



# **Employment, Wages, and Alcohol in Russia: Simultaneous Estimates**

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This paper estimates a simultaneous model of employment, wages, hours of work and moderate and problem drinking using the data from the Russia Longitudinal Monitoring Survey. The result shows that moderate drinking is associated with considerably higher probability of employment, hours of work and wages than heavy drinking and abstention from drinking for males and females, whereas heavy drinking is positively connected only with income and hours of work relative to abstention, but leads to lower probability of employment. Significant coefficients of correlations show importance of correcting for endogeneity in estimation of impact of alcohol consumption on labor market productivity.

Keywords: Employment, Wages, Alcohol, Russia, Maximum Simulated Likelihood

JEL Code: J21, J22, J24, J31