

Summary

Modeling Activity of the Russian Banking Sector

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In this article comparatively simple and verisimilar description of functioning of modern Russian banking system that could be used in a model of intertemporal equilibrium is presented. This description couldn't be replaced by simple proportions like money multipliers.

The rational expectations model of the banking system on basis of econometric analysis of moving of the main types of financial instruments in the banking system is formulated. One part of obtained econometric correlations is used as restrictions, and the rest correlations are explained by the model.

The model successfully reproduces the reaction of the banking system on unexpected events, so as for example a sizable sale of assets or the world financial crisis.

Choice of Occupation: Where Have We Studied and Where Are We Working?

**Gimpelson V.E., Kapeliushnikov R.I., Karabchuk T.S.,
Ryzhikova Z.A., Bilyak T.A.**

The paper examines the quality of matching between fields of study and actual occupations in Russia. The analysis based on microdata from the 2006 Labour Force Survey data deals separately with university (tertiary A level) and college (tertiary B level) types of education. Applying multinomial logit regression technique, we estimate expected probabilities of occupational mobility conditional upon demographic characteristics and upon field of education. The most general conclusion is that the scale of mismatch is very large hinting on massive underutilization of human capital. We rely on very conservative estimates allowing that actual mismatch is likely to be even larger.

Who Wins the Wage Race: A Study of Relative Earnings Mobility in Russia (2000–2005)

Lukiyanova A.L.

Using the data from the Russian Longitudinal Monitoring Survey (RLMS), the paper investigates the changes in individual earnings over the period 2000–2005. Our results suggest that the magnitude of earnings mobility is significantly higher in Russia than in advanced market economies. Mobility leads to a sizable reduction in long-term inequality. We find that inequality in earnings cumulated over a six-year period is 10–20% lower than in cross-sections. The bottom and the top deciles of the distribution contribute most to the reduction in inequality due to larger changes in

the absolute earnings. However, larger changes in relative positions are more likely in the middle of the distribution. We demonstrate that job changes are one of the major determinants of faster growth of relative earnings in Russia. This finding can be related to high dispersion of earnings within narrow professional groups and inefficiency of promotion mechanisms in internal labour markets.

**Labor Mobility and Stability:
How High is the Return on Specific Human Capital in Russia?**

Maltseva I.O.

The paper is devoted to the role of specific human capital in modern Russian economy. Using data from the Russian Longitudinal Monitoring Survey we analyze job tenure in Russia in the 1990s and the 2000s, estimate the return to specific human capital and labor mobility in terms of wage growth. Our findings show that high levels of labor mobility nowadays are connected with low value of specific human capital both for employee and employer. Moreover, we have found that Russian workers have paid some «penalty» for specificity of their human capital. Current decline of demand on specific human capital can be explained as a result of economy globalization, unification of production and business processes, and high heterogeneity of the firms and enterprises in Russian economy.

Duration of Job Search in Russia: A New Method of Measuring

Ratnikova T.A., Furmanov K.K.

Average duration of unemployment is one of the main indicators of labor market condition along with the rate of unemployment. There are different approaches to the estimation of unemployment duration, each having its advantages and disadvantages. As these approaches were developed concerning certain type of data, they can lead to a serious bias when applied to data that have another structure. In this article we propose a method of measuring average unemployment duration which can be used with RLMS data. Also we show that the results of previous studies of unemployment duration based on RLMS suffer from selectivity bias. Estimates that we obtain agree with the measures of official statistics and supplement them providing the information about effectiveness of job search.

**Evaluating an Impact of Highway Development
on Regional Economic Growth**

Petronevich M.V.

Recently the discussion on the economic impacts of highway development has become the point of interest in national economic science. Though this question relative to US Interstate Highway System has been assessed through many studies and approaches, most of them, for some reasons, can not be adjusted to Russian economy. This study is to propose new regional approach and brand-new transport accessibility coefficient, which is the key-stone of model.

This coefficient is based on the inter-regional trade statistics, and statistically correlates with increments in regional economic fundamentals, such as constant price GRP, investment and retail sales. Then the small regional level model is presented.

The model supports a conclusion that the development of Federal highway network should have a significant positive impact on regional economic growth. Road development might incur incremental 10,3–14% boost in GDP growth depending on the competitive capacity of national products on the domestic market.

Also, model calculation could not reject the hypothesis of increasing economic difference between the Central and East regions as the result of highway development.