by private households, out of their own pocket⁴.

Depending on the number of instances in which individuals opt to meet their needs through a non-public alternative, we can state that they differ with respect to their level of disengagement from the state. Some, who were sometimes referred to as *homo sovieticus* (Zinovev 1981), prefer to rely on the state and rarely reach for the private option, while another, more pro-active part of society makes use of the opportunities provided by the free market system and earns a living independent of the state, satisfying their needs in the non-public sphere⁵. What determines the level of an individual's economic disengagement in state-society relations in Russia? First of all, it is conditional on the presence of both public and private alternatives and the quality of services they provide. But if we were to generally characterize the more disengaged group, what features is it expected to have?

Existing research does not provide insight into predictors of economic disengagement in Russia. Accordingly, this study is of an exploratory nature. It attempts to determine which individual, household and region-level characteristics are related to individual's economic disengagement from the state in Russia, and in what ways. In particular, taking into account the multiethnic character of Russian society and the federative nature of the country, it examines the association between economic disengagement and ethnicity, the federal status of a region, and a combination thereof. I hypothesize that representatives of the minority ethnic groups will prove more disengaged given their potentially least privileged position in access to public resources. Moreover, as these are the groups most strongly replenished by immigrants, their general level of activity should be higher and access to public resources might be lower (due to the selectivity of migration and discriminatory aspects, respectively). At the same time, I assume that titular groups⁶, especially living in their own republics, should be the least disengaged groups. I derive this hypothesis from the fact that the home rule for titular nationalities gave them access to local resources and effectively reversed the traditional dominance of ethnic Russians in competition for more lucrative jobs, including government positions (Bahry 2002; Lankina 2002). Regional governors in charge of redistributive policies as regards, for example, the level of social benefits, salaries of civil servants in sectors financed from local budgets and subsidies to state-owned companies and households (Freinkman, Plekhanov 2010) may favor a particular ethnic group (most probably Russian or titular) when giving access to public resources. Furthermore, assuming that the vast territory of the country may be significant, the study also explores the dependence

³ In Stoner-Weiss's (2006) words, the former *apparatchiki* were transformed into the new *entrepreneurchiki*. Better access may be considered in terms of membership benefits, but it also stems from higher human capital at the start (see Gerber 2000).

⁴ Sources: *Regiony Rossii* 2014; *Rossijskij statisticheskij ezhegodnik* 2014; *Rossija* 2015; *Social'noe polozhenie...* 2014; ILO Global Socio-Economic Security Database.

⁵ However, we should avoid categorizing people in two opposing groups (engaged-disengaged) as a binary categorization would oversimplify the picture (similarly, for example, to the winners-losers dichotomy, it does not capture the whole complexity of the social world, Danilova 2014).

⁶ Titular ethnic groups are groups after which federal subjects within Russia are named.

between economic disengagement and the level of peripherality of a region (measured by its distance from Moscow). It is difficult to formulate an unambiguous hypothesis as far as the latter issue is concerned. On the one hand, we may expect that disengagement is higher in the more remote and isolated regions. On the other, the state has always made attempts to compensate their residents for remoteness and unfavorable living conditions by offering them additional state assistance (thus increasing their economic dependence on the state, e.g. in the Far North and Far East).

The study contributes to the existing research in three ways. First, it proposes a reformulation of the concept of disengagement to allow the agency to lie also on the side of the state. Instead of talking about disengagement from the state which is a concept present in the political science literature, it proposes to speak of disengagement in state-society relations. Second, the paper sheds new light on the phenomenon of economic disengagement as it constitutes the first attempt to measure it in quantitative terms and to identify its relation to various socio-economic characteristics. What's more, it proposes an original composite index to measure individual levels of economic disengagement. Third, it applies the concept of disengagement in its economic dimension – previously studied mainly in the context of developing countries and applied primarily to African states – to a new geographic context, namely that of contemporary Russia. Among others, it provides insight into the role of ethnic and migration-related factors in Russia as regards economic disengagement.

The article is structured as follows. The next section offers a brief overview of theoretical and conceptual frameworks that served as an inspiration to this study, and also refers to a previous research. The subsequent section discusses the data used, construction of variables and presents the empirical strategy. This is followed by a description of results of the analysis. The final section summarizes the findings and suggests directions for future research.

2. Theoretical inspirations and previous research

The study refers to the concept of *disengagement from the state*, developed in the 1980s by two political scientists dealing with state-society relations in Africa – Victor Azarya and Naomi Chazan. Disengagement from the state is defined in the literature as withdrawal from the state's channels into parallel social, political, economic and cultural systems (Azarya, Chazan 1987; Rothchild, Chazan (eds.) 1988; Baker 1997). The concept derives from Hirschman's (1970) exit-voice theory and assumes that in response to the malfunction of the state, people may disengage from it by means of various strategies. It provides a useful theoretical framework with which to examine a range of socio-economic phenomena in terms of interlinkages between the state and society. As Baker (2001: 2) aptly puts it, disengagement “provides a profitable lens with which to examine and interpret a large array of socio-political data that are not usually correlated”.

Although there have been some attempts to apply this approach to the post-Soviet area, they are scarce and mainly concern the political dimension of disengagement (see e.g. White, McAllister 2004; White 2005). Broadly understood, state-society relations in Russia have been studied primarily in the political dimension (e.g. Wille 2001), mainly concentrating on the development of civil society (e.g. Weigle 2000, Ryabev 2005, Henderson 2011). It seems remarkable that so few studies have been devoted explicitly to the topic of disengagement from the state in the Russian context, especially with regard to its socio-economic aspects. This can be explained in part by the fact that the concept of disengagement from the state has mainly been used in reference to so-called weak and dysfunctional states,

whereas Russia has traditionally been perceived as a strong state⁷ (although undergoing an institutional crisis since 2008, Tsygankov 2014). Nevertheless, utilizing a concept developed with respect to Africa to study Russia is not unjustified, as evidenced for example by the book edited by Beissinger and Young (2002) comparing Post-Soviet Eurasia with Post-Colonial Africa with regard to the crisis of the state.

