UNDP Russia

National Human Development Report
Russian Federation 2006/2007

Russia's Regions: Goals, Challenges, Achievements

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The National Human Development Report 2006/2007 for the Russian Federation has been prepared by a team of Russian experts and consultants. The analysis and policy recommendations in this Report do not necessarily reflect the views of the UN system and the institutions by which the experts and consultants are employed.

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Materials for boxes on Belgorod, Samara, Tyumen, Tomsk, Sakha Republic (Yakutia), Khabarovsk regions are provided by governmental authorities of constituent entities of the Russian Federation.

Materials for the box "Support to the Local Governance Reform" in Siberia are based on results on the joint project by UNDP and the Ministry of Regional Development and prepared by the Center for Fiscal Policy.

Human Development Report 2006/2007 for the Russian Federation/ Ed. by Prof. S.N. Bobylev and A.L. Alexandrova; translation from Russian by D. Dynin, M. Satterwaite; editing in English by Ben W. Hooson. Layout design by LEBRAND agency, – Moscow, All World, 2007 – 132 pp., incl. tables, figures and boxes.

Readers are invited to inspect the latest Human Development Report for the Russian Federation. National reports such as this are published on the initiative of the United Nations Development Programme (UNDP) in many countries of the world. Global reports are also brought out annually. The reports are composed by teams of independent experts.

The central theme of the present Report is encapsulated in its title, 'Russia's Regions: Goals, Challenges, Achievements'. Emphasis is put on the diversity of development priorities and of the means, which different regions have at their disposal for improving quality of life. The Report looks at the most successful examples of government programmes at regional level for promoting attainment by regions and by the country as a whole of the Millennium Development Goals adapted for the Russian Federation. The Report also includes a comparative analysis of current Human Development problems in Russia's regions and of the indicators used for their assessment.

The Report is intended for use by senior administrative personnel, political scientists, teachers, scientific researchers and students.

ISBN 978-5-7777-0401-6

The United Nations Development Programme in the Russian Federation expresses its sincere gratitude to the sponsors of the 2006/2007 Human Development Report for the Russian Federation:

Swedish International Development Cooperation Agency (Sida)

United Nations Population Fund (UNFPA)

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The authors express their sincere gratitude to the heads and staff of the Department of International Organizations (DMO) at the Ministry of Foreign Affairs of the Russian Federation: **Alexander V. Konuzin** — Director of the Department of International Organizations (DMO); **Michael E. Savostianov** — Deputy Director of DMO; **Alexander S. Alimov** — Head of the UN Technical Assistance Section of DMO and the Project National Director; and **Anna N. Spirina**, Attache. Thanks also to the leadership of the Centre of Strategic Research (CSR): **Mikhail E. Dmitriev** — President of the CSR; **Ivan A. Ognev** — Director of the CSR Regional Cooperation Department. And, finally, thanks to leadership and members of the UNDP Russia team: **Marco Borsotti** — UNDP Resident Representative; **Kaarina Immonen** — Deputy Resident Representative; **Edem Bakhshish** — Assistant Resident Representative; **Liliana N. Proskuryakova** — Programme Officer; Victoria K. Zotikova — Communication Analyst; **Natalia V. Voronkova** — Programme Associate; and **Dmitry S. Mariassin** — UN Coordination Analyst.

Great help in preparation of the Report was provided by Plenipotentiaries of the President of the Russian Federation in Federal Districts, Heads of administrations in subjects of the Russian Federation, and staff of regional ministries and administrations, who provided information and statistical data used in the Report.

The authors also wish to thank all experts of the UN system in Russia who submitted their views, and participants of Hearings on the Report drafts for their constructive comments.

Dear Readers!

I am proud to present to you the 11th annual National Human Development Report for the Russian Federation published by the United Nations Development Programme (UNDP).

UNDP is an organization striving to facilitate global knowledge exchanges, supporting governments around the world in their efforts to improve performance of their economies and social welfare of their citizens. Our main challenge in Russia is to be instrumental to the complex transition process — both in terms of institutional transition to an internationally competitive market economy and in terms of transition from rapid but still exclusive economic growth to sustainable social development benefiting all.

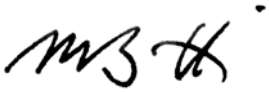
This year's Report, entitled "Russia's Regions: goals, challenges, achievements", looks at this process from a decentralized viewpoint — that of the multiple experiences of Russian regions. Highlighting the diversity of development levels, social and institutional constraints, and of the policies used to overcome with them in different regions of the country, the team of authors, consisting, as always, of prominent Russian researchers, has, I believe, succeeded in giving us a "big picture" of the mosaic of human development challenges that exist in Russia.

Importantly, a team of researchers and practitioners from 19 regions was involved in writing and editing the Report, thus making it a mutually enriching and highly involving process, stimulating discussions at the local level. We therefore hope that sections of the Report dealing with specific regions will contribute to their ongoing and future strategic planning efforts, and will serve as a source of fruitful comparisons and learning for their neighbors. At the same time, by covering all of Russia's seven Federal Districts, the Report aims to provide decision makers at federal level with data, analysis and policy recommendations that could feed into the emerging regional policy, which is now acknowledged to be a cornerstone of Russia's future development.

Last but not least, the Report represents a continuation of the work started in 2005 when the National Human Development Report analyzed the Millennium Development Goals (MDGs) adapted for Russia. As an important global monitoring tool, MDGs only make sense if customized to a country's specific context. For a large and diverse country like Russia, the key social challenges in health, access to education, gender equality, environment, etc., cannot be understood without looking at the regional level. This year's Report makes this attempt by analyzing each group of regions through the lens of MDG indicators and looking at policy options that are available to deal with the various aspects of poverty in each of the studied regions.

On a final note, I would like to sincerely thank our key national counterpart — the Ministry of Foreign Affairs — for its customary and visible support, as well as all the regional administrations, which were involved in the process of preparing the Report, and all those who contributed to it — authors, editors, reviewers, designers and publishers.

Wishing you an insightful reading and looking forward to fruitful discussions and no less fruitful cooperation to advance Russia's human development.



Marco Borsotti,
UNDP Resident Representative
in the Russian Federation

To Readers

The world has changed dramatically in recent decades and the changes are continuing at a rapid pace today. But the relevance of human development to many countries, including Russia, remains unchanged. Improving the quality and standards of people's lives, creating conditions for their physical, spiritual and intellectual development, and building a socially oriented state that focuses on people — these are our most important objectives.

The experience of many developing countries shows that an efficient state and real democracy are built on social security and decent living standards. It is highly important, therefore, to ensure that Russia's economic stability, which has taken such efforts to achieve, should work for the benefit of people.

The President of the Russian Federation Vladimir Putin said that "preserving people" is the key task for our country. Indeed, this is a national idea that everyone can understand and that should unite citizens and contribute to more dynamic development in the economy and society. It requires improvement of governance and living standards, and sets new challenges for economic management, which must prioritize social objectives, criteria and indicators, rather than financial ones.

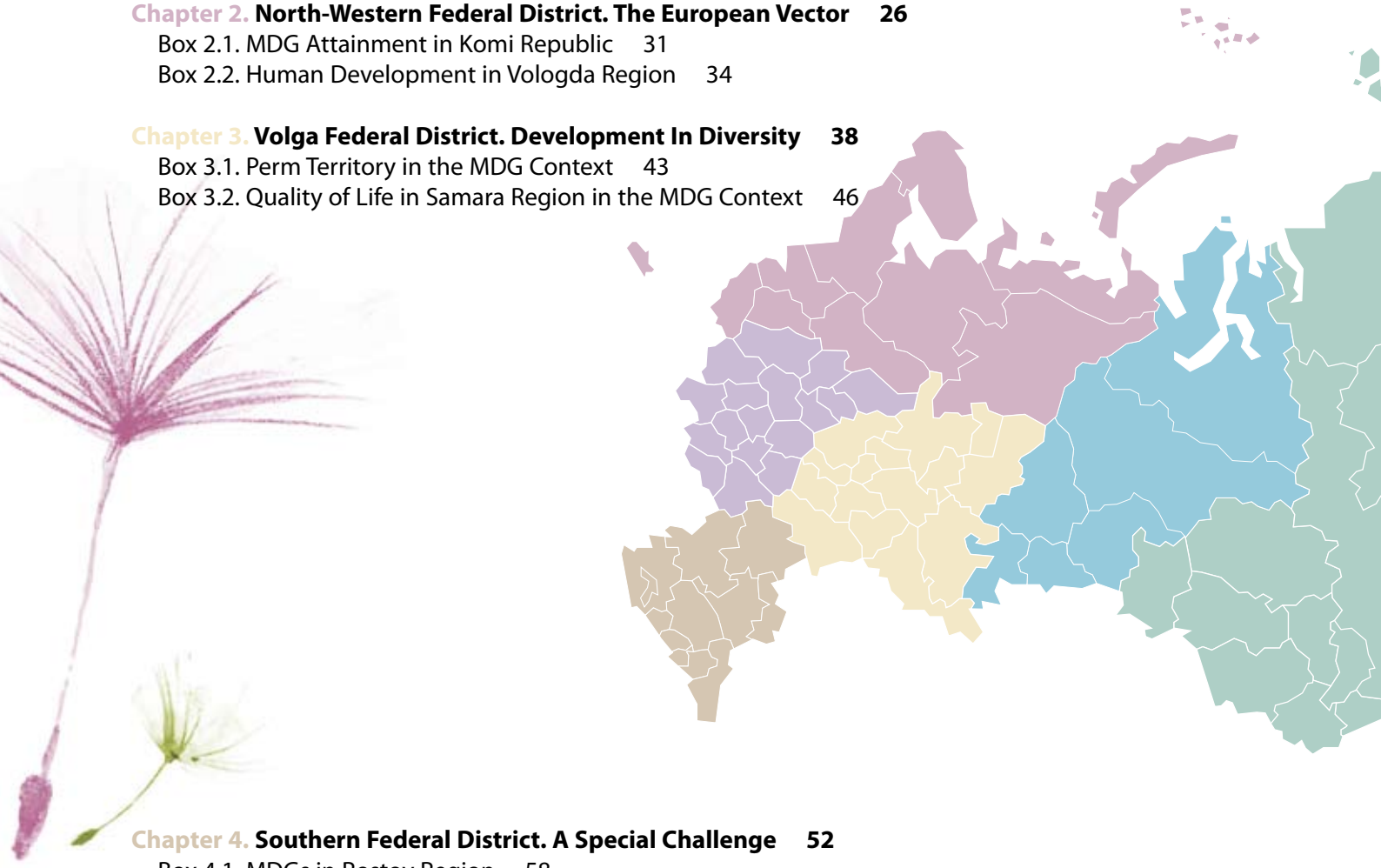
In today's world economy many countries base their competitive advantages on quality of human capital. However, objective indicators and scientific studies show worsening of human potential in Russia over the last 15–20 years. The negative trend can be seen across the board, from education levels and qualifications to health and life expectancy. This entails a decline in living standards of our people, and it undermines prospects for economic development, which is the basis for solving social problems. This situation can and must be changed. Human development, as reflected in objective, scientifically-founded indicators, must become the priority of state policy.

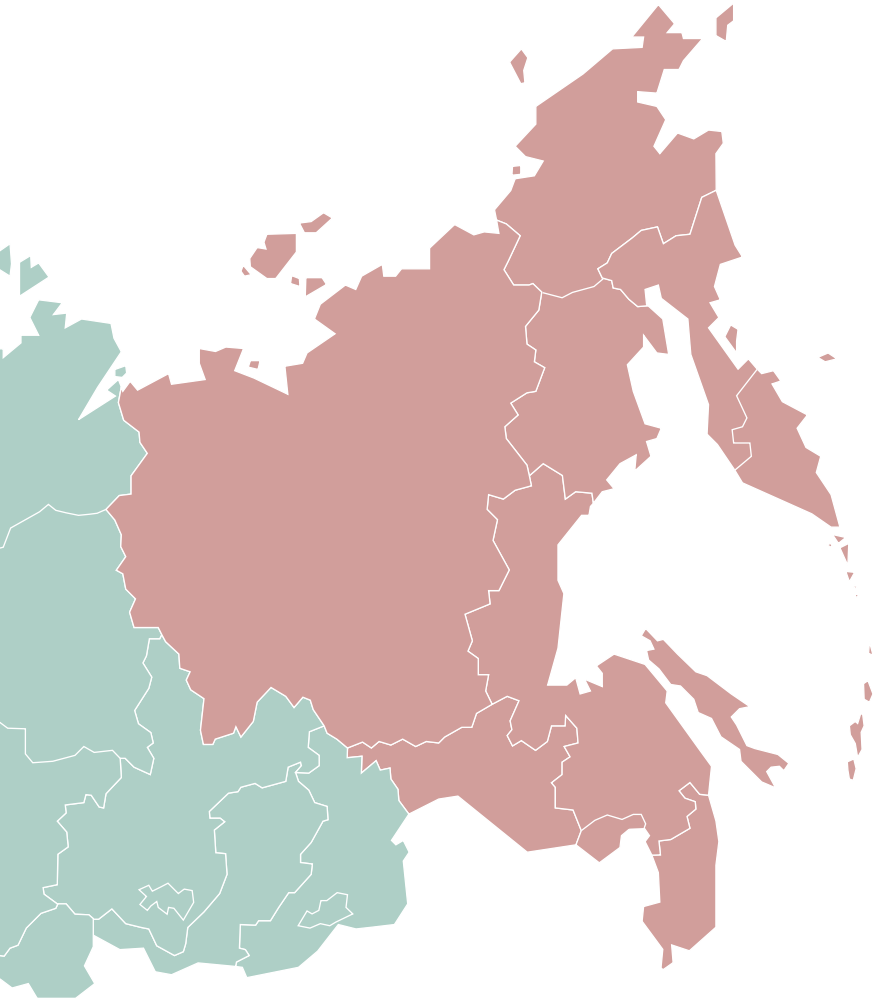
Presenting this year's Human Development Report, the United Nations Development Programme in the Russian Federation makes its contribution to solving these complex problems. The authors of the Report have analyzed key aspects of socio-economic development in Russia's regions into account of a variety of natural and socio-cultural factors, and proposed a system of human development indicators for Russian regions based on the Millennium Development Goals.

Merits of the Report include a thorough analysis of regional human development issues, and review and presentation of positive practices in many Russian regions. Thanks to this approach the problems and achievements of regions rise beyond local relevance and offer a basis for setting priorities and finding ways of building an efficient social state in Russia as a whole. By uniting the efforts of federal and regional authorities and establishing a social partnership between government, business and the workforce, we will solve the problems of human development and improvement of living standards in Russia.

Sergei M. Mironov,
Chairman of the Federation Council,
Federal Assembly of the Russian Federation

Content





Foreword

This is the eleventh National Human Development Report prepared by a group of independent Russian experts with the help and support of the UNDP Representative Office in Moscow. These reports are published at the initiative of the United Nations Development Programme (UNDP) in many different countries. Annual world reports, which contain surveys of world countries as a whole, are also published. They are commissioned by the UNDP and prepared by groups of independent experts.

The purpose of the research which formed the basis of the present Report is to analyze the impact of diverse socio-economic situations and diverse policies in Russia's many regions on achievement of the Millennium Development Goals by the Russian Federation. In other words, the 2006 Human Development Report is a logical continuation of the 2005 Report, which was devoted to the Millennium Development Goals adapted for Russia. These Goals were proposed by the UN as a means of assessing the effectiveness of human development policy in different countries. The Goals can be attained only by reducing poverty and increasing per capita income, improving the education system, promoting gender equality, combating disease, assuring environmental sustainability, and developing a global partnership for development.

The MDG system has a three-level configuration (see Box 1). It identifies eight key development goals and specifies more concrete targets for each of them, including quantitative targets. A set of statistical indicators is then worked out for each target. MDG priorities are based on a certain concept of human development, while their selection, as well as the formulation of concrete targets, reflects understanding of the importance and urgency of specific social problems in Russia.

The present report is written in the context of the country's regional development, which calls for considerable specification and adaptation of MDG targets and indicators. The regional situation in Russia is extremely diverse: there are great differences between natural and socio-cultural conditions in various subjects of the Russian Federation, while their levels of economic development are in a range from African countries to countries in Central Europe. The report emphasizes the diversity of regional development priorities and opportunities for changing people's quality of life, and describes the most successful regional experiences of state, regional, and municipal programmes that contribute to regional and national attainment of MDGs adapted for Russia.

This approach determines the structure and content of the report, which analyzes material on socio-economic development and human resource problems and presents it in the form of analytical surveys for the seven federal districts of the Russian Federation. These surveys aim to show the great spatial diversity existing in Russia today as well as its influence on MDG attainment. The analysis of each federal district examines the key human development indicators that can be calculated with the help of existing regional statistics and shows the state of infrastructure, the social sphere, civil society, the environment, and other aspects of human development.

The survey of each federal district is supplemented by more in-depth analysis for specific regions, focusing on selected MDGs. These materials show the particularities and opportunities for MDG attainment both in economically diverse leading regions and in average regions, as well as in regions characterized by certain developmental particularities. A comparative analysis is made of human development indicators and problems in different regions. It should be noted that authors of regional analyses do not cover the whole range of MDGs adapted for Russia. Instead they focus on goals that have most relevance, either due to the critical state in their region of the problems, which those goals address, or, on the contrary, due to successful solutions of those problems, which could be duplicated in other regions. Regional material also describes the most successful experiences in designing and implementing federal and regional programmes that contribute to human development and aim to resolve Russia's most urgent current problems, which were identified in the 2005 Report. A substantial amount of regional materials was furnished by the administrations, ministries, and government departments of Russian Federation subjects.

The following criteria were used to select the regions presented in the report:

- representation of regions with different levels of economic development;
- representation of all federal districts;
- representation of ethno-cultural and socio-cultural differences;
- presence in region of successful social programmes (best practices) implemented by the regional government, local self-governments, NGOs, and UN international organizations;
- concentration in region of human development problems calling for particular attention from the government;

Box 1. Millennium Development Goals Adapted for Russia

Goal 1. Reduce Poverty and Eradicate Hunger

1. Halve by 2015 the general poverty level and eradicate extreme poverty among non-marginal groups of the population
2. Provide access to food for the poor

Goal 2. Increase Access to Education

3. Involve vulnerable groups of the population in education and socialization
4. Ensure participation in pre-school education of children from low-income families and children residing in rural areas
5. Reduce the gap in funding and access to general secondary and primary vocational education between and within regions
6. Update the content of general secondary education towards developing practical skills and application of knowledge
7. Improve compliance of vocational education with the modern economic environment and labour market requirements

Goal 3. Ensure Gender Equality and Improve the Situation of Women

8. Eliminate gender inequality in primary and secondary education and at all levels of education by 2015
9. Ensure equal access to political institutions for women and men
10. Eliminate discriminatory practices in labour and employment
11. Create effective mechanisms for preventing violence against women
12. Reduce the impact of unfavourable socio-economic factors on health and life expectancy, especially male

Goals 4 and 5. Reduce Maternal Mortality and Mortality Among Children under Five

13. Increase life expectancy and reduce mortality from major causes
14. Promote changeover in society to a healthier life style
15. Reduce the mortality rate of children under five by at least 50% by 2015 as compared with 1990 (from 21.5 to 11 per 1000)
16. Reduce maternal mortality by at least 50% during the period 1990–2015

Goal 6. Combat HIV/AIDS, Tuberculosis and other Diseases

17. Halt and begin to reverse the spread of HIV/AIDS
18. Halt the spread and significantly reduce incidence of tuberculosis (TB) and other social infectious diseases

Goal 7. Ensure Environmental Sustainability

19. Integrate the principles of sustainable development into country policies and programmes and prevent losses of natural resources
20. Provide the population with sustainable access to safe drinking water
21. Improve people's living conditions

Goal 8. Participation in Global Development Partnership Adequate to Russian National Interests

22. Creation of favourable international conditions for elimination of internal obstacles to human capital development and MDG attainment in Russia
23. Priority assistance in resolution of global problems whose effects in Russia are particularly acute and damaging
24. Gradual build-up of Russia's contribution to international development programmes as a donor country

Source: 2005 Human Development Report for the Russian Federation «Russia in 2015: Development Goals and Policy Priorities». UNDP, 2005

- possibility of working together with regional authorities on preparing the report; presence of research institutions and qualified regional experts in the subject areas of the report.

These criteria were used to select 19 regions that, taken together, represent the regional diversity of Russia.

The authors mostly made use of official Russian statistics: information provided by the Federal State Statistical Service and its regional subdivisions and official data of ministries and governmental departments. References to sources are made only when information is taken from elsewhere. When several sources of information were available, the authors of the report used officially published materials.

Executive Summary

Human development in Russia has a large regional dimension. Given the economic, natural, climatic, ethnic, and infrastructural diversity of our country, it would not be an exaggeration to say that the opportunities of any given individual or family depend on where this individual or family lives. It is quite difficult to make a quantitative assessment of the economic development potential of Russian regions and municipalities and even more difficult to capitalize on this potential due to a great variety of complex and interdependent factors ranging from the presence of raw materials in regions to the foreign policy of the Russian government. Nevertheless, the effort needs to be made, since numerous studies have shown that regional development inequalities have begun to have a negative impact on development and use of human resources in Russia. It is well known, in particular, that poverty is concentrated in regions with an average level of development, that the opportunity to get a quality education and use it on the labour market varies greatly between regions and between different types of settlements, and that emerging and growing intraregional inequalities have an even greater impact on differences in the standards of living.

The present Report attempts to give a comprehensive survey of regional human development problems and to identify the most successful socio-economic policies aimed at overcoming these problems in Russian Federation subjects. The report has a number of important features. First of all, as stated in the Foreword, human development issues are examined in the context of Millennium Development Goals (MDGs). Secondly, the Report studies regions from the standpoint of MDGs that were specially adapted for Russian socio-economic conditions rather than global MDGs. Thirdly, it makes use of material provided by independent experts and by officials of executive government bodies in those subjects of the Russian Federation that were interested in sharing their development problems and solutions with readers. The authors hope that their analysis and surveys of regional human development policy may prove useful to subjects of the Russian Federation and local self-government bodies for implementing effective measures aimed at improving the use of human resources, equalizing human development opportunities in the country as a whole, and, in the long run, giving a new impetus to growth in the standard of living. The ***Foreword*** sets out the framework and priorities of the Report. It presents the Millennium Development Goals adapted for Russia and the Human Development Index (HDI) calculated for 2003–2004, which illustrate the content of the Report and, to a large extent, confirm its conclusions..

The Report is structured according to a "territorial" principle. ***Chapter 1*** gives a survey of the situation in the ***Central Federal District***. The Central District comes first in the main body of the report for the simple reason that it has the greatest population of any federal district, and therefore its scale of human development problems has not only a qualitative but also a quantitative dimension. The analysis emphasizes specifics of development of the Moscow agglomeration and identifies two types of regional differences that have an impact on social development of the Central Federal District: "centre-periphery" contrasts between Moscow and surrounding regions resulting from economic inequality and concentration of social infrastructure in the capital, on the one hand, and, on the other hand, differences between the Chernozem ("Black Earth") southern zone, where natural conditions are more favourable, the share of agribusiness in the economy is higher, urbanization processes are weaker, and access of rural inhabitants to social services is fairly high, and the less fortunate non-Chernozem northern zone. A detailed analysis of the nature of these contrasts and their impact on different aspects of human development shows that no single approach can be effective in the Central Federal District as a whole. Different regional priorities are needed and different MDGs target indicators for Moscow and the other regions. In Moscow, the strategic priorities of human development should be to raise quality of social benefits and services, especially in the domain of public health, urban environmental improvement and general environmental protection, and in protection and integration of disabled citizens. By contrast, the key task in other Central regions is raising per capita income and improving the accessibility of social services provided by the state. The chapter's survey of the situation in the Central Federal District as a whole is supplemented by vivid regional material from the

Tver and ***Belgorod Regions*** illustrating the differences and problems**.**

Chapter 2 is devoted to the ***North-Western Federal District***. Although many of its developmental problems are similar to those found in Central Russia, the district is also marked by a number of peculiarities caused (to a significant extent) by the presence of far northern regions and Kaliningrad Region, which has the special status of a Russian exclave geographically separated from the rest of the country, with all the ensuing consequences. The chapter discusses environmental problems that are widespread in all northern regions with developed raw material and metallurgical industries, points to the existence of areas with a high prevalence of HIV/AIDS, examines differences between the labour market in the northern part of the district, where unemployment is consistently high (particularly among young people), and the southern part of the district with its elderly population, small number of economically active young people, and smaller competition on the labour market. Regional material analyzing the situation in the ***Vologda Region*** and ***Komi Republic*** provides a comparative and more in-depth study that identifies socio-economic policies that have the greatest impact on human development in North-Western regions and shows what results these regions can attain by themselves and through international cooperation.

Chapter 3 is devoted to the ***Volga Federal District***, which has a number of important features. First of all, the Volga Federal District is polycentric (in contrast, for example, to the Central and North-Western Federal Districts): several of its constituent regions have roughly equal levels of development, economic weight, and population. They compete with each other for leadership. Their economies are developed and diverse and include export industries, the food industry, and machine building. Each of the regional leaders has a major city with a population of approximately a million inhabitants, while the Samara Region has the country's third largest agglomeration in terms of population (Samara-Togliatti), which creates additional advantages for development of the service sector. Two of the leading regions – ***Perm Territory*** and ***Samara Region*** – have presented materials that describe the entire range of their human development problems and the socio-economic measures that they have taken to solve them. They offer a number of innovations that may be interesting to other subjects of the Russian Federation. High standards of living in the leader regions underscores the gravity of problems in the least developed regions where socio-economic progress is minute, up to half of the population lives in poverty, and the poverty gap is so great that social protection programmes are unable to serve as a poverty reduction mechanism. It is interesting to note that the leader regions of the Volga Federal District have mostly average MDG indicators. The district serves as an example of the limited impact of economic development differences on MDG indicators. This impact is felt in income inequality, somewhat less in poverty indicators, and virtually not at all in socio-demographic and infrastructure indicators: urbanization and the presence of large urban agglomerations play a much greater role in the latter. The high prevalence of HIV/AIDS is the result of a whole series of factors, including high per capita income, the presence of urban agglomerations, and the district's frontier location. The impact of numerous factors turns the picture of social development in the Volga Federal District into a mosaic and makes it impossible to formulate general recommendations.

Chapter 4 plays a special role in the Report. It analyzes the situation in the ***Southern Federal District***, whose regions are at the centre of attention of the Russian government and international organizations. This is hardly a surprise, since the Southern Federal District lags behind the national average in virtually all socio-economic indicators, while the situation of post-conflict regulation and reconstruction sets this district apart from all other regions of the Russian Federation. Although the authors identify relatively well-off subjects in the Southern Federal District (one of them – ***Rostov Region*** – is described in a separate box), they show that their indicators are also considerably lower than the national average. There is no need to emphasize that the district's republics, which are poorly developed even by the standards of the Southern Federal District, have complex, vast, and hard-to-grasp problems. As the chapter shows, the republics' key social problems are "rural" in nature and are due to an incomplete transition not only to a post-industrial but even to an industrial economy. The ethnic republics of the Southern Federal District have unprecedented levels of poverty and unemployment even by Russian standards. According to the criteria of the International

Development Agency (IDA), five of these republics are "low income" regions (***Republic of Dagestan***, see a separate box), while three (including the ***Republic of Adygea*** and the ***Chechen Republic***, which are described in separate boxes) are "low income – poorest" regions. The chapter also emphasizes that the key task in the North Caucasus – general stabilization of the situation and establishment of an effective dialogue between government and people – is not being properly achieved at present. Recommendations on MDG attainment in this region tend to address the long term. The authors note that major investment projects must be supplemented by measures aimed at institutional development and greater transparency in governance and use of state funds at the local level, in particular by involving the general public (local communities) in resolution of socio-economic problems and local self-government. Other important measures for the Southern Federal District are creating a favourable environment for the development of small business as a key source of employment; lowering administrative barriers and legalizing the region's economy, and then consolidating the tax base and developing effective budgetary relations; and increasing labour mobility in order to speed up human development.

Chapter 5 studies the considerable diversity of socio-economic conditions in the ***Ural Federal District***. It emphasizes that the administrative division of Russia into federal districts was quite favourable for the Ural Federal District from the standpoint of development potential. The presence of major oil & gas producing territories greatly augments the economic role of the Ural Federal District, which ranks second after the Central Federal District in gross regional product. The chapter shows that, although the Ural Federal District is marked by enormous regional differences in economic development, it is unique insofar as the majority of its constituent regions have a better ratio of per capita income to minimum subsistence level than the national average. The federal district includes ***Tyumen Region*** (discussed in a separate box), which ranks second in the Human Development Index in the Russian Federation. The chapter is also supplemented by a study of MDG attainment in ***Sverdlovsk Region***. The federal district's regions have amassed important experience in solving problems in education, public health, and youth unemployment. Nevertheless, they still have to address many other problems relating to human development and improvement of welfare of the population, such as environmental problems, low-quality housing, and a large gap between leader regions and depressive territories.

