

Salary of Municipal Officials in Russian Cities and Towns

B. S. Zhikharevich and O. V. Rusetskaya

International Center for Social and Economic Research Leontief Centre, St. Petersburg, Russia

e-mail: zhikh@leontief.ru, olga@leontief.spb.su

Received

Abstract—An analysis of the differences in the salaries of municipal officials and employees of large and medium-sized enterprises in 465 major Russian cities and towns in 2009–2011 has been conducted. On average, municipal officials earn 30% more than industrial employees; in some cases, twice more. The influence of factors, such as the size of a city or a town (the urban district's population), the model of local government (the existence of a city manager), the economic welfare (the population's standard of living), the budget balance, the financial independence, the geographical location, and the regional identity, on the level of differences has been studied. The smallest gap between salaries was observed in the Siberian Federal District; the largest one, in the Far Eastern and Southern federal districts. In 2010 and 2011, the gap between the salaries in cities and towns, where the model of local government with a city manager was used, was much larger. A direct dependence between the measures of efficiency of economic development and the level of the gap almost does not exist; on the contrary, in cities and towns with poor population, the gap is larger.

Keywords: salary, local government, city manager

DOI: 10.1134/S2079970513040138

Checking someone's income is both a condemnable and widespread practice. However, in a number of situations, it is fully justified: when it refers to public expenditures and the salaries of persons funded from the public budget. It is obviously that the level of salaries of state and municipal officials should be known to society. However, their rate is already not obvious at all. There are at least two positions. The first one is that officials should earn much (over the average level); then, they will manage more efficiently, appreciate their work, and have fewer temptations for corruption proceeds (this however requires a high probability of detection and the inevitability of dismissal for corruption). The second one is that officials should not earn over the average level; their salaries should correlate with the general economic successes of a territory. It is almost unlikely to prove the correctness of this or that position. However, it is possible to trace the situation at regional and municipal levels, fix certain facts, and try to identify the factors that affect the gap between the salary of officials and the average salary in a region or a city (town).¹

¹ The idea of this research appeared during the development of the project proposed by the professor of National Research University—Higher School of Economics (NRU—HSE) L.I. Polishchuk, related to the study of the stated and real authorities' priorities; it spurred the authors to study the figures of the gap between the salaries of officials and nonofficials as a possible measure of divergence of interests of power and population.

The Finansovye i Bukhgalterskie Konsul'tanty (FBK) consulting company is known for its researches at the regional level; for a couple years in succession, it has been publishing a rating of regions based on the remoteness of regional officials from the population [7, 8]. So, in 2010 the average salary of officials at the regional (in an oblast, krai, okrug, or republic) level (the administration and the government of a region) in all regions was higher than the average salary in the appropriate territory. In 66 regions, this excess was over 50%. As of year-end 2011, this number had not changed. However, if in 2010 generally in Russia officials' salary exceeded the average regional one by 65%, as of year-end 2011, this excess reached 62% [3]. The top positions in the ratings of remoteness belong not to the most successful regions in the economic plane (in 2010, the first one was Arkhangelsk oblast with a gap of 2.53; the second and the third ones, Volgograd and Lipetsk oblasts with a similar value of 2.41; in 2011, Khabarovsk krai with a value of 2.5; Volgograd oblast, 2.4, and Orenburg oblast, 2.3); it calls in question the thesis about the utility of high officials' salary. Here, there is a rather arbitrary increase in salaries according to regional leaders' notions of their importance and an absence of effective control by civil society.

FBK also makes a similar rating for local officials, but in this case it operates with average values for all municipal units in a region [4].

The municipal level has not been a subject of a more detailed study yet, which is particularly connected with the labor required for obtaining data. The

Table 1. Ratio between the salary of LG employees and large and medium-sized enterprises and nonprofit organizations, %

	2009	2010	2011	The average value in 2009–2011	Growth rate in 2011 to 2010, %
On average by urban districts	140.66	133.19	127.32	129.93	98.62

present article fills this gap. It analyzes the differences between the salaries of employees of local governments (LG) and employees of large and medium-sized enterprises, as well as nonprofit organizations, in urban districts of the Russian Federation in the period 2009–2011 based on the Rosstat database [1], which appeared due to the need to fill the “List of Indicators for Measuring the Effectiveness of the Activities of Local Authorities in Urban Districts and Municipal Areas,” approved by the Decree of the President of the Russian Federation of April 28, 2008, No. 607.

According to the Federal State Statistics Service of the Russian Federation, as of January 1, 2011, in Russia there were 515 municipal units—urban districts [9, pp. 36–37]. In order to conduct a study, a sample was formed based on the Rosstat database “Indicators of Municipal Units”; it comprises 465 urban districts from almost all regions of Russia, with the exception, in particular, of Moscow and St. Petersburg, the Republic of Ingushetia, and the Chechen Republic.