This study leaves aside the assumption that the examined practices are a reaction to the malfunction or domination of the state. It is also not an objective of this study to determine whether it is really the disappointment with the state and its institutions that lies at the root of specific practices. Thus, we can say that this study adopts a broader meaning of the notion of disengagement in state-society relations than originally conceived by Azarya and Chazan – hence the replacement of the expression ‘from the state’ with the phrase ‘in state-society relations’. It is closer to what Kamiński (1991) proposes, namely the notion of the *syndrome of withdrawal*. Using the example of the collapse of state socialism in Poland, Kamiński (p. 162) writes that withdrawal *of* the state and *from* the state are “two sides of the same coin and often reinforce each other”. As he notes, the withdrawal of society largely depends on the extent to which the state itself has withdrawn and on the concomitant costs for society members. He differentiates between complete withdrawal (emigration), withdrawal from the polity (leaving or not joining political institutions and refusing to take part in political rituals such as elections), and withdrawal from the economy (transition to the private market or shadow economy). As my analysis concentrates on the economic dimension of disengagement, it refers to the third phenomenon: withdrawal from the economy.

When considering economic disengagement in state-society relations, it is worth mentioning yet another notion, namely that of *economic autonomy from the state*. McMann (2006) defines it as the “ability to earn a living independent of the state”. Although at first sight it may seem that economic disengagement may be identified with economic autonomy from the state, this statement is not fully true. The difference boils down to the question of eligibility. Economic autonomy from the state concerns a person regardless of whether he/she is eligible to make a particular choice. For example, as far as the sphere of education is concerned, a person whose children attend private schools may be perceived as being autonomous from the state, and so is a childless person (to put it differently: neither of them is state-dependent as regards the educational realm). In terms of disengagement, however, the latter would not be considered disengaged, as a childless person is simply not faced with the choice between the public and private alternative. Another example is the question of pensions and social benefits. In terms of economic autonomy from the state, the distinction is clear-cut: autonomous is the person who does not receive pension benefits or social assistance. In terms of economic disengagement, again eligibility is the key. Theoretically, resignation from pension or social assistance in favor of alternative, non-state-related methods of generating income, although being eligible to receive such benefits, might be viewed as economic disengagement. However, in Russia all the people above statutory pensionable age receive old age pension (ILO Global Socio-Economic Security Database, 2011), and determination of eligibility for other kinds of pension and social benefits might be problematic. Eligibility is closely linked to the presence of both private and public alternatives. These alternatives have to exist conceptually, but they do not have to be available for an individual in reality (for example, a private school is an alternative to public schooling,

⁷ Definition of a strong state is disputable. For example, G. Hasting (2012) argues that an authoritative state is not a strong state (he places it on a second step between a weak and a strong, i.e. a lawful state). However, what I mean by a strong state here is a state that strongly engages in its citizens' lives. At the same time, it is worth underlining that such an approach does not carry any normative subtext. Contrary to Tsygankov (2014) who argues that Russia should not abandon a strong state model, I do not claim that disengagement is either desirable or undesirable.

but it does not mean that it has to be available to an individual for us to speak of him as eligible or disengaged). Since we assume that agency may lie on both sides – both the state and society – the individual's choice is actually conditioned by the actions taken by the two poles. In this context a lack of private school may be considered a consequence of society's actions (no private actor decided to open such an institution).

From this perspective, economic disengagement may be identified with substitution of a private alternative for the public sphere. Thus the distinction between state and non-state, or between public and private is crucial to defining economic disengagement in state-society relations. For the sake of this study I adopt the framework that Weintraub (1997) termed a *liberal-economistic model*, which translates this distinction in terms of governmental-nongovernmental dichotomy. As the author explains, within this framework the state (or public) realm involves spheres that are under jurisdiction of the state, while the private realm – spheres ruled by the market economy.

Literature on determinants of the choice between public and private in Russia is rather scarce. One interesting study by Matveenko and Savel'ev (2004) (though concerning only one element of economic disengagement) focuses on predictors of methods of job search. The authors show that factors such as ethnic belonging, rootedness and subjective health are significant predictors of a strategy choice. In particular, they demonstrate that subjectively poor health increases the likelihood of using state unemployment services, while rootedness and belonging to an indigenous ethnic group increase the likelihood of responding to job advertisements. They moreover show that people aiming for public-sector employment are more likely to search for work using state channels (state employment services). This observation indicates that individual elements of disengagement may be interrelated with one another.

Another study that addresses determinants of the choice between private and public is Gimpel'son and Luk'yanova's (2006) work in which they demonstrate that chances of becoming a public sector employee are higher in case of residents of small localities and less developed regions. Gimpel'son and Treisman (2002) argue, in turn, that poorer regions tend to have higher levels of public employment because local governors often set those levels beyond the fiscal capacity to force larger transfers from the centre. In case of small regions it may be also the issue of economies of scale. As the authors state, in small border regions the proportion of population needed to provide basic public services is greater than in heavily populated or highly urbanized areas. They also claim that the highest level of public employment in 1990s was recorded in ethnically defined regions that have more administrative powers thanks to their autonomous status within the federation. This may mean that local officials redistribute resources in the public sector, among other things jobs, in favour of any specific group (e.g. ethnic Russians or titular nationality).

As far as the ethnic factor is concerned, economic disengagement relates to the issues of ethnic discrimination and redistribution politics. The former is often studied in the context of discrimination against migrants. Kuznetsov and Mukomel' (2007) discuss the problem of ethnic niches in the Russian economy, touching on the unequal access to the public employment sector for different ethnic groups. They show that discrimination is more widespread in the public sector. They also claim that employment in the private and the informal sectors constitute alternative channels of social mobility for migrants from minority ethnic groups. As regards redistributive politics, Gimpel'son, Treisman and Monusova (2000) claim that public employment was treated by regional politicians as a means of redistribution in favor of minority ethnic groups. Bahry (2002), however, cites Koroteeva (2000) who argues that all residents of republics were given access to local resources, regardless of their ethnic origin. Nevertheless, as the results of the 1997-1998 survey quoted by Bahry show,

both Russians and representatives of titular ethnicities believed that ethnic origin is an important factor in getting access to lucrative posts, including high governmental positions.

3. Data and empirical strategy

The study utilizes data derived from the 21st round of the Russia Longitudinal Monitoring Survey of Higher School of Economics (RLMS-HSE), which was conducted between September 2012 and February 2013. RLMS-HSE mainly focuses on the issues of health and economic welfare of households but it also includes some data which seem interesting from the point of view of this study, e.g. information on households' sources of income, expenditures and service utilization. I concentrate on adults excluding individuals aged under 18 from the analysis. The so obtained data set contains 12,267 data records (individuals) nested within 6,005 households based in 37 regions⁸.