Chapter 6 on the ***Siberian Federal District*** will be of interest to many readers, since Siberian regions have been implementing socio-economic policies fairly energetically in recent years in order to improve the quality of life of their inhabitants. Nevertheless, the analysis presented in the chapter gives grounds for concern. The authors emphasize that the leader regions of the Siberian Federal District depend greatly on international commodities markets and that good economic development indicators have not yet been matched by success in solving social problems. Regions with an average level of development have ambiguous prospects insofar as it is difficult to assess the competitiveness of their key industries, while agrarian and highly subsidized regions with depressive economies and long-term shortage of investments, which have virtually no viable economic sectors and live off federal subsidies, represent a considerable social and economic "burden" and reflect the entire range of problems in education, population mobility, access to medical and social services, employment, infrastructure and communications. Materials on ***Irkutsk*** and ***Tomsk Regions*** show that even Siberian leader regions experience complex social problems, whereas the survey of MDG attainment in the ***Republic of Buryatia*** shows a region whose male life expectancy is even lower than the dismal national average. Problems relating to infrastructure development and preservation of the unique natural environment are discussed in the survey of the ***Altai Republic***. In discussing Siberian environmental problems, the authors could not overlook issues that relate to conservation of unique ***Lake Baikal***, which is also discussed in a separate box. Concluding their general survey, the authors emphasize that it is much more complicated and expensive to solve social development problems in Siberia than in Central Russia. The experience of northern countries shows that social modernization begins in cities and large towns, which then become development centres for the surrounding territories. Another important aspect is the gradual concentration of the population in better developed areas,

which is already taking place in Siberia. A third aspect is the development of mobile social services (especially medical ones) for inhabitants of rural areas and remote territories.

Chapter 7 on the ***Far Eastern Federal District*** analyzes the situation in the least populated federal district of the Russian Federation, which nevertheless takes up over a third of its territory. The authors discuss the district's difficult heritage (the Far East has always developed as a peripheral raw material region with an enormous land area and poor infrastructure) as well as today's problems (the economy is growing more slowly in the Far East than in the rest of the country). Although regions of the Far East have smaller differences in development than regions of the Siberian Federal District and especially the Ural Federal District, the relatively low level of inequality does not imply a high standard of living. All 10 regions of the Far Eastern Federal District get federal assistance, which partly compensates for the rising cost of living in remote territories with unfavourable climatic conditions. There are no development leaders in the federal district: one only finds territories with an average or below-average level of development. ***Khabarovsk Territory*** serves as an example of implementing socio-economic policy for human development in a region with an average level of development; in particular, the box describes several interesting aspects of education development programmes. Analysis of MDG attainment in the ***Republic of Sakha (Yakutia)*** emphasizes that it is possible to bring about considerable improvements in infant mortality and other public health indicators in difficult conditions by implementing sound and determined social, economic, and industrial policies. The material on ***Sakhalin Region*** shows that human development is a regional strategic goal and that implementation of a comprehensive set of measures has already led to improvements in a number of indicators. The problems of the Far East are serious: prevalence of social diseases is growing, life expectancy is low (even for women), and the population is decreasing as a result of migratory outflow and high mortality.

Before turning to the report's final recommendations, the authors present two "thematic" chapters. ***Chapter 8*** shows that an adequate and full-scale system for assessing different social, demographic, income, educational, spatial, and economic indicators of living standards is essential for developing a unified policy of MDG attainment in a country where regional government bears the bulk of the burden in resolving social problems and is expected to implement measures that will assure a national standard of living adapted to local territorial living conditions. Such a system of assessment is still at an early stage of development in Russia, so there is a lack of accurate rapid estimates of the standard of living, preventing efficient tracking of local progress in MDG attainment. However, the Russian government has begun to realize that assessment of territorial differentiation in socio-economic phenomena is extremely important, so there is reason to expect that work to improve the national system for monitoring of living standards will continue – in particular, work to improve the quality of current assessments and forecasts of human development.

Chapter 9 reconsiders the framework and priorities of the Report as a whole and may also be interesting and useful as independent material for study. It presents the calculated values of the Human Development Index (HDI) for the period 2003–2004, which serve in large part to illustrate the contents of the Report and justify its conclusions.

The Report ends in a traditional manner. The ***Conclusion*** presents the authors' recommendations on how to make regional development and socio-economic policies of the subjects of the Russian Federation serve the interests of human development.

Central Federal District.
More Than Moscow

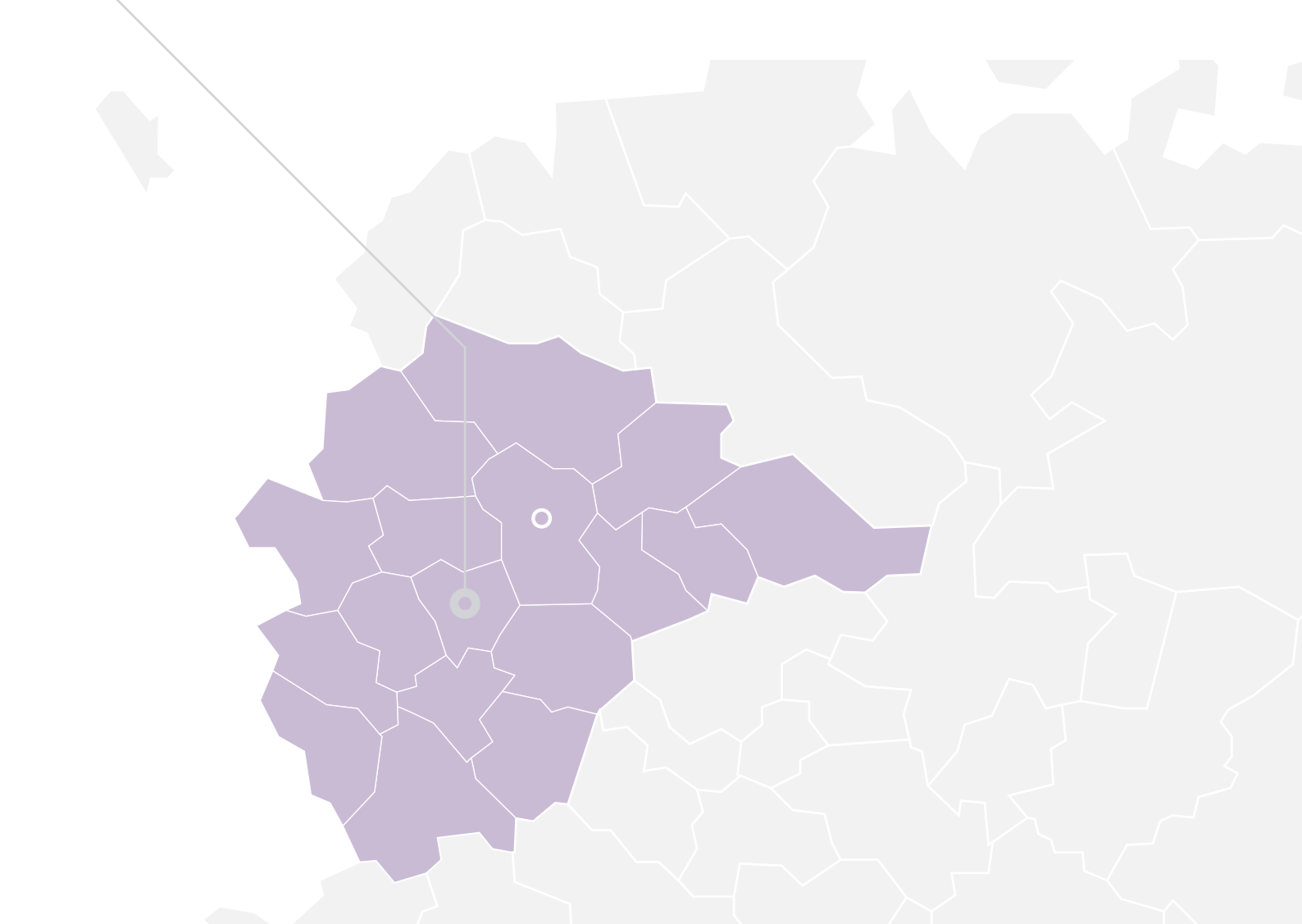
As its name suggests, the Central Federal District (CFD) is located in the historical centre of Russia and includes the nation's capital. It has the largest population (37.3 million inhabitants) and unites more subjects of the federation (Russian administrative regions) than another other federal district. One of the 18 subjects in the CFD is foremost in the District and the country as a whole, namely the city of Moscow, which is in a class of its own measured by economic might and financial resources. Moscow accounts for one fifth of total gross regional product (GRP) in Russia and for a similar share of the aggregate budget of all RF subjects. Personal incomes of Muscovites are about 20% of total personal incomes in Russia, although the share of Moscow in the country's population is only 7%.

Moscow City and its surrounding region (two distinct subjects) have absolute dominance in the Central District: Muscovites represent 28% of CFD population, and Muscovites plus inhabitants of Moscow Region add up to 17 million people, or 45% of CFD population. The Moscow agglomeration has much greater economic weight than all the other CFD regions combined: Moscow city alone represents 60% of aggregate GRP in the District, while Moscow and Moscow Region together account for 72%. The Moscow City budget is greater than the sum of the budgets of all other central regions.

Moscow has become a city with a post-industrial economy: the share of services in its GRP has reached 87%. Per capita income of Muscovites is 4–6 times greater than that of other Russians, and the city's enormous labour market attracts large numbers of migrants from adjoining regions. While population of the Moscow agglomeration continues to grow, other central regions have long been depopulating and their population is ageing.

Development trends in Moscow Region are a fusion of trends in Moscow City and in other regions further away from the capital. Like all other central regions, Moscow Region went through a crisis in the 1990s, when the volume of industrial production fell by over three times. Since the resumption of economic growth, the agglomeration effect has boosted development of both industry and the service sector. In 2005, per capita income of people in Moscow Region surpassed that of neighbouring regions by a factor of 1.2–1.8, although the income gap compared with Moscow remains large.

The economic situation of other central regions depends on the balance between competitive and uncompetitive sectors in their inherited sectoral structure of the economy. Best off are a few regions where export-oriented manufacturing is the mainstay of budgetary revenues, particularly Lipetsk and Belgorod (metallurgy) and Yaroslavl (oil refining). But the economies



of most CFD regions depend on import-substitution industries. Among these, the food industry is developing more rapidly, while the machine-building industry remains uncompetitive. The economy is growing faster in regions close to the Moscow agglomeration, thanks to opening of new production capacities to serve the huge market in the capital. Peripheral regions with uncompetitive sectors are still going through a period of depression. Main examples are Ivanovo (textile industry), Bryansk (machine building), and Kostroma.

Differences between social development in various parts of the Central Federal District have two main determinants:

- centre-periphery contrasts between Moscow and other regions (economic inequalities and concentration of social infrastructure in the capital);
- differences between the fertile "Chernozem" ("Black-Earth") regions in the South, where the share of the agricultural sector in the economy is higher, and the less fertile North. Urbanization began more recently in the southern part of the Central District, and the proportion of urban dwellers is smaller. Rural inhabitants in the South tend to be concentrated in large villages with better access to social services than northern villages.

Centre-periphery contrasts are particularly evident in unemployment rates and income levels. This is confirmed by Millennium Development Goal (MDG) indicators such as income inequality, poverty rate, and poverty gap. Moscow has the highest income disparity, because of unequal access to its enormous concentration of financial resources. In 2000–2005, incomes of the richest 20% of Muscovites were 21–28 times higher than incomes of the poorest 20% (Figure 1.1), and the ratio between incomes of the richest 10% and the poorest 10% was 44–47, which is comparable with Brazil and other Latin American countries.

Inequality in incomes of Muscovites is decreasing in comparison with the first years of economic growth; it is the result of the policy of the federal government and especially of the Moscow City Hall. The federal government and (to a greater extent) Moscow City Hall have been able to turn the tide of increasing inequality in the city by increased social spending. The share of social spending in the Moscow City budget grew from 7% to 11.5% between 2000 and 2005 and is now comparable to public health and education expenditures. The city uses its own money to add "Moscow supplements" to state benefits and retirement pensions for socially vulnerable groups as well as providing salary supplements for employees working in low-paid segments of the public sector. Almost a quarter of the city's budget is spent on subsidies for housing maintenance and utilities, as a result of which Muscovites pay a smaller share of the full cost of housing services and

utilities than in other central regions (the average share of housing service and utility costs paid by households in the CFD outside Moscow was 72% in 2005). In addition, the Moscow authorities pay subsidies to households whose expenditures on housing services and utilities exceed 10% of their aggregate income (according to federal rules, only households, which spend more than 22% of their income for these purposes, are entitled to subsidies).

Income inequalities are much lower in other central regions, but while inequality is decreasing in Moscow, it is steadily growing elsewhere. Most central regions do not have sufficiently large budgets to compensate the growing income gap by supporting vulnerable groups and raising incomes in the public sector.

Divergence in the poverty rate between Moscow and the periphery of the Central District declined between 2000 and 2005. The share of people with incomes under the minimum subsistence level fell in all regions, and particularly rapidly in Tver and Ryazan (Figure 1.2). Ivanovo remains exceptionally backward in economic terms: over 40% of the population remains poor, despite considerable poverty reduction in recent years. In Moscow, the poverty rate has been slow to decline due to high income inequality and high cost of living, and was equal to the national average in 2003. Nevertheless, the proportion of poor inhabitants in the capital has considerably decreased over the last two years thanks to the growth in social spending, described above.

For purposes of international comparisons, people are said to be in extreme poverty if they have daily income below $1 PPP (or $2.15 PPP for countries with a cold climate). However, such measurements are not carried out in Russian regions. In Russia, households are reckoned to be in extreme poverty if their income is less than half of the subsistence level. According to Rosstat, half of all households in extreme poverty were situated in rural areas in 2004, and two thirds of them had children, i.e., extreme poverty in Russia is concentrated in villages and in families with children. Regional estimates can only be qualitative, since statistics on the extreme poverty rate in regions have not been published since the early 2000s. The link between extreme poverty and rural populations suggests that poverty in the CFD should be more acute in the Chernozem regions, which have a higher share of agricultural employment (in 2004 two thirds of agricultural employees in Russia had wages below the minimum subsistence level).

Poverty in Russia as a whole has become less deep during the years of economic growth. The income gap of poor households (the amount by which their income falls short of the minimum subsistence level) has decreased in absolute terms, and the amount needed to raise all those in extreme poverty to the subsistence minimum, expressed as a ratio of total income of Russians (the "income deficit"), fell from 7% to 2% over the period 1999–2005. In CFD regions, the deficit is lowest in Moscow (0.5%), and it is in a range of 2–5% in other regions, with the exception of Ivanovo, where it exceeds 13%. Size of the income deficit is crucial, because when it is low (as in Moscow) the authorities can afford to support the poor. However, there is a need for change in the allocation mechanisms used in Russia: category-based subsidies (which do not take actual incomes of households into account) need to be replaced by needs-based assistance to those on low incomes.

Figure 1.1. *Numerical ratio of cash incomes of the richest 20% to those of the poorest 20%*

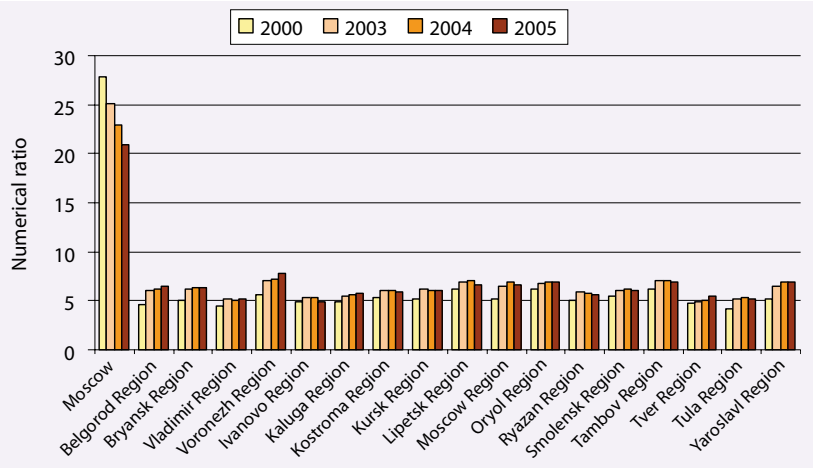
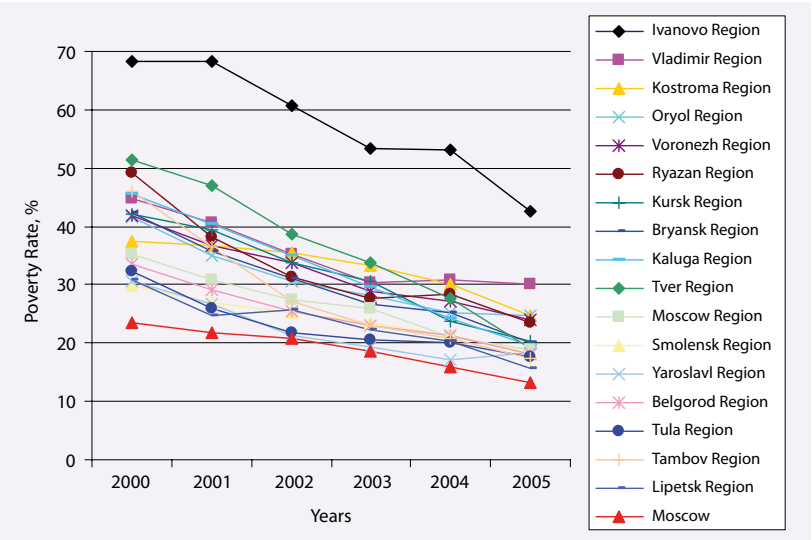


Figure 1.2. *Poverty rate in regions of the Central Federal District, %*



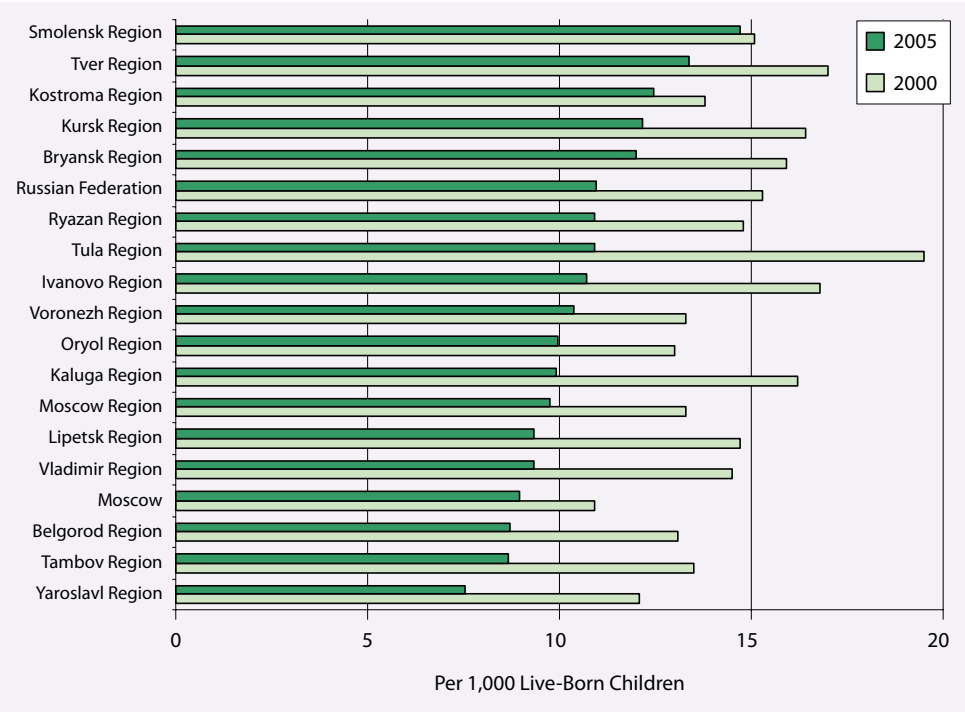
Without diminishing the importance of efficient social security, it should be remembered that job creation and availability of labour income to all groups of the economically active population are also vital mechanisms for combating poverty. The chosen MDG indicator for employment is the unemployment rate among young people, since the young encounter particular problems on the labour market due to lack of professional experience. In Russia, the unemployment rate among young people aged 15–24 is twice higher than the rate for the entire able-bodied population (15.7% and 7.4%, respectively). Youth unemployment is highest in regions that are experiencing natural population growth, but there are no such regions in the Central District. Populations in Moscow and Moscow Region are growing solely on account of migration, and the enormous labour market of the Moscow agglomeration keeps unemployment among the able-bodied population to a minimum (1–4%). The capital also offers excellent starting conditions for young people, so that youth unemployment is not higher than 3%. However, youth unemployment is considerably higher in Moscow Region (11%) and is close to the national average in other central regions.

MDG indicators relating to child and maternal health (infant, child, and maternal mortality rates) are above-average in most regions of the Central Federal District (Figure 1.3). This is due in considerable part to accessibility of medical services, reflecting relatively high population density and the extensive urban network in the CFD compared with other Russian districts, as well as a higher share of doctors and the relatively favourable climate. The poorer non-Chernozem regions with their tiny rural settlements are exceptions to the rule. There is increasing marginalization in the decaying villages and rural settlements of such regions, and social maladaption has negative impact on health of expectant mothers. Impact of industrial pollution on public health has diminished in the CFD, as shown by significant reduction of infant mortality in the most industrialized regions.

Infant mortality has declined more slowly in Moscow than in other central regions, and the capital no longer has the lowest rates in the Central District, as it did in 2000. One can identify a whole set of environmental and social factors that have a negative impact on maternal and child health in the capital. Environmental conditions in the megalopolis are deteriorating every year. The primary cause of pollution is the growing number of automobiles: even a developed public health system can not mitigate their negative impact. Another important factor is that working women in Moscow are postponing childbearing. Childbirth at a later age more often results in complications and requires particularly stringent medical supervision, for which the Russian health system is not prepared. The concentration in Moscow of pregnant women from risk groups (drug addicts, illegal migrants, etc.) has also had an impact. The under-five mortality rate depends more closely on the level of development of the public health system, for which reason it is lowest in Moscow and the economically developed Yaroslavl Region (less than 11 deaths per 1000). The corresponding indicators in the peripheral non-Chernozem regions (Kostroma, Tver and Smolensk) are higher by a factor of 1.5–1.7.

Although regional maternal mortality indicators vary greatly from year to year, they tend to be worse (like child mortality rates) in peripheral non-Chernozem regions, where a high number of sparsely populated settlements makes it difficult to improve accessibility of medical care. The Bryansk Region has the worst child and maternal mortality rates, which may reflect enduring effects from radioactive pollution caused by the Chernobyl disaster 20 years ago.

Figure 1.3. *Infant mortality in regions of the Central Federal District per 1,000 live births*



Incidence of social diseases (tuberculosis and HIV/AIDS) is below the national average in most central regions. Spread of tuberculosis depends to a large extent on climatic conditions, which are relatively good in the Centre. Living standards are also important, which explains why incidence of tuberculosis in Moscow is only half the national average. However, Tula, Smolensk, and Bryansk Regions have incidence close to the average and the tuberculosis mortality rate in these regions is 1.3–1.4 times higher than the level for Russia as a whole. The problem of tuberculosis is acute in Tula Region due to high incidence among coal miners and inadequate preventive care after most of the mines were shut down in the 1990s. Generally, though, tuberculosis is declining slowly but steadily in most central regions. The situation in the Centre differs in this regard from eastern districts of the country, where the disease is particularly widespread.

The biggest problems with drug addiction and HIV/AIDS in the Central District are in the Moscow agglomeration, but even there the problems are not as great as in St.-Petersburg and some resource extracting regions. The number of registered HIV/AIDS cases per 100,000 inhabitants is 1.7 times higher than the national average in Moscow Region and 2.7 times higher in St.-Petersburg (mid-2006 statistics from the Federal Research and Educational Centre for Preventing and Fighting AIDS). Spread of the disease in Moscow City has been curbed by effective prevention and treatment and the incidence of registered cases is now only 5% higher than the national average. Outside Moscow, narcotics dealing is most widespread in Tver Region, between Moscow and St.-Petersburg; which explains why incidence of HIV/AIDS is also high in Tver (the ratio of registered cases is 1.4 times higher than the national average). In other central regions, spread of drug addiction and HIV/AIDS is held back by low incomes, but this barrier will not prove durable in conditions of economic growth.

MDG gender indicators (the share of women in wage employment and the proportion of seats held by women in regional parliaments) give a mixed picture. The number of men and women employed in the non-agricultural sector is equal on a national scale, while agriculture has become a predominantly male sector (the share of women working in agriculture is less than 40%). The gender balance by regions in the non-agricultural sector is hard to measure, since no gender and sector-based employment statistics are published for Russian regions. However, it is clear that central regions have a high level of gender parity.

This employment parity makes the disproportion in political representation of women all the more striking. Taking Moscow City and the Kostroma and Bryansk Regions as examples, the share of women in their regional parliaments is only 15–20%. Trends are not encouraging: the share of women in two thirds of central regions has not changed or is even falling (Figure 1.4).

Another gender problem is the enormous gap between life expectancies of men and women. In central non-Chernozem regions, this gap is as large as 16 years. Life expectancy of men in rural areas of Tver and Smolensk Regions is only 51 years and 1–2 years longer in Vladimir and Tula. The cause is a high level of mortality from external causes (injuries, accidents, and alcoholism) among men of working age.

Another group of MDG indicators refers to living conditions, including environmental conditions. Most of the approaches used by the MDG need to be adapted to Russian regional statistics, and the only MDG environmental indicator, which is directly measured in Russia, is the proportion of forested and protected natural areas. However, this is a very important indicator for the CFD, which is the most densely populated area of Russia and therefore particularly in need of conservation areas and forests to maintain ecological balance. In the Moscow agglomeration, the green belt around Moscow city is gradually disappearing due to construction of recreational facilities, disorganized building of country cottages, and uncontrolled expansion of towns in Moscow Region. The forest belt around Moscow has shrunk by 10% in the last decade, according to expert estimates[1]. The overall proportion of land area covered by forest in Moscow Region has stayed the same (41%), according to official statistics, but the quality of forests has deteriorated, particularly near to the city. Authorities in Moscow City and Moscow Region have been unable to work out a common urban development and planning policy that would zone the territory around Moscow and protect forests there.

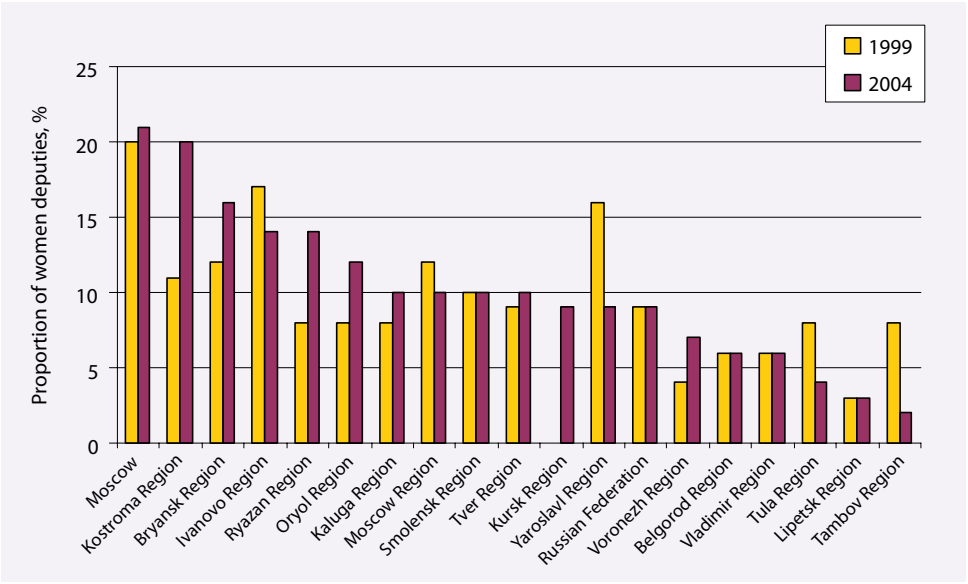
MDG indicators for safe drinking water and sanitation are measured in Russia using indicators for housing amenities (the proportion of housing with mains water and sewerage systems) and for safety of housing (the proportion of housing in a poor or dangerous state of repair). Availability of housing has always been less of a problem in the Centre than in the rest of the country due to accumulated housing stock and the long-standing downward trend in population size. Levels of water and sewerage provision depend on urbanization levels: only 60–65% of housing in peripheral and southern regions of the CFD has mains water and sewerage, levels in urban and rural areas differ by a factor of nearly three, and the situation in small towns (of which there are many in the Centre) is problematic, because their housing stock tends to be old. The proportion of housing in a poor or dangerous state of repair in most central regions does not exceed the national average (3%), but the situation in several regions around Moscow (Kaluga, Tula, Yaroslavl, and Tver) is worse (5–7%), because of the large number

[1] Moskovsky stolichny region. Moscow, 2004.

of small towns and settlements in these regions. Moscow is in an excellent position by this criterion, with only a tiny share of dilapidated housing.