In order to analyze the differences in salaries in urban districts, the indicator “Ratio Between the Salary of Employees of LGs and Large and Medium-Sized Enterprises and Nonprofit Organizations, %” has been calculated (Table 1). Hereinafter, we will call it a gap rate.

A calculation of the average value of this indicator in 2009 was made by 208 urban districts of the sample; in 2010, by 381; and in 2011, by 382. It was determined by a lack of required data on the salary of LG employees and/or employees of large and medium-sized enterprises and nonprofit organizations in some urban districts of the sample for the corresponding periods of time. The average value of the index in 2009–2011 was calculated not as an arithmetic mean of theoretical means by the years. First, the arithmetic mean of the index over a three-year period in individual urban districts was calculated, and then on the base of these values the arithmetic mean in all districts was determined. Similarly, the growth rate indicator (2011 to 2010) was calculated: first, the growth rates in individual urban districts were calculated, and then based on these values the average value of the growth rate in all districts was defined.

During the three-year period under consideration, the gap on average amounted to 29.9% (municipal officials were twice more modest than regional ones;

² The Rosstat database “Indicators of Municipal Units” has no data on the Republic of Ingushetia and the Chechen Republic.

the latter, as noted, had the gap at a level of 62%; however, individual municipalities, which participated in the calculations, that is, Tver (2.8), had a gap larger than the regions: the maximum rate by regions was at a level of 2.53):

—In 2009, there was an excess in 193 urban districts out of 208 that participated in the calculation, i.e., in 92.8% (the largest gap amounted to 2.5 in the town of Ishim in Tyumen oblast);

—In 2010, in 338 out of 381, i.e., in 88.7% (the largest one was in Tver, 2.8 times);

—In 2011, in 320 out of 382, i.e., in 83.8% (the largest gap was in Tver, 2.6 times).

On average, the gap exhibits a decreasing tendency: in 2009, it amounted to 1.4 times; in 2011, to 1.27 times.

In order to analyze the dynamics of the gap rate, it is useful to trace the dynamics of the values used in its calculation (Table 2). It is evident that there was a constant increase in the average salaries of both groups of employees.³ At the same time, the salary of LG employees grew more slowly; it became the cause of a small decrease in the gap.

The range of the variation in the values of the gap rate is very wide; it offers opportunities to identify the differentiation factors of municipal units. Can it be explained by any objective circumstances, such as a greater complexity of management in a larger city (town) or particular city leaders’ appetites are the reason?

Let us grope for an answer using a grouping method depending on a number of factors that could cause a certain level of the gap. We refer to such factors:

1. The size of a city or town (the population of an urban district);
2. The LG dependence (the existence of a city manager);
3. Economic welfare (the living standards of an urban district’s population);
4. The budget balance (deficit/surplus of the local budget per capita, rubles/person);
5. Financial independence (the share of own revenues in the local budget in the total volume of revenues of the budget of a municipal unit (MU), %);
6. The geographical location on the country’s map;
7. The district standard (belonging to a particular federal district);

³ Ignoring the consumer price index.

Table 2. Dynamics of salaries of employees of LGs, large and medium-sized enterprises, and nonprofit organizations in urban districts of the Russian Federation in 2009–2011

Index	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %	Growth rate in 2010 to 2009, %
Salary of LG employees	24161.5	26368.0	28350.7	26350.3	111.7	109.6
Number of urban districts in the calculations	215	388	389	450	327	215
Salary of employees of large and medium-sized companies and nonprofit organizations	18240.7	20068.0	22088.1	19211.7	113.2	110.9
Number of urban districts in the calculations	452	448	417	456	411	444

Table 3. Gap rate (%): grouping by the size of an urban district

Size group	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
The largest	146.53	134.77	126.85	133.30	99.11
Large	144.27	141.41	137.27	137.82	98.85
Big	139.74	130.45	122.27	127.05	98.23
Medium	140.76	135.47	130.28	131.60	98.61
Small	133.13	128.00	121.39	125.11	98.58

8. The regional standard (belonging to a particular subject of the Russian Federation).

is as following: small, big, medium, the largest, and large.

1. GROUPING BY THE POPULATION

Urban districts were divided into five groups based on the indicator “Average Annual Number of Permanent Residents” in 2011 (in the absence of data for 2011, the data for 2010 or 2009 were used):

—The largest, i.e., the average number is over 500000 persons (33 urban districts);

—Large, i.e., from 200000 to 500000 persons (53 urban districts);

—Big, i.e., from 100000 to 200000 persons (68 urban districts);

—Medium, i.e., from 30000 to 100000 persons (179 urban districts);

—Small, i.e., under 30000 persons (132 urban districts).

