

Local determinants of spatial wage dispersion in Russia

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The paper aims at investigating the causes of persistent wage differentials in Russia during transition. All other things equal, we show that individuals don't receive the same wage according to their residence state in Russia : these wage gaps are even growing since the liberalisation of prices and trade in 1992. We use panel data from the Russian Longitudinal Monitoring Survey to derive regional fixed effects : we discriminate between competing theories of wage differential by regressing the regional wage premia on macro data from Goskomstat. We found strong evidence from monetary compensation of poor regional amenities ; crime rate and pollution level influence significantly wage levels in Russia.

Keywords : compensating wage differentials, spatial dispersion, transition

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