Achieving the Millennium Development Goal of global partnership depends largely on development of communications. Surprisingly, telecommunications are less developed in the CFD than in many parts of Russia, which are further from the capital. The number of telephone lines per 100 population in urban areas is particularly low in the Ivanovo and Tver Regions (a third lower than the national average), while the analogous indicator for rural areas is a third lower than the national average in Kursk Region. Cellular communications are developing relatively slowly in the predominantly agrarian Chernozem regions as well as in Bryansk and Oryol (20–35 cellular subscribers per 100 population), due both to low incomes and more traditional lifestyle of the inhabitants. Regions around Moscow (particularly Yaroslavl, Tver and Kaluga) have more cellular subscribers per 100 population (52–55), while mobile penetration in the Moscow agglomeration reached 100% in 2004.

Figure 1.4. *Proportion of women deputies in CFD regional parliaments, %*



MDG indicators confirm that the Central District is marked by enormous internal disproportions in development. Social problems are different in Moscow and most other central regions, except for the ubiquitous gender asymmetry in politics. The principal problems in the Moscow agglomeration are high cost of living, enormous income inequality, poverty, social exclusion of people with limited resources for adaptation (retired people, the handicapped, etc.), spread of HIV/AIDS and environmental issues. Many of the problems in peripheral regions stem from economic factors. They include higher levels of youth unemployment, higher incidence of poverty (including extreme poverty), poorer access to medical services, poorly developed social infrastructure and public utilities, etc. These problems and efforts to address them are presented in Boxes 1.1 and 1.2 using the example of Tver and Belgorod Regions.

The above discussion shows the importance of designing regional priorities and different target figures for MDG indicators in Moscow and other regions. The strategic human development priorities in Moscow are to raise quality of public goods and services, particularly in the public health domain, to improve quality of the urban milieu and environment, and to support and socially integrate people who are incapable of working. In other regions the key target is to raise people's incomes and make public services more accessible.

Box 1.1. MDG Attainment in Tver Region

Tver is a typical old industrial region in Central Russia, specialized in the machine-building and textile industries (an economic make-up dating back to Soviet times) and with an average level of development. Lack of mineral resources that could be sold on world markets and low export potential of local manufacturing limit the Region's possibilities for development and economic modernization. Main social and economic development indicators in Tver Region are below the national average, and the demographic situation leaves much to be desired.

MDG attainment is hindered by economic and socio-demographic problems. The Region lacks successful economic sectors that could support modernization in free market conditions. The only exception is the power sector, whose enterprises give higher levels of development in the two municipalities, where they are located. Development of the service industry is hindered by low per capita income and limited business activity: statistics show that small business accounted for only 8.2% of all regional employment in 2004. Agriculture is depressed due to loss of state support and of part of its workforce (as a result of demographic trends).

The main demographic problems in Tver Region are low life expectancy and high mortality, particularly among people of working age. A high mortality rate from cardiovascular diseases is due to the older age structure of the population, but other causes must be sought for high

Box 1.1. MDG Attainment in Tver Region *(continued)*

levels of mortality from external causes (accidents, injuries and poisoning), which are 50% above the national average. Long-term migratory outflow of younger and better educated people has resulted in a population with an older and inferior cross-section (in terms of health, educational level and professions). The low quality of human resources limits innovative activity in the region.

Demographic problems have resulted in a high social burden on the regional budget, and the nature of population distribution in Tver Region increases the cost of organizing social services: 18 of 23 towns are small towns, and 12 out of 54 urban settlements (a category between village and town) are geared to a single employer or business activity and have populations below 3,000 inhabitants. According to the 2002 Census, 15% of the 9,500 villages in Tver Region do not have any permanent residents (they consist of summer houses) and another 37% have less than 10 dwellers each. The Region's peripheral districts with their underdeveloped infrastructure and poor human resources have become zones of economic and social depression, increasingly at risk of losing their demographic potential.

There have been major efforts in Tver Region during recent years to raise investment attractiveness and improve demographic potential. The rate of economic growth in the Region since 2003 has been above the national average, and there has been a considerable measure of success in raising per capita income and lowering poverty rate.

Goal 1. Reduce Poverty

Regional social policy has made significant headway with this Millennium Development Goal: the number of inhabitants with incomes below the subsistence level has almost halved since 2003 and the poverty gap (income deficit of the poor as a ratio of total personal income in the Region) fell by more than 3 times during the same period (Table 1.1). Reduction of the poverty rate was helped by steady economic growth in 2004–2005 and full monetization of social benefits (Tver was one of the first Russian regions to implement this reform). However, indicators of income differentiation (ratio of personal incomes of 10% best-off to incomes of 10% worst-off, and the Gini Index) continue to grow.

The structure of poverty has traits that are typical for many Russian regions. The poor include both people who are working and those who are not (retired and handicapped individuals). The working poor are mainly people in low-salary sectors of the economy. Information on recipients of housing subsidies (19.4% of all families in 2005) also helps to understand the poverty structure. Subsidy recipients in rural and urban districts have different profiles: in towns, subsidy recipients are predominantly single retired people, while in rural districts the share of families with working parents and children is much greater, due to low incomes of rural workers. Wage levels differ considerably across industries as well as across large and small businesses.

The breakdown of subsidy recipients across Tver Region is as follows:

– 40.9% are single retired people
– 11.1% are families consisting of retired people
– 12.1% are families including retired people
– 35.9% are families with working parents and children

Poverty among pensioners stems from the existing system of retirement pensions, which levels off the incomes of most pensioners at the poverty level. Poverty among families with children, i.e. groups of working age, limits access of the rising generation to material and socio-cultural resources and is apt to reproduce itself in the future.

Intraregional differences in the poverty rate can be assessed using statistics on the number of recipients of child benefits, which are paid for children under the age of 18 living in families with incomes below the subsistence level. The share of children receiving social benefits (in the total number of children under 18) varies from 30–50% in large towns and in Udomelsky District to 75–85% in the least developed and peripheral districts. The differences are not only due to differences in relative shares of urban and rural population in different parts of the Region, but also to large differences in wage levels in different sectors of the economy: the ratio between salaries of the 10% highest-paid workers and the 10% lowest-paid was 18.7 in 2005.

The demographic situation makes it hard to implement poverty reduction measures successfully in Tver Region. This is particularly true in rural areas. In 2005, the share of rural inhabitants of pension age was above 30% and the share of children born to unmarried parents rose to 28% in urban areas and 40% in the countryside. One should also note the scarcity of highly-paid rural jobs.

Despite the problems, an energetic social policy and transformation of the entire social security system are giving

Table 1.1

Poverty rate and poverty gap in Tver Region (statistics for the first quarter of each year)*

Year	Share of people with incomes below the minimum subsistence level, %	Poverty gap	
		Millions of roubles	Ratio to total personal incomes, %
2003	43.3	365.8	10.2
2004	31.4	270.9	5.7
2005	25.8	253.9	4.2
2006	21.6	251.3	3.1

** Statistics of the Tver Regional Office of the Federal Statistics Service*

Box 1.1. MDG Attainment in Tver Region *(continued)*

some positive results. The following strategic aims have been set for the new regional social security system:

– lowering poverty risks, improving quality of life, and making social assistance more efficient and better targeted;

– assuring equal access to social services and expanding the range of services;

A legal framework has been drafted, with 10 regional laws setting out various types of social security provision; all responsibilities for social security provision, including financing of 121 offices, have been transferred to the regional level; and a unified system for delivering social services in the region has been put in place. Implementation began with passing of the regional law "On public welfare in Tver Region". Before this law was passed, welfare was provided from both regional and municipal budgets, and levels of assistance differed between municipalities. There was no needs-based system of allocating subsidies (this concept did not even exist) and the list of subsidy recipients was smaller.

Needs-based subsidies, allocated for periods between 3 months and 1 year, were introduced in order to make social security more effective. 43,500 people received public social assistance in 2005, social security financing increased by 5.3 times from 2004, and the number of recipients rose by 3.4 times. Only 3–5% of applicants for needs-based social assistance are rejected. The average level of assistance increased considerably, from average 244 roubles in 2004 to 1,384 roubles in 2005, and specialists of the Social Security Department believe that means-tested subsidies represent the most efficient form of assistance. Local employment offices supplement work by social security offices in allocating subsidies.

Targeting of social assistance was fundamentally altered in 2005. A flexible system was set up, which takes account of the causes of poverty and of the scale of assistance necessary in each case. Proper allocation of targeted social assistance helped to ease social tensions during monetization of benefits.

Integrated social security centres have been set up in Tver Region to bring social services closer to the population. The centres employ qualified specialists, maintain personalized databases on the recipients of social assistance, work directly with applicants, and maintain ties with local administrations and employment offices. The centres have conducted social monitoring among rural populations, which has identified about 3,000 elderly people living alone and needing social assistance. The biggest challenge is provision of social and medical services to elderly people living in rural areas, particularly in small and remote villages. Mobile teams have been organized at all social security centres in order to address this problem. They deliver a full range of social services to people's homes (delivery of food and medication, medical, hairdressing and other services, as well as transport for senior citizens to hospitals and clinics) and include specialists and consultants for one-to-one work with the elderly. These mobile teams have been particularly successful in Krasnokholmsky, Kashinsky, Bologovsky, and Toropetsky Districts.

The development strategy for social security in Tver Region aims to link assistance with incentives. Plans include social contracts, by which those receiving subsidies will commit themselves to find work, send their children to school, report on school and medical attendance, pay in a timely fashion for housing-maintenance services and public utilities, etc. In view of the Region's demographic difficulties, priority is given to families with children (particularly poor and large families), including assistance in kind, such as gifts for new-born children and children preparing to start school (the "First of September" programme).

The regional authorities are working to attract extra-budgetary funding to deal with various social problems. The Welfare Department has created a social data bank with information on urgent problems, faced by people and community entities, for which budget funds are insufficient (assistance to large families, treatment for handicapped children, building playgrounds, special events, etc.).

Goal 2. Promote Access to Quality Education

Tver Region is seriously affected by depopulation and its people are thinly spread. Over 70% of schools are in rural areas and the average number of pupils in rural schools is less than 50. Existing rural educational infrastructure makes provision of educational services expensive and education itself tends to be of poor quality.

Sustainable development of education in Tver Region requires creation of a competitive environment that would stimulate quality improvements at schools and other educational establishments regardless of where they are located and the nature of their local populations. In order to achieve this, ways of financing educational services are being changed, the school network is being transformed, measures are being taken to make performance by educational establishments available for scrutiny, and infrastructure for distance learning and educational migration is being put in place.

Changes in organization and funding are supported by special measures (such as the regional target programmes "School Bus" and "Development of Key Schools"). Overall, schools and colleges are being encouraged to use new educational technologies and interaction between different parts of the education system is increasing.

Goal 3. Promote Gender Equality

High rates of mortality among men of working age remain the most urgent gender problem in Tver Region. Men of working age accounted for 46% of deaths among males in 2005, up from 39% in 1990. The share of working-age women in female mortality rose from 7% to 13% in the same period (Table 1.2). The high rates of premature death are due to prevalence of external causes: mainly accidents, poisoning, and injury.

There is no problem of gender inequality in access to education in Tver Region. As in other Russian regions, women tend to be more highly educated: 23% of women and 17% of men in the workforce have higher education and 36% of women and 22% of men have basic vocational education (training).

The position of women on the labour market in Tver is average for Russia. The share of working-age men who

Box 1.1. MDG Attainment in Tver Region *(continued)*

Table 1.2

Mortality from external causes in Tver Region

	1990		1995		2000		2005	
	Men	Women	Men	Women	Men	Women	Men	Women
Working-age mortality, of which	4,335	922	7,024	1,393	6,890	1,713	8,051	2,038
– share of total mortality, %	38.8	6.6	44.0	8.7	40.6	10.6	45.6	13,0
– accidents, poisoning, and injury	1,644	277	3,083	557	3,015	265	3,007	605
– murders	161	46	347	82	391	85	311	72
– suicides	327	43	551	64	476	51	350	49
Total mortality from external causes	2,132	366	3,981	703	3,882	401	3,668	726

are in work is slightly higher than the share of working-age women (81% and 77%, respectively). Differences are more apparent in younger and older age groups. In younger groups the differences are due to child-bearing, and tendency of women to pursue further education instead of entering the job market. In older age groups, different retirement ages and family roles are the main factors.

There are significant gender disparities in various sectors of the economy. In Tver, as in other Russian regions, there are several sectors which are female reserves: most notably, education, public health, social security, and retail trade, where shares of female employees are 76–84%. Male sectors include building (70%) and transport (60%). Industry, agriculture, and housing and public utilities have also become more male-dominated (54%).

The unemployment rate (ILO criteria) is low for both sexes (5.3%), although the number of unemployed men is greater. Gender differences are only visible among the youngest age groups: female unemployment is twice higher than male among the under-20s years (23% and 12%, respectively). Time needed to find a job also suggests that women are at a disadvantage: they need 9.4 months to find employment, compared with 6.9 months for men. Women are more at risk of chronic unemployment: 1.6 times more unemployed women than men had been seeking work for more than a year in 2004.

Gender problems in employment are more apparent in places with major structural discrepancies between supply and demand on the labour market. For example, the concentration of machine-building enterprises in Rzhev and Likhoslavl creates demand for "male" jobs, while vocational training in these areas is mostly for "female" professions. So there is an out-migration of young, educated people – mainly women – who cannot find work in their home towns.

Gender differences in salaries are even more apparent. They become evident from a comparison across industries (predominantly "female" areas of employment are mostly marked by low wages), as well as within industries (better-paid, senior positions tend to be occupied by men). Salaries of men are 50% higher than those of women in industry, construction, and the financial sector; a third higher in public health and education; and almost twice as high in science. Only in agriculture, which is marked by the lowest salaries, women's labour is remunerated a little more highly than men's (due to higher educational levels among women, which entitle them to work as specialists).

Gender inequality is most pronounced in politics: there are only 3 women among 16 deputies of the Tver regional parliament (19% of the total), and only 4 women among 43 heads of municipalities (9%). Women tend to be in charge of peripheral municipalities with low levels of socio-economic development: Zharkovsky and Sandovsky Districts and the Torzhoksky Rural District. Despite predominance of women in executive government, senior positions (heads of directorates, departments, divisions, and committees) are mostly filled by men (73%). Generally speaking, there are 4.4 times more women than men in executive government, but higher-status government categories are dominated by men.

Goal 4. Reduce Infant and Child Mortality

Tver Region was long remarkable in the Central Federal District for its high infant mortality rates. For the last three decades of the 20th century this indicator stayed roughly unchanged, but began a sustainable decline in 2000, although the Region's indicators are still among the worst in the Central District.

Analysis of perinatal (including stillborn) mortality in recent years does not inspire optimism about further reduction of overall infant mortality. Whereas infant mortality fell by over 20% in 2000–2005, perinatal mortality grew over the same period on account of stillbirths, and early neonatal mortality (before the age of 7 days) fell by only 9%. It should also be noted that while in developed countries with low levels of infant mortality (4–6%) up to three quarters of deaths occur in the early neonatal period, only 40–45% of infant deaths in Tver Region occur in that period. This points to inadequate living conditions and access to medical care among many families with children in the first year of life.

The regional plan for improvement of socio-demographic conditions includes a wide range of measures for protecting reproductive health, promoting a healthy life-

Box 1.1. MDG Attainment in Tver Region *(continued)*

Table 1.3

Infant mortality indicators in Tver Region,%

Year	Infant mortality	Perinatal		
			of which	
		Total	Stillborn	Under 7 Days
1990	19.3	20.6	10.5	10.1
1995	19.3	18.0	8.6	9.4
2000	17.0	12.1	5.4	6.7
2003	13.5	13.1	8.1	5.0
2004	11.8	13.1	7.8	5.3
2005	13.4	12.4	7.3	6.1

style, and supporting family values. Particular importance is attached to reducing social inequality, fighting poverty, raising the quality of services to rural populations and modernizing social infrastructure. In the public health domain, a system of general practitioners is being introduced (equipped with modern medical equipment, computers, motor vehicles, and cellular phones). Priority is given to social support for families with children, expanding the network of pre-school facilities, and helping mothers with children to find work.

Goal 6. Combat HIV/AIDS and Other Diseases

High incidence of HIV/AIDS in Tver Region is due to higher levels of drug abuse compared with other central regions due to Tver's location on the main road between Moscow and St.-Petersburg. Drug abuse is becoming younger (46% of drug addicts are under 25 years of age) and more feminine (almost a quarter of them are women). Drug addiction is continuing to grow: the number of first-time registered drug abusers was 1.9 times greater in 2005 than in 2003.

Over 7,600 individuals involved in illegal trade of narcotics and psychotropic substances are on file at state narcotic control offices and about 2,000 drug addicts are in the care of drug therapists. However, the actual number of individuals taking drugs may be 8–10 times higher. Growth in numbers of intravenous drug users is leading to spread of HIV and viral hepatitis.

An anonymous survey in 2003–2004 among 622 Tver high-school students aged 14–16 years showed that 5% of high-school students had tried narcotic or toxic substances. 97% of respondents believed that drugs are dangerous to your health, and 96% said that abuse and spread of drugs should be combated. As many as 20% of schoolchildren refused to answer the question on whether they are using narcotic or toxic substances at the present time.

Regional target programmes for combating abuse and spread of drugs have been implemented since 1999. The 2005 programme results show 54% growth in numbers of drug-dependent individuals who sought help from drug therapists. A monitoring study of the drug situation in Tver Region, held after implementation of the 2005 programme, showed that incidence of drug abuse fell slightly in 2003–2004, but grew again in 2005, reaching 7 per 100,000 population (6% higher than in 2002).

The regional target programme "Comprehensive measures for combating abuse of narcotics, psychotropic substances, and their illegal trade in Tver Region in 2006–2009" is now being implemented. The goal is to reduce illegal drug use in Tver Region by 10–13% in 2009 compared with 2005. The programme aims to change social habits and attitudes as well as using medical approaches. Main tasks are to:

- prevent spread of drug abuse (preventive measures should be applied to 20% of children and young people aged 10–25 years);
- introduce new treatment methods, medicines, and approaches to medical and socio-psychological rehabilitation of patients (drug therapy establishments with modern medicines, laboratories and diagnostic equipment; a new chemical toxicology service, as well as counselling lines and hotlines);
- ensure efficient action by law-enforcement agencies to combat the most dangerous forms of illegal trade in drugs;
- build intolerance of the public to drugs (via social advertising).

The programme includes organization of sport, cultural, and other public events and encourages active participation by volunteers and civil society. Promotion of a healthy lifestyle is highly important for success in reducing drug abuse.

Goal 8. Communication Infrastructure in the Tver Region

Despite closeness of Tver Region to Moscow and availability of all modern forms of telecommunications, density of telephone lines in urban areas is almost 20% below the national average (290 per 1,000 population) and the corresponding figure in rural areas is even lower (142 per 1,000 population).

The region has almost 100% cellular communication coverage, and the number of subscribers is 1.5 million (3.5 times more than fixed-line subscribers). Greater coverage and improved quality of cellular communications offers a quick solution to shortage of telephones in rural areas (increase of fixed-line connections is much more expensive and time-consuming). However, higher cost of cellular communications limits availability to poor families, particularly in rural areas.

Box 1.1. MDG Attainment in Tver Region *(continued)*

Availability of TV channels remains limited in remote districts. The Tver Radio and Television Broadcasting Centre is carrying out a programme, which will ensure that the 3 main TV channels and 3 main radio stations are available throughout the Region, and that 80% of people have access to 5 TV channels.

Social problems in Tver Region are typical for industrial regions of Central Russia with their elderly populations and shortage of resources for economic modernization and socio-demographic development. A large number of small villages, chronic under-financing of the economy and social sphere, and migratory outflows make it difficult to attain the Millennium Development Goals.

Nevertheless, a number of regional social programmes designed to raise per capita income, eradicate poverty, support demographic potential, and reduce social inequality have been designed and are being successfully implemented in Tver Region. Several important achievements in support to rural populations should be emphasized:

– organisation of mobile social security services;

– creation of a system of general practitioners providing qualified medical services;

– reform of the rural school network by defining which schools should be developed and organizing transportation of children from outlying areas to these schools (the "School Bus" Programme).

A major unresolved problem is how to encourage graduates with vocational training to stay in the Region. The only solution is to create more qualified jobs, but there are still too few high-tech investment projects, which could do this. It remains true, however, that proper use of scientific and manufacturing resources and specialist training institutions cold help to resolve many economic and social problems in Tver Region.

Box 1.2. MDGs in Belgorod Region

Belgorod is a typical region in Russia's "Chernozem" ("Black Earth") zone, in the southern part of the Central Federal District. It is the most densely populated Chernozem region, with 55.8 people per square kilometre, and also the most highly urbanized (65.2% of its people live in urban settlements), although regions surrounding the Moscow agglomeration have much higher urbanization rates (about 80%). There are only two cities in Belgorod Region: Belgorod and Stary Oskol. Together with small agglomerations that surround them, these two centres account for half of all the Region's urban population.

Belgorod is one of the few subjects of the Russian Federation whose population is steadily growing on account of a migratory influx, which compensates natural decrease in population. Main social and economic development indicators are above the national average, largely due to developed agribusiness and an export-oriented steel industry, which generates large fiscal revenues for the regional budget and supports per capita income.

Although average per capita income and educational indicators are not among the highest in Russia, Belgorod has always ranked near the top of the Human Development Index thanks to its high life expectancy by Russian standards. The Region was placed 11th in the HDI in 2002 and 9th in 2004.

The Governor's programme for improvement of quality of life in Belgorod Region includes measures to increase life expectancy and security. The situation with attainment of MDGs, which are of priority importance for the Region, is described below.

Goal 1. Reduce Poverty

There has been a sustainable reduction in the poverty rate over recent years. The share of people with incomes below the poverty level was 18.1% in 2005 as opposed to 33.6% in 2000. Growth of real salaries and retirement pensions has lifted many people, mainly working families and pensioners, above the poverty line. Numbers of people in extreme poverty (with incomes less than half of the subsistence level) have also fallen, from 9.4% in 2001 to 4.9% in 2005, and the poverty acuteness index has fallen by 1.5%.

However, reduction of poverty has had little impact on inequality indicators. The funds coefficient, which measures difference in income between the richest and poorest 10% of people, is growing, and reached 10.5 times in 2005 compared with 9 times in 2001.

A number of regional social programmes have been designed and are being implemented in Belgorod Region. They aim to increase per capita income, eradicate poverty, improve demographic potential, overcome social inequality, support small business, and develop private residential construction. Progress has already been made in improving access to important social services for rural inhabitants, mainly by creation of mobile social security units.

Goal 2. Achieve Universal Access to Quality Education

Work currently underway on building effective infrastructure for the rural school network (75% of public schools are located in rural areas) will be an important step to providing equal access to education. Every rural school in Belgorod Region can now be reached by road, a "School Bus" programme is being implemented, new teaching methods are being introduced, all rural schools have been equipped with computers, and 76% of them have Internet access (this indicator will reach 100% in the first semester of 2007). The number of students at higher educational establishments has grown by 2.3 times since 1995, mainly thanks to development of Belgorod State University, which receives funding from the regional government.

Box 1.2. MDGs in Belgorod Region *(continued)*

Goal 3. Promote Gender Equality

High mortality rates among men of working age remains the key gender problem in Belgorod Region. The share of men of working age in total male mortality rose from 80.3% to 81.6% in the period 2003–2005, while the corresponding figure for women fell from 19.7% to 18.4%. The high premature mortality rate among males is due to external causes: accidents, injuries, and poisoning.

Women tend to have a higher level of education than men. 23.3% of working women had higher education as opposed to 15.4% of men; the corresponding figures for lower vocational training were 33.7% and 17.5%, respectively.

The share of working women in the total working population is under 48%. More men work in mining, processing industries, agriculture, and transport, while more women are employed in the social sphere (public health, social security, education). The unemployment level (ILO standards) is low for both sexes (4–5%).

Goals 4-6. Reduce Infant and Child Mortality and Combat HIV/AIDS and Other Diseases

Belgorod Region previously had rather poor infant mortality indicators, similar to those in other regions of the Central Federal District. However, infant mortality has almost halved since 1990 (from 16% to 8.6%). By 2005, infant mortality had declined to 5.6% among girls and 11.7% among boys (Table 1.4).

Goal 7. Ensure Environmental Sustainability

Environmental work in the Region aims to protect public health, ensure observance of environmental laws, and preserve the landscape. Problems include emissions from the mining and metallurgy industry and from automobiles (particularly private cars), as well as effluent discharge into rivers, ponds, and lakes, which is reducing fish yields. Industrial waste dumps in the Stary Oskol and Gubkin Districts are continuing to expand.

Repair and expansion of domestic and industrial sewage treatment facilities is an urgent necessity, since Belgorod Region is on the border with Ukraine, and its rivers are sources of drinking water across the border.

There is a general problem with supply of safe drinking water in the Region, since ground water does not always meet sanitary norms. A target programme for the period 2007–2010 aims to improve water supplies and the sewage system, raising quantity and quality of drinking water, refining waste removal from sewage, reducing pollutant discharges, raising levels of public health, protecting sources of drinking water and ensuring their rational use.

Table 1.4

Infant mortality indicators in Belgorod Region per 1,000 live births

Year	Mortality in the first year of life, per 1,000 live births	
	Girls	Boys
1990	14.6	19.4
1995	11.5	17.7
2000	12.1	13.9
2001	12.5	15.8
2002	10.6	13.7
2003	8.5	10.4
2004	7.6	10.0
2005	5.6	11.7

The public health situation in Belgorod Region has various aspects. On the one hand, Belgorod has the highest life expectancy (68.4 years in 2005) of all Central regions. On the other hand, poor ecology in the Region's steel towns (Stary Oskol, Gubkin) leads to a relatively high incidence of respiratory and cardiovascular diseases and cancer.

Cases of HIV infection are 8 times less than the national average as a share of total population, so HIV is much less of a problem than premature male mortality from external causes and illness due to poor ecology.

Belgorod Region remains in a better situation with regard to human development than most other Central regions (the Moscow agglomeration is the exception). A number of regional social programmes have been designed and are being implemented, aiming to increase per capita income, eradicate poverty, improve demographic potential, overcome social inequality, support small business, and develop private residential construction. Positive results have already been achieved in improving access to important social services for people in rural parts of the Region.

Overcoming housing problems is a key aspect of the Governor's programme for improving quality of life in Belgorod Region. The emphasis is on construction of private housing, including measures to encourage people to acquire a housing lot and build their own home. New methods are being used to draw non-budget funds into housing construction. A regional law on mortgage loans was passed in September 2002, the Belgorod Mortgage Corporation has been established and is now operating, and new housing is being built more rapidly than in other Central regions. Belgorod Region ranks second behind Moscow Region by the number of square metres of new housing being built per 1,000 population (550 sq m), and is ahead of Moscow City and Lipetsk, Tambov, and Oryol Regions by this measure.