The calculation results for these groups are presented in Table 3. As can be seen, the variation of a gap rate over the years is not very large—from 121 to 147; and on average for three years, from 125 to 137. Perhaps, only one evident trend can be ascertained—in small towns there is always the smallest gap. In the groups of all sizes the gap decreases with roughly the same pace. The largest gap, as a rule, is in a group of large cities (towns). On average for the three years the line of cities by the degree of the increasing of the gap

2. GROUPING BY THE LG DEPENDENCE (THE EXISTENCE OF A CITY MANAGER)

Urban districts using the “city manager” management model were combined into a group of “controlled” districts (190 urban districts); without city managers, into a group of “independent” districts (275 urban districts). In the Russian practice, it is traditionally assumed that the existence of a city manager, appointed to the position with due consideration to the opinion of the head of the subject of the Russian Federation, makes LG in this city or town more controllable by the “vertical of power.”

Calculations (Table 4) have shown that in the presence of city managers officials’ salaries are much more distant from the average urban salaries; besides, a difference between the groups, which was absent in 2009, appeared in 2010 and 2011. So, local officials, subordinated to higher authorities, follow their example and boldly raise their own salary more than their colleagues that are more independent in relation to the upper level but more dependent on the local population.

Table 4. Gap rate (%): grouping by the MU controllability

Group by the controllability	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Controlled	140.96	137.91	131.87	135.34	99.36
Independent	140.41	130.13	124.53	126.49	98.15

Table 5. Gap rate (%): grouping by the level of economic welfare (three groups)

Group by the level of economic welfare	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Poor	132.41	162.78	146.60	155.77	99.52
Medium	142.80	129.96	123.88	126.99	98.05
Rich	135.83	128.12	136.91	126.48	101.86

3. GROUPING BY THE ECONOMIC WELFARE

The salary rate has been chosen as an indicator of the economic welfare of a city (town). The grouping has been based on the figure of the average monthly nominal accrued salary of employees of large and medium-sized enterprises and nonprofit organizations in 2011; in the absence of data for 2011, based on the data for 2010, this was increased by the salary growth rate in 2011 compared to 2010 for the entire sample; the cities and towns, for which there were not data for 2010 and 2011 (ten cities and towns) were excluded from the sample.

Two groupings have been tested (with three and five groups).

The first grouping:

—Poor urban districts, i.e., 10% of urban districts with the lowest salary (from 8796.9 to 13428.6 rubles), 46 urban districts;

—Medium urban districts, i.e., 80% of urban districts with medium salaries (from 13429.6 to 35197 rubles), 363 urban districts;

—Rich urban districts, i.e., 10% of urban districts with the highest salary (from 35400.3 to 115904.1 rubles), 46 urban districts.

It can be seen in Table 5 that in poor cities and towns the gap is much larger than in rich and medium ones. If the hypothesis that more well-paid officials have a better impact on the economic development was true, the situation should have been the opposite.

The second grouping:

—Poor urban districts (significantly lower than the average national level), i.e., salaries under 13000 rubles, 38 urban districts;

—Below the average national level, i.e., salaries from 13000 to 22000 rubles, 246 urban districts;

—Above the average national level, i.e., salaries from 22000 to 29000 rubles, 92 urban districts;

—Significantly higher than the average national level, i.e., salaries from 29000 to 37000 rubles, 42 urban districts;

—Rich, i.e., salaries over 37000 rubles, 37 urban districts.

In this grouping, which is more uniform in relation to the number of observations in the group (Table 6), the trend is even more evident: the gap in poor cities and towns reaches 160%, and the richer a city or town is, the smaller the gap is (with the exception that in the richest places it is also large). Perhaps, there happen to be groups where different trends exist. The large gap in

Table 6. Gap rate (%): grouping by the level of economic welfare (five groups)

Group by the level of economic welfare	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Poor (significantly lower than the average national level)	132.00	169.72	150.20	160.13	98.17
Below the average national level	143.80	133.33	127.00	131.02	98.59
Above the average national level	139.77	126.93	118.45	122.54	97.06
Significantly higher than the average national level	125.66	115.43	116.13	113.21	98.13
Rich	137.28	130.58	138.64	128.87	102.15

the poorest cities and towns can be explained by the fact that officials' salaries are oriented towards the average Russian standards and are provided by allocations from higher budgets; the economic activities in these depressed (usually single-industry) cities and towns are almost absent and cannot be created with the efforts of the authorities. In three groups of cities and towns, where the economic welfare is above the average national level, the gap is correlated in the "right" direction: in more successful cities and towns, officials that probably made a contribution to this success earn more.