As mentioned before, I assume that economic disengagement is manifested in rejecting a public alternative in favor of a non-public one as regards people's sources of income and utilization of services. Given this definition I choose different spheres in which disengagement occurs. These include: housing, education, health care, job search and employment sector. The choice of indicators was conditioned by the availability of data. What's more, important criteria for the inclusion of a particular indicator in the analysis are the presence of both public and non-public alternatives and consistent reference levels. I assume a reference level to be a situation of a lack of disengagement, i.e. relying on the public sphere, while disengagement means the rejection of the public sphere for a non-state alternative⁹. Consequently, indicators describing one's economic disengagement concern the aspects listed in Table 1. It presents variables used to describe economic disengagement in Russia along with the respective questions from the RLMS-HSE questionnaires and frequencies. Frequencies are based on weighted data (using the individual weights).

Table 1. Variables used to assess an individual's level of economic disengagement

Element	Coding and frequencies ¹⁰	Questions in the questionnaire
housing	1 private housing: 10,452 (93%) 0 state housing: 844 (7%) not applicable: 971	<i>Who at the present time is the owner of the house in which you live?</i> <i>Is the place where your family lives at the present time a dormitory, a place you rent, or your own residence?</i>
education	1 at least one of the children attends private education institution: 40 (1%) 0 all the children attend public education institution: 3,518 (99%) not applicable: 8,709	<i>Who owns the school your child attends?</i> <i>Who owns the pre-school institution your child attends?</i>
health care	1 private health insurance coverage: 582 (5%) 0 no supplementary voluntary health insurance coverage: 11,685 (95%)	<i>Do you have supplementary voluntary health insurance, with some form of service from an insurance firm, polyclinic, hospital, or medical center?</i>
job search (now)	1 looks for a job using non-state channels: 654 (80%) 0 looks for a job using state channels: 166 (20%)	<i>Would you like to find (another) job?</i> <i>Did you apply anywhere or ask anyone for a job in the last 30 days?</i> <i>Looking for a job, did you apply at state employment</i>

⁸ For the location of RLMS-HSE regions see Appendix 1.

⁹ Thus, I do not include indicators for which the reference level would be reversed or which do not explicitly name the private alternative, such as, for example, 'not resorting to social assistance'.

¹⁰ Valid percent in parentheses.

	not applicable: 11,447	<i>services, labor registry office?</i>
job search (before)	1 current job found via non-state channels: 6,782 (95%) 0 current job found via the state channels: 335 (5%) not applicable: 5,150	<i>How did you find this primary work?</i>
sector of employment (1 st job)	1 primary job in the private sector: 4,168 (59%) 0 primary job in the state sector: 2,949 (41%) not applicable: 5,150	<i>Is the state the owner or co-owner of your enterprise or organization?</i>
sector of employment (2 nd job)	1 secondary job in the private sector: 179 (66%) 0 secondary job in the state sector: 94 (34%) not applicable: 11,994	<i>Is the state the owner or co-owner of your enterprise or organization?</i>
formality of employment (1 st job)	1 informally employed: 1,160 (16%) 0 officially employed: 5,957 (84%) not applicable: 5,150	<i>Are you employed in this job officially, in other words, by labor book, labor agreement, or contract?</i>
formality of employment (2 nd job)	1 informally employed: 140 (51%) 0 officially employed: 133 (49%) not applicable: 11,994	<i>Are you employed in this job officially, in other words, by labor book, labor agreement, or contract?</i>

Source: own elaboration based on RLMS-HSE, 21st round (2012)

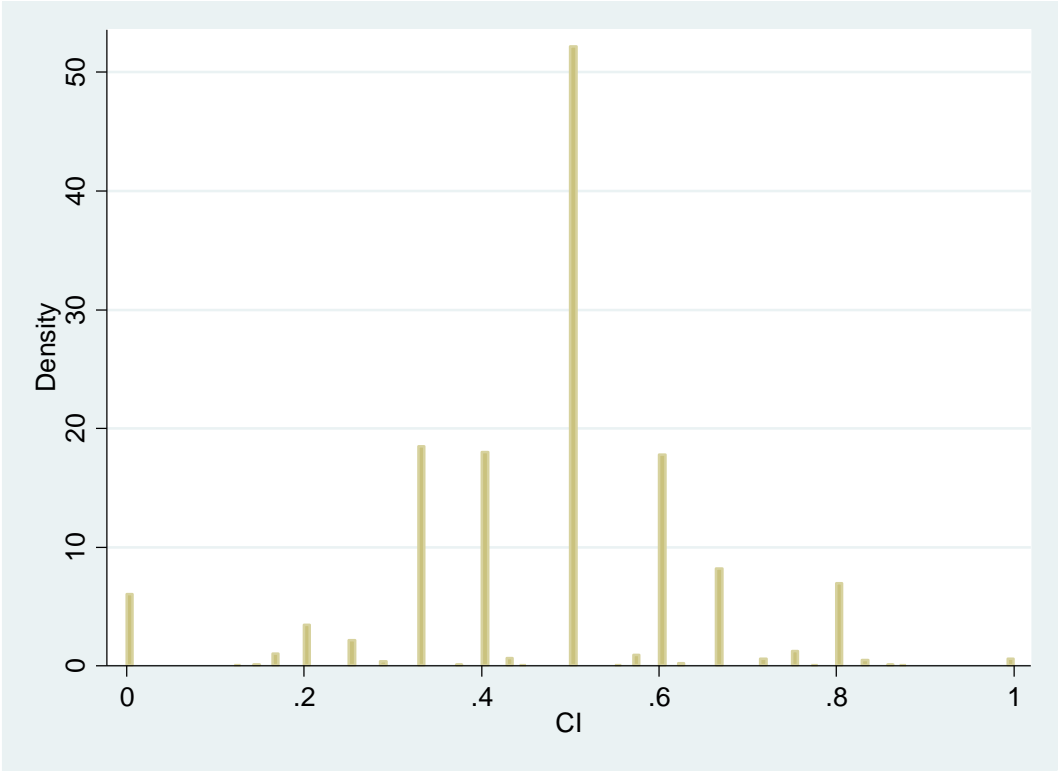
This set of indicators includes the most important spheres of people's lives in which they face a choice between a public and a non-public option. As the statistics cited in the introduction and presented in Table 1 show, the private alternative predominates. Exceptions are the spheres of education and health care which are still state-dominated. Yet another exception is the question of formality of employment: the majority of people are officially employed, though it is worth noting that almost two thirds of those having a second job perform this informally. Including the two indicators of formality of employment perhaps deserves additional explanation as the simple public versus non-public division does not seem to work here at first sight. However, looking back at Weintraub's distinction, where 'public' denotes spheres that are under the jurisdiction of the state while 'private' means ruled by the market economy, justifies the decision to include them.

