

Summary

Is it Normal to be Informal?

Gimpelson V.E., Kapelyushnikov R.I.

This article raises two important questions related to labor market informality. The first one asks what kind of characteristics make workers more exposed to the risk of being informal. The second focuses on wage setting and differentiation of earnings in the informal sector. Our estimates show that informality has become a «normal» state given its large and growing scale. Internal heterogeneity of the informal sector and its two-tier structure are also typical or «normal» given cross-country patterns. Finally, earnings penalty generated by informality makes 15–20% on average but declines along the wage distribution. These tendencies are observed in many medium income countries as well and therefore can also be considered «normal». More generally, existence of large scale segment of informal jobs on the Russian labour market with its specific wage setting practices indicates an institutional failure and cannot be accepted as «normal».

Key words: informal employment; wage; wage inequality; quantile regression; wage gap decomposition.

Migrants on the Russian Labor Market: Profile and Earnings

Lokshin M.M., Chernina E.M.

Russia has recently become one of the top migrants receiving countries. Still economic analysis of immigration to Russia is scarce. In this paper we use data from 2007 and 2009 Tajik Living Standards Survey to describe a typical Tajik migrant in Russia and estimate migrant-natives wage differential. We find 36% differential in 2007 and 45% differential in 2009.

Key words: labor migration; Russia; Tajikistan.

Are Public Sector Workers «Losers»? Estimation of the Public-private Wage Gap in Russia

Sharunina A.V.

This paper is devoted to the public-private wage gap in Russia. Wage gap is estimated with the use both of the mean and the quantile regressions, which will provide a more complex picture of the public-private sector wage gap distribution. The author finds the existence of significant public-private wage gap (about 30%) considering both observable and unobservable characteristics of workers and jobs. Decomposition based on quantile regression helps to answer the question about the nature of the wage differences. The author comes to the conclusion that the main reason for the gap is the institutional mechanisms of public sector in Russia. The analysis is based on the data from RLMS – HSE 2000–2010.

Key words: public-private wage gap; budget sector; RLMS – HSE; Russia.

Composite Production Functions

Ershov E.B.

In the article we suggest the approach for production functions which takes into account the proportions of used resources. Composite production function is defined as maximum of output using multiple technologies, among which resources are allocated. We explore properties of these functions for technologies characterized by basic production functions (PFs). As basic we consider general homogeneous PFs and Cobb – Douglas, CES and Leontief PFs. Defined composite PFs are obtained in the form of continuous splines formed by pieces of isoquants of basic and liner PFs. And these composite PFs could be generated in the composite regimes of resource allocation among multiple basic PFs.

Key words: distribution of resources between technologies; basic and composite production functions; deterministic frontier production function.

Leveraged-leasing: Financing of Large Investment Projects

Gazman V.D.

This article discusses the theoretical and methodological issues proposed for use in Russia of a new funding mechanism for big ticket investment leasing projects. To achieve this goal are the following: a new version of the classification of leasing with the view in her special place leveraged-leasing; a critical analysis of the model of leveraged leasing, identifying its

strengths and weaknesses; developed proposals for the formation of the Russian model leveraged-leasing; analyzed the feasibility of a mechanism of syndicated lending in the leveraged-leasing; is the formation of quantitative and qualitative criteria for big ticket transactions for Russian leasing market, taking into account the foreign and domestic experience; set a price on leasing contracts on interest rates, taking into account the necessary redundancy associated with the assessment of welfare and allowances for losses on defaulted lessors and lessees; using regression analysis, the hypothesis is that, despite the increased risks from the lessor, are associated with increased incidence and duration of contracts, reduce the advances, the relative reduction of prices on realization of investment projects in the leveraged-leasing; developed a methodology for determining leverage leasing projects; prepare recommendations on formation of pricing models leverage-leasing; analyzes the proportions between financial institutions in overseas leasing transactions and in the Russian leasing market; is determined by the relevance and benefits of using this model for Russia.

Key words: leveraged leasing; investment; financing; syndicated lending; pricing; structuring.

Short-term Market Reaction on Cross-border Mergers and Acquisitions of Russian Mining and Metal Companies

Chirkova E.V., Chuvstvinina E.V.

The article presents the results of the research regarding abnormal return in M&A domestic and cross-border deals completed by Russian mining and metal companies. Contrary to earlier studies that found positive abnormal return of international mergers and acquisitions, our research revealed that cross-border deals performed by Russian metallurgical companies show negative abnormal return. Financial multiples of cross-border transactions are higher than that of domestic deals, which points to overpayment of Russian acquirers when buying assets abroad. In addition market discourages deal targeting financially distressed companies, as well as acquisitions of targets from culturally distant countries. One interesting finding of the research is that the most active cross-border acquirer – Severstal JSC – more often purchases financially distressed targets and generally demonstrates lower cumulative abnormal return compared to other Russian mining and metal companies.

Key words: mergers and acquisitions; cross-border deals; abnormal return; emerging markets.