4. GROUPING BY THE LOCAL BUDGET BALANCE

Depending on the deficit (surplus) of the local budget per capita, the urban districts have been grouped as follows:

—High-surplus, i.e., with a surplus over 1000 rubles/person;

—Medium-surplus, i.e., with a surplus from 300 to 1000 rubles/person;

—Low-surplus, i.e., with a surplus of up to 300 rubles/person;

—Low-deficit, i.e., with a deficit of up to 300 rubles/person;

—Medium-deficit, i.e., with a deficit from 300 to 1000 rubles/person;

—High-deficit, i.e., with a deficit of over 1000 rubles/person.

The share of urban districts with a surplus budget during the period under consideration has increased from 33.2 to 48.1%, while the share of urban districts with a deficit budget during the period under consideration has declined from 66.8 to 51.9% (Table 7).

It is highly significant (Table 8) that, irrespective of the presence of a deficit or surplus in the local budget, LG employees are not inclined to deprive themselves of a salary: differences between the gap rate in cities and towns with surplus and deficit budgets are almost unnoticeable (in fact, in 2010 and 2011, in "deficient" cities and towns, the gap was slightly larger).

5. GROUPING OF URBAN DISTRICTS BY THE LEVEL OF FINANCIAL INDEPENDENCE

Depending on the share of own revenues in the local budget in the general volume of the MU budget revenues in 2009⁴, the urban districts have been grouped as follows:

—Low level of own revenues of the local budget (up to 30%), 88 urban districts;

⁴ Data for this figure for 2010 and 2011 are absent in the Rosstat database of municipal units.

Table 7. Number of urban districts in a group (grouping by the budget balance)

Group by the budget balance	2009	2010	2011
High-surplus	25	31	48
Medium-surplus	28	47	48
Low-surplus	52	56	44
Low-deficit	73	81	54
Medium-deficit	82	54	54
High-deficit	56	29	43
Total	316	298	291
The share of surplus urban districts, %	33.2	45	48.1
The share of deficit urban districts, %	66.8	55	51.9

Table 8. Gap rate (%): grouping by the budget balance

Group by the budget balance	2009	2010	2011
High-surplus	143.54	132.01	127.98
Medium-surplus	131.39	139.43	124.32
Low-surplus	149.43	127.88	117.82
Low-deficit	128.61	136.72	123.22
Medium-deficit	142.59	131.13	128.01
High-deficit	148.72	131.75	124.47
On average in the sample	141.04	133.74	124.56
On average surplus	144.74	133.36	123.70
On average deficit	139.23	134.04	125.32

Table 9. Gap rate (%): grouping by the level of financial independence

Group by the level of financial independence	2009
Low level of own revenues of the local budget	141.85
Medium level of own revenues of the local budget	136.63
High level of own revenues of the local budget	151.22

—Medium level of own revenues of the local budget (from 30 to 60%), 165 urban districts;

—High level of own revenues of the local budget (from 60% to 95%), 57 urban districts.

As can be seen from Table 9, even at the low level of own revenues, the gap rate is very high—141 (let us remember that it is just the average for the entire sample in 2009); at the high level of own revenues, authorities afford a few more—151, and at the medium level, the situation is the worst (but still very good)—137.

Table 10. Gap rate (%): grouping by geographical zones

Group by geographical zones	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Ural, Siberia, and Far East	143.87	130.16	124.70	125.37	100.75
Centre, Volga, and Northwest	136.29	130.22	128.06	128.91	95.86
South and the Caucasus	148.62	151.76	138.09	151.44	97.54

Table 11. Gap rate (%): grouping by federal districts

Federal district	Number of urban districts in a group	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Siberian	70	130.10	128.15	109.86	112.23	94.65
Central	103	138.47	131.34	134.78	128.29	94.97
Ural	102	141.50	126.54	131.53	128.80	104.84
Northwestern	34	122.67	131.01	120.63	129.38	93.08
Volga	61	136.66	127.68	122.92	129.93	98.18
Far Eastern	42	165.23	140.80	131.97	138.34	94.73
Southern	29	152.28	145.86	145.46	147.51	99.14
North Caucasus	24	130.92	158.90	123.35	156.19	94.35

6. GROUPING BY GEOGRAPHIC ZONES

Depending on the location, the urban districts included in the sample have been grouped as follows:

—Center, Volga, and Northwest (Central, Volga, and Northwestern federal district), 198 urban districts;

—South and the Caucasus (Southern and North Caucasus federal district), 53 urban districts;

—Ural, Siberia, and Far East (Ural, Siberian, and Far Eastern federal district), 214 urban districts.

The values of the gap rate in the first two groups differ insignificantly; however, the South and Caucasus zones differ by an increased level of the gap (Table 10).

7. GROUPING BY FEDERAL DISTRICTS

Following the search for a geographical dependence, we compared the groups of cities and towns by federal districts. Here, however, the administrative factor appeared to be more significant: the presence of the plenipotentiary of the president of Russia conducting federal policy with various zeal or modifications in a district could potentially affect the studied indicator.