For the purpose of an empirical, quantitative analysis, I construct a composite index (CI) quantifying economic disengagement from a number of binary indicators that measure its different elements. Concretely, I classify individuals' answers to the specific questions into three categories depending on the presence of state engagement and eligibility: 0 means that the state is present in one's actions, 1 stands for resorting to a non-state alternative, while a missing value is assigned if a situation does not concern a particular person (the 'not eligible'/'not applicable' option). An element that requires an additional comment is housing. Given that not all dormitories in Russia are owned by the state or municipality (some of them were privatized together with companies to which they belonged, although according to the law they should have been transferred to municipal ownership¹¹) and the RLMS data set does not allow to distinguish between municipally and privately owned dormitories, I treat such cases as 'not applicable'. Similarly, I classify renting a flat as 'not applicable' given that renting from the state (municipality) is also possible (see Shomina, Heywood 2013) and we do not have information on the owner of the rented housing. The composite index is

¹¹ Now they are supposed to lose their status (http://old.president-sovet.ru/structure/childhood/stuff/prava_zhiteley_obshchezhitij.php, access: 23.04.2015).

aggregated from separate elements simply by calculating their mean value¹². Thus, the index counts in how many aspects of choices an individual is eligible to make, he/she reaches for the private alternative. Again, bear in mind that I assume that substitution for the public sphere may be both the choice of an individual and of the state¹³. Values of the resulting composite index of economic disengagement lie within the (0,1) range (see Figure 1 for its distribution). For the sake of future analyses in which the CI acts as a dependent variable I treat it as an interval measure. An issue which may raise questions is the weighting of elements within the composite index. I utilize equal weights for lack of a better alternative (as it is difficult to find a merit-based rationale for other weighting procedure).

Figure 1. Histogram for the composite index of economic disengagement*



* Weighted sample (using individual weights)

Source: own elaboration

Looking for potential predictors of economic disengagement measured by the composite index discussed above, I consider the following individual level characteristics: age, gender, years of education, ethnic identity and – referring to Matveenko and Savel'ev (2004) – rootedness (migration status)¹⁴. I also account for whether a person receives a pension, including old age pension and other types, e.g. for disability or compensation for loss of provider. I suspect that the relationship between disengagement and age may be dependent on sex and on pensioner status. Therefore, I incorporate also interaction terms between age and gender and between age and a pension dummy. I control also for family status, i.e. whether a respondent lives with a partner and whether he/she has children under 18. Additionally to

¹² In case of a missing value on a particular element, the mean is simply calculated using the remaining elements (in an extreme situation – a single element).

¹³ For example, if the company is privatized, its employees are moved to the non-public sphere not necessarily in accordance with their will.

¹⁴ For the coding of explanatory variables and basic descriptive statistics see Appendix 2.

ethnicity categorized into three groups: Russian, titular and other¹⁵, in an alternative specification of the model I try to take into account whether respondent's ethnicity is the dominant one in the region, but dominant not in terms of numbers but in terms of governance and potential privileges. I assume that titular nations are 'dominant' in their republics, e.g. Tatars in Tatarstan and Chuvash people in the Chuvash Republic, and Russians in oblasts, krajs and federal cities. Moreover, I consider the association between the level of economic disengagement and household's per capita income. I assume that average per capita income within a region may also matter as people compare themselves to other individuals in their neighborhood and may either experience relative deprivation or a desire to distance themselves from less wealthy neighbors. Consequently, they may try to reach for an alternative that provides them with higher reward in terms of their position on the social ladder. Assuming that urban centers offer different conditions for disengagement than rural localities, I control for the type of locality. Furthermore, I check whether a region's level of peripherality (measured by its distance from Moscow) and federal status play a role.

I use multilevel modeling to look for factors influencing disengagement. A motivation for that is to correct for the effect of multistage sample survey design and to incorporate contextual effects. Survey design leads to a hierarchical structure which may be depicted in form of a simple classification diagram: individuals as level 1, households as level 2 and regions as level 3. Given the three levels of the data, presence of both individual/household and region-level variables and distribution of the dependent variable, the model takes the following form¹⁶:

$$\begin{aligned}
y_{ijk} = & \beta_0 + \beta_1 age_{ijk} + \beta_2 pension_{ijk} + \beta_3 (age * pension)_{ijk} + \\
& + \beta_4 female_{ijk} + \beta_5 (age * female)_{ijk} + \beta_6 education_{ijk} + \\
& + \beta_7 partner_{ijk} + \beta_8 children_{ijk} + \\
& + \beta_9 titular_{ijk} + \beta_{10} other_{ijk} + \\
& + \beta_{11} income_{jk} + \beta_{12} average\ income_k + \\
& + \beta_{13} town_k + \beta_{14} ubs_k + \beta_{15} village_k + \\
& + \beta_{16} republic_k + \beta_{17} krai_k + \beta_{18} federal\ city_k + \\
& + \beta_{19} distance_k + v_k + u_{jk} + e_{ijk}
\end{aligned}$$

$$e_{ijk} \sim N(0, \delta_e^2)$$

$$u_{jk} \sim N(0, \delta_u^2)$$

$$v_k \sim N(0, \delta_v^2)$$

where $i = 1 \dots N$; $j = 1 \dots J$; $k = 1 \dots K$; N = number of individuals, J = number of households, K = number of regions; y_{ijk} is a response for individual i in household j in region k , v_k = effect of a region k , u_{jk} = effect of household j in region k and u_{jk} and v_k are assumed to be independent of each other. It is a random intercept model (slopes are fixed across explanatory variables).

It is important to note that 'regions' in RLMS-HSE's naming convention are not the same as federal subjects. Therefore, it may seem more correct to differentiate between regions as federal subjects and regions as localities (as understood in RLMS-HSE data set). Type of

¹⁵ The other group includes, among others, people of Ukrainian, Armenian, Belarusian, German, Azerbaijani, Moldovan, Jewish, Kazakh, Georgian and Uzbek ethnicity. I additionally test another division: Slavic, titular and other.