Chapter 2

North-Western Federal District. The European Vector

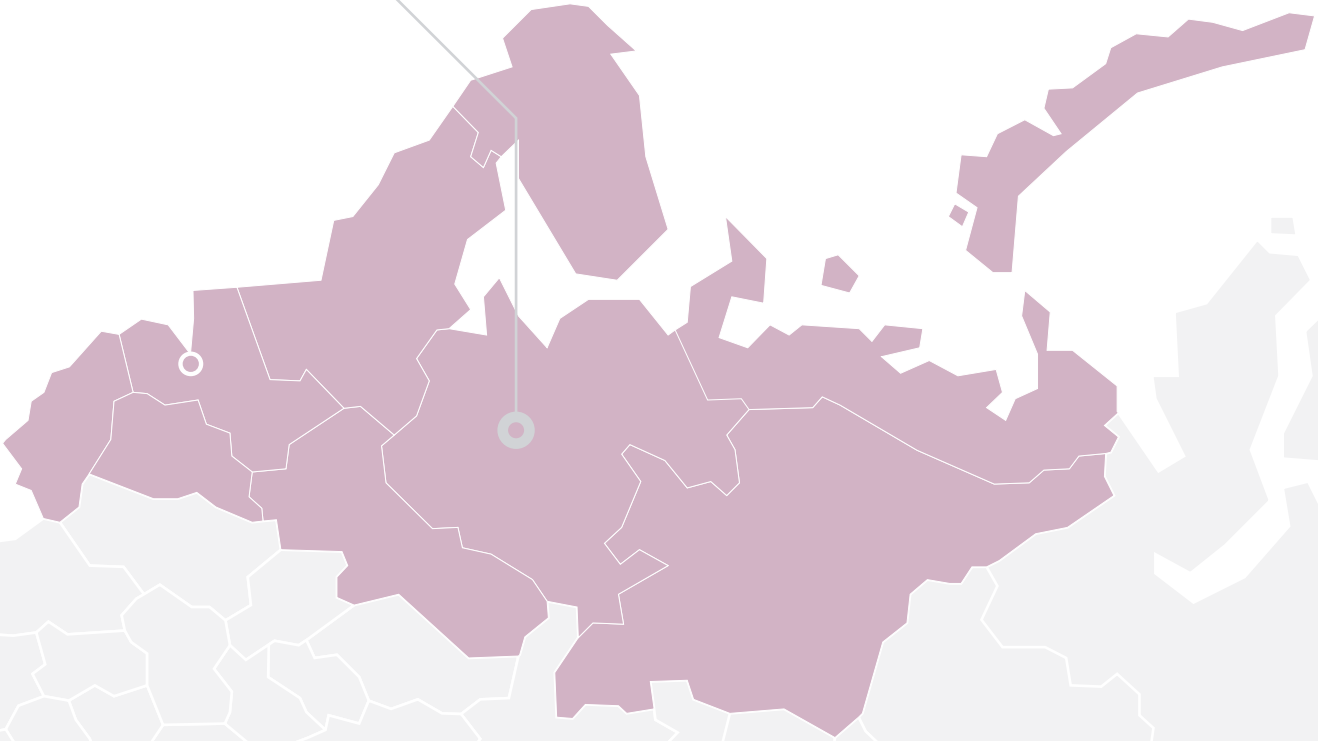
The District includes the North-West of Russia, whose centre is St.-Petersburg, but also the European Far North of the country, which is less economically dependent on Russia's second capital. There are 11 very different subjects within the North-Western Federal District: the city of St.-Petersburg, two republics (the Komi and Karelian Republics), seven regions, including the enclave Kaliningrad Region, and the Nenets Autonomous District in the Far North. The District is average in terms of economy and demography: its share in aggregate Russian GRP and population is about 10%.

The district is monocentric, although St.-Petersburg does not play such a predominant role as Moscow in the Central District. St. Petersburg accounts for a third of GRP and population in the North-Western District, and for almost half (46–47%) in conjunction with Leningrad Region, which surrounds the city. The city and surrounding region, particularly its western municipalities, have the highest rates of economic growth in the District due to an agglomeration effect and favourable coastal location, as well as considerable support for St.-Petersburg from the federal centre in recent years. Although the level of economic development of the St.-Petersburg agglomeration, measured by per capita GRP, is above the national average, incomes are significantly higher only in St.-Petersburg itself, while people in Leningrad Region receive much less.

Other regions in the North-Western District are very heterogeneous in development level and economic structure. They can be classified into several different groups. Komi Republic, Nenets Autonomous District, and Vologda and Murmansk Regions are focused on raw material exports (fuel and metals) with fairly high levels of economic development and per capita income. The northernmost regions in this group have a younger age structure due to migrations in the Soviet period, but they experienced large-scale outflow of people during the transition period on account of unemployment and rises in the cost of living. Examples of human development problems in the context of the Millennium Development Goals in two North-West regions (Komi Republic and Vologda) are presented in Boxes 2.1 and 2.2, respectively.

Karelian Republic and Arkhangelsk Region have average levels of development and specialize mainly in the forest industry. They have elderly populations with a low educational levels (this is especially true in logging settlements, which tend have continuous migratory turn-over). Karelia has closer economic and cultural links with Northern European countries and better developed non-profit organizations.

Pskov and Novgorod Regions have close ties with St.-Petersburg. Numerous subsidiaries of Leningrad industrial enterprises were set up in these regions during the Soviet period, which explains why their economies are

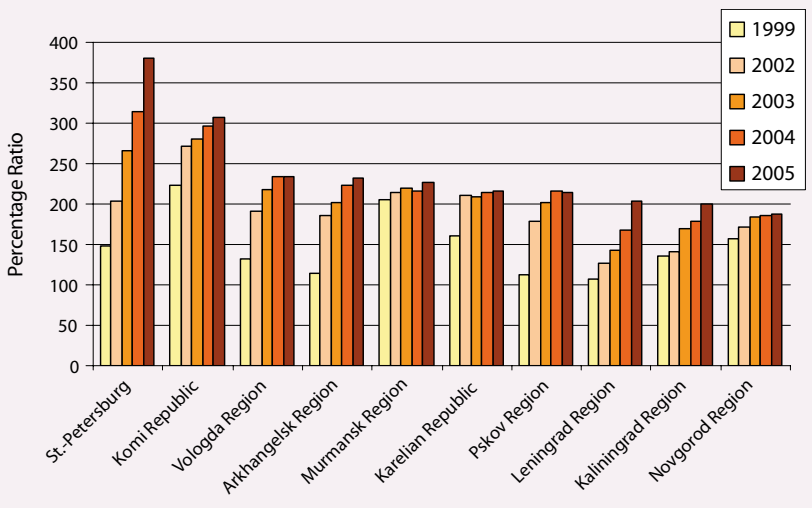


dominated by processing industries. Migratory outflow from these regions to St.-Petersburg has continued over many decades, leaving them with elderly populations (particularly in rural areas). Although they have similar social problems, Pskov is still mired in economic depression while Novgorod has achieved an average level of development thanks to success in attracting investments (including foreign investments).

The population structure in the exclave Kaliningrad Region was defined by post-war migrations from Central Russia. In the 1990s, the "militarized" economy of the region went through a severe recession, which coincided with a considerable inflow of Russian migrants from Baltic countries. The region obtained status as a special economic zone in the 1990s, but has only begun to develop more rapidly as a "contact" border region in recent years.

Differences in living standart & incomes between north-western regions (adjusted for the cost of living) are less marked than between regions in the Central District. Incomes in St.-Petersburg have begun to grow rapidly only in recent years: the ratio of per capita cash income to the minimum subsistence level increased from 1.5 to 3.8 in St. Petersburg between 1999 and 2005 (Figure 2.1). Besides St.-Petersburg, higher incomes are characteristic of the oil-producing Komi Republic and Nenets Autonomous District. In other north-western regions, recent levels of the income-to-subsistence-level ratio are more or less equal (between 1.9 and 2.3), as more poorly developed regions have received considerable financial assistance from the federal government.

Figure 2.1. *Ratio of per capita cash income to the subsistence level, %*



Income inequality is also smaller in the North-West than in the Centre. In most regions, the quintile cash income ratio (ratio of the richest 20% of the population to the poorest 20%) is between 5 and 7 (the RF average is 8.6). Above-average levels of the ratio – approaching 10 – are found only in St.-Petersburg and in oil-producing regions (Komi Republic and Nenets Autonomous District). A similar value of the quintile ratio is found in the oil-producing autonomous districts of Tyumen Region in West Siberia. Although income inequality in St.-Petersburg is only half of that in Moscow, it virtually doubled (from 6 to 10) between 1999 and 2005. The benefits of faster economic growth are distributed very unevenly, and income polarization in St.-Petersburg is growing rapidly.

Economic growth has reduced the poverty gap (total income needed to raise those in poverty above the poverty line, expressed as a ratio of total personal incomes in a region). Biggest reductions in the poverty gap have been seen in depressive Pskov Region thanks to federal assistance, as well as in Leningrad and Arkhangelsk Regions. The income gap ratio fell by up to 0.8% in St.-Petersburg and by up to 2–5% in other regions in 2004.

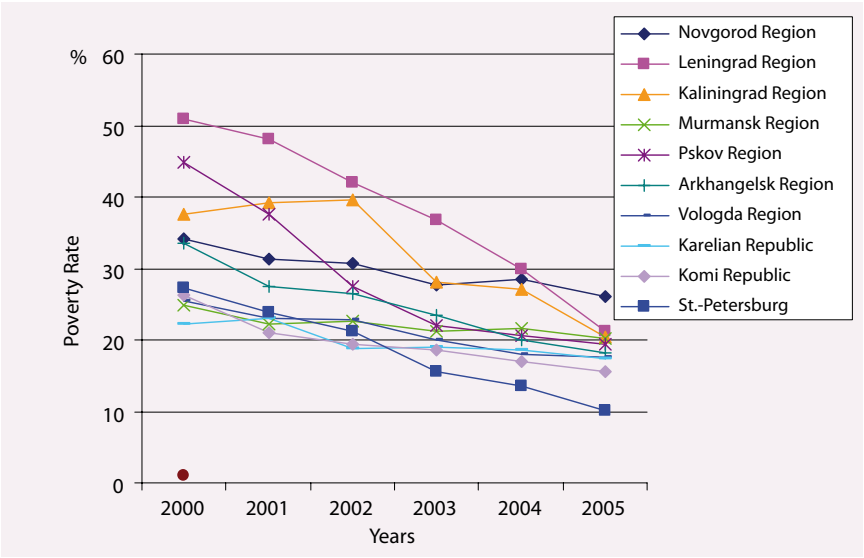
Another positive trend has been reduction of the poverty rate (the share of households living below the poverty line). The poverty rate has fallen most rapidly in the St.-Petersburg agglomeration (including Leningrad Region), which has the fastest economic growth rates in the North-Western District, but also in depressive Pskov Region, thanks to considerable assistance from the federal government (Figure 2.2). Levels of extreme poverty are not measured at the regional level, so only qualitative estimates can be made. In Nenets Autonomous District and Komi Republic, extreme poverty seems to be ethnically based: the autochthonous populations (Nenets and Komi) constitute most of the workforce in agriculture where wages are 2.5–3 times lower than the regional average – an inequality that creates a permanent layer of extreme poverty in the North.

The North-Western District can be divided into two zones regard to unemployment: a northern zone with consistently high unemployment levels, particularly among young people, and a southern zone with an elderly population, limited number of young people of working age, and, consequently, less competition on the labour market (Figure 2.3). Creation of new jobs has improved the situation on the St.-Petersburg labour market, resulting in a low youth unemployment rate. Jobs are particularly scarce in the North, where unemployment among the under-25s is over 20%. There is a lack of new industrial job creation in the North and market services are poorly developed there. Unemployment levels in the northern countryside are particularly high: rural unemployment is three times higher than urban unemployment in the Nenets Autonomous District and twice higher in Arkhangelsk Region. Young people in rural areas of the North do not want to work in the depressive agro-sector, which offers very low wages, and competition from older workers is strong in the public sector, so they are left with few employment alternatives.

Child health indicators are improving. Infant and child mortality in most of the North-Western District does not exceed the national average. The exception is the Far North (Figure 2.4). In particular, infant and child mortality in the Nenets Autonomous District is 1.5–1.8 times higher than the national average, due not only to harsh climatic conditions, but also to high child mortality among small indigenous ethnic groups. The causes are alcoholism and limited access to medical services in remote villages and among the reindeer herders who wander over the tundra. Economically-backward Pskov Region and Arkhangelsk Region (the latter also in the northern part of the federal district) suffer from mass alcoholism among both men and women in villages and small industrial towns, as well as inadequate access to medical services.

Maternal mortality indicators vary between regions, but drug addiction is a common risk. Kaliningrad Region and St.-Petersburg have high maternal mortality rates, and the highest ratios in the North-West of people who have tested HIV-positive are in St.-Petersburg and Kaliningrad and Leningrad Regions (all adjoining the Baltic Sea). The latter three rank 5th–8th in Russia by numbers of registered HIV/AIDS cases per 100,000 people, and the disease has reached near-epidemic proportions with a prevalence surpassing 0.5% of the popula-

Figure 2.2. *Poverty rate in subjects of the North-Western Federal District, %*



tion (Table 2.1). After the Baltic area, the number of cases has begun to grow in Murmansk Region, which also has numerous ports. A slow-down in spread of the disease is visible only in Kaliningrad Region, where AIDS began to penetrate as far back as the 1980s.

Kaliningrad Region has the worst figures in European Russia for incidence of tuberculosis and of death from the disease. The figures continue to grow and are currently 1.5 times higher than the national average (and comparable to poorly developed Kalmykia – see Figure 2.5). The region also used to have high child mortality rates, but this is now less of a problem. Tuberculosis mortality rates are also high and rising in Leningrad Region.

Clearly, regions on the coast and around St.-Petersburg have attracted a migratory inflow of marginal population groups, leading to spread of drug abuse, prostitution, and vagrancy. Problems of social disease cannot be solved by purely medical means, since they are a result of social maladjustment.

As in the Central Federal District, critically low life expectancy of men is the main gender problem, particularly in the regions around St.-Petersburg. Life expectancy of rural men in Pskov and Novgorod Regions and the Karelian Republic is just 50–51 years, and figures are similar in the Nenets Autonomous District, whose rural areas are mostly populated by small indigenous ethnic groups. Gender problems in the employment sphere are particularly marked in Komi Republic, where female unemployment is consistently higher than male unemployment (13% and 9%, respectively) due to predominance of raw material industries – forestry and fuel and energy – which are a male preserve (there is more on this issue and a broader picture of implementation of MDG goals in Komi Republic in Box-2.1). In other regions, including northern regions, the male unemployment rate is higher.

Political representation of women (in regional parliaments) differs considerably from region to region in the North-West: from 40% in the Nenets Autonomous District to 4% in St.-Petersburg and Novgorod (2004 statistics). Generally speaking, the proportion of women in regional parliaments is greater in the North (12–18%) due to the high status enjoyed there by doctors and teachers (both professions have strong female contingents and are strongly represented in parliaments). The share of women is minimal / minor (4–7%) in both St.-Petersburg and agricultural regions in the southern part of the Federal District, even though these regions are very different in terms of economic development and education levels. The correlation is different at local level: the proportion of women in local legislative bodies tends to be higher in localities with relatively fewer resources and more serious development problems.

All northern regions that extract raw materials or produce metals are marked by serious environmental problems. The steel-making town of Cherepovets ranks among the five worse Russian urban areas by annual

Figure 2.3. *Unemployment rate among the able-bodied population and young people aged 15–24 Years*

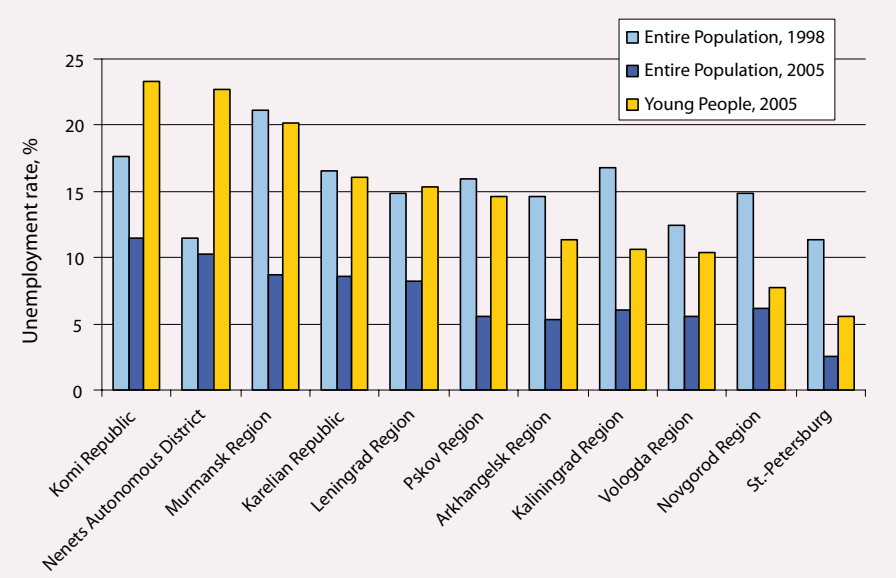


Figure 2.4. *Infant mortality per 1,000 live births*

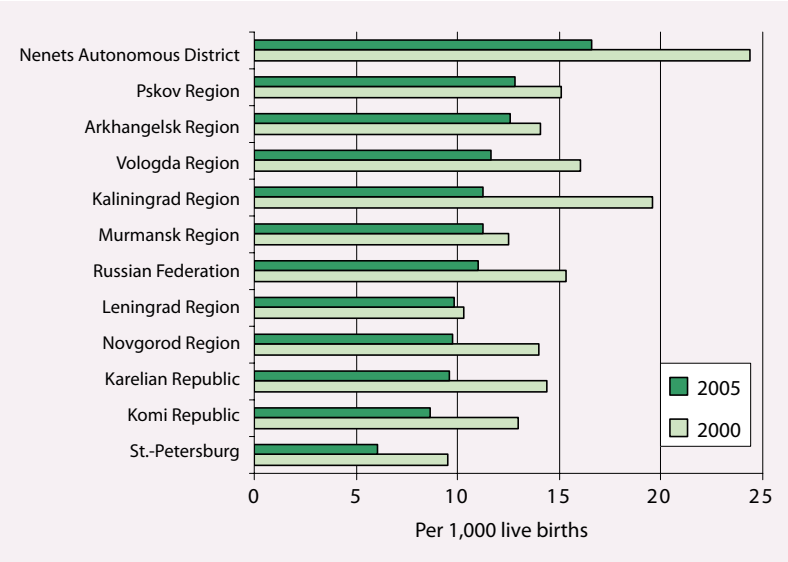


Table 2.1

North-western regions with the highest number of registered HIV/AIDS cases since 1987 per 100,000 population*

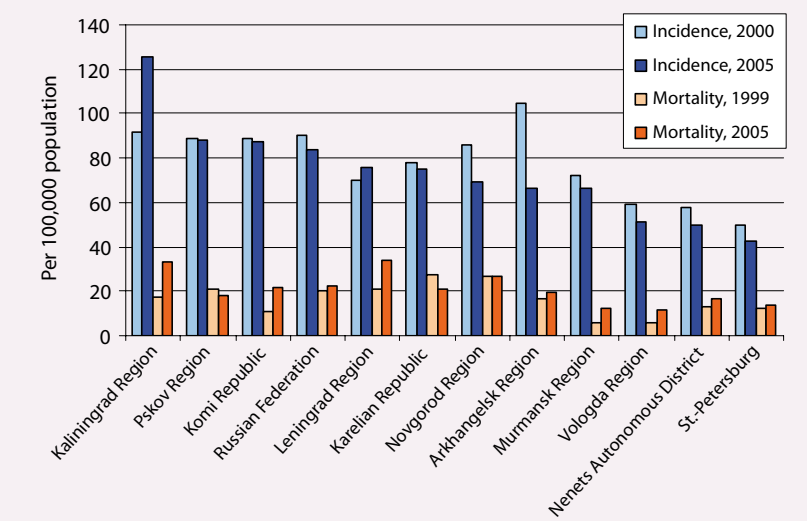
	2001	2005	July 2006
St. Petersburg	361	559	647
Leningrad Region	265	510	582
Kaliningrad Region	405	489	486
Russian Federation	144	210	235
Murmansk Region	no data	no data	186

** Figures of the Federal Research and Methodological Centre for Preventing and Fighting AIDS*

emission of pollutants, and the northern industrial towns of Vorkuta and Zapolyarny are in the top twenty. Emissions from the metallurgy plant in Monchegorsk (Murmansk Region) have turned the forests surrounding the town into a dead zone. Discharge of waste from pulp and paper plants into rivers and lakes in the Komi and Karelian Republics and the Arkhangelsk, Leningrad, and Kaliningrad Regions is a serious problem that dates back to Soviet times. MDGs indicators do not take air and water pollution into account, but it is a highly important factor for Russia. Another serious problem in taiga regions with a developed forest industry is shrinkage of high-quality forests, which do not revive after logging but are replaced by poor-quality growth. Official statistics are failing to capture these processes: they show that land area under forest even grew in north-western regions from 1993 to 2003.

The state of housing, water supply and sewerage varies greatly from region to region in the North-West. Indicators for the most urbanized north-western regions are much superior to the national average. Over 97% of housing in Murmansk Region has a water supply and sewerage system and the figure for Kaliningrad is about 90%. The indicators in Leningrad Region and Komi and Karelian Republics are close to or slightly below the national average. Water supplies and sewerage are much worse in predominantly agricultural regions, with a multitude of tiny villages and towns, and in regions where there are large numbers of settlements focused on the forest industry. Only 50% of housing has water supply and sewerage in Pskov Region, and the figures in Novgorod, Vologda, and Arkhangelsk Regions are 60% or below. The Nenets Autonomous District, despite becoming much more affluent in recent years due to oil & gas endowment still gives low priority to communal infrastructure, continuing the Soviet tradition of disregard for such issues in northern regions. Less than a third of housing in Nenets has water supply and sewerage and the proportion of housing in a poor or dangerous condition is 12% of the total. Arkhangelsk Region and Komi Republic also score high on the latter, negative indicator with 6–7% share of dilapidated housing. Living conditions in the European North of Russia still leave much to be desired, not only because of the severe climatic conditions but also because of long-standing disregard for people's basic needs.

Figure 2.5. *Tuberculosis incidence and mortality per 100,000 population*



Telecommunications, which are an essential condition for global partnership, are better developed, particularly in St.-Petersburg and coastal regions. The number of telephone lines per 100 people is 15–35% above the national average in St.-Petersburg and Murmansk Region, while indicators in other regions are close to the average. The number of telephone lines per 100 people in rural areas is highest in northern regions, where telecommunications are essential on account of remoteness of villages. Kaliningrad Region has low fixed telephone coverage in both urban and rural areas, but this is compensated by more rapid development of cellular communications: the number of cellular subscribers per 100 people had reached 60 by 2004. Mobile phones are even more popular

in St.-Petersburg and the Leningrad Region, where 85% of people were users in 2004. Generally, installation of new communications systems has progressed faster in the North-West than in the Centre (except the Moscow agglomeration), despite the remoteness and vastness of northern regions, which makes creation of transmission systems more difficult. Provision of up-to-date communications in the North-West is encouraged by frontier or coastal locations and higher per capita income in raw material regions and St.-Petersburg.

Development levels in the North-West are nor defined by a centre-periphery contrast, as in the Centre. This is due to the greater importance of raw material industries in the North West, which increase per capita incomes, but at the cost of greater income inequality and environmental problems. Development in the oil-producing Far North is particularly ambivalent: rapidly growing per capita incomes and a higher share of women in the legislature exist alongside high unemployment, poor living conditions, and inadequate child health. Only a small percentage of revenues from export-oriented raw material industries serve to accelerate human development and improve the quality of life, and indigenous northern ethnic groups see very few of the benefits.

Regions without raw material industries are problematic from the standpoint of many MDG indicators. In coastal regions, the social cost of globalization is high, as increased levels of drug abuse and AIDS infection are accompanied by marginalization of the local population and migrants, and spread of tuberculosis. In northern regions that live off the forest industry, youth unemployment is high, and housing infrastructure is particularly poor.

St.-Petersburg is relatively better off, but levels of drug abuse and AIDS are rising, maternal mortality is above average, and income inequality is growing rapidly. Leningrad Region, which surrounds St.-Petersburg, is experiencing the same problems, together with considerable poverty, especially in remote districts.

Box 2.1. MDG Attainment in Komi Republic

Economic development in the Komi Republic is a function of its raw material wealth and growing investments by major companies. The urbanization level is above the national average: over three quarters of people in the Republic live in urban-type settlements, and two thirds of urban dwellers are in the towns of Syktyvkar, Ukhta, and Vorkuta. However, the share of people in rural areas is higher than in other northern Regions, so problems with living standards, quality of life, accessibility of transport and development of rural infrastructure are particularly pressing.

There has been some positive effect from ongoing concentration of the population in large villages (over 3,000 inhabitants): the share of country people living in large villages increased from 17% to 23% in the period between the last two censuses.

The Republic's population is ageing, An elderly population entails a greater burden on the health and social systems, and the harsh northern climate has led to growth in the number of people with chronic diseases (by 16.3% in 2002–2004) and disabilities.

Ageing of the population is intensified by migration, since people of working age account for 60–70% of total migratory losses. More than 70,000 people of working age have left the Republic in the last 10 years. People are leaving northern towns (Vorkuta, Inta, and Pechora), which have particularly serious problems, but there are also significant outflows from relatively well-off oil & gas centres: the towns of Vuktyl and Usinsk have lost 20–25% of their inhabitants. As well as raising average age of the population, migration is adding to social problems and disorganizing the labour market.

Although the number of people of working age is shrinking by 1.5% annually, shortage of labour has arisen only in certain professions, and modernization of the forestry and coal industries has caused large-scale job losses, aggravating social problems in many settlements. Remote villages and logging settlements have been particularly affected as agricultural enterprises have closed and logging teams have been disbanded, forcing people to rely on their own resources. The mining towns of Inta and Vorkuta have also been affected by job losses. For these reasons unemployment in Komi remains high: the ILO unemployment rate was 11.5% in 2005 and the registered unemployment rate is 3.4%.

So production and sale of raw materials and high energy prices are not having strong positive impact on levels of well-being in Komi: major social problems remain, despite improving economic indicators. A sixth of the population in this potentially rich republic have incomes below the subsistence level. Poverty is closely tied to gender inequality in wages. Money is concentrated in "male" sectors, preventing women from rising to decision-making levels.

Goal 1. Reduce Poverty

Living standards in Komi are rising with increase of wages, which are the main source of income. Higher wages are due to the large share of oil & gas in the Republic's economy and to redistribution of oil incomes to other sectors, such as construction and services. However, growth of real wages in the Republic in 2005 (by 6%) was below the national average (10.8%). Wage differentiation across sectors is very great: wages in industry are three times higher than in the public sector. Inequality between districts is even greater on account of high salaries in the oil & gas industry. The Republic's towns and districts each tend to depend on one source of employment, leading to large contrasts between "zones of prosperity" (Ukhta and Usinsk Districts) and underdeveloped rural districts. Polarization of incomes is also above the national

Box 2.1. MDG Attainment in Komi Republic *(continued)*

average: the funds coefficient (income of best-paid 10% to 10% worst-paid) was 17.3 in 2005.

Growth of salaries in the Komi Republic has reduced the number of people below the poverty line: the poverty rate was 26.3% in 2000 and 15.5% in 2005. In 2004, only 4% of the population lived in extreme poverty (i.e., with incomes less than half of the subsistence level). A sample survey of households has shown that poverty risk factors include location in rural areas and the presence of dependents in the family. The fact that 63% of poor people are working gives particular cause for concern.

An estimate of the share of inhabitants with incomes below the subsistence level in Komi's towns and districts has shown that fairly good average poverty indicators mask a zone of deep poverty and isolated "pockets of prosperity". Worse-than-average poverty indicators are found in small towns (Inta, Pechora, Sosnogorsk), while oil towns (Usinsk, Ukhta) and the republican capital of Syktyvkar are the best-off.

The poorest groups of the population receive social assistance, but the system of social subsidies for families with children is ineffective: the subsidies are not adequate to pay for maintenance of children. The basic monthly allowance per child has not changed since 2001 and was just 70 roubles in 2005 to (2.3% of the subsistence level for children).

The Republic's poverty reduction programmes are focused on social improvement in villages, supporting employment and supporting small businesses development by subsidizing interest rates. However, socio-economic indicators continued to deteriorate in rural areas, suggesting ineffectiveness of the programmes.

Goal 3. Promote Gender Equality and Improve the Status of Women

There are a number of long-term gender problems in the labour sphere:

- women account for over 80% of low-paid employees in the public sector; the average salary of public employees is 53% of the average republican salary, and over a third of public workers have salaries below the subsistence level;
- the gap between salaries of men and women in various sectors shows no signs of diminishing: women's salaries in science and technical professions are 57% of men's, while the ratio is 85% in public health, physical education, and social assistance, 73% in education, 72% in industry, and 76% in the financial sector.

Female representation in the regional parliament (17%) is almost double the national average (9%), but the share of women in top executive government jobs is negligible: there is only one female head of the Republic's 23 town and district administrations. The figures changed for the better in 2006, but the changes seem to have been more apparent than real. Numbers of women heading local administrations increased, but this was a consequence of local self-government reform, which created a large number of new administrations with little genuine power, many of them headed by women. There are thus now 103 women among 190 heads of administrations in the Republic. There are no women among heads of Komi's court and law-enforcement bodies or among the Republic's representatives in the Federal Assembly and the administration of the North-Western Federal District. Women head only two out of nine republican ministries (the Ministry of Education and Ministry of Culture), although a woman has been elected speaker of the republican parliament, and women head two committees (out of three) of the State Republican Council.