Three groups of federal districts have been revealed (Table 11), among which the Siberian (the most modest one; the gap rate according to the data for three years is 112); Far Eastern, Southern, and North Caucasus federal districts are the most immodest ones (from 138 to 156); and the rest (128–129).

8. GROUPING OF URBAN DISTRICTS BY REGIONS

The consideration of the gap rate by regions (Table 12, Fig. 1) enables to select several groups by the gap level and to see in more detail at the expense of which regions certain districts excel. So, the leadership of the North Caucasus Federal District is provided by the Dagestan Republic (the gap champion, 197); although, other subjects in this district are at the medium level.

The prevalence of regions with a very large gap in the central and southern parts of the country, as well as the marked properties of federal districts—Siberian regions have a relatively smaller gap—are apparent in the schematic map.

In order to test the hypothesis that the gap at the level of authorities of urban districts has a certain regional standard—local officials follow regional ones—a comparison of the distributions of regions by the gap size at the level of local and regional authorities has been conducted (Table 13).

The comparison was made on the basis of data for 2010 with the use of the regional time series published by FBK and mentioned above in the article. The correlation coefficient of two time series of indicators amounted to 0.465, indicating a weak relationship. In other words, almost in half of the cases, the gap levels for the municipal and regional officials of a subject of the Russian Federation belong to one group. The grouping has been conducted in accordance with

Table 12. Gap rate (%): grouping by subjects of the Russian Federation

Subject of the Russian Federation	Number of urban districts in a group	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Regions with a small gap						
Kemerovo oblast	16			80.98	80.98	
Smolensk oblast	2			88.25	88.25	
Pskov oblast	2	104.40	88.20	79.70	90.77	90.36
Novosibirsk oblast	5		107.80	93.74	100.77	86.23
Kurgan oblast	2			103.35	103.35	
Komi Republic	5	112.02	104.56	98.36	104.98	95.03
Kamchatka krai	1	99.60	110.10	105.40	105.03	95.73
Magadan oblast	1	116.50	104.70	94.10	105.10	89.88
Republic of Khakassia	5			106.38	106.38	
Belgorod oblast	3	105.67	104.30	110.67	106.88	106.45
Chuvash Republic	5	116.42	104.62	102.94	107.99	98.59
Astrakhan oblast	1	101.80	108.10	118.30	109.40	109.44
Ul'yansovsk oblast	3	118.20	101.37	111.87	110.48	109.88
Moscow oblast	38		111.31		111.31	
Orenburg oblast	8	120.21	109.34	105.46	111.67	96.70
Chelyabinsk oblast	12	119.94	110.81	105.41	112.05	95.19
Tomsk oblast	3	117.67	112.60	110.33	113.53	98.36
Krasnoyarsk krai	14			113.79	113.79	
Republic of Kalmykia	1	117.70	110.60		114.15	
Regions with a medium gap						
Altai krai	11	130.40	117.29	114.12	120.60	97.40
Republic of North Ossetia–Alania	1	118.50	115.20	128.80	120.83	111.81
Amur oblast	8		131.39	118.44	124.91	90.91
Ivanovo oblast	6	41.14	156.86	154.83	122.03	100.65
Sverdlovsk oblast	64		119.58	125.71	122.61	106.05
Stavropol krai	8		127.73	117.75	122.74	92.51
Kursk oblast	5	132.02	122.58	115.88	123.49	96.15
Perm krai	5	131.82	122.72	116.16	123.57	95.46
Jewish Autonomous Oblast	1	155.20	96.40	119.50	123.70	123.96
Murmansk oblast	7		129.93	120.29	125.11	92.72
Republic of Sakha (Yakutia)	2			126.05	126.05	
Kaluga oblast	2	138.75	123.50	119.20	127.15	96.65
Kostroma oblast	6	131.97	129.40	120.18	127.18	92.72
Republic of Mordovia	1			127.70	127.70	
Bryansk oblast	6			127.72	127.72	
Kirov oblast	5	140.36	125.76	126.98	131.03	101.30
Republic of Karelia	2	140.60	135.40	122.90	132.97	90.95
Karachai–Cherkess Republic	2	133.85	140.85	126.45	133.72	90.15
Republic of Buryatia	2			134.05	134.05	
Zabaikal'skii krai	2			134.55	134.55	
Kabardino-Balkar Republic	3	133.10	142.03	134.40	136.51	96.23
Sakhalin oblast	18		137.33	136.23	136.78	99.16

Table 12. (Contd.)