¹⁶ As for model (1) from Table 2.

locality, average income and distance refer to a region as locality and only federal status refers to a region as a federal subject within Russia. There is, nevertheless, no use in introducing the fourth, federal level as there would be no variation at this level (as most of the federal subjects include only one RLMS-HSE region). Moreover, introduction of the fourth level would make the calculations computationally more demanding.

4. Results

Table 2 reports the results of several models fitted in Stata (with weights¹⁷). They are all similar; the difference boils down to the specification of ethnicity and rootedness¹⁸. Column (1) shows a model accounting for the difference between Russian, titular and other ethnic groups. Column (2) skips federal status of a region *per se* and takes into account the dominant or non-dominant status of the respondent's ethnic group in the region. Column (3) does not take into account ethnic identity but includes migration status. And finally, column (4) both includes the division of individuals into three groups as regards their ethnic identity and accounts for migratory status.

Table 2. Factors influencing economic disengagement – regression results

<i>disengagement</i>	(1)	(2)	(3)	(4)
Individual level variables				
<i>constant</i>	.521 (.022)***	.521 (.023)***	.516 (.022)***	.517 (.022)***
<i>age</i>	-.0002 (.0002)	-.0002 (.0002)	-.0002 (.0002)	-.0001 (.0002)
<i>pension</i>	-.088 (.015)***	-.088 (.015)***	-.087 (.015)***	-.086 (.015)***
<i>age*pension</i>	.0007 (.0003)*	.0007 (.0003)*	.0006 (.0003)*	.0006 (.0003)*
<i>female</i>	-.078 (.008)***	-.078 (.008)***	-.078 (.008)***	-.078 (.008)***
<i>age*female</i>	.001 (.0001)***	.001 (.0001)***	.001 (.0001)***	.001 (.0001)***
<i>education</i>	.0008 (.0009)	.0008 (.0009)	.0008 (.0008)	.0008 (.0008)
<i>partner</i>	.0003 (.0003)	.0003 (.003)	.002 (.003)	.002 (.003)
<i>children</i>	-.006 (.005)	-.006 (.005)	-.007 (.005)	-.007 (.005)
<i>titular</i>	-.008 (.007)			-.006 (.007)
<i>other</i>	.018 (.007)*	.016 (.007)*		.023 (.008)**
<i>titular not in their own republic</i>		-.018 (.009)*		
<i>titular in their own republic</i>		-.007 (.007)		
<i>Russians in a republic</i>		-.011 (.005)*		
<i>born away</i>			-.013 (.003)***	-.014 (.004)***
Household-level variables				
<i>income</i>	1.77e-06 (2.18e-07)***	1.77e-06 (2.18e-07)***	1.81e-06 (2.21e-07)***	1.81e-06 (2.21e-07)***
Region-level variables				
<i>average income</i>	-2.08e-06 (1.51e-)	-2.19e-06 (1.50e-)	-1.71e-06 (1.48e-)	-1.83e-06 (1.50e-)

¹⁷ I use household weight at level 2 and the conditional individual weight at level 1. For the sake of sensitivity analysis, I also run the models on unweighted data and the results seem robust.

¹⁸ The rationale behind such a choice of models lies in the fact that ethnicity and rootedness might be interrelated (share of international migrants is considerably higher among representatives of the *other* ethnic groups). Comparison of models 1, 3 and 4 allows to check whether it is rootedness or ethnic identity that plays a role in economic disengagement.

	06)	06)	06)	06)
<i>town</i>	.011 (.010)	.012 (.011)	.012 (.010)	.011 (.010)
<i>urban-type settlement</i>	.003 (.015)	.004 (.015)	.004 (.014)	.004 (.014)
<i>village</i>	-.027 (.010)**	-.026 (.010)**	-.026 (.009)**	-.026 (.009)**
<i>republic</i>	-.002 (.010)		-.007 (.008)	-.004 (.009)
<i>krai</i>	-.002 (.013)		-.0006 (.012)	-.001 (.012)
<i>federal city</i>	-.012 (.020)		-.017 (.020)	-.016 (.020)
<i>distance</i>	1.86e-06 (3.80e-06)	1.89e-06 (3.29e-06)	1.97e-06 (3.65e-06)	2.01e-06 (3.74e-06)
δ^2_v	.0004	.0004	.0004	.0004
δ^2_u	.0104	.0104	.0103	.0103
δ^2_e	.0168	.0168	.0168	.0168
Log pseudo-likelihood	5405.11	5406.04	5411.07	5415.43
AIC	-10770.22	-10774.08	-10784.14	-10788.85
$N_{\text{indid}}/N_{\text{hous}}/N_{\text{reg}}$			12,267/6,005/37	

Note: Standard deviations in parentheses.
Significance level: * .05; ** .01; *** .001

Source: own calculations

The above results may be interpreted in the following way:

(1) Age seems to be significantly related to economic disengagement only for women and for pensioners. While men's economic disengagement does not depend on age, for women age is positively associated with disengagement, meaning that with age women show a growing tendency to choose private alternatives over public channels (for each additional year of life, economic disengagement is expected to be higher by .001 CI units). Similarly, disengagement among people not receiving pensions does not seem to change with age, while for pensioners an additional year in age increases economic disengagement (by .0006-.0007 CI units). How can we interpret these results? In the case of women, the positive relationship between economic disengagement and age might be due to the fact that these are mainly women who resign from work to take care of small children. Therefore they are less eager to take risks at the beginning of their professional career, and after returning to the labour market they need time to develop social networks to enable them to e.g. find a job without the support of the state employment services or to open their own business. As for pensioners, on the one hand, young pensioners who retired before the normal pensionable age must have been employed formally (in order to be granted early pension) and are (or were) more probably employed in the public sector. On the other hand, if we consider two pensioners above the statutory pension age, the one who is older might have been forced to pursue alternatives to state channels – for example, because nobody wants to employ him formally, he has to turn to informal earnings.

(2) People receiving pensions are on average less disengaged than the rest of the population (by about .086-.088 CI units). Lower disengagement among old age pensioners cannot be explained by the fact that they have fewer opportunities to disengage as they no longer have children in school age whom they can send to private schools, and being retired they less often work¹⁹ or seek work. The method of calculating an index means that those elements are simply not taken into consideration when calculating the mean. Taking into account that

¹⁹ Actually, in Russia the propensity to work among pensioners is relatively high compared to other countries (Kolev, Pascal 2002).

we control for age in the model, a lower disengagement level among pensioners means that if we compare two individuals of the same age, we may expect the one who is already on pension to be less disengaged. Such a result may be due to the fact that these are usually people employed in the public sector who are entitled to earlier retirement or special pensions for length of service (in Russia this is granted to civil servants, military men, medical and education workers). Moreover, the pension dummy takes away the effect of age. Pensioners are usually older people and as such they are to a greater extent accustomed to using state channels and reluctant to switch to private alternatives. Soviet legacy might also play a role here.