Low life expectancy of men is another major gender problem and poses a serious threat to sustainable regional development. Life expectancy declined by 7.7 years among men and 4.5 years among women from 1990 to 2005. Whereas women lived 10.2 years longer on average than men 15 years ago, they lived 13.1 years longer in 2005. Indicators are particularly bad in rural areas, where life expectancy was 53 years for men and 66.3 years for women in 2005. One of the main causes of low male life expectancy is high mortality from external causes, including alcoholic poisoning and suicide (deaths from external causes are four times more frequent among men than among women).

Women's civil society organizations have been alone in drawing attention to questions of gender equality and justice in Komi. Such organizations include the Komi Republic Women's Union, the Women's Chamber of the Komi Republic, and the Komi Union of Women from Indigenous Ethnic Groups. A series of documents promoting gender equality were adopted at the forum "Millennium Development Goals: Development Prospects in the North-West", which was held in 2003. In 2004–2005, the Women's Chamber of the Komi Republic implemented the UNIFEM project "Gender Budgets in Russia". But, despite best efforts by women's organizations, equal opportunities for women and men in the Republic remain far from realization.

Goals 4–5. Reduce Child Mortality and Improve Maternal Health

A series of measures is being implemented to improve mother and child health in Komi. A three-level system for helping women and children has been introduced by obstetric services. Pregnant women with medium or high risk of labour complications are sent to give birth in the Republic's main hospitals. A remote consulting centre has been set up at the Republican Perinatal Centre to provide monitoring and emergency consulting in case of complications during births in villages. Consulting and diagnostic departments for pregnant women with a high risk level, particularly from rural areas, have been set up at the Republican Perinatal Centre and the maternity hospital of the Republican Cardiology Clinic. Emergency medical assistance by aircraft and automobile is available to people in need, including women and children, located in remote areas of the Republic.

These measures, several of which were part of Republic's programme for assistance to children, implemented in 2003–

Box 2.1. MDG Attainment in Komi Republic *(continued)*

2006, have helped to increase the share of normal births from 39% to 48%. The number of abortions fell from 216 per 100 births in 1999 to 137 in 2005. However, this indicator does not give an accurate picture, because it does not take account of abortions in private clinics. There are also several worrying statistics: prevalence of disease among pregnant women has grown by 1.4 times over the last 3 years, and the number of abortions among girls under 15 years of age has returned to growth since 2003 (from 12 cases in 2003 to 23 in 2005).

Infant mortality indicators in the Republic are better than the national average and they improved considerably in the early 2000s. Maternal mortality is falling, although this trend has not been unbroken (an upswing in 2004 may be a statistical phenomenon due to a small number of cases) (Table 2.2). The highest maternal mortality rates were recorded in rural districts: Ust-Tsilemsky (24.5 per 1,000 deliveries), Troitsk-Pechersky (18.9), Izhemsky (16.5), and Kortkerossky (14.6) Districts. Over a third of new-born children are born ill, while over half of women who gave birth suffered from anaemia.

Goal 7. Promote Sustainable Environmental Development

The Komi Republic is part of Russia's northern territories, which rank as an ecological resource of global importance: Komi is the largest forested region in Russia's European North. Extreme fragility of its ecosystems in the face of industrial encroachments makes environmental pollution one of the main issues for Komi. Pollution tends to be concentrated in areas of oil & gas, mineral and forestry production. Raw material industries account for 90% of total emissions, and atmospheric pollution is highest around oil & gas, pulp-and-paper, and oil refining facilities. These areas have higher child mortality rates from pneumonia and birth defects. The worst environmental indicators are in the town of Vorkuta: it accounts for half of the pollutant emissions in the Republic. Usinsk accounts for 15%, Ukhta for 8%, Sosnogorsk for 7%, and Syktyvkar for 5%.

Quality of housing and access to safe drinking water are key determinants of people's well-being and quality of life. Sustainable economic growth in the Region depends on investments in infrastructure and construction of quality housing. The International Bank for Reconstruction and Development has financed construction of a new water supply system in the town of Pechora. An agreement has been signed with the European Bank for Reconstruction and Development on a loan for modernizing the water supply system in the town of Syktyvkar, which has also received a water-supply grant as a participant in the Environmental Protection Programme of the EU's Northern Dimension project. An agreement has been signed by Ukhta Municipal Water Utility and the Nordic Environmental Finance Corporation (NEFCO) on a loan for implementation of energy-saving technologies in Ukhta's water supply and sewage systems.

Table 2.2

Maternal and infant mortality in Komi Republic, %

	2000	2001	2002	2003	2004	2005
Infant	13.0	9.4	10.9	9.4	8.7	8.6
Maternal	20.5	19.3	8.9	8.9	52.5	18.5

Goal 6. Combat HIV/AIDS and Tuberculosis

HIV/AIDS has not been a serious problem in the Republic so far: the prevalence rate is lower than the national average by a factor of 3.5. The largest numbers of HIV-positive individuals have been registered in the towns of Vorkuta, Syktyvkar, and Ukhta. They are mostly young people aged 21–35 years. Among newly registered HIV-positive individuals in 2004, 53% were infected through drug abuse and 42% through sexual transmission. Growth in sexual transmission of HIV shows that the infection is moving beyond the traditional risk group. Transmission of HIV from mother to child is also becoming a problem. A third of women who were diagnosed HIV-positive in 2005 were pregnant. However, this indicator may not represent evidence of increase in vertical transmission of the virus but rather of the fact that it has become easier to diagnose the problem and to provide necessary assistance to HIV-positive women, enabling them to deliver healthy babies.

In 2005, the first-time tuberculosis rate in the republic (87 per 100,000 population) was above the national average. The Udorsky District has the most unfavourable indicator (150 per 100,000 population), but tuberculosis prevalence has also increased by over 40% in the Kortkerossky, Pechorsky, Ust-Vymsky, and Ust-Kulomsky Districts. Growth of the first-time tuberculosis rate among women by 36% is particularly alarming. The tuberculosis mortality rate is also continuing to increase: over the last 15 years, the number of lethal cases grew by a factor of 3.9 – from 55 in 1990 to 218 in 2005.

However, indicators for provision of water, sewage and other housing infrastructure have not improved over the last four years: 71–74% of the housing stock is connected to water supply and sewage systems, 71% to sewage systems, and 49% has natural gas supplies. No improvements in the quality of mains water supply systems are visible so far: in 2004, measurements of water quality by chemical make-up deteriorated by 5% and microbiological indicators by 1.5%. Although the average share of unsatisfactory water samples is low in the Republic (3.3%), there are higher levels of 8% in Udorsky District, 14% in Koigorodsky District, and 16% in Izhemsky District. A third of people in the Republic (92% of them in rural areas) do not obtain their water from a mains supply. Approximately a sixth of the population (also mostly in rural areas) obtains water from low-quality sources.

Box 2.1. MDG Attainment in Komi Republic *(continued)*

A priority task in Komi is resettlement of people from northern coal mining towns, Inta and Vorkuta, where downsizing of the coal industry has led to social problems. This process is not proceeding as quickly as it needs to. Infrastructure in Inta and Vorkuta is in a dangerous state and unpaid debts for electricity supplies are increasing (some residential buildings and public facilities in Vorkuta were disconnected in 2004 due to debts).

Goal 8. Develop a Global Partnership

The Republic supports and develops various international initiatives. A Coordination Council of Business Associations has been set up to work with the Republic's government on promoting social responsibility among companies operating in the Republic. The Republic's representatives have also taken part in various international projects to further economic ties and cooperation, including "Industrial Partnership in the Barents Region" (a project addressing energy issues, oil & gas production, and economic development opportunities around the Barents Sea), and work of the Regional Council for Development of the Barents Euro-Arctic Transport Area (BEATA).

Russia's participation in global partnership depends directly on its success in resolving socio-economic problems of its regions, and one key socio-economic indicator – youth unemployment – is at worrying levels in Komi: 38% of all the unemployed in the Republic are aged 16–29 years. In 2005 the situation was aggravated by a 15% cut in federal financing of support for minors: the cuts forced reduction of labour adaptation programmes for the young.

Development of settlements in the Republic is hindered by lack of year-round overland transport communications, cultural and public services, and infrastructure. Komi has one of the lowest railway and road densities in the Russian Federation, and average distance between settlements is more than triple the national level. Despite low population density, the number of cellular phone subscribers per 100 population in the Republic has reached 71, and the total number of active cellular phone subscribers increased by 2.1 times during 2005.

Box 2.2. Human Development in Vologda Region

Vologda Region ranks consistently among the top Russian regions measured by economic potential, but its demographic potential is in decline. Population of the Region fell by 8% in the period 1990–2004, compared with a 2% decline for the Russian Federation as a whole. Population shrinkage makes best use of human potential even more important for attainment of the Millennium Development Goals.

Goal 1. Eradicate Extreme Poverty

Economic growth in the Region since 1999 has raised levels of material well-being. Real per capita income increased by 1.8 times over the period 1999–2005. The share of the population with incomes below the subsistence level fell from 34% in 1999 to 18% in 2005.

However, rise in incomes was accompanied by rapid increase in socio-economic differentiation. During 2000–2005, the funds coefficient (income of 10% best-off to 10% worst-off) grew from 8 to 11.1, and the Gini Index from 0.318 to 0.365. The share of people in extreme poverty increased from 1.4% to 2.5% during 2001–2005 and is now back to its level before the economic crisis of 1998. Analysis by the authors shows that there was an increase of 7.7 roubles in the top 20% income group for every rouble of income increase in the bottom 20% group.

Unequal distribution of the "fruits of growth" and growing social stratification are among the most negative social trends in recent years. If ownership of disposable property (in particular, real estate) is taken into account as well as income levels, real economic stratification proves even greater. The importance of the first MDGs for Vologda Region is evident.

Welfare support to the poor in Vologda is governed by the law "On state social assistance in Vologda Region". The poor and those in difficult circumstances are entitled to monthly payments for a period of one year or to one-off assistance from the regional government. The procedure for obtaining welfare support was simplified in 2006. Families with income below the subsistence level, as well as the homeless and people unable to work on account of illness, are entitled to the monthly allowance.

Goal 3. Promote Gender Equality and Empower Women

The number of working men and women is approximately equal in the region, as is employment in non-agricultural sectors. Representation of women in regional legislative government is gradually increasing: the number of women deputies in the Vologda regional parliament grew from 3 to 6 between 1999 and 2006 (from 9% to 18% of all deputies). Women head 3 of 8 standing parliamentary committees (Social Policy, Education, Culture and Public Health, and Local Self-Government), as well as the Commission for Procedure and Deputies' Activities.

Election of deputies and heads of municipalities, held in 2005 in the context of local self-government reform, offered a clear sign of the growing role of women in the Region's social and political life. Women took 63% of seats as deputies of representative bodies in urban and rural settlements and 54% of positions as administrative heads of settlements.

Vologda implemented a regional action plan in 2002–2005 for enhancing the social status and role of women in society, and since 2005 the Region has been a platform for

Box 2.2. Human Development in Vologda Region *(continued)*

a gender policy pilot project by the World Bank and Russian Ministry of Public Health and Social Development.

A standing Gender Policy Coordination Council, headed by the First Deputy Governor of the Region, was set up in 2005, and 7 working groups on priority areas of gender strategy are working under the Council's umbrella. A draft concept of gender policy in Vologda Region focuses on overcoming gender disproportions in education and the labour market, as well as gender education, health and life expectancy, measures to counter domestic violence, gender aspects of social security, and political representation and access to decision making. A resource centre, "Women and Business", has been opened to provide assistance to women who are starting their own business.

The Vologda Labour and Social Development Department is implementing a project, "Life without Violence", which aims to create a system for helping women and child victims of domestic violence (estimates suggest that there are over 1,500 women in the Region, who need such help). Crisis departments for women are being set up at social security centres.

Future gender development in Vologda will depend in large part on proper gender education for state and municipal civil servants, law-enforcement officers, public health and social workers, university students, school teachers and students, and cultural workers. This educational challenge is already being taken seriously. In 2005 the Canadian International Development Agency helped to organize seminars on gender issues for directors of municipal social security agencies, heads of municipalities, members of the Regional Coordinating Council, and staff of public health and education departments. Gender topics are being introduced in the curricula of all programmes for retraining of social workers.

Goals 4 and 5. Reduce Child Mortality and Improve Maternal Health

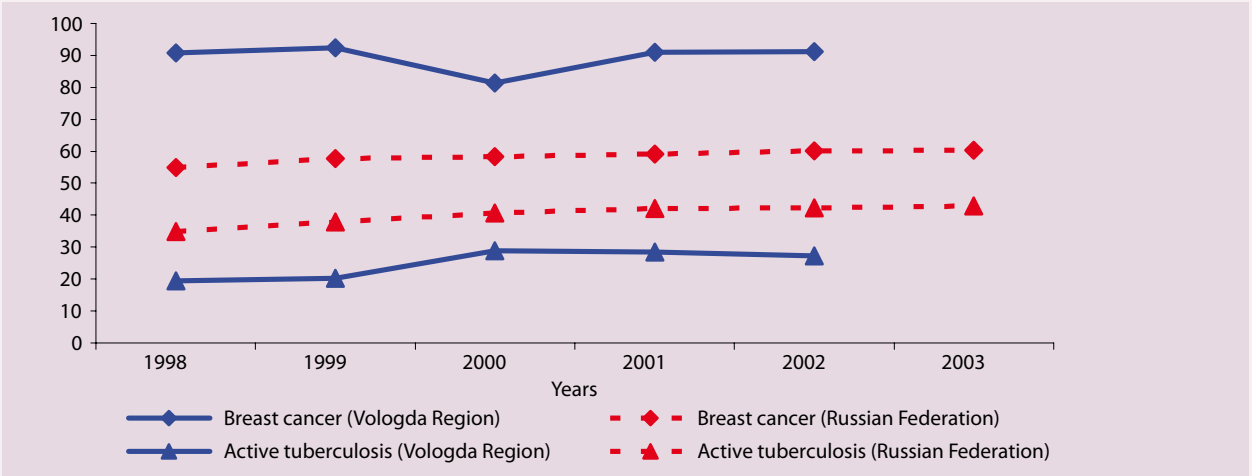
Low birth rates make it particularly important to prioritize better health care and combat mortality among children, as well as improving overall reproductive health. Various government agencies are working together in Vologda Region to address these issues in a systematic fashion. In 2000, the regional government drafted and approved a concept document entitled "Health-21: a Long-Term Policy for the Protection and Improvement of Public Health in the Vologda Region". Priority programmes include "Healthy Start in Life" and "Health of Women, Children, and Adolescents". Efforts are being made to support and encourage breastfeeding: the share of children who were breast-fed up to the age of 12 months increased from 24% in 2001 to 30% in 2004.

These measures have helped to reduce infant mortality, which was high throughout the 1990s. The infant mortality rate in Vologda Region fell from 17.3 to 11.6 per 1,000 live births between 2001 and 2005 and is now roughly equal to the national average. The infant mortality rate remains higher in rural than urban areas, but the difference between them shrank in 2005 (12.1 and 11.4 per 1,000 live births, respectively).

Infant mortality was reduced thanks to practical innovations (keeping mothers and babies together in hospitals, starting breast-feeding soon after birth, etc.), provision of modern equipment to obstetrics departments, high-quality intensive care for children, better personnel training, and establishment of special units for premature children. Starting from 2003, the medical aviation department has helped to organize monitoring of pregnant women with high risk levels in various parts of the Region. This will help specialists at the main regional maternity hospital to interact more efficiently with district specialists, providing essential medical advice and intervention.

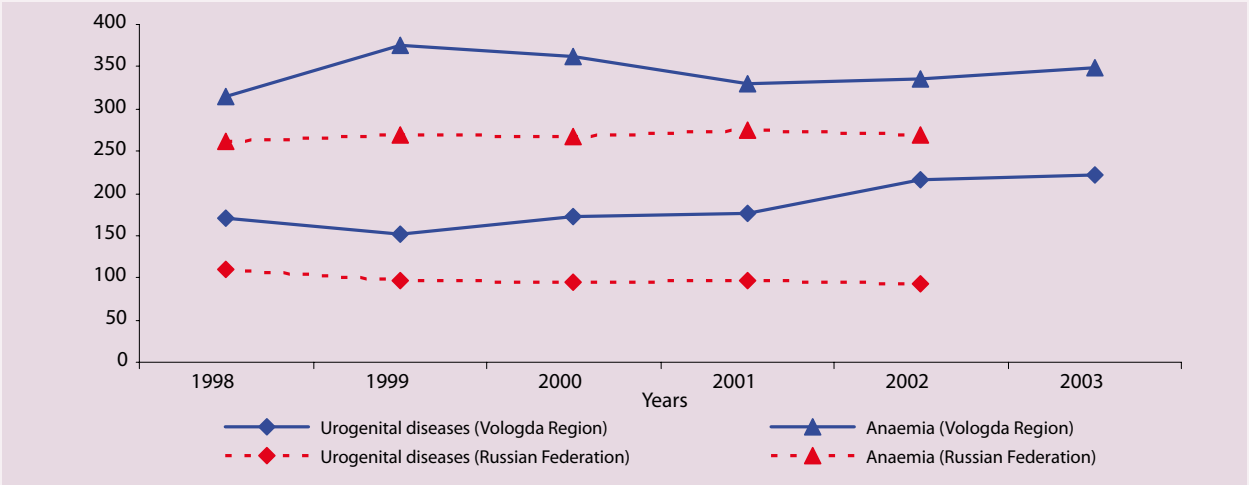
The maternal mortality rate is erratic, mainly due to the small number of cases, but it has shown a declining trend in recent years. The rate in 2005 was 8 maternal deaths per 100,000 live births. However, female health is deteriorating overall, as can be seen from growing prevalence of disease among women. The number of malignant tumours has increased (Figure 2.6), and the number of women suffering

Figure 2.6. *Prevalence of various diseases among women (per 100,000), %*



Box 2.2. Human Development in Vologda Region *(continued)*

Figure 2.7. *Female health during pregnancy and immediately before and after delivery (per 1,000 live births), %*



from tuberculosis rates is also growing. Levels of urogenital diseases among women in Vologda Region are double the national average, and the prevalence of anaemia is 1.2–1.4 times higher (Figure 2.7). Poor health among women undermines their reproductive potential and increases probability that they will give birth to unhealthy babies.

Goal 6. Combat HIV/AIDS and Tuberculosis

Tuberculosis is much less widespread in Vologda Region than in other regions of the North-Western Federal District and in the country as a whole. Nevertheless, trends are similar. There have been three major stages in development of the epidemic since the early 1990s: a rapid growth in registered prevalence during 1992–1994, stabilization in the late 1990s, and a new surge after 2000. Tuberculosis mortality grew by 3.6 times between 1998 and 2005 (from 3.2 to 11.6 individuals per 100,000 population), and steady increase in the number of active tuberculosis patients has been observed. The number of people who died of tuberculosis and did not seek medical assistance for the condition during their lifetime grew by a factor of 6 between 2000 and 2005.

Regional public health specialists says that spread of tuberculosis is due to insufficient preventive photofluorographic examinations, a growing number of homeless people, a rising number of people who do not seek treatment after release from prison, where they caught the disease, lack of a compulsory treatment system for patients who refuse to take anti-tuberculosis medication, and closure of tuberculosis rehabilitation centres in the Region. There are also a number of social factors, which tend to result in late diagnosis and spread of tuberculosis.

The HIV situation in the Vologda Region reflects the situation in the country as a whole. The Region has an average HIV prevalence indicator (65.0 per 100,000 population) by Russian standards. A serious problem in Vologda Region, as elsewhere in the country, is the high share of women of childbearing age among HIV-positive individuals, entailing a problem of HIV transmission from mother to child during pregnancy and childbirth.

An anti-HIV/AIDS programme has been launched in Vologda Region , and an AIDS Centre has been set up to counter spread the disease. Over 220,000 individuals (16.2% of the region's population) took AIDS tests in 2005. The Clinical Immunology Laboratory is equipped with all necessary equipment for up-to-date enzyme immunoassay (EIA) diagnostics as well as other recently developed analysis techniques, and the AIDS Centre carries out preventive work among various population groups. HIV prevention is discussed at youth events, including theme discotheques, rock concerts, and festivals. Training seminars, lectures and printed matter on AIDS prevention are provided to school and university students. The Centre supervises regional medical and preventive treatment establishments regarding HIV issues.

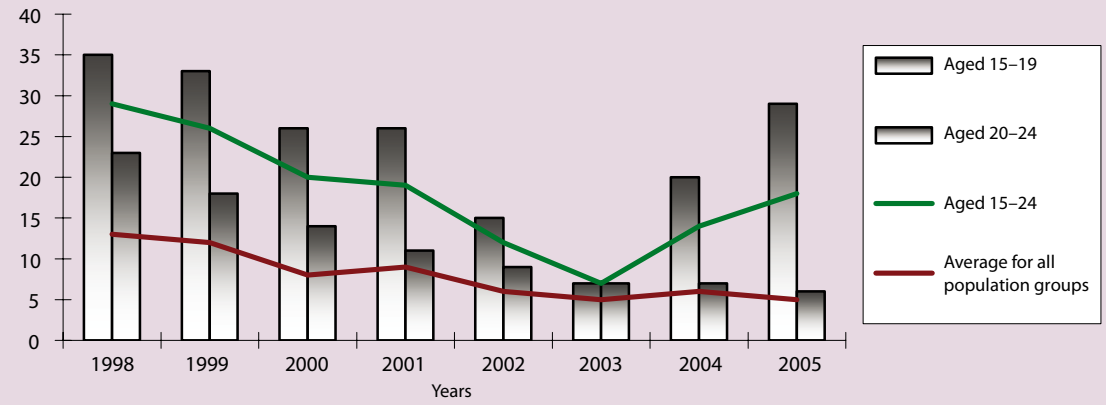
Although threats from tuberculosis and HIV require urgent attention, they only affect small population groups and do not have major impact on public health and the overall demographic situation. Greater positive impact on public health can be obtained from measures to combat cardiovascular diseases, which accounted for 1,042 deaths per 100,000 population in the region in 2005 (compared with a national average of 908 per 100,000) and mortality from external causes – injury, alcohol poisoning, suicide, murder, etc. (the regional mortality rate from external causes was 271 per 100,000 population compared with the national average of 221). These are the challenges, which need to be addressed in order to reduce high mortality rates and demographic losses.

Goal 7. Ensure Environmental Sustainability

Over 80% of Vologda Region is covered by forest. A network of protected territories has been created around the Region in order to protect its unique and largely untouched for-

Box 2.2. Human Development in Vologda Region *(continued)*

Figure 2.8. *Unemployment rate in Vologda Region (as % of able-bodied population in each group)*



est wealth. These territories cover 6% of the total area of Vologda Region.

The environmental situation in the Region is stable and tending towards improvement. The volume of harmful atmospheric emissions from stationary sources fell by 38% in the period from 1996 to 2005, and the volume of pollutants discharged into water sources fell by 67%. Up to 70–90% of pollutants were emitted and discharged without violating environmental norms, thanks to considerable growth of investments in measures to protect the environment.

Supplies of safe drinking water are another concern. According to specialists, 53% of people in the Region now use drinking water that does not meet hygienic norms, increasing the risk of infection or toxic effects. Carcinogenic risk levels to the adult population from chemical pollution of drinking water in the towns of Cherepovets and Veliky Ustyug are particularly high, and risk levels in the towns of Sokol and Vologda are judged to be unacceptable. Levels of chemical pollution in drinking water have been found totally unacceptable in the towns of Sokol, Vologda, and Cherepovets, and emergency measures are required in order to reduce carcinogenic risk levels.

Modernization and overall development of municipal water supply and sewage systems are a priority in reform of public utilities and housing infrastructure in Vologda Region. A programme for improvement of drinking water quality has been in progress since 1995. Water supply systems are being rebuilt in a number of rural settlements, sewage treatment facilities are being installed in the town of Gryazovets, and work on reconstruction of a water processing complex and pump station is continuing in Vologda.

Goal 8. Develop a Global Partnership for Development

The significance of this Goal for Vologda is high in terms of creating equal development conditions for all groups of the population and uniting efforts of these groups for sustainable development and increase of Vologda's competitiveness in a globalizing environment. Young people are a particularly important group, and a key issue for the young is employment. Overall unemployment in the region declined significantly in the years of economic growth, but youth unemployment, which also declined in 1998–2003, has been on an upward trend once again in recent periods (Figure 2.8).

A youth internship programme was active in the region up to 2002, by which the employment service sent young specialists for internships at organizations and companies. The programme was revived in 2005. It provides temporary employment for young unemployed people (aged 18–20) who have completed some professional training and are seeking employment for the first time. The internship scheme enables young people to obtain professional work experience in their area of specialization for a small remuneration instead of remaining unemployed and receiving benefit.

Creation of competitive advantages in the Region is an urgent task in a context of increasing globalization and emergence of an information society and knowledge economy. The aim to is support emergence of new regional elites, which could be part of the Russian and international information space while preserving their local socio-cultural identity. This can be achieved by designing and implementing a comprehensive youth policy and developing a system, capable of producing highly qualified specialists (particularly managers). One valuable step in this direction is establishment and development of a Corporate University by the local steel company, Severstal. The University operates on the premise that efficient knowledge management is a key production asset and means of securing competitive advantage.

Our analysis shows that, in the MDGs context, the key goals of socio-economic policy in Vologda Region should be to reduce inequality (promote equal access to services that contribute to human development) and reduce mortality. Attainment of the MDGs will be made possible through economic growth and a sound and determined policy for preserving and nurturing potential in the work place.

Volga Federal District. Development In Diversity

The territory from the Urals to the Mid-Volga is one of most diverse parts of the Russian Federation in terms of both ethnic make-up and economic development. The Volga Federal District (VFD) incorporates 14 subjects of the Russian Federation, including six republics and seven regions as well as the newly formed Perm Territory (created in 2005 by unification of Komi-Perm Autonomous District with Perm Region). The VFD accounts for 21% of Russia's population and about 17% of aggregate GRP.

Unlike the Centre and the North-West, the Volga Federal District is polycentric. Several of its regions have roughly the same levels of development, economic weight, and population. These regions compete for leadership of the District, although its official capital is Nizhny Novgorod. As well as lacking a dominant economic and demographic centre the VFD has a disjointed geographical space and road and rail networks, which are ill-suited for transportation inside the District – all major transport arteries lead to Moscow.

Regions of the Volga Federal District can be divided into three groups on a criterion of economic development. The most highly developed are the Republics of Tatarstan and Bashkortostan, Samara Regions and Perm Territory with per capita GRPs above or close to the national average. All these regions are industrialized and diversified; their industrial structure includes export-oriented sectors such as the oil and chemical industries along with a developed food industry and (currently less successful) machine building. Each of them has a major city with about one million inhabitants, and Samara Region has the country's third largest agglomeration (Samara-Togliatti), offering good conditions for development of the service industry. These leader regions have the highest per capita incomes in the federal district (Figure 3.1). Examples of current human development problems and efforts to address them in two leader regions (Perm and Samara) are given in Boxes 3.1 and 3.2.

The second group includes regions with average development levels and various economic profiles. The Nizhny Novgorod Region and the Udmurt Republic are mostly industrial with a high share of machine building, while the more southerly Orenburg and Saratov Regions have a mixed industrial-agrarian economic structure. Although their level of economic development is similar, these regions have markedly different social problems.

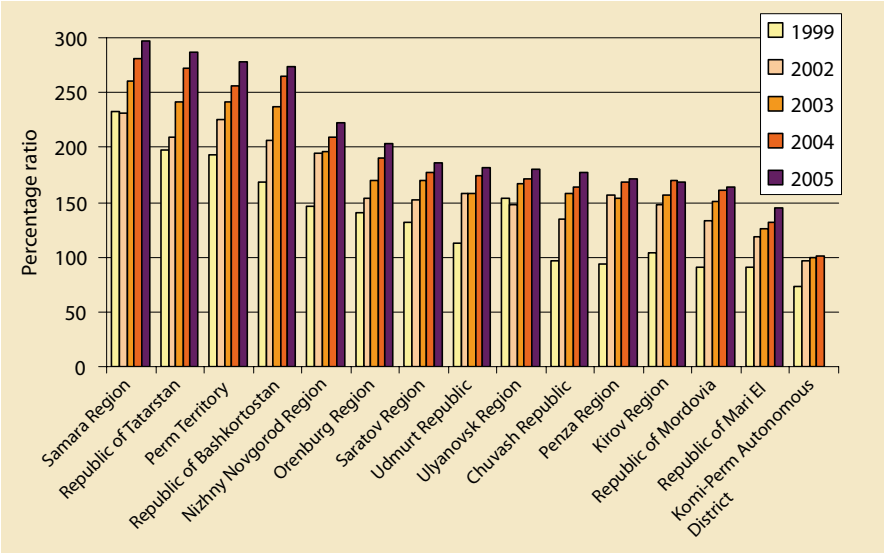
The third group, with 40% of VFD regions and a quarter of the District's population, has a lower level of development, mainly due to economic problems. The Penza and Ulyanovsk Regions, which specialize in machine building, experienced a severe recession in the 1990s and their primary industry remains uncompetitive. As a result, their per capita GRP is almost half the average across all RF subjects (adjusted for cost of living). In the northern Kirov Region, negative effects of depression in the machine-building industry are exac-

erbated by problems in the forest industry and underdeveloped infrastructure. In the Chuvash, Mordovian, and Mari El Republics, a general development lag is aggravated by stagnating labour-intensive machine building. The economic situation in the Chuvash and Mordovian Republics is somewhat better than in Mari El on account of more favourable natural conditions for agriculture, which provides supply inputs to the local food industry.