Subject of the Russian Federation	Number of urban districts in a group	2009	2010	2011	Average value in 2009–2011	Growth rate in 2011 to 2010, %
Tula oblast	4	155.40	132.63	129.70	136.85	94.67
Vladimir oblast	4	140.15		135.68	137.91	
Vologda oblast	2	140.50		139.45	139.98	
Yaroslavl oblast	3	148.53	141.87	130.27	140.22	91.63
Regions with a large gap						
Mari El Republic	3	145.63	138.83	138.70	141.06	99.67
Arkhangelsk oblast	7		146.16	136.70	141.43	93.03
Rostov oblast	12	149.84	141.61	133.74	141.73	94.85
Kaliningrad oblast	7		142.33		142.33	
Samara oblast	10	149.46	144.06	136.07	143.20	94.52
Omsk oblast	1	164.40	141.60	124.20	143.40	87.71
Republic of Tatarstan	2	140.70	147.75		144.23	
Lipetsk oblast	2	157.20		131.80	144.50	
Tambov oblast	7	144.23	153.63	144.59	147.48	94.27
Nizhni Novgorod oblast	3	160.10	143.90	139.27	147.76	98.20
Yamalo–Nenets Autonomous Okrug	6	144.83	145.52	155.57	148.64	106.34
Penza oblast	2		149.25	149.65	149.45	100.60
Volgograd oblast	6	155.68	142.67	154.33	150.89	107.76
Irkutsk oblast	9		155.20	148.66	151.93	95.82
Khanty–Mansi Autonomous Okrug–Yugra	13	143.89	151.95	162.32	152.72	107.10
Tyumen oblast	24	152.28	152.65	162.45	155.80	106.49
Voronezh oblast	3	164.83	159.67	143.57	156.02	90.35
Regions with a very large gap						
Republic of Adygea	2	160.50	156.40	159.10	158.67	101.56
Krasnodar krai	7	163.34	163.30	157.94	161.53	96.95
Primor'e krai	10	177.67	165.70	143.98	162.45	87.28
Orel oblast	3	168.63	161.67		165.15	
Ryazan oblast	4	178.08	169.23	157.95	168.42	93.73
Tver oblast	5	170.92	180.52	163.60	171.68	90.17
Saratov oblast	1	197.40	173.80		185.60	
Republic of Dagestan	10		196.88		196.88	

Table 14. As always, extreme cases are interesting: in the Republic of Tatarstan, the gap level for authorities of the RF subject and local authorities is almost the same, i.e., 148; however, in relation to authorities of the subject, it is noticeably lower than the average national level; and, in relation to local authorities, it is significantly higher. The situation in Irkutsk oblast is similar; here, local officials' salaries are even more dis-

tant. The reverse situation, i.e., presence of municipal units with a small gap in a region with a very large gap, was noted in Orenburg oblast only.

Summing up the analysis result, the following observations regarding the factors, with which the size of the excess of municipal officials' salary over the average urban salary is associated, can be mentioned:

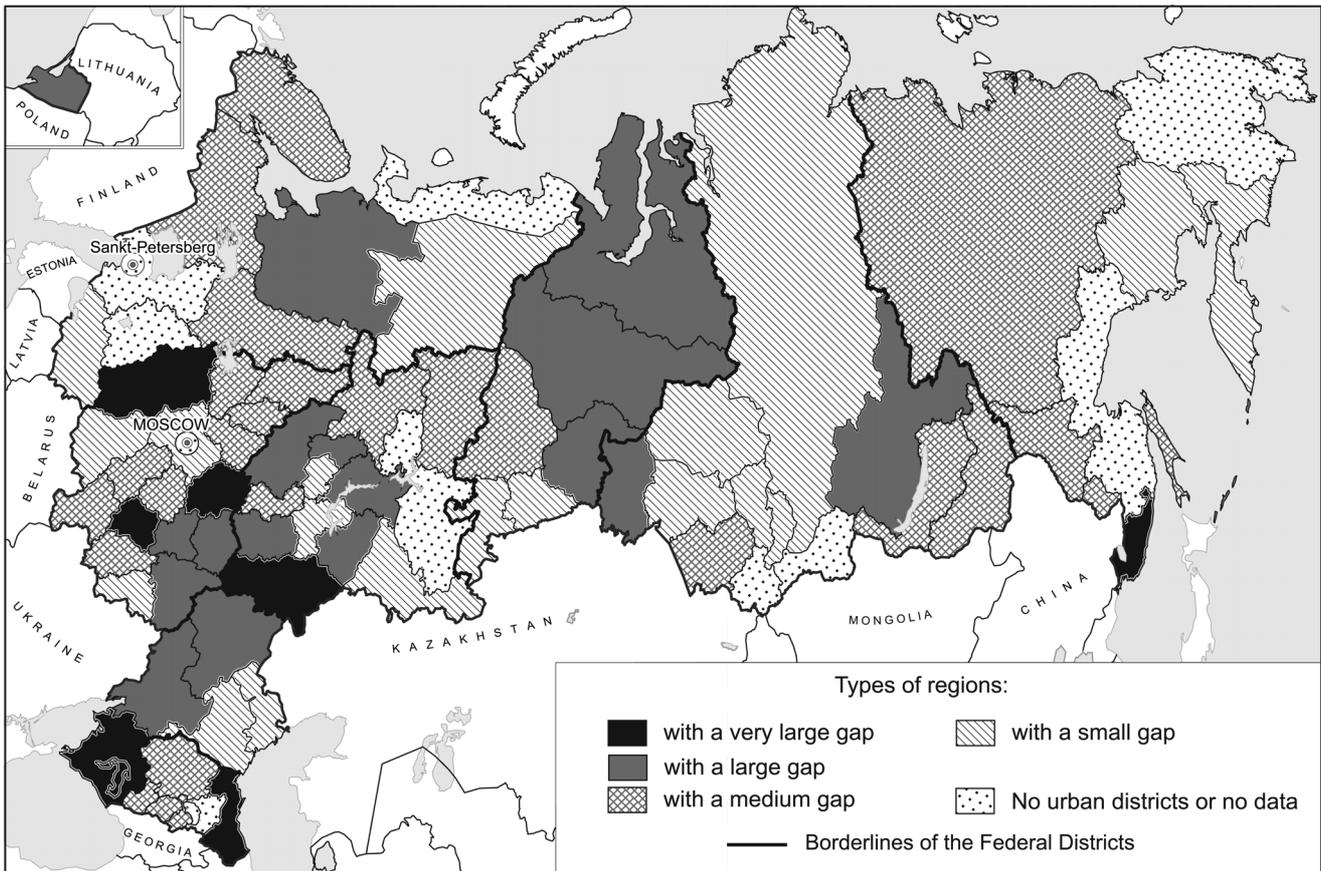


Fig. 1. Types of regions by the gap level between the salary of LG employees in urban districts and the salary of employees of large and medium-sized enterprises and nonprofit organizations.⁵

—In 2010 and 2011, in urban districts where the LG model with a city manager was used, the gap rate in salaries was significantly higher;

—There is almost no direct dependence between economic development indicators and the gap rate; on the contrary, in cities and towns with a poor population, the gap is larger; at a deficit budget, the gap is large; at a high level of financial independence, the gap is larger; however, at a low level of the financial independence, the gap is also large;

—Certain geographical features can be noted: the South and Caucasus have a higher level of the gap (although it is associated with individual regions, especially with Dagestan); the most modest of federal districts is the Siberian one, and the Far Eastern and Southern districts differ with the most immodest local officials.

The data array itself, which was collected from multiple sources and thoroughly revised, can be considered an important result of this study. It can be used for the creation of even more complex models for dependency identification, such as regression and correlation analysis. A similar analysis has been con-

ducted (but only on the basis of one year—2009), and it has given the following results⁶:

- The gap rate statistically depends on the share of own revenues of the local budget in the total volume of MU revenues (a direct dependence);
- An unstable dependence between the gap rate and the average annual size of the resident population of an urban district has been defined;
- A dependence between the gap rate and the deficit (surplus) of an urban district's budget has not been defined.

These results are in good agreement with the results obtained by the grouping method.

The main conclusion of the research is the following: it was impossible to define a reasonable level of the ratio between the salary of local officials and the salary in other sectors; however, it seems that in most cases it is unreasonably excessive.

⁶ The analysis has been made by master's degree students of the National Research University—Higher School of Economics (St. Petersburg) within the framework of the scientific and research seminar "Innovation-Based Economy and Regional Development".

⁵ The schematic map has been made by T.K. Pribyshin.

Table 13. Comparison of the gap rates in urban districts and authorities of a subject of the Russian Federation, 2010