(3) Adjusting for other variables, women on average score lower (by about .078) on the economic disengagement index than men. Due to the method of composite index construction, this result cannot be explained solely by the fact that women more often than men sacrifice their professional careers for the sake of running a household and/or raising children, more often work part-time and remain with children after the divorce. It means that they are more likely than men to choose state channels. It might be explained by their lower propensity to accept risk and a perception of the state alternative as more safe, and by the predominance of women in some sectors, e.g. in education and health care which are still state-dominated. Moreover, because women are more often single parents and over 99% of pupils in Russia attend public schools, women more often score nil on the educational indicator which lowers the value of the whole index.

(4) All else held constant, ethnic Russians and representatives of titular ethnic groups are on average less economically disengaged than people of other ethnicities (by about .02 CI units). Interestingly, when we simply compare disengagement levels between the three groups (i.e. when ethnicity is the only predictor), representatives of titular ethnic groups seem to be on average less economically disengaged than Russians. Disappearance of this relationship after incorporating additional covariates means that it is not the ethnicity factor *per se* that differentiates those two groups, but that other characteristics of titular ethnic groups are responsible for their on average lower score on the disengagement index.

As regards the dominance status of ethnic groups, apart from the coefficient for other ethnicities, also the coefficients for representatives of titular nations living outside of their own republics and for Russians residing in republics prove significant. Contrary to expectations, it seems that ethnic Russians and representatives of titular ethnicities are on average less disengaged when not possessing a dominant status within a region. Thus the obtained results do not confirm the hypothesis stating that representatives of titular nations, especially living in their own republics, are the least disengaged group.

(5) People who are born outside of their place of current residence are expected to be less disengaged than rooted individuals by about .014 on average, regardless of whether we control for ethnic identity or not. This means that rootedness enhances disengagement, i.e. it makes people more likely to substitute a private alternative for the public sphere. I also checked the effect of being born abroad on economic disengagement, but it proved insignificant. Moreover, given that other ethnicities constitute a substantial part of the respondents born abroad (about one third, while they constitute only 1% of those born in Russia in the sample), in a model adjusting for both ethnicity and being born abroad, the coefficients by both explanatory variables are insignificant (probably because to a certain extent they carry the same information). An alternative specification of the model including both a born-abroad dummy and a dummy for being born outside of the place of current residence but within Russia (concerns internal migrants) shows that it is the internal migration dummy that matters (see Appendix 3, model (5)). I also tried yet another specification of rootedness – number of years a person has lived in the current place of residence. The corresponding model (see Appendix 3, model (6)) shows that the longer a

person has lived at the current address, the more disengaged he or she tends to be. This relationship may be explained by the fact that people develop social networks through which they meet some of their demands and thus do not need to resort to state assistance. However, higher AIC value in model (6) than in model (4) allows us to state that whether or not a person was born outside of the current place of residence better predicts economic disengagement than the number of years spent in the current place of residence.

(6) Individuals living in wealthier households are on average more economically disengaged. For a one thousand ruble increase in per capita household income, the model expects economic disengagement to be higher by about .002 CI units, *ceteris paribus*. This relationship may be partly explained by the fact that wealthier households can afford private education and health care and are usually owners of their own dwelling. Here causality is difficult to ascertain, however, as the average wages in the private sector exceed wages in the state sector (for more on wage differences between the private and the public sector in Russia see Gimpel'son, Luk'yanova 2006).

(7) Type of locality is significantly related to an individual's economic disengagement with village residents being less disengaged on average by .026-.027 CI units than residents of a federal subject's capital city. Such a result may be due to the fact that rural residents have less opportunities to substitute for the public sphere than large city residents (for example, there are no private schools or private clinics in the countryside) and so they are forced to use public services. At the same time, as Gimpel'son and Luk'yanova (2006) claim, village residents have higher chances of being employed in the public sector.

The models do not provide sufficient evidence to state that there is a relationship between economic disengagement and years of education or that a person's marital status plays a role. The lack of an association in case of education probably results from the fact that some of the elements of disengagement (e.g. private housing and health care) are positively related to educational career, while other elements (e.g. informal employment) are negatively related. The analysis also does not provide evidence that distance between Moscow and a RLMS-HSE region is related to an individual's economic disengagement. Thus, nothing indicates that peripherality affects one's propensity to substitute for the public sphere. The federal status of a person's home region and average household income in a region do not seem to be significant predictors of economic disengagement either. Calculation of variance partition coefficient (VPC) for all the models allows us to state that approximately 61% of total variance is attributed to differences between individuals, about 37% is due to between-household variation, and the remaining 1.3-1.5% is due to between-region differences. This means that inter-regional differences differentiate the observations to a rather small extent and that most of the variation in economic disengagement is seen within regions. Both VPC and the fact that almost all region-level predictors prove insignificant demonstrate that the differences between regions are rather small. It might mean that institutional factors and administrative solutions arising from a region's federal status do not differentiate regions in terms of economic disengagement. However, it might also be connected to the fact that the RLMS-HSE sample is not representative as far as the population of Russian regions (federal subjects) is concerned, but is only representative for the population of Russia²⁰. Moreover, a look at the map depicting locations in which RLMS-HSE was conducted (Appendix 1) clearly shows that northern and far eastern federal subjects are underrepresented in the RLMS-HSE sample.

If not accounting for pensions (see model (7) in Appendix 3), age proves to be negatively related to economic disengagement but only in case of men. It means that older

²⁰ It might be even not representative for a population of a particular federal subject (e.g. if respondents are sampled solely from within a rural district).

men are more likely to use state channels than younger males, which may be a matter of path dependence and the persistence of Soviet mentality. When incorporating the pension dummy, it takes over the negative effect of age. Moreover, inclusion of subjective health conditions (when excluding pensions) proves that the worse people perceive their health, the less economically disengaged they are expected to be, which confirms Matveenko and Savel'ev's (2004) results. Such a relationship may be due to the fact that people who think of themselves as not healthy are less likely to take risks as far as, for example, employment is concerned, and would rather choose the public (i.e. more stable) alternative.

