



Looking for a feasible disaggregation in
urban poverty analysis

A case study of Tomsk region,
Russia



Poverty in Russia as an urban phenomenon

- Urbanization rate – 73%
- Between 60 and 70% of the poor are urban
- Mixed welfare effects of state-driven urbanization
- Household location is a major poverty correlate



Averages mask important differences in welfare-related indicators

- Distinct types of urban settlements (economic base, diversification, remoteness, size)
- Low mobility level
- Different returns on physical and human capital
- Local statistics:
 - Registered unemployment between 1 and 12%
 - Wage arrears between 0 and 6000 Rubles per capita
 - Average wage between 1465 and 6470 Rubles.



Tomsk study - objectives

- Help understand spatial variations of urban poverty
- Identify spatial characteristics of households, which affect welfare
- Suggest feasible disaggregation of urban settlements



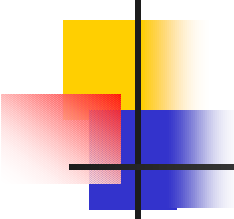
Tomsk study – method and data

- Household survey of 3950 hhs
- Disaggregating by types of urban settlements: capital, oil, other urban
- OLS regression of consumption expenditure
- Looking at sub-samples



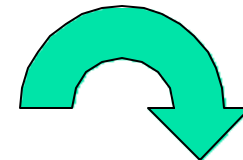
Tomsk study – illustrations

| Type of locality | Headcnt | Pov.Gap | GAP2 | DEP | Above 10% |
|--|---------|---------|------|-----|-----------|
| Capital (N=6148) | 18 | 4 | 2 | 15 | 7 |
| Secondary cities (all) (N=1675) | 46 | 18 | 9 | 32 | 10 |
| Of which, “Oil” (N=491) | 18 | 4 | 1 | 11 | 8 |
| “Non-oil” (N=1184) | 57 | 24 | 12 | 41 | 11 |
| Rural areas (N=3265) | 38 | 12 | 5 | 31 | 6 |
| Total (N=11088) | 28 | 9 | 4 | 22 | 7 |



Tomsk study – main findings

- Risk factor 1 – living in non-oil town
- Risk factor 2 – unemployment
- Risk factor 3 – pre-school children
- Positive factor 1 – gender (male)
- Positive factor 2 – skills and experience
- Positive factor 3 – living in the capital
 - BUT





Importance of disaggregation

- Education brings different premium in different locations
- Retirement brings different scale of risk
- Differences in wage structure likely determine different effects from employment in a growing industry
- More knowledge of poverty at an affordable survey cost



Policy questions:

- Why people live where they live?
- Is improving labor mobility the best way to alleviate poverty?
- How to define different strategies addressed to different types of locations?
- Is geographic targeting the way to go?
- Is the approach applicable to other cities and regions?