Despite the lag in economic development, all the problem regions have average per capita purchasing power. This levelling is the result of considerable federal aid. Nevertheless, in the underdeveloped Komi-Perm Autonomous District, even large-scale federal assistance, which accounts for over 70% of regional budget revenues, has not led to major improvements: the district lags behind on all socio-economic indicators, particularly per capita income.

Degrees of income inequality and poverty depend mainly on economic development levels and levels of federal support to regional budgets, and different regional governments have chosen different policies to support living standards. The Republic of Tatarstan has a long-standing practice of redistributing part of revenues from its oil industry to agriculture. This lowers prices for food products and raises incomes in the agrarian sector, smoothing inequalities. Tatarstan also spends significant sums on support for large families, and business has been co-opted to help implement a program for replacement of housing, which is in a dilapidated or dangerous state of repair. These policies

Figure 3.1. *Percentage ratio of per capita cash income to the subsistence level*



in Tatarstan are dependent on regional oil revenues and the federal government lends its assistance for major infrastructure projects. Similar policies are implemented in Bashkortostan, albeit on a smaller scale. Social support in Perm Territory and Samara Region is moving towards a more advanced model than in Tatarstan and Bashkortostan, with greater use of targeted assistance to the poor instead of large-scale redistribution.

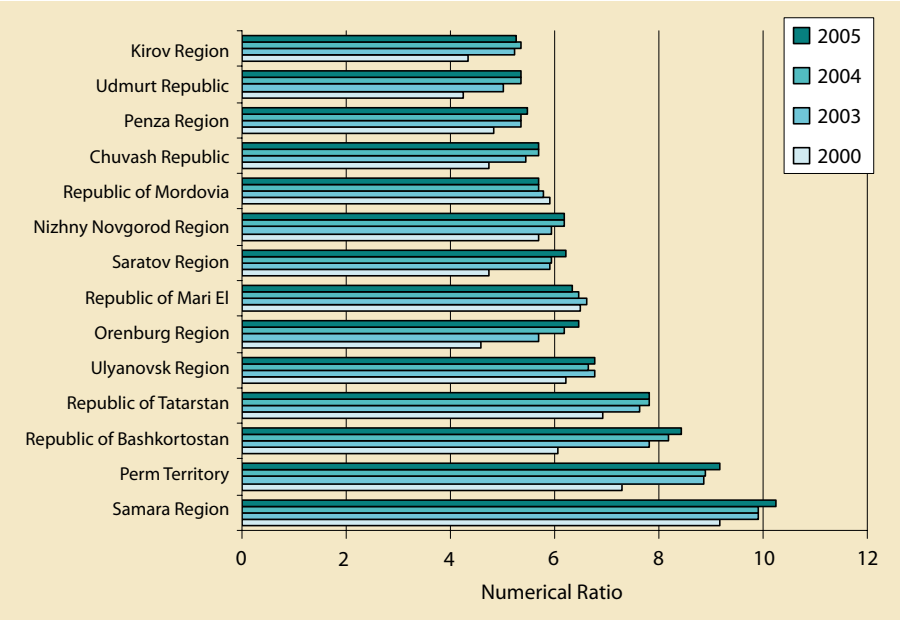
Regional policies have had limited impact on inequality indicators for the time being. The level of economic development is still the key factor and the overall pattern remains unchanged: income inequality in a region is directly proportional to per capita income. The income quintile ratio (ratio of the 20% of the population with the highest income to the 20% with the lowest income) is 9-10 in the economically developed Samara Region and Perm Territory and only a little lower at 8 in Tatarstan and Bashkortostan (Figure 3.2). The income quintile ratio in less developed regions of the VFD is smaller (5–6). Income inequality is growing more rapidly in developed regions, where the more abundant fruits of economic growth accrue mostly to those who are already quite well-off.

Although economic growth increases inequality, it also tends to reduce the poverty gap ratio (the amount by which the income of those in poverty falls short of the subsistence level, divided by total income of all the region's inhabitants) and the poverty rate (share of people living below the subsistence level). The poverty gap ratio in developed regions of the Volga Federal District has declined to the national average (about 2%), while the poverty rate decreased to 14–18% (Figure 3.3). Richer regions are able to apply more efficient mechanisms of targeted assistance to deal with poverty, because the scale of the problem is manageable. However, the poverty rate in most VFP regions is significantly higher (22–30%), although the poverty gap ratio has fallen to 4–6%. Progress in the most problematic regions has been minimal: in the Republic of Mari El, 40% of the population remains poor, and the poverty gap ratio is as high as 12% of total income, while in the Komi-Perm Autonomous District poverty remains extremely high with a poverty gap ratio of 25%. The prevalence of poverty in these regions (40–50% of the population) makes it hard to focus on extreme poverty, and therefore makes it hard to switch to targeted assistance.

The unemployment rate in the Volga Federal District is relatively low at 5–10% in 2005 compared with the national average of 7.4%. The only region with significantly higher unemployment is the Komi-Perm Autonomous District (17%). The MDG indicator – unemployment among young people aged 15–24 years – is designed to determine whether young people, many of them looking for their first job, can enter the labour market fairly easily. The general trend in the Volga District is that youth unemployment is twice higher than overall unemployment. Unemployment among the young is comparable to the national average (15% in 2005) in most VFD regions and exceeds 20% only in Mari El and Orenburg, both of which also have higher overall unemployment (9–10%). So youth unemployment does not rate among most critical problems in the District.

Child and maternal health indicators in the Volga Federal District are relatively good: infant mortality is below the national average in half of its regions and is falling in most places (Figure 3.4). The state of child and maternal health depends not only on the level of regional economic development but also on accessibility and quality of medical assistance, lifestyle, and the state of the environment. As a result, the lowest infant and child mortality indicators are found in republics, which have relatively dense populations and smaller incidence of asocial behaviour, and in Samara Region with its higher quality of medical service. In regions with higher infant mortality, the problem tends to be concentrated in rural areas: rural indicators are a third worse than urban indicators in Niznhy Novgorod Region and Perm Territory and nearly twice as bad in Ulyankovk Region. High levels of infant mortality in urban settlements are found

Figure 3.2. *Numerical ratio of cash income of the 20% of people with highest income to 20% lowest*



only in the Komi-Perm Autonomous District (28–53 per 1,000 live-born children in 2002–2004). Orenburg Region has high infant and maternal mortality rates due to a range of factors: environmental problems, a poorly developed health care system, and inflow of ethnic migrants.

The problem of social diseases in the Volga Federal District is focused on HIV/AIDS, which has spread rapidly through the District in recent years. Several regions have exceptionally high prevalence rates (Table 3.1). The number of registered cases in Samara Region is three times the national average (Irkutsk is the only Russian region with worse figures). The disease is concentrated in the Samara-Togliatti agglomeration, with its high per capita income and growing drug abuse, from where HIV/AIDS is spreading to neighbouring regions: the number of registered cases is double the national average in Ulyanovsk Region and 20% above average in Saratov Region. AIDS prevalence is triple the national average in the Orenburg Region, which is located in the south of the VFD on drug trafficking routes from Central Asia. Regions are unable to deal with this social problem, and the number of HIV/AIDS cases is continuing to grow rapidly.

Incidence of tuberculosis in the VFD is below the national average, but the attempts to reduce disease rates further have had little success. Incidence and mortality from tuberculosis are only a serious problem in Perm Territory, due to the large number of penitentiaries there, while higher incidence in Orenburg Region is due to inflow of migrants.

Gender problems in the Volga Federal District are not so acute as regards life expectancy and employment, but pronounced in the political sphere. The difference in life expectancies of men and women is 1–2 years smaller than in the Centre and North-West. Male life expectancy is close to the national average (58–59 years) in most regions and stands at 60 years in the Republics of Tatarstan, Bashkortostan, and Chuvashia. The Komi-Perm Autonomous District is the only region with an alarmingly low indicator (50 years). Gender unemployment problems are small: male unemployment is higher than female unemployment in most VFD regions and unemployment among men in the poorly developed Komi-Perm Autonomous District is almost twice as high as among women due to high male unemployment levels in rural areas. Rural women can more easily find jobs in the public sector (education, public health, etc.), but agriculture and the forest industries, which are the main sources of employments for rural men, are currently in a depressed state. Greater willingness of women to accept low-status and low-paid jobs is also a factor.

The VFD is marked by major gender inequality in political representation. The share of women deputies in regional parliaments in 80% of VFD regions is below the national average (at 9% the national average is itself low). The disproportion has become greater in recent years: in 1999–2004, the number of women in regional parliaments fell and even reached zero in two regions

Figure 3.3. *Poverty rate, %*

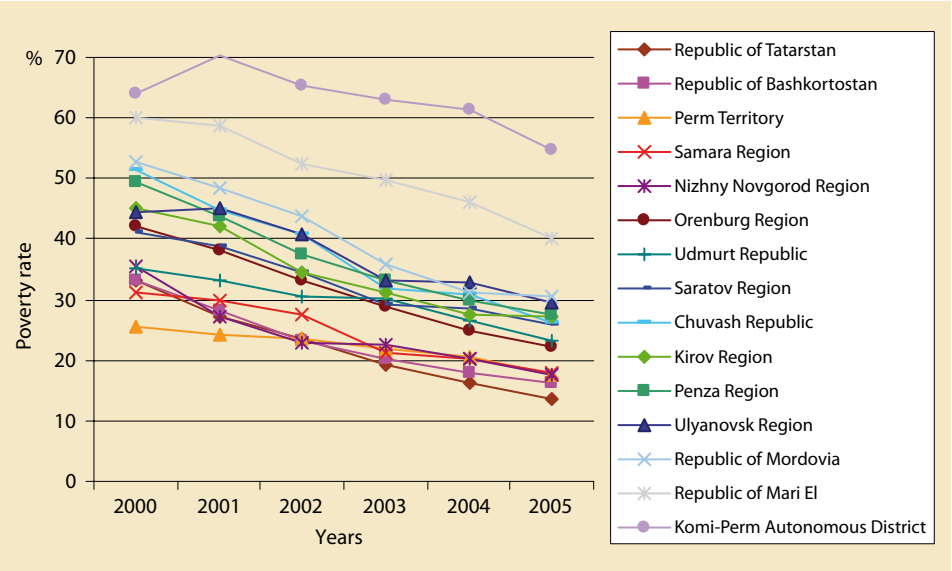


Figure 3.4. *Infant mortality per 1,000 live births*

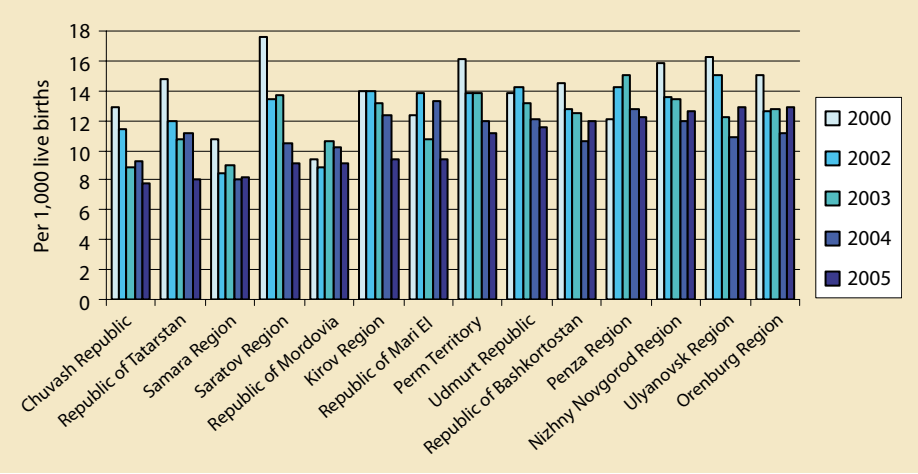


Table 3.1

Regions of the Volga Federal District with the greatest number of registered HIV/AIDS cases since 1987 per 100,000 population

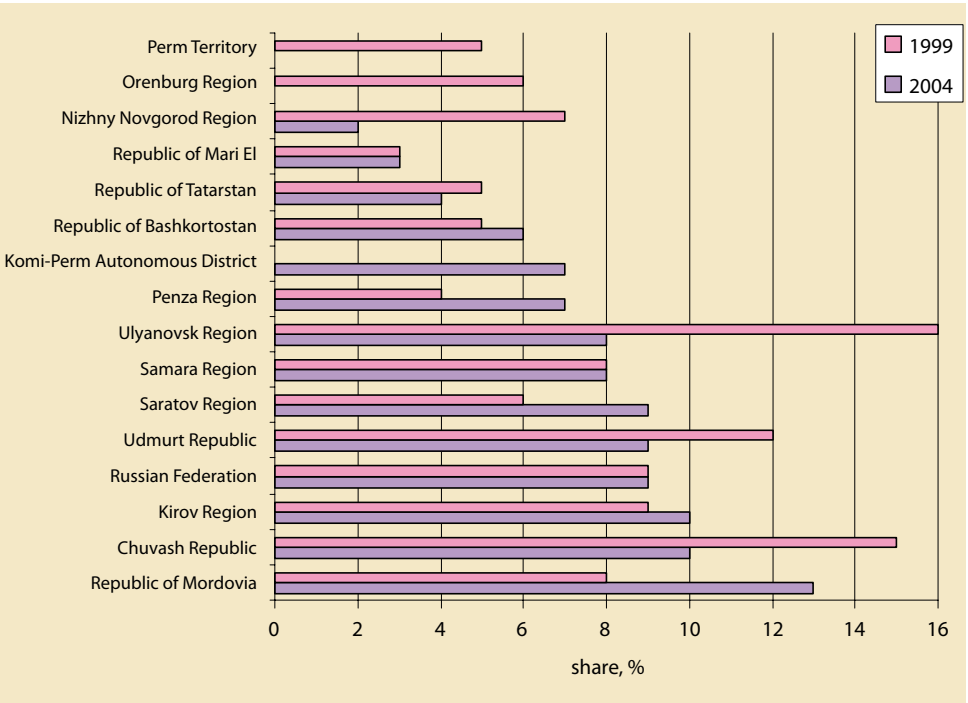
	2001	2005	June 2006
Samara Region	465	694	730
Orenburg Region	410	578	678
Ulyanovsk Region	328	435	483
Saratov Region	no data	241	278
Russian Federation	144	210	235
Perm Territory	no data	no data	220
Republic of Tatarstan	no data	no data	191
Volgograd Region	no data	no data	174

(Figure 3.5). As a rule, gender inequality is highest in more highly developed regions of the Volga Federal District, confirming the general trend in modern Russia: the richer the region, the lower the political representation of women.

Living conditions in most regions of the Volga Federal District are close to the national average. However, the underdeveloped Komi-Perm Autonomous District (now is a part of Perm Territory) stands out as regards MDGs infrastructure indicators. Over a quarter of its housing stock is in a dilapidated or dangerous state (the worst figure in the country, level with Dagestan) and only 14–16% of housing has mains water and sewerage. Relatively low indicators for mains water and sewerage in several republics (Chuvashia, Mordovia, and Bashkortostan, which show levels of 55–64%) are due to high shares of rural population.

The environmental situation is most problematic in regions with "dirty" industries. Air pollution is highest in Orenburg and Perm Regions, while the Samara Region and Bashkortostan suffer from water pollution. The VFD hosts a number of facilities where destruction of chemical weapons is carried out, creating extra environmental risk. Nevertheless, environmental problems in the VFD are less acute than in the Urals and Siberia: only two of its cities (Ufa and Orsk) figure in a list of Russian towns and cities with high levels of pollutant emission.

Figure 3.5. *Share of women in regional parliaments*



Development of telecommunications in the Volga Federal District is facilitated by high levels of infrastructure development and a considerable number of major cities. Samara Region remains the District leader for cellular communications: the number of subscribers per 100 people reached 63 in 2004, thanks to the Samara-Togliatti agglomeration and relatively high incomes. Nizhny Novgorod Region is in second place. Cellular communications are developing more slowly in agrarian regions and regions with low incomes: Penza, Kirov

and the Republics of Mordovia and Mari El. The number of fixed telephone lines per 100 population is somewhat smaller in Orenburg and Penza Regions and in Chuvashia, though the differences are insignificant.

The Volga Federal District serves as an example of the limited impact on MDG indicators of differences in regional economic development. Their influence is felt in income inequality and somewhat less in poverty indicators. It is barely visible in socio-demographic and infrastructure indicators; urbanization and the presence of major urban agglomerations have a greater impact on the latter. The spread of HIV/AIDS depends on a whole set of factors: high per capita incomes, urban agglomerations and frontier zones.

The large number of factors at play creates a mosaic of social development and makes it difficult to identify clear leaders. Tatarstan may well be the best among relatively well-developed regions in the VFD. Samara Region has a very serious HIV/AIDS problem, Bashkortostan has insufficiently developed infrastructure, while Perm Region has above-average tuberculosis prevalence and infant mortality, and no women in the regional parliament. In other regions, MDG indicators are more or less equal to the national average. Despite its considerable ethnic diversity, the Volga Federal District is socially "average". The only exception is Orenburg Region – a frontier region with a large inflow of migrants and marked by problems of drug abuse, prevalence of HIV/AIDS, above-average child and maternal mortality, and high unemployment, all made worse by the inherited problem of underdeveloped infrastructure.

Creation of Perm Territory by merger of Perm Region with Komi-Perm Autonomous District nominally eliminated a rank outsider: the Autonomous District suffered from serious economic underdevelopment and social problems, as all MDG measurements indicate. Elimination of Komi-Perm from regional statistics has not solved these problems. Financial aid must be maintained (Komi-Perm formerly lived predominantly from federal subsidies, which it now receives from Perm Territory) but there is also need for a program of socio-economic "rehabilitation" that would include creation of new jobs, considerable investments in human resources, and development of social infrastructure.

Box 3.1. Perm Territory in the MDG Context

Main economic development indicators of Perm Territory, which was created on 1st December 2005 by unification of Perm Region and the Komi-Perm Autonomous District, place it in a group of highly developed Russian regions, which are net donors to the federal budget. The Territory contributed 2% of gross national product of the Russian Federation in 2004. The relatively favourable state of the Territory's economy is mainly due to its natural resource wealth.

Perm Territory has one of the highest per capita incomes in the Russian Federation and ranks second in the Volga Federal District. However, the favourable state of the regional economy does not always mean a high standard of living for its inhabitants. Life expectancy is quite low (56 years for men and 70 years for women in 2004) and the mortality rate among people of working age is extremely high: 1,028 deaths per 100,000 population in 2005, compared with the national average of 502 per 100,000 in 2004. Accidents, injury, poisoning, murder and suicide were to blame for 36% of the working-age deaths. Perm also has the highest registered crime rate in Russia: 449 crimes per 10,000 population in 2005. The problem is being given close attention by the Perm administration, although the high indicator may be explained by various factors, including a better crime registration system than in other Russian regions.

Human development has been given much attention in Perm Territory in recent years. It is one of the five strategic goals set out by the regional administration (together with economic growth, infrastructure development, development of municipal formations, and better management of state and municipal property). A new executive agency has been established to coordinate attainment of the strategic goals and one of its divisions, the Human Development Department, established in 2005, has the task of formulating human development policy. The Departments is customer sorts with respect to other social agencies, including those with responsibility for public health, education, social security, and culture. Human development efforts of government departments are on a project basis and are described on the web-site www.human.perm.ru.

Goal 1. Reduce Poverty

Reducing the overall poverty rate is an urgent problem in Perm Territory: the share of people with incomes below the minimum subsistence level is relatively high, standing at 20.6% in 2004 and 17.7% in 2005 (indicators for the Russian Federation as a whole during the same periods were 17.8% and 15.8%, respectively). Such high poverty indicators in an economically developed region are explained by incorporation of extremely depressive regions into Perm Territory, particularly Komi-Perm Autonomous District (over half – 54.9% – of people in Komi-Perm Autonomous District had incomes below the poverty line in 2005). However, the poverty rate in Perm Territory has been steadily falling in recent years (it stood at 25.5% in 2000). If this trend persists, the overall poverty rate may fall to 12–13% by 2015, i.e. to half of its level in 2000, the year when the MDGs were adopted.

The share of people in extreme poverty (with incomes below half the subsistence level) is also quite high. At least

Box 3.1. Perm Territory in the MDG Context *(continued)*

13.6% of people in Perm Territory were in extreme poverty in 2004. But this indicator has also been falling in recent years. Depth of poverty is gradually decreasing, although the general Russian trend of income differentiation remains. Levels of indicators (adapted for Russia) of the Poverty Reduction MDG for Perm Territory are given in Table 3.2.

Table 3.2

Indicators (adapted for Russia) of the Poverty Reduction MDG in Perm Territory

	2000	2001	2002	2003	2004
Share of people with incomes below half the subsistence level, %	approx. 19.9 (estimate)	no data	no data	no data	at least 13.6 (estimate)
Poverty Depth Index, %	3.9	3.6	3.4	2.9	2.6
Share of the poorest quintile in total personal incomes, %	5.8	5.6	5.5	5.3	5.3

The "Self-sufficiency" target programme, which has been implemented in Perm Territory since the second half of 2004, offers a good example of approaches for improving quality of life and human potential among poor families. The aim of the programme is to improve the quality of life of poor families with children in the countryside. Unlike traditional programmes involving cash handouts, the programme provides targeted cash assistance to families for development of household farming and self-employment. The programme also aims to reduce social dependency and has an educational dimension: children are encouraged to learn from the example of their parents and to contribute to improving the life of their family. The programme uses innovative principles: it enlists help of the local community in selecting recipients, helped to prepare individual plans for each family on achieving self-sufficiency, and requires programme participants to assume reciprocal responsibilities.

An evaluation of programme results in late 2005 showed that the programme has improved quality of life for those taking part in it. Their incomes had grown, their employment situation had stabilized, and families had overcome many privations in consumption, which they previously experienced. The programme in Perm Territory has attracted interest from other regions: a similar programme was launched in Tyumen Region in 2007 and others are scheduled in Volgograd, Amur and Saratov Regions.

Goal 2. Access to Education

Generally speaking, access to secondary and further education is not a serious problem in Perm Territory. The only exception at present is pre-school education, where demand greatly exceeds supply in municipal kindergartens (district and municipal administrations have sole responsibility for organizing pre-school education). In 2004, 71.5% of children aged 1–6 years attended kindergartens in Perm Territory, down from 75% in 2003. The problem is particularly acute in cities. For example, the number of kindergarten places in the city of Perm in the first half of 2006 met only 76% of demand for 3 year-old children and 40% of demand for 2 year-olds.

The Perm Education Department has a project for reform of education financing, which should equalize financing levels in different parts of Perm Territory. The project should also improve access to quality education by freeing cash and channelling extra resources for equipping educational establishments and raising salaries of the people who work there. Financing of educational establishments, which reflects their pupil numbers, was already introduced in 10 municipalities of Perm Territory in 2006 and 80% of establishments have been provided with technology for measuring their resource expenditures. These measures have reportedly saved 100 million roubles of budget funds.

Goal 3. Promote Gender Equality and Empower Women

The current state of affairs in Perm Territory as regards gender equality and empowerment of women is hard to assess due to lack of information, although a few conclusions can be drawn from the available facts.

Using regional parliaments as instances of regional government and taking the MDGs indicator, adapted for Russia, which measures numbers of women deputies in such parliaments, we find that there were no women deputies in the Perm regional parliament over the period 2001–2005 and only one woman among the 15 deputies of the Komi-Perm parliament. Elections to the new parliament for Perm Territory in first-past the-post constituencies returned just one woman out of 59 deputies.

Labour and employment discrimination against women as well as domestic violence are fairly common phenomena. They are discussed in the section "Status of Women" in the last report by the Perm Human Rights Centre on human rights in Perm Territory in 2000.

The impact of socio-economic factors on public health and life expectancy (especially those of men) is a very urgent

Box 3.1. Perm Territory in the MDG Context *(continued)*

problem in Perm Territory. In particular, mortality from unnatural causes (accidents, injury, poisoning, murder, and suicide) among people of working age is high: unnatural causes accounted for 36% of all deaths in this age group in 2005.

Goals 4 and 5. Reduce Maternal Mortality and Under-Five Mortality

Average life expectancy in Perm Territory is 63 years (2004 statistics). However, the difference between the sexes is large (life expectancy for men is only 56 years, compared with 70 years for women), and both average and gender-based life expectancy indicators are declining: the levels for all people, for men and for women in 2000 were 64, 58, and 71 years, respectively. The mortality rate in Perm Territory has increased accordingly from 16.1 deaths per 1,000 population in 2000 to 17.6 deaths in 2004.

The under-five mortality rate has been improving, and, if this trend continues, the goal of reducing child mortality by 50% by 2015 can probably be attained. Infant mortality is also improving. Maternal mortality in Perm Territory fluctuates considerably, partly due to the small number of cases (Table 3.3).

Over the entire registration period, 743 children were born from HIV-positive mothers and 91.9% of them were born during the last five years.

The active tuberculosis prevalence rate remains high in comparison with other regions, although it has begun to fall in recent years. The number of first-time cases dropped from 133.7 to 110.5 per 100,000 population between 2000 and 2005, while the number of TB patients registered at medical treatment and prevention establishments decreased from 328.8 to 258.2. Improvement of the indicators is mainly due to lower prevalence among men (the number of first-time male cases dropped from 3,043 to 2,175). Among women, the number of first-time tuberculosis cases grew during the same period from 805 to 881. The tuberculosis mortality rate in 2005 was 28 per 100,000 population.

Spread of venereal diseases remains an urgent problem, although the transmission rate has fallen considerably in recent years. The number of annual diagnosed cases of gonorrhoea per 100,000 population decreased from 168.5 in 2000 to 115.7 in 2004 and the number of syphilis cases from 251.5 to 132.4.

Table 3.3

MDG indicators, adapted for Russia, for reducing maternal mortality and under-five mortality

	2000	2001	2002	2003	2004	2005
Maternal mortality (per 100,000 live births)	25.3	20.6	19.2	44.2	9.5	20.0
Under-five mortality (number of deaths per 1,000 children of this age)	no data	no data	16.1	17.0	14.6	14.3
Infant mortality (per 1,000 live births)	16.0	14.2	13.9	13.9	11.9	11.1

The regional health system has standardized its medical and financing arrangements in order to improve assistance to women and children and reduce maternal and child mortality. Work is being carried out to improve provision of intensive care to children of all ages.

Goal 6. Combat HIV/AIDS, Tuberculosis and Other Diseases

A total of 5,796 HIV/AIDS cases had been diagnosed in Perm Region by July 2006, giving a prevalence indicator of 220 per 100,000 people. This is slightly below the national average of 235 per 100,000. Spread of HIV/AIDS slowed down in Perm Region during the period 2001–2004: numbers of new HIV cases were 1,702 in 2001, 1,034 in 2002, 730 in 2003, and 572 in 2004. Considerable increase in the number of children born from HIV-positive mothers gives cause for concern: the share of HIV-positive children under the age of three years increased from 0.2% in 2002 to 1.4% in 2004.

However, infectious diseases are not principal causes of mortality. The main causes in 2004 were cardiovascular diseases, unnatural causes (accidents, poisoning, injury, murder, and suicide), and cancer (928.9, 318.3 and 195.5 deaths, respectively, per 100,000 population). During the same period, the infectious disease mortality rate was 27.2 deaths per 100,000 population.

Goal 7. Ensure Environmental Sustainability

Taking availability of safe drinking water as equivalent to availability of mains water, indicators for the former have improved slightly in recent years: the share of housing in Perm Territory with mains water increased from 74.2% to 75.5% in 2000–2004. Provision of sewerage, central heating, and hot water is also growing slowly but surely, as is average living space per person.

However, the share of housing in poor or dangerous state has shown little change for the better. This indicator

Box 3.1. Perm Territory in the MDG Context *(continued)*

stood at 4.2% in Perm Territory in 2004, compared with the national average of 3.2%. Regional and municipal target programmes have been implemented in recent years, aimed at renewing the housing stock. But the effect has been limited, partly due to under-financing.