The result concerning rootedness is rather surprising as it contradicts the selectivity of migration and discrimination of migrants. Migrants are usually believed to be more active (e.g. on the labour market) and often having more entrepreneurial spirit compared to the receiving population and to their compatriots back home (Chiswick 2008; Borjas 1991; Massey, Arango, Hugo, Kouaouci, Pellegrino, Taylor 1993). Moreover, they are often discriminated against on the labor market (Lokshin; Chernina 2013; Mukomel' 2013). Naturally, discrimination above all affects irregular migrants who do not have legal grounds to work in Russia and whose chances to find a job in the formal, let alone the public, sector are scarce for the simple fact of institutional barriers. Similarly, they face institutional barriers in accessing public healthcare. But as Kuznetsov and Mukomel' (2007) show, even migrants having regular status have limited chances to make a career in state or municipal service. As the authors write, the situation in public enterprises is somewhat better, but even there discrimination is more widespread than in the private sector. Therefore, we would rather expect international migrants to work in the private sector, i.e. to be more disengaged. Here, however, the specificity of RLMS-HSE may also play a role. The survey does not reach typical international migrants, e.g. temporary labour migrants, since it attempts to retain as many households as possible over subsequent rounds of the survey. Internal mobility, in turn, also includes situations in which a person moves from one village to a neighboring village, so it is not 'real migration' which requires some courage and involves certain costs.

Results of models (4) and (6) incorporating both migratory status and ethnic identity show that there is something about ethnic identity *per se* that has an effect on economic disengagement. The results suggest that potential discrimination is based on ethnicity rather than migratory status. The discriminatory aspect is one possible explanation for the difference between the Russian and other ethnic groups. Another explanation concerns potentially higher levels of activity, self-sufficiency and resourcefulness among representatives of the non-Russian and non-titular ethnic groups. Actually both those explanations – discriminatory and activity-related – may be connected, because such personal characteristics might have developed among representatives of minority groups in response to discrimination. Discrimination based on ethnic origin in Russia does not concern all ethnicities from the *other* group to the same extent. For example, in non-ethnically defined federal subjects it does not apply to the non-Russian Slavic people. However, in an alternative specification of the model, when I transform the Russian category in model (1) into Slavic (adding Ukrainians, Belarusians and other Slavic ethnic groups to the reference category), the coefficient by the *other* dummy loses its significance. This demonstrates that the non-Russian Slavs, if not discriminated in access to public resources, are potentially relatively more active than ethnic Russians.

5. Summary and conclusions

This paper seeks to provide insight into covariates of economic disengagement in state-society relations in Russia. It explores quantitatively the association between economic disengagement and individual characteristics, also taking into account contextual effects. It employs a multilevel approach to not only account for the multistage design of the RLMS-HSE data set, but also to include both individual/household and region-level predictors.

The results show that women tend to be less economically disengaged than men and so are pensioners compared to non-pensioners, which may be partly explained by their lower propensity to run risks and the perception of the state alternative as safer. What's more, both for women and pensioners the level of economic disengagement is positively associated with age, while no such relationship is observed for men and non-pensioners, respectively. Household income is positively related to economic disengagement which may be explained both by higher incomes in the private sector of the economy and by the fact that wealthier households can afford private education, healthcare and their own housing. Size of locality proves to be a significant predictor of economic disengagement among residents of villages, being on average less economically disengaged than residents of other types of localities. Education length, family status, average regional household income, the region's distance from Moscow and its federal status do not emerge as significant predictors of economic disengagement. Both VPC and the fact that almost all region-level predictors prove insignificant demonstrate that the differences between RLMS-HSE regions are rather small. However, it might be so because the RLMS-HSE sample is not representative for the population of federal subjects.

The most interesting conclusions concern ethnic identity and migratory status. Representatives of minority ethnic groups are on average more economically disengaged. The hypothesis stating that representatives of titular ethnic groups, especially those living in their own republics, are less economically disengaged than ethnic Russians was not confirmed. This suggests that titular ethnic groups do not have privileged access to public resources. Higher disengagement among representatives of other ethnic groups may result from discrimination manifested in worse access to state resources. Importantly, the potential discriminatory aspect does not apply to migratory status but to ethnic identity *per se*, as representatives of other ethnic groups prove more disengaged even when controlling for rootedness. What's more, quite surprisingly, rootedness enhances economic disengagement which contradicts the selectivity of migration and discrimination of migrants. Another explanation for the difference between Russian and other ethnic groups aside from discriminatory aspects is the potentially higher level of activity, self-sufficiency and resourcefulness among representatives of the other ethnic group.

What are the consequences of being more or less disengaged for the individuals concerned? Economic disengagement denotes economic autonomy from the state which, in turn, makes people more likely to exercise their democratic rights (see McMann 2006). This may mean a higher propensity to engage in oppositional activity as McMann demonstrates, but also the freedom to decide to disengage politically, e.g. through abstaining from voting in elections.

The purely quantitative approach of this study may be considered one of its limitations. Another limitation which I am aware of is the problem of the lack of a clear boundary between the public and private in the Russian context (Oswald, Voronkov 2004; Grzymala-Busse, Jones Luong 2002; Kay 2011). In this regard, we may ask whether respondents are well informed as to the status of their employer. Moreover, as Radygin *et al.* (2015) write, a new phenomenon is companies that are "under manual control" of the state, formally belonging neither to the state nor to the private sector.

For future research, it seems worth exploring how declared attitudes towards state institutions (e.g. government, courts, police, etc.) translate into economic disengagement (here access to question *qj207* from the RLMS-HSE questionnaire – not publicly available so far – would be useful). Moreover, it would be desirable to complement the quantitative study with a qualitative component that would shed some light on people’s motivations and potential additional mechanisms that cannot be accounted for in a quantitative study as this one. In particular, such a study may help to untangle the puzzle of whether it is discrimination or proactivity that lies behind higher disengagement of the non-Russian and non-titular ethnic groups.

