

Russian Living Standards See Fastest Rise Since 2013

Cash handouts awarded before last year's election helped household finances return to pre-coronavirus levels in 2021.

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Real disposable incomes rose by 3.1% in 2021, official statistics show. **Sergei Vedyashkin / Moskva News Agency**

Living standards in Russia climbed by their fastest rate in almost a decade in 2021, the country's Rosstat statistics agency reported Wednesday.

Real disposable incomes — a closely watched indicator of household finances — rose by 3.1% during the year in the largest increase since 2013, the agency said. The trend comes after years of declining or stagnant incomes under President Vladimir Putin's conservative economic policies prioritizing stability and protecting the Russian economy from Western sanctions, often at the expense of faster growth.

Economists pointed to Putin's decision to award significant cash [handouts](#) to pensioners

ahead of last year's parliamentary elections as being behind the revival. Putin's opponents criticized the move at the time as an attempt to whip up support for the unpopular ruling United Russia party ahead of the vote.

In the third quarter of last year — when the 10,000-ruble handouts were awarded — real disposable incomes jumped 8.8%, Rosstat said, before falling back to growth of 0.5% in the final three months of the year.

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Fast growth in consumer loans and credit cards have also helped restore Russia's consumer economy following the pandemic slowdown in 2020, but have raised some cause for concern, [including](#) within the Central Bank.

The jump in incomes recorded last year took living standards [back](#) to pre-coronavirus levels, although Russians are still more than 5% poorer today than they were in 2013, the year before Moscow annexed Crimea.

Most Russians say they do not feel financially comfortable and independent polls show a majority expect the country's economy to deteriorate, not improve, over the coming year.

High inflation, which rose to 8.7% in figures released Wednesday, also threatens to undermine Russia's recovery from the coronavirus recession, with fast-rising prices regularly cited as households' top political concern.

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