Subject of the Russian Federation	The gap level		Group by the gap level	
	Authorities of a subject of the Russian Federation	Local authorities	Authorities of a subject of the Russian Federation	Local authorities
Volgograd oblast	127	142.67	Low	High
Magadan oblast	129	104.7	Low	Low
Jewish Autonomous Oblast	130	96.4	Low	Low
Pskov oblast	137	88.2	Low	Low
Astrakhan oblast	139	108.1	Low	Low
Komi Republic	140	104.56	Low	Low
Chuvash Republic	141	104.62	Low	Low
Perm krai	143	122.72	Low	Medium
Tomsk oblast	144	112.6	Low	Medium
Kabardino–Balkar Republic	145	142.03	Low	High
Kostroma oblast	146	129.4	Low	Medium
Republic of Tatarstan	148	147.75	Low	Very high
Irkutsk oblast	149	155.2	Low	Very high
Belgorod oblast	152	104.3	Medium	Low
Ivanovo oblast	153	156.86	Medium	Very high
Ul'yanovsk oblast	154	101.37	Medium	Low
Khanty–Mansi Autonomous Okrug–Yugra	159	151.95	Medium	Very high
Sverdlovsk oblast	160	119.58	Medium	Medium
Novosibirsk oblast	161	107.8	Medium	Low
Republic of Kalmykia	161	110.6	Medium	Medium
Mari El Republic	162	138.83	Medium	High
Amur oblast	163	131.39	Medium	Medium
Kamchanka krai	164	110.1	Medium	Medium
Moscow oblast	168	111.31	Medium	Medium
Tymen oblast	169	152.65	Medium	Very high
Saratov oblast	169	173.8	Medium	Very high
Kirov oblast	170	125.76	Medium	Medium
Republic of Adygea	170	156.4	Medium	Very high
Kursk oblast	172	122.58	Medium	Medium
Republic of Karelia	174	135.4	Medium	High
Primor'e krai	180	165.7	High	Very high
Nizhni Novgorod oblast	182	143.9	High	High
Karachai–Cherkess Republic	183	140.85	High	High
Republic of North Ossetia–Alania	186	115.2	High	Medium
Omsk oblast	188	141.6	High	High
Yamalo–Nenets Autonomous Okrug	189	145.52	High	Very high
Chelyabinsk oblast	190	110.81	High	Medium
Tambov oblast	191	153.63	High	Very high
Kaluga oblast	196	123.5	High	Medium
Tula oblast	196	132.63	High	Medium
Altai krai	200	117.29	Very high	Medium
Stavropol krai	201	127.73	Very high	Medium
Ryazan oblast	201	169.23	Very high	Very high
Tver oblast	201	180.52	Very high	Very high
Sakhalin oblast	202	137.33	Very high	High
Penza oblast	205	149.25	Very high	Very high
Rostov oblast	206	141.61	Very high	High
Samara oblast	207	144.06	Very high	High
Republic of Dagestan	210	196.88	Very high	Very high
Kaliningrad oblast	213	142.33	Very high	High
Yaroslavl oblast	215	141.87	Very high	High
Orel oblast	217	161.67	Very high	Very high
Murmansk oblast	219	129.93	Very high	Medium
Orenburg oblast	225	109.34	Very high	Low
Voronezh oblast	233	159.67	Very high	Very high
Krasnodar krai	233	163.3	Very high	Very high
Arkhangelsk oblast	253	146.16	Very high	Very high
<i>Average value</i>	177.56	134.41		

Table 14. Diapasons of the values used for the grouping of regions by gap levels, 2010

	LG gap	Quantity	The gap of a subject of the Russian Federation	Quantity
Low	from 88 to 110	10	from 127 to 150	13
Medium	from 110 to 135	17	from 150 to 175	17
High	from 135 to 145	12	from 175 to 200	10
Very high	from 145 to 197	18	from 200 to 253	17

ACKNOWLEDGMENTS

The article was supported by the Endowment Fund and the International Center for Social and Economic Research Leontief Centre, ~~the research plan of 2012.~~

REFERENCES

1. The indices of municipal subjects, Rosstat Database. <http://www.gks.ru/dbscripts/munst/munst.htm>
- 1 2. Employment and salary in administrative bodies, social atlas of Russian regions. http://www.socpol.ru/atlas/overviews/labor_market/index.shtml#upr
- 1 3. Salaries of the officials and people are becoming equal. <http://www.ladno.ru/stranar/19781.html>
- 1 4. Municipal officials: closer to the people, Rating of FBK, 2011. <http://www.fbk.ru/news/5419/1506784>
- 1 5. Rating of the regions according to salaries of the officials, Ratings—the study results of RIA-Analitika. <http://ria.ru/economy/20110614/388175840.html?ria=6hib9sivive5e4ll2s518sf0f0e6p7s9#ixzz2GFVo1BIr>
6. Rating of the regions according to the average monthly salary of civil workers of executive municipal bodies in Russian Federation based on the results of I quarter of 2011, RIA-Analitika/A Center of Economic Studies. http://vid1.rian.ru/ig/ratings/rating_goszp_1_2011.pdf
7. Regional officials: how far from the people, Rating of FBK, 2010. <http://www.fbk.ru/news/5419/927063/>
8. Regional officials became closer to the people by 3%, Rating of FBK, 2011. http://www.fbk.ru/news/archive_fbk/1495064/
9. *Regiony Rossii. Sotsial'no-ekonomicheskie pokazateli, 2011 g.* (Regions of Russia: Socio-Economic Indices of 2011), Moscow: Rosstat, 2011.

Translated by E. Bataeva

SPELL: 1. Ok