Goal 8. Develop a Global Partnership

The tasks of this Goal have more overall relevance in the federal than the regional MDG context. However, Perm Territory has shown considerable progress in achievement of this MDG goal (adapted for Russia). The number of telephone lines per 1,000 population increased from 211 to 259 in 2000–2004, although demand is still far from being satisfied. In early 2005, there were 56,094 outstanding applications for a telephone line and 68.4% of rural settlements have no telephone connection.

Creating opportunities for young people to realize their professional, social, and leadership abilities is another important aspect of global partnership. In 2006, the administration of Perm Territory launched a regional project of social internships titled "Civil practices", which aims to promote socio-economic, public, civil, and creative activities of young people and insert them into the labour market. The 1,200 young people participating in the project take part in social projects and work of civil society organizations, learning how to work effectively as individuals and team members.

Perm Territory needs to pay most urgent attention to MDGs, which currently have deteriorating indicators, in order to reverse the negative trend. Key tasks are lowering income inequality, combating social diseases and other dangerous illnesses, and improving provision of pre-school facilities. Goals with steady indicators, that do not call for special measures, can be viewed as "second-order priorities". They include reducing maternal and under-five mortality, ensuring environmental sustainability, and improving the quality of housing.

One measure that should help to attain several MDGs at once is a project being implemented by the Territory's Human Development Department for restructuring orphanages in Perm Territory. The project aims to place more orphans and children without parental care in families by transforming orphanages into authorized centres for such placement . The project also has a strategic aim: to address the social causes of crime and (in the long run) to lower mortality among people of working age from unnatural causes. These aims should be attained by placing vulnerable children in foster families, which will then receive special support. Perm Territory is already among the Russian leaders in development of family placements: by the start of 2006 one third of all orphans and children without parental care had been placed in foster families (560 out of 1,708), and the share is scheduled to increase in the future.

In many cases proper analysis of MDG attainment is not possible because the necessary information is lacking. This makes improvement of the system for monitoring and analyzing human development progress an urgent task.

Box 3.2. Quality of Life in Samara Region in the MDG Context

In 2006 the Samara regional government adopted a development strategy for the period up to 2020, which harmonizes socio-economic policy targets with such key MDG areas as reducing poverty, assuring access to education, environmental sustainability, improving maternal and child health, and reducing gender inequality and social diseases. Achievement of the Millennium Development Goals is also enshrined in strategy documents developed by the Region's localities, both urban districts (e.g., Samara, Pokhvistnevo, Novokuibyshevsk, etc.) and municipal districts (Kinel-Cherkassky District, etc.). For example, the comprehensive socio-economic development programme in Pokhvistnevo includes raising life expectancy, lowering child and maternal mortality, reducing prevalence of tuberculosis and cardiovascular disease, raising levels of education, and increasing the share of housing with essential infrastructure.

Western European levels of life expectancy, living standards, quality and accessibility of education and healthcare, and efficiency of the social security system can only be attained in Samara Region if quality of regional human resources is high. Samara Region ranks 4th among the 89 subjects of the Russian Federation by the aggregate integral indicator of quality of life[1]. Over the last five years, real per capita disposable income in the Region has increased by a factor of 1.7. The share of people with higher or technical education exceeds national and world averages and is also higher than indicators in several developed countries. Finally, over 67% of people in Samara Region express satisfaction with their current lives (according to results of a survey by the Samara Branch of the Academy of Social Sciences in 2005).

[1] S.A. Aivazyan, *Elaborating and Analyzing Integral Indicators of the Quality of Life of Inhabitants of Samara Region*. Moscow, CEMI RAS, 2005 (in Russian).

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

Goal 1. Reduce Poverty

Poverty reduction remains a significant task for Samara Region, as in the rest of Russia. Almost 18% of the Region's population lives below the poverty line, and income inequality exceeds the national average (in Samara Region income of the best-off is 18.8 times greater than that of the worst-off, compared with 14.8 times in Russia as a whole). However, poverty in Samara Region is relatively shallow: a large share of poor households have disposable resources that are close to the subsistence level (according to the NOBUS survey conducted by Goskomstat in 2003).

Efforts by the regional government to increase employment and assure a decent level of salaries for employees helps MDG attainment with respect to poverty reduction. Small business and the trade and service sectors are developing rapidly, creating new jobs (about 67,000 new jobs have been created over the past five years, and employment in the Region has grown by almost 7%). Higher minimum wages have been achieved through partnership between employers, employees and government, and wages of social sector employees are being reviewed to better reflect job specifics and improve productivity. Samara ranks 1st in the Volga Federal District by public sector salary levels.

Improvements in the welfare system for vulnerable groups also promote reduction of poverty. About 120,000 people with incomes below the subsistence level receive monthly social assistance as prescribed by the law "On social assistance in Samara Region". The Region has set its own standards (different from federal standards) for the share of household budgets, spent on housing maintenance and public utilities, which justifies subsidies to help with bill payment. The transition from rebates and benefits in kind to cash subsidies has helped to improve welfare, enabling more differentiation in benefit amounts. Monthly cash welfare subsidies in Samara Region are among the highest in the Volga Federal District and are indexed to inflation. The Region also supplements state pensions of certain categories of pensioners, disabled war veterans, members of the families of soldiers who were killed on service or died as a result of injuries, and others.

The Region does its best to provide comprehensive social support for families, mothers, and children and to address demographic problems. Foster placement of children without parents has become common: 84% of children without parental care are now placed in foster families. Since 2005, poor families with children have been receiving cash subsidies from the Region, which go beyond federal government requirements, including a monthly child care allowance for non-working mothers with children below the age of 18 months. Families with large numbers of children receive additional social assistance. According to forecasts, these measures will halve the share of people living in poverty in Samara Region by 2015.

Goal 2. Improve Access to Education

Education is a key priority of public policy in the Samara Region. A network of 166 well-equipped schools in the form of "educational centres" (118 of them in rural areas) has been set up in order to improve accessibility and raise quality of educational services, particularly to schoolchildren in the countryside. In addition to the educational centres, small rural schools continue to operate, and new small schools are being opened. The share of children aged 7–15 years attending school is 99.9%. IT system are being installed in schools, providing a unified educational information environment: there is currently one computer per 23 school students, and 73% of schools have Internet access. Samara Region was one of the first subjects of the Russian Federation to start implementing federal pilot schemes for improvement of education management and financing (through establishment of school districts), for improved efficiency of budget spending, introduction of a single state examination, and testing models of pre-professional and professional training in senior classes of secondary schools.

Much importance is lent to integration of children with disabilities into the educational environment: a regional target programme to help schooling of disabled children and children with learning difficulties is being implemented over the period 2005–2008, schemes for educating children with disabilities at home have been adopted, and the number of specialized educational establishments for integrating children and adolescents with development problems has increased (from 36 to 113 pre-school establishments and from 187 to 358 general education establishments over the period 2003–2006).

The MDGs seek to assure universal education and fight poverty, and the connection between education and the labour market is particularly relevant for Samara Region. People in the Region have some of the highest educational levels in Russia, ranking 7th nationally and 1st in the Volga Federal District by technical, university-level, and post-graduate qualifications. Several measures are in place to strengthen links between vocational education and the labour market: the regional government places annual orders for training of specialists using budget funds; 12 professional education resource centres are in operation; a regional pre-university module of education that takes employers' needs into account has been introduced; the systems of initial and higher professional education are being regionalized and unified; and a system of social partnership between employers and educational establishments is being established.

Goal 3. Promote Gender Equality

Creating conditions for gender equality is another important MDG target. Access to all stages of education is generally equal between the genders in Samara Region (secondary education coverage is the same for boys and girls and about 55% of students in higher education are female).

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

The principal gender problem in the Region, as in the country as a whole, is inequality between men's and women's wages (the latter are lower by 60%), which persists despite the fact that Russian women have higher levels of education. Women predominate among the unemployed in Samara Region (over 65% of total unemployment).

The Samara regional government attaches much importance to reducing inequality in political representation and wages. One in six of all heads of urban and rural settlements and one in four of all ministers in the regional government are now women. Over 20 women's organizations are active in the region. The Union of Women of Samara Region – the regional branch of the Union of Women of Russia – organizes special events including "Russian Widows", "Mother's Day", and "Woman of the Year". An association of regional NPOs "Women Leaders of the Samara Region" brings together women who have been successful in public, social, political, and professional life and a gender studies centre has been set up at Samara State University. Issues relating to improvement of women's labour conditions and labour protection are resolved through tripartite agreement (between the regional government, the union of employers, and the labour union committee) and collective agreements. Over 90% of the region's enterprises participate in collective agreements. A commission for social equality was set up at the Samara Regional Federation of Labour Unions in April 2001 and analogous commissions have been established at labour union committees of regional enterprises.

Goals 4–6 in the Public Health Domain

Development of the public health system plays a key role in MDG attainment by improving access to medicines and healthcare for all social strata, including the poor. The people of Samara Region obtain free healthcare through the Territorial Programme of State Guarantees for Provision of Free Healthcare. Over 8 billion roubles were allocated for programme implementation in 2006, most of which (64%) came from the regional budget.

Healthcare facilities are now undergoing stage-by-stage reorganization to improve access, particularly through development of outpatient medical care and introduction of a system of general practitioners. There are 755 general practitioners in the region today (nearly 20% of the total number of general practitioners in Russia), 14 general practitioner's offices are in operation, and a further 70 will be built in the near future. Development of the system of general practitioners will improve access to and quality of the entire range of outpatient/polyclinic services and raise medical and economic efficiency of healthcare, particularly in rural areas.

The regional public health system is introducing new methods for organizing and managing healthcare quality and developing high-tech forms of medical care. Samara is one of the national leaders in use of IT in healthcare. Private-public partnership is being developed to help in computerization of work by medical establishments, provision of medicines, creation of a telemedicine network in the Region, etc. Measures are being taken to improve public health and lower the prevalence of disease by developing a prevention system, introducing early detection and treatment (improving early detection of specific diseases such as cancer, tuberculosis, diabetes, and HIV/AIDS), checking the further spread of AIDS and improving detection of infected individuals, coordinating steps by various agencies to prevent drug addiction, resisting spread of drug abuse and reducing its prevalence.

Serious measures are being taken to combat HIV/AIDS, tuberculosis, and other social diseases, as called for by the MDGs. Prevalence of such social diseases as tuberculosis, chronic alcoholism, and venereal diseases in Samara Region is below the national average. However, HIV incidence is significantly higher than the national average. Many different organizations are now working to combat AIDS in Samara Region, including regional and federal government agencies and NPOs. Much importance is attached to preventing mother-to-child transmission of HIV. A detection, monitoring, prevention, and childbirth control system has been created for HIV-positive women, perinatal preventive measures are taken in 93% of cases, and perinatal mortality in this group is 10%, which is half the national average. A target has been set of reducing rates of perinatal infection of newborns to the international standard of 2%. Blood transfusion services are being improved in order to exclude transmission and spread of viral transfusion infections through donor blood and its constituents. A regional target programme is stepping up the battle against illegal drug traffic and drug abuse, and carrying out treatment and rehabilitation of drug addicts.

Measures to improve reproductive health are showing results in the form of lower child and maternal mortality. Infant mortality rates in Samara Region have been among the lowest in the Volga Federal District and Russia as a whole in recent years, and are comparable with European levels (8.2% in 2005). Obstetrics and children's departments are now better equipped. New techniques have been introduced in care of premature infants and to reduce mortality from congenital development anomalies (including efficient artificial respiration methods). Other improvements are being implemented in prenatal diagnostics and development of surgery (including heart surgery) for newborn children.

Lowering of infant and perinatal mortality owes much to work by the regional perinatal centre and a regional medical team specialized in neonatal pathology, which makes about 600 visits to rural districts throughout the Region each year. Six perinatal centres are scheduled to open in regional towns by 2009 and the regional development strategy for obstetric and gynaecological services plans investments in modern obstetric and perinatal technolo-

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

gies, genetics service, intensive care, outpatient technologies, and child and adolescent gynaecology. This strategy includes further development of family planning services, including services to help restore reproductive functions in families. Perinatal mortality fell from 10.3 to 7.6 per 1,000 live births and still births in 2000–2004 (compared with a reduction from 13.2 to 10.6 in the country as a whole), while infant mortality in the first year of life fell from 10.7 to 8.0 per 10,000 live births (compared with a reduction from 15.3 to 11.6 in the country as a whole).

Samara Region has a unified interdepartmental rehabilitation system for disabled children, based on the "Semya" ("Family") network of specialized centres. A system of early comprehensive assistance to children aged 0-3 years and their families is being introduced to help detect child developmental disorders and provide timely and adequate assistance. These services are provided to over 80% of infants.

Samara Region has relatively low maternal mortality compared with other parts of Russia: 12.8 deaths per 100,000 live births in 2005. Measures to discourage abortion are having positive impact on health of women of reproductive age. The abortion rate more than halved over the last decade, declining to 31 per 1,000 women of reproductive age. A medical and social family support system at different stages of the reproductive cycle has been put in place thanks to a network of family and child assistance centres and a family planning service, improvement of perinatal support, work to make hospitals more child-friendly, and transition to a system of general practitioners (family doctors).

The Region attaches much importance to promoting a healthy lifestyle, encouraging health, physical education and sports activities in local communities and the development of sport and other physical culture at regional schools. Measures are taken to promote all-around development of children and young people with disabilities. The Region has 22 health and sport organizations for children with disabilities, a Sports and Physical Culture Federation for the Disabled has been set up and annual paralympic games are held.

Goal 7. Ensure Environmental Sustainability

Samara is one of the most industrially developed subjects of the Russian Federation, and therefore gives serious attention to environmental issues, which are also part of the MDG programme. A proper natural resource management and environmental protection policy is essential for ensuring environmental sustainability. Main principles of such a policy are to reduce anthropogenic impact on the environment, protect natural resources, implement rehabilitation and preventive public health measures, etc.

Natural resource management programmes have been designed and are being implemented in the Region. In particular, a target programme for the period 2006–2015 aims to increase forest coverage in Samara Region in order to improve the local environment and to further aims of the Kyoto Protocol. Another programme for 2005–2010 allocates significant funds for improving quality of drinking water. The Region is also upgrading treatment of domestic wastewater and a long-term waste management strategy is being implemented, which makes use of waste recycling and land-fill, as well as a programme for reducing urban air pollution. Measures to increase use of natural gas (as the least polluting form of energy) are having major positive environmental impact. Regional and municipal government is introducing and implementing administrative and economic measures to promote rational natural resource management by modifications and extensions of federal law.

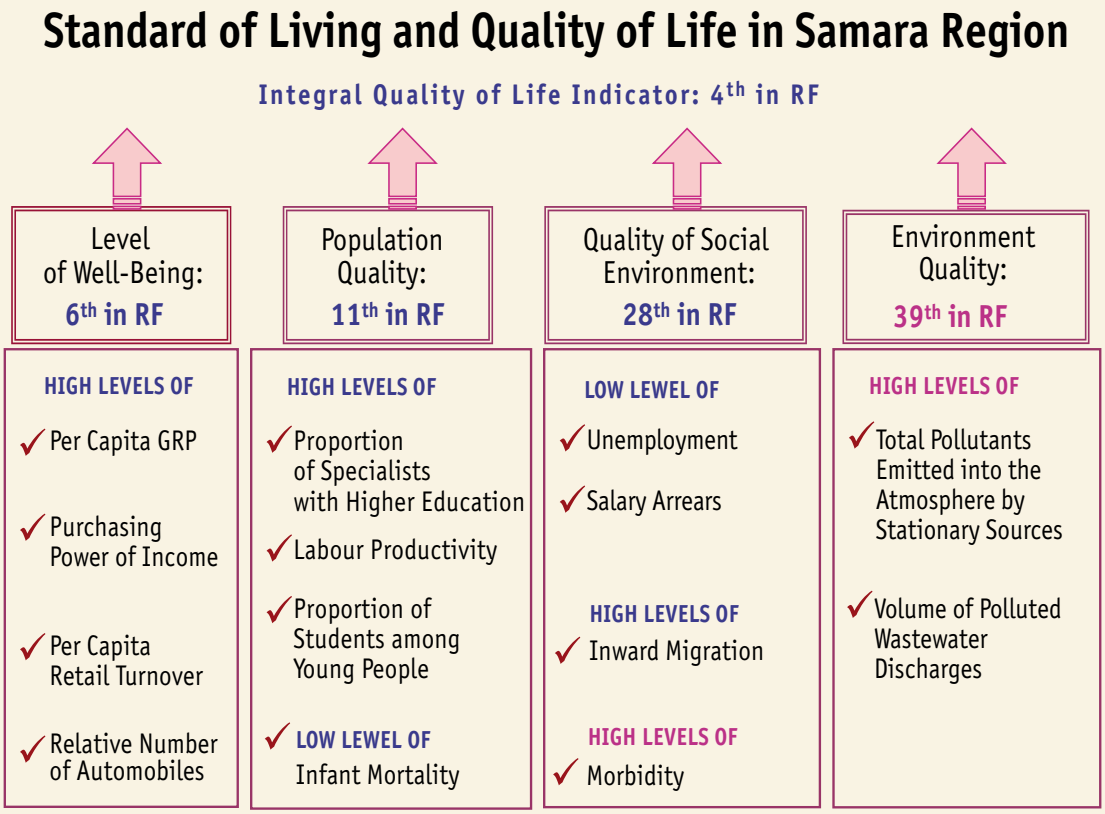
Goal 8. Participate in Global Partnership in Conformity with Russian National Interests

A developed civil society promotes human development, and civil society formation is being encouraged in Samara Region by policies based on a concept document, which calls for partnership between regional and local government and NGOs. As part of this initiative a Regional Civil Assembly has been set up at the Office of the Governor of Samara Region for purposes of discussing regional social development issues. Over 4,000 civil organizations are active in Samara Region, participating in a large number of environmental, educational, cultural, and gender projects supported by grants awarded at socio-cultural project fairs, held at the regional and federal district levels. The "Generosity" programme, which highlights good deeds by people in the Region and promotes development of charity and social initiatives, is well-established and well-known at regional level.

The eighth MDG sets the ambitious aim of building a global partnership for development. With its competitive economy, Samara Region has close economic and socio-cultural ties with such countries as Germany, USA, Ukraine, Kazakhstan, France, Italy, the Netherlands, Finland, Sweden, Czech Republic, Hungary, Poland, China, etc. The Region also works closely with international and national investment agencies. In early 2006, a delegation of the US Overseas Private Investment Corporation (OPIC) came to the region; the corporation assists the private sector in managing risks connected with direct foreign investments and supports investments into joint enterprises in developing markets. The International Financial Corporation has been active in the Region for a number of years, presence of foreign banks is expected to expand in the medium term and credit institutions with foreign capital have already begun to enter the Region's financial market.

Regional executive government has extensive experience in working with foreign non-commercial organizations such as the EU TACIS Programme, the

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*



Source: CEMI RAS Statistics

Dutch Programme for Cooperation with Central and Eastern Europe, the European Bank for Reconstruction and Development, the UK Department for International Development, etc.

Samara is a pilot region for several projects being implemented by the Russian government together with the International Bank for Reconstruction and Development. The project "Educational System Reform" has been implemented since 2003, supported by an IBRD grant of USD 16.8 million and is scheduled to last 3.5 years. The aims of the project are: to provide about 130 educational establishments with modern educational, laboratory, and computer equipment as well as their own vehicles; to retrain education managers; to set up a regional monitoring, statistical, and assessment system; etc.

The Millennium Development Goals have already been partially attained in Samara Region. Nevertheless, human development policy remains important. The regional government has defined the following long-term targets (up to 2020):

- bringing the Human Development Index up to the level of the most developed Central and Eastern European countries (0.86–0.88);
- increasing real money incomes by at least 2.4 times, increasing per capita money incomes to 40,000–47,000 roubles per month;
- reducing the share of the population with incomes below the subsistence level to 7–8%;
- reducing child mortality to 7% and maternal mortality to 10 deaths per 100,000 live births

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

MDG ATTAINMENT IN SAMARA REGION

Eradicate Extreme Poverty and Hunger	Poverty rate is 17.9% *Target: Halve poverty rate to 8–9% by 2015*
Achieve Universal Primary Education	99.9% of people in the Region have access to primary education *Target: Promote equal access to all levels of education regardless of place of residence and state of health*
Promote Gender Equality	Equal access to all levels of education has been achieved *Target: Eradicate inequality in political representation, discriminatory practices in wages and employment, etc.*
Reduce Child Mortality	The child mortality rate is 8.2 per 1,000 live births *Target: Reduce child mortality to 7 per 1,000 live births by 2020*
Improve Maternal Health	The maternal mortality rate is 12.8 deaths per 100,000 live-born children *Target: Reduce maternal mortality to 10 deaths per 100,000 live-born children by 2020*
Combat HIV/AIDS, Malaria and Other Diseases	Prevalence of social diseases is below the national average *Target: Improve HIV/AIDS prevention, detect and treat social diseases*
Ensure Environmental Sustainability	Environmental protection uses programmes and targets *Target: Preserve and improve the state of the environment, and protect public health*
Develop a Global Partnership	Strong economic and socio-cultural ties have been established with various countries *Target: Integrate the regional economy into international economic structures and participate fully in multilateral mechanisms to regulate international trade and economic, financial, scientific, technological and investment relations*

Southern Federal District. A Special Challenge

The Southern Federal District covers an area of 589,200 square kilometres (3.5% of the total Russian land mass) and has a population of 22.8 million (16% of the Russian total). The District is in second place among Russian federal districts by population density behind the Central Federal District.

The scale of socio-economic problems in the Southern Federal District (SFD) merits special attention from the MDGs standpoint. The District lags far behind the national average and takes last place measured by all main indicators, including per capita GRP, volume of capital investments, per capita cash income, and unemployment (Table 4.1). All the regions in the SFD receive federal assistance: federal subsidies per capita are 3.5 times more in the South than in other Russian regions.

The 13 regions of the SFD can be divided into two groups based on overall socio-economic development and MDG indicators. The first (relatively favourable) group includes Astrakhan, Volgograd, and Rostov Regions, Krasnodar and Stavropol Territories. These five regions account for 83.5% of the district's aggregate GRP (2004) and 82.4% of aggregate capital investments (2005). But even the SFD leaders lag far behind the national average. Per capita GRP of these regions almost half the national average, while per capita incomes and per capita investment volumes are lower

Table 4.1

Comparative socio-economic development indicators

	Per capita GRP, thousands of roubles (2004)	Unemployment rate, % (2005)	Per capita cash income, roubles (2005)	Per capita capital investments, thousands of roubles (2005)
Russian Federation	102.0	7.6	7,854	24.6
Southern Federal District	50.0	14.2	5,250	13.5
Southern Territories and Regions	57.1	7.9	5,617	16.1
Southern Ethnic Republics	30.5	29.9	4,261	7.8

by a factor of 1.5. The socio-economic situation of one of the leaders of the Southern Federal District – Rostov Region – is described in Box 4.1.

The second group of regions includes the ethnic republics of the Southern Federal District (Adygea, Ingushetia, Kabardino-Balkaria, Kalmykia, Karachayevo-Cherkesia, Northern Osetia – Alania, and Chechnya), whose socio-economic development lags both the rest of Russia and neighbouring southern regions. The human development problems of three republics (Adygea, Chechnya and Dagestan) are illustrated in Boxes 4.2, 4.3 and 4.4. Per capita GRP and capital investments in the southern republics are less than a third of the national average, and per capita income is almost half the national average. A quarter of the economically active population of the republics is unemployed (Table 4.1).

One reason for the current situation is undoubtedly proximity of regions in the Southern Federal District to zones of military conflict and political unrest in the North Caucasus. This factor hampers economic activity and reduces appeal of North Caucasus republics to investors. However, an important role is also played by the existing economic structure, including the aftermath of the Soviet division of labour.

A distinguishing and determining factor of the Southern Federal District is its traditionally agricultural economic profile. In 2004, agriculture accounted for 15.6% of GRP in southern regions, which is more than triple the national average (5.1%). Agriculture dominates GRP in all southern republics (except Adygea) and in Krasnodar Territory, accounting for as much as 30.6% of gross regional product in Kabardino-Balkaria. Agriculture remains the main source of formal employment in southern regions. In 2004, 19.0% of the District's working population was employed in the agrarian sector, which was almost double the national average (10.4%)[1]. The existing structure is relatively stable: whereas the number of agricultural employees in Russia fell by 1.5 times over the period 1995–2004, this indicator remained virtually unchanged in the Southern Federal District and even grew slightly in 5 regions (Kabardino-Balkaria, Karachayevo-Cherkesia, Northern Osetia – Alania, and the Astrakhan and Rostov Regions).

The main social problems of the Southern Federal District – poverty, unemployment, and a low standard of living – have "rural" causes, arising from incomplete transition not only to a post-industrial economy but even to an industrial one. Cut-backs in centralized state investments in agriculture in the 1990s and simultaneous privatization of former collective farms (*kolkhozy*)

[1] The difference between territories and regions, and republics according to this indicator is not sufficient – 18.0 and 22.0 % respectively.

and soviet farms (*sovkhozy*) along with rapid introduction of labour-substitution technologies by new farm owners led to rapid growth of unemployment (both visible and hidden), decline of living standards in rural areas, and degradation of social infrastructure that had previously been maintained by *kolkhozy* and *sovkhozy*.

Territories and regions that managed to preserve their former sources of growth and employment or find new alternative sources and to create institutional bases for development of small business and attraction of investments are the best off today. Ethnic republics have found themselves in a worse position, their development blocked by a range of special factors: natural population growth, unfavourable institutional environment (including high administrative barriers and low-quality governance at the regional and local levels), proximity to areas of armed conflict, and, as a result, low attractiveness for investors.

As a result, the ethnic republics of the Southern Federal District are experiencing levels of poverty and unemployment, which are unprecedented in Russia. According to criteria of the International Development Association (IDA), five of the southern ethnic republics rank as "low income" regions, while three (Adygea, Ingushetia, and Chechnya) rank as "low income – poorest" regions. Per capita income in Ingushetia, Russia's poorest region, is 2,231 roubles per month (first semester of 2006), which is about a quarter of the national average (8,724 roubles). The territories and regions of the SFD ranks as "low mid income" by IDA criteria. Even Volgograd, the best off region in the SFD, has per capita income almost a quarter below the national average (Figure 4.1).

It is worth noting, however, that any data on personal incomes in the Southern Federal District should be treated with caution due to the extremely high share of the shadow sector in the local economy, particularly in the national republics of the North Caucasus, which limits reliability of government statistical data. As the Plenipotentiary Representative of the President of the RF in the Southern Federal District, Dmitry Kozak, said at a regional summit in early 2006: "By the most moderate estimates, damage caused by the shadow economy in the Southern Federal District is about 50 billion roubles (the profit made by shadow businesses) while the volume of federal support is only 47 billion roubles"[2].

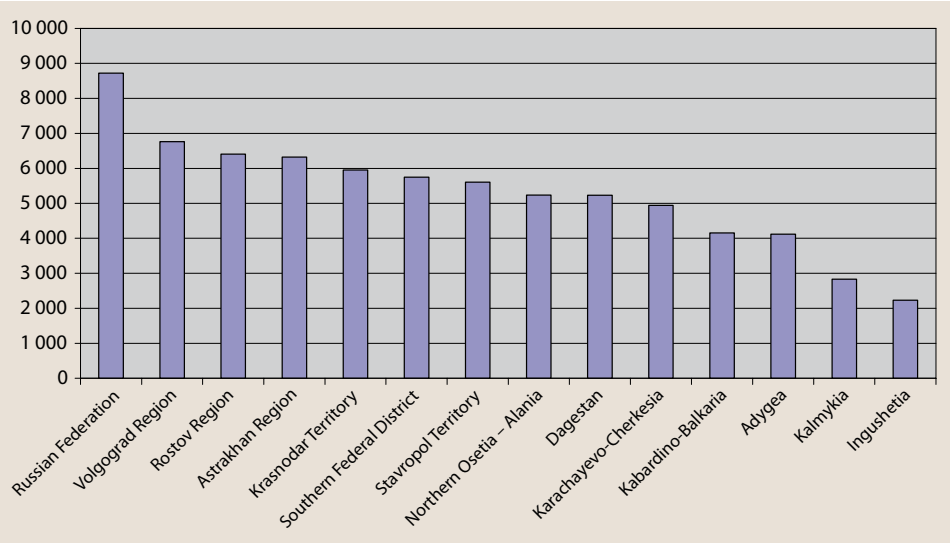
Ratio of incomes of the richest 20% of the SFD population to the poorest 20% is roughly equal to the national average and approximately the same across different SFD regions. As would be expected, the highest reading of this inequality indicator is found in the most economically developed southern region (Krasnodar Territory) while the lowest reading (5.25) is in the poorest region (Ingushetia).