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Appendix

Appendix 1. Locations where the RLMS-HSE 2012 was conducted



•• cities and towns in which RLMS-HSE21 was conducted

★ rural regions in which RLMS-HSE21 was conducted

Source: based on RLMS-HSE 2012 data, graphic design: Wojciech Mańkowski

Appendix 2. Description of explanatory variables used in the analysis (weighted with individual weights)

Variable	Explanation and coding	Descriptive statistics
Individual-level variables		
<i>age</i>	respondent's age in years	min: 18 max: 101 mean: 46 SD: 17.7
<i>female</i>	respondent's gender, male as reference level	0: 5,443 (44%) 1: 6,824 (56%)
<i>partner</i>	1 – lives with a partner, 0 – otherwise	0: 4,464 (36%) 1: 7,803 (64%)
<i>children</i>	1 – has children under 18, 0 – otherwise	0: 8,576 (70%) 1: 3,691 (30%)
<i>pension</i>	1 – receives pension, 0 – otherwise	0: 7,891 (64%) 1: 4,376 (36%)
<i>education</i>	years of education, calculated from education level referring to <i>World Data on Education</i> 2010/11	min: 0 max: 30 mean: 13 SD: 2.7
<i>ethnicity</i>	3 levels: Russian (reference level), <i>titular</i> and <i>other</i>	Russian: 10,527 (86%); titular: 1,282 (10%); other: 458 (4%)
	alternatively: Slavic (reference level), <i>titular</i> , <i>other</i>	Slavic: 10,727 (87%); titular: 1,282 (10%); other: 258 (2%)
<i>ethnicity and dominance</i>	5 levels: Russians not in a republic (reference level), <i>Russians in a republic</i> , <i>titular in their own republic</i> , <i>titular not in their own republic</i> , <i>other</i>	Russians not in a republic: 9,655 (79%); Russians in a republic: 873 (7%); titular in their own republic: 912 (7%); titular not in their own republic: 370 (3%); other: 458 (4%)
<i>poor health</i>	self-declared health condition coded 1-5 (1=very good, 5=very poor)	min: 1 max: 5 mean: 2.8 SD: .7
<i>rootedness</i>	<i>born away</i> : born in (0) or outside (1) the place of current residence (includes both international and internal migrants)	0: 6,128 (50%) 1: 6,139 (50%)
	2 dummy variables: <i>internal mobility</i> (born	internal: 5,103 (42%) abroad: 1,036 (8%)

	outside the current place of residence but within Russia), <i>born abroad</i>	rooted: 6,128 (49%)	
	<i>how long</i> : number of years a person has lived in the current place of residence		min: 0 max: 98 mean: 33.7 SD: 18.5
Household-level variables			
<i>income</i>	household's monthly income per capita (in roubles)		min: 65 max: 250,500 mean: 13,775 SD: 10,851
Region-level variables			
<i>average income</i>	average household monthly income per capita		min: 7,086 max: 23,656 mean: 13,680 SD: 4,676
<i>type of locality</i>	4 levels: federal subject's capital (reference level), <i>town, urban-type settlement, village</i>	federal subject's capital: 5,147 (42%) town: 3,135 (26%) urban-type settlement ²¹ : 786 (6%) village: 3,199 (26%)	
<i>distance</i>	distance form Moscow (in km) ²²		min: 0 max: 6,416 mean: 1,251 SD: 1,364
<i>federal status</i>	4 levels: oblast (reference level), <i>republic, krai, federal city</i>	oblast: 6,381 (52%) republic: 2,015 (16%) krai: 2,333 (19%) federal city: 1,538 (13%)	

Source: calculations based on RLMS-HSE, 21st round (2012)

²¹ Urban type settlement (rus. posjolok gorodskogo tipa) is an intermediate form of locality between a city/town and a village (can be translated as a small town). Contrary to rural settlements, most residents of urban-type settlements are not employed in agriculture.

²² Distance from Moscow for rural localities is measured for district's (raion's) administrative centers. I use the ru.distance.to website and complement it with google.maps if the name of a region was ambiguous.

Appendix 3. Alternative specifications of the model

<i>disengagement</i>	(5)	(6)	(7)
<i>constant</i>	.517 (.022)***	.516 (.022)***	.546 (.023)***
<i>age</i>	-.0002 (.0002)	-.0005 (.0002)*	-.0008 (.0002)***
<i>pension</i>	-.087 (.015)***	-.089 (.015)***	
<i>age*pension</i>	.0007 (.0003)*	.0007 (.0003)*	
<i>female</i>	-.078 (.008)***	-.078 (.008)***	-.076 (.008)***
<i>age*female</i>	.001 (.0001)***	.001 (.0001)***	.0009 (.0001)***
<i>partner</i>	.002 (.003)	.001 (.003)	.001 (.003)
<i>children</i>	-.007 (.004)	-.006 (.005)	.002 (.005)
<i>education</i>	.0008 (.0008)	.0008 (.0008)	.0005 (.0008)
<i>poor health</i>			-.006 (.002)*
<i>titular</i>		-.007 (.007)	-.008 (.007)
<i>other</i>		.022 (.008)**	.019 (.007)**
<i>born away</i>			
<i>internal mobility</i>	-.016 (.003)***		
<i>born abroad</i>	.002 (.007)		
<i>how long resident</i>		.0004 (.0001)***	
<i>income</i>	1.81e-06 (2.19e-07)***	1.81e-06 (2.22e-07)***	1.78e-06 (2.11e-07)***
<i>average income</i>	-1.72e-06 (1.48e-06)	-1.95e-06 (1.49e-06)	-2.17e-06 (1.54e-06)
<i>town</i>	.012 (.010)	.011 (.010)	.010 (.010)
<i>urban-type settlement</i>	.004 (.014)	.005 (.014)	.005 (.015)
<i>village</i>	-.027 (.009)**	-.025 (.009)**	-.026 (.010)**
<i>republic</i>	-.006 (.008)	-.004 (.009)	-.001 (.010)
<i>krai</i>	-.001 (.012)	-.002 (.012)	-.001 (.013)
<i>federal city</i>	-.017 (.020)	-.015 (.019)	-.010 (.019)
<i>distance</i>	2.04e-06 (3.65e-06)	1.96e-06 (3.76e-06)	1.94e-06 (3.78e-06)
δ_v^2	.0004	.0004	.0004
δ_u^2	.0103	.0103	.0104
δ_e^2	.0168	.0168	.0170
Log pseudo-likelihood	5416.05	5412.42	5339.87
AIC	-10792.11	-10782.84	-10641.74
$N_{indid}/N_{hous}/N_{reg}$		12,310/6,033/37	

Note: Standard deviations in parentheses.
Significance level: * .05; ** .01; *** .001

Source: own calculations