Difference in average personal incomes between the Southern Federal District and other regions of the Russian Federation has shrunk considerably in recent years, largely thanks to the federal policy of budgetary levelling. Per capita incomes in 1995 were only 65% of the national average in the District's territories and regions and 43% in the ethnic republics, but these indicators had risen to 71% and 50%, respectively, by 2004 (Figure 4.2). There was a major improvement in 2004-2005, after development of the Northern Caucasus was made into a state policy priority .

The share of the SFD population with incomes below the subsistence level also fell considerably in 2000–2005 (Figure 4.3). The only exception is Kalmykia, the sole ethnic republic in the Southern Federal District that does not belong geopolitically to the Northern Caucasus and that has consequently been overlooked to a certain extent by state target programs and international donors.

However, it remains to be seen whether these trends will be sustainable. Up to now, the positive changes have been due to transfers from the federal budget as part of the government's levelling policy rather than to qualitative changes in the regional economy, which is developing less rapidly than the Russian economy as a whole. For example, aggregate GRP of the Southern Federal District fell from 8.2% to 7.5% of aggregate GRP of the Russian Federation in the period from 1995 to 2004, and capital investments in the District as a share of aggregate capital investments

Figure 4.1. *Per capita income in the first half of 2006, roubles*

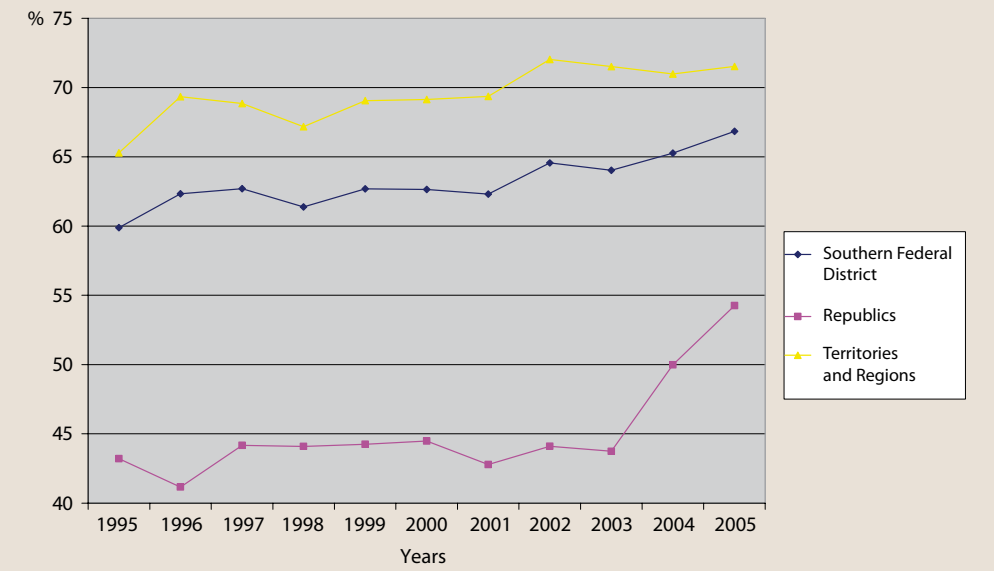


[2] Cited in the article "The Battle with a Shadow" published in *Severny Kavkaz* newspaper Jan. 31, 2006.

in the Russian Federation fell from 10% to 8.8%.

Labour markets in southern ethnic republics are too depressed to serve as a poverty reduction mechanism. For example, unemployment in Ingushetia reached an unprecedented level of 64.9% in 2005, compared with averages of 29.9% for southern republics and 7.9% for southern territories and regions. Whereas unemployment in the territories and regions is mostly structural, 97.3% of unemployment in the ethnic republics is simply due to lack of economic growth, which would be capable of creating jobs[3].

Figure 4.2. *Percentage ratio of per capita money income in the Southern Federal District to the national average*

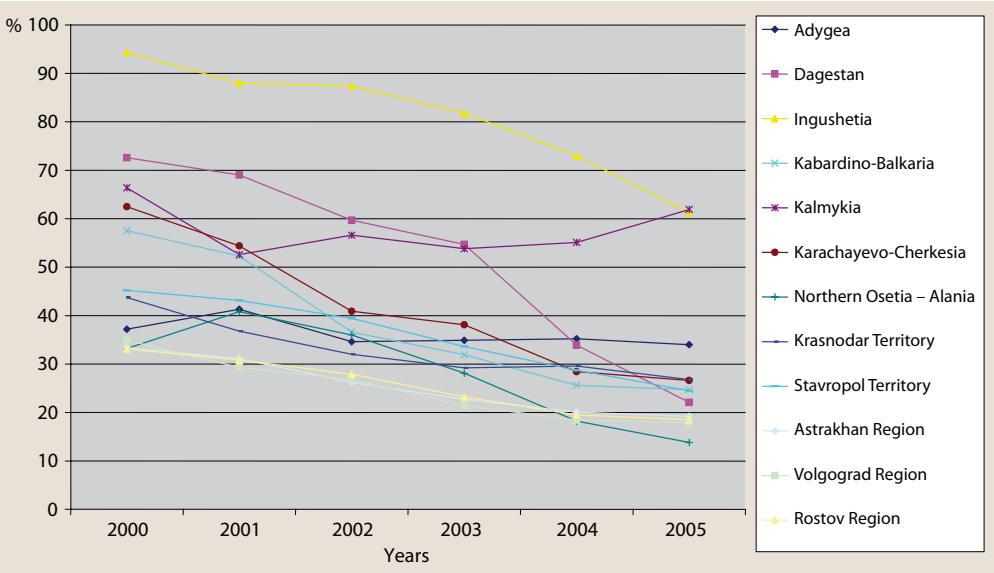


Unemployment in the republics is predominantly rural. Up to 30% of the workforce in rural areas of the republics is unemployed, compared with 18% in urban areas, and over 60% of all those unemployed are in the countryside. Difference between rural and urban unemployment in the territories and regions is relatively small (3%), and their more urbanized economies mean that unemployment is mostly concentrated in towns. Unemployment in ethnic republics tends to be long-term. Over 60% of all those out of work in the republics are chronically unemployed, whereas the share of the chronically unemployed in territories and regions is only 34%.

Youth unemployment, which is singled out for attention by the MDGs, is much more of a problem in the Southern Federal District than anywhere else in Russia. The situation is particularly difficult in the ethnic republics, where young people experience serious problems finding their first job. In Ingushetia, virtually the entire population aged 15–24 years is unemployed: according to 2005 statistics, youth unemployment rate in the Republic is 93.7%. The situation in Dagestan and Kabardino-Balkaria is also extremely difficult with youth unemployment rates in excess of 30%. Demography exacerbates the situation on the labour market: four SFD republics recorded natural population growth in the first half of 2006, with the highest figures in Chechnya (18.5 per 1,000 population), Ingushetia (10.7 per 1,000 population), and Dagestan (8 per 1,000 population).

One way of addressing problems of unemployment and poverty in the Northern Caucasus is to encourage labour migration and mobility, which are quite limited today (despite a widely held view to the contrary).

Figure 4.3. *Percentage share of the population with incomes below subsistence level*



[3] Jan Rutkowski, *How to Increase the Number of Jobs and Enhance Their Quality: Prospects for the Southern Federal District (in Russian)*. World Bank Analytical Note, 2006.

According to a World Bank study, the 10 Russian regions with the highest share of labour migrants in families include only two regions from the Southern Federal District – Dagestan and Rostov, which rank third and eighth, respectively[2].

MDGs indicators relating to child and maternal health (infant, child, and maternal mortality) are close to the national average in most southern regions. This is largely a result of the District's relatively favourable climate. The region with the worst infant mortality rate in recent years has been Ingushetia: 24 per 1,000 live-born children in 2005 (Figure 4.4).

The Southern Federal District traditionally has a lower abortion rate than any other part of the Russian Federation. There were 76 abortions per 100 births in the SFD in 2004, compared with 122 abortions per 100 births in Russia as a whole. The number of abortions is very small in republics of the Northern Caucasus: 13 per 100 births in Ingushetia and 29 in Dagestan. One can give various explanations of the situation – to begin with culture, religion and traditions of the society and to finish with the incompleteness of the statistical data.

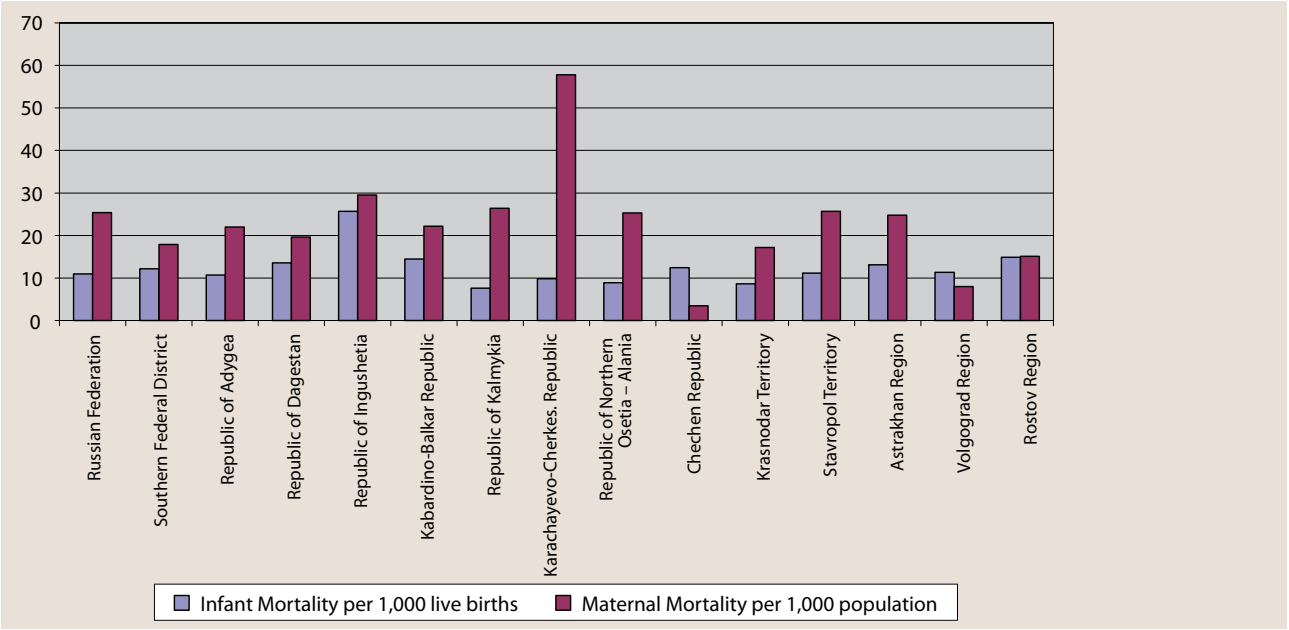
The under-five mortality rate is a good indicator of the state of a public health system and only the Siberian and Far Eastern Districts, where climatic conditions are a lot worse, have higher under-five mortality than the SFD. Ingushetia stands out by this indicator with 28.2 under-five deaths per 1,000 – 2.5 times more than the national average.

Levels of social disease (HIV and tuberculosis) indirectly confirm that the Southern Federal District has serious problems in its public health system. Prevalence of active tuberculosis is lower in the District than in Russia as a whole (75.5 and 84.0 per 100,000 population, respectively), but this is unsurprising given the favourable climate and a relatively more rational attitude towards health. Meanwhile, the tuberculosis mortality rate is higher than the national average (23.3 as opposed to 22.5). The SFD has the worst ratio in Russia of active tuberculosis to tuberculosis mortality. The problem of tuberculosis is most acute in Kalmykia and Volgograd Region, which have prevalence rates of 130.0 and 115.0 per 100,000 respectively, and in Astrakhan Region, where the mortality rate is nearly half of the prevalence rate (41.7 and 88.4, respectively) (Figure 4.5).

HIV/AIDS is more prevalent in the regions of the SFD, led by Volgograd Region, Krasnodar Territory, and Rostov Region. According to statistics of the Federal AIDS Centre at the end of September 2005, the number of HIV-positive individuals per 100,000 population has reached 171.4, 99.6 and 70.9 in these regions. In ethnic republics, the number of HIV-positive individuals is insignificant by Russian standards, which can once again be explained by traditional lifestyles.

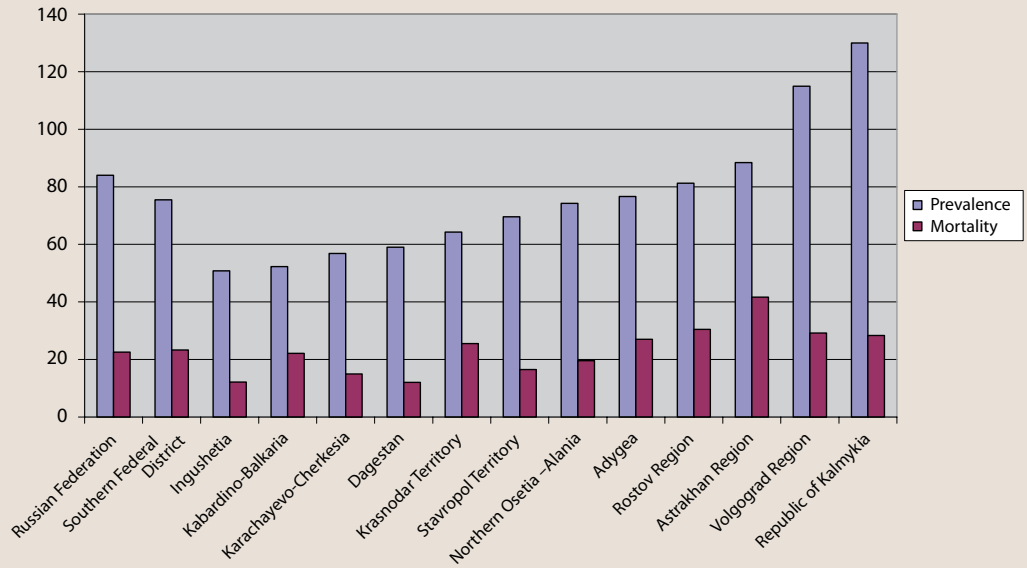
Public health indicators depend to a large extent on living conditions, particularly as reflected in infrastructure and environment indicators. The Southern Federal District has serious residential infrastructure problems and is second worst off in Russia, measured by the share of housing with mains water and sewerage (only the Siberian Federal District has worse figures). The situation is particularly difficult in Kalmykia and Dagestan, where only 44.3% and

Figure 4.4. *Infant and maternal mortality rates*



[4] I. Denisova and N. Mkrtchian, *Labour Migration in the Southern Federal District of the Russian Federation* (in Russian). Analytical Report Prepared for the World Bank, 2006.

Figure 4.5. *Active tuberculosis prevalence and mortality rates per 100,000 in 2005*



49.9% of housing is connected to mains water (2005 statistics). In Ingushetia only 43.2% of total residential housing (measured by floor space) has sewage systems, and in Dagestan this indicator is even lower (40.1%).

The state of the environment in the Southern Federal District is fairly good compared with other Russian regions. The main environmental problems are pollution of drainage water in the Northern Caucasus and Lower Volga areas. The situation in the Chechen Republic is particularly alarming: there has been extensive pollution by oil and oil products as the conflict in the Republic has dragged on, and no environmental counter measures have been taken. This situation has been caused by the primitive and informal nature of much oil production and refining in the Republic. According to the Centre for Strategic Research, surface and ground water, soil, and the atmosphere continue to suffer pollution from oil combustion, evaporation, and refining, and from leaks at small oil and condensate refining plants located in or close to settlements.

Another group of MDG indicators measure gender differences. In the Southern Federal District, difference in life expectancies of men and women was 11.78 years in 2004, somewhat lower than the national average of 13.41 years. As in the rest of Russia, men in the SFD are more economically active: 68.1% of men compared with 57.6% women. However, male and female unemployment rates are practically equal at 11.6% and 11.7%, respectively. Political representation of women in republics of the Northern Caucasus is very low, mostly due to local traditions.

Global partnership, which is dealt with by another group of MDG indicators, has particular importance in the Northern Caucasus. For a number of reasons, the Northern Caucasus remains economically closed, marked by high administrative barriers for outsiders, monopolization of regional and local markets, and a low volume of outside investments. Improving the investment climate, stimulating labour mobility, and lowering administrative barriers have key importance for attainment of MDGs in the SFD. Coordinating the efforts of international donors, Russian government, and NCOs for solving post-conflict problems and assuring sustainable long-term development is of vital importance in Chechnya, Ingushetia, and Dagestan.

To date, state-funded socio-economic development programs in the SFD (notably the "South of Russia" Federal Target Program) have been limited to major centralized investments in infrastructure: building and repairing roads, airports, and tourist centres. These financial investments should raise competitiveness of regional economies in the medium term and help points of growth to emerge. However, in the short term, these measures have a limited group of direct beneficiaries and create few new jobs. Positive impact of state programs may be seen in the future, but they do little to alleviate current problems of unemployment, poverty, and low living standards. There is a continued failure to address the key problems of the Northern Caucasus – calming the political situation and creating a productive dialogue between government and ordinary people.

For attainment of Millenium Development Goals in the Southern Federal District, large-scale investment projects will have to be supplemented with measures to promote institutional development. These measures should aim to increase transparency in management and spending of government funds at local level (by involving local people in resolution of socio-economic problems and in self-government), to create a favourable environment for development of small business as the main source of employment, to lower administrative barriers and legalize the region's economy (enabling consolidation of the tax base and establishment of effective budgetary relations), and to create conditions for improving labour mobility and developing human resources.

Box 4.1. MDGs in Rostov Region

Rostov Region has an above-average share of urban dwellers and better levels of demographic, economic, scientific, and educational potential than other regions in the Southern Federal District. Nearly a quarter of the population live in the city of Rostov, which has over one million inhabitants, and 65% of the population live in agglomerations, consisting of Rostov, Shakhty and the urbanized territories around them (the Shakhty agglomeration consists of towns and settlements, whose economy is entirely geared to coal mining). Ongoing natural population decline has been exacerbated by migratory outflow since 1995.

Rostov is a mixed industrial and agrarian region with an extensive rural periphery. The slump of the 1990s was followed by strong post-crisis economic growth. But steady growth of industrial production, per capita income, and the consumer market have been accompanied by increasing socio-economic inequality. Despite growth of incomes, the regional budget remains dependent on subsidies: a third of budget revenues consist of non-repayable allocations by the federal government. Per capita budget revenues are low, and per capita incomes are half the national average, which limits improvements in quality of life.

Goal 1. Eradicate Extreme Poverty

The poverty rate in Rostov Region fell from 33% to 18.5% during the years of economic growth. Although regional statistics do not measure the share of inhabitants with incomes below half the subsistence level (i.e. those in extreme poverty), it can be calculated from the distribution of inhabitants according to per capita money incomes. The extreme poverty rate has steadily fallen since 2000 (Table 4.2).

Although income polarization in Rostov Region is below the national average at present, it is growing rapidly, since incomes of the poorest groups are increasing more slowly than those of the best-off. The share of the poorest 20% in total personal incomes fell from 6.8% to 6.1% in 2001–2004, and the poorest 10% had only 2.1% of total income in 2004 (2.4% in 2003), while the richest 10% had 29.4% (27.6% in 2003). The ratio of per capita incomes of the richest and poorest 10% of the population was 14.1 in 2004 and 11.7 in 2003.

Different methods are being applied to reduce poverty in the Region. Welfare assistance is provided in accordance with the regional law "On targeted social assistance to the poor in Rostov Region". 120,500 social subsidies with total value of 86.1 million roubles were allocated in 2004. A single set of qualifying rules and list of required documents for receiving subsidies has been designed, and a unified databank of recipients has been established. People defined as "in difficult circumstances" remain the largest group of welfare recipients. Housing subsidies are paid to 257,000 families, or 16% of all families in the Region.

Regional authorities are trying to stimulate income growth by encouraging declaration of wage payment and social responsibility of business. Tripartite agreements to ensure payment of salaries above the subsistence level have been implemented for several years, and are signed by the regional government and 80% of regional companies. Budget assistance is also provided to farms, which are threatened with bankruptcy. However, rural districts remain particularly problematic, often paying official monthly salaries of just 700–800 roubles (about USD 30). Many company managers are reluctant to declare salaries, making it difficult to achieve accurate estimate of the poverty rate and to provide assistance to the poor.

Goal 2. Ensure Access to Education

A quarter of people in Rostov Region are in education or closely connected with the education system, including over 910,000 students and schoolchildren, of whom 90,000 are full-time students at higher educational establishments and 125,000 are students in primary and secondary professional educational establishments. An 8.8% share of the working population are involved in education, but employment in education has been declining in recent years more rapidly than in the rest of the Southern Federal District and in contrast with a more stable situation in the rest of Russia.

Large declines in the birth rate have led to halving in the number of pre-school establishments since 1985 (compared with a decline of 1.5 times in the country as a whole), and the number of young children enrolled has decreased by 2.5 times (compared with 2.2 times in Russian as a whole). Only 28.6% of children in rural areas attend kindergartens, due both to socio-economic factors and limited access. Since 1995, the number of kindergartens has fallen by 1.4 times in towns and 1.8 times in rural areas.

The demographic slump has had major impact on school education since 1998. The school network has been shrinking, particularly in rural areas (by 13.5% since 1995). Over 25% of the rural population in Rostov Region lacks access to pre-school and school facilities in their immediate locality.

Table 4.2

Number and share of people with incomes below half the subsistence level

	2001	2003	2004
Number of people with incomes below half the subsistence level, thousands	387.8	198.2	113.7
Share of people with incomes below half the subsistence level, %	8.7	4.5	2.6

Box 4.1. MDGs in Rostov Region *(continued)*

Goal 3. Promote Gender Equality and Empower Women

In the Rostov Region, as elsewhere in Russia, women tend to be employed in low-paid sectors such as public health, education, and culture, although they also have a large share of jobs in finance, credit and insurance (75–85% of all employees). The construction sector has the lowest share of women employees (28%). The share of women working in unhealthy or dangerous conditions is increasing, and over half of such jobs (57%) are occupied by women of childbearing age.

Female unemployment is a significant problem, despite the higher educational level of women: women with higher and secondary professional education account for 68% of all unemployed women. Finding a job is particularly difficult for single women, women with many children, and women with disabled or pre-school children. Female graduates of higher educational establishments also have trouble finding work. Surveys by the "Women of the Don" Association show that women with children below the age of five years and women older than 40 years are most at risk of employment discrimination. The Presidential Representative in the Southern Federal District has proposed paying the annual unemployment allowance in a lump sum instead of monthly instalments provided that the unemployed individual uses the cash to start his or her own business. Government is hopeful that this may help to reduce unemployment and promote development of small business.

Combating unemployment among women is a key area of joint work between women's organizations and regional government. The Human Rights Commission of the Governor of the Rostov Region includes two women representatives from women's NGOs. A Rostov Region NGO – the the Afina Information Centre – publishes the human-rights newspaper *Women's Parliament* and an actual women's parliament has been active in Taganrog since 1998.

Women have difficulty in rising to decision-making levels. According to the Regional State Statistics Committee, there are no female heads of large enterprises and organizations (defined as having over 4,000 staff). According to Women of the Don, men hold 87.5% of "senior" and 60.6% of "top" jobs, while women predominate in lower management posts. Women are most strongly represented at lower levels of the civil service (69–88% of jobs). However, the number of women in regional executive government is increasing: they already account for 44% of deputy regional heads, committee chairpersons, and heads of departments.

Women are the minority in the Rostov regional parliament. No more than seven women (out of 104 deputies) have been returned in all elections to the parliament, and most of them were elected for one term only. There are currently three women deputies in the regional parliament, one of whom was returned from a Rostov city constituency and two from regional districts. However, women head over 50% of NGOs (of which there are over 3,000 in the Region), reflecting the focus of many NGOs on gender issues. The Rostov regional department of the "Women's Leadership and Partnership" interregional NGO is coordinating an interregional project to introduce gender aspects into regional legislation. In 2002, procedural rules of the Rostov regional parliament were amended to require gender assessments of draft bills and participation of a gender expert with advisory capacities in consideration of draft bills.

Government tends to view women as a socially vulnerable group. Regional women's organizations say that a regional programme for improving the status of women, to be implemented in 2001–2005, fails to meet international standards: it has a patriarchal/paternalistic character (strong approval of families with many children, organization of family festivals, Mother's Day, etc.), and fails to support women's small business or events aimed at changing the attitude of professional communities (police, lawyers, social workers, doctors, etc.) towards the problem of family violence. These tasks tend to be left to advocacy of NGOs in Rostov Region.

Goals 4 and 5. Reduce Child Mortality and Improve Maternal Health

Infant and child mortality in Rostov Region are a third higher than the national average, although they fell considerably over the period 2000–2004. The main causes of mortality in the first year of life are complications in the perinatal period (67.4 per 10,000 live births), followed by congenital anomalies (developmental defects, 23.8 per 10,000) and infections and parasitic diseases (20.6). Mortality rates from the first two causes have gradually declined in 2000–2004 (by 30% and 42%, respectively), but mortality from infections and parasitic diseases was higher in 2004–2005 than in 1999. Reduction of child mortality depends on the availability of equipment and organizational efforts by medical services. In 2004, the Rostov Health Ministry set up 10 interregional neonatal centres and intensive care centres for newborn and premature children at regional hospitals and provided them with the latest equipment. The paediatric department for premature children at Rostov City Hospital serves the city and the Region. A system of support for premature children has been set up in the Region, including consultations with specialists at the local maternity hospital, transport, examinations, and care.

In early 2006, a medical and genetic consulting service was opened at the Rostov Clinical Hospital, which will make such diagnostic methods more accessible. Screening of newborn children for five hereditary diseases, which can lead to disability, will be initiated in 2007 as part of the national programme for improvements to the health system.

Maternal mortality in Rostov Region only began to decline in 2002–2003 (Table 4.3). Improvements were due to introduction of standards for treatment and diagnostic work in obstetrics and gynaecology from 2002 and of standards in obstetric anaesthesiology and intensive care from 2004, as well as general implementation of standards for care of women in labour. As a result the number of obstetric haemorrhages and birth traumas fell from 832 in 2002 to 619 in 2004 and from 20

Box 4.1. MDGs in Rostov Region *(continued)*

Table 4.3

Mortality among women in Rostov Region from complications during pregnancy, delivery and the post-natal period

	1999	2000	2001	2002	2003	2004
Total deaths	15	20	23	8	9	5
Deaths per 100,000 live births	44.9	56.2	63.3	20.6	22.2	12.1

to 5, respectively, and the share of normal deliveries increased from 24.8% in 2002 to 35.5% in 2004. Pregnant women in the high-risk group are transferred to inter-territorial and regional obstetric hospitals when labour is imminent.

Regular examinations of pregnant women from the early stages of pregnancy can help to prevent complications during pregnancy and delivery. The proportion of women in the Region who start to consult a doctor before the 12th week of pregnancy is growing (from 70.8% in 2002 to 74.9% in 2004).

Goal 6. Combat HIV/AIDS and Tuberculosis

Success in combating and preventing tuberculosis is still hindered by failure to detect the illness in its early stages. Like other regions of the Southern Federal District, Rostov Region has a shortage of mobile photofluorographic units and modern X-ray equipment. More bacteriological equipment, hospital rooms, and doctors are also needed, and up to a third of specialists require retraining. Due to these problems, prevalence of active tuberculosis is continuing to grow in the Region (Table 4.4), although incidence of tuberculosis among children has been stabilized.

Table 4.4

First-time active tuberculosis prevalence in Rostov Region

	1999	2000	2001	2002	2003	2004
Total number of infected individuals	2.913	3.196	3.251	3.432	3.487	3.622
Per 100,000 people	65.2	71.9	73.4	77.9	79.6	83.3
Number of those infected who suffer from tuberculosis of the respiratory organs	2.844	3.099	3.180	3.336	3.404	3.554
Per 100,000 people	63.7	69.7	71.8	75.7	77.7	81.7

A federal target programme of urgent measure to combat tuberculosis is being implemented in Rostov Region, and steps are being taken at the regional level for supplying patients with anti-tuberculosis drugs, integrated drug therapy, and proper diets. Construction of an anti-tuberculosis clinic is being completed and 1,329 individuals were treated free of charge in specialized tuberculosis sanatoria in 2004. However, no real breakthrough in treatment of tuberculosis has been achieved to far.

Goal 7. Ensure Environmental Sustainability

Main environmental issues in Rostov Region (as in Southern Russia as a whole) are the arid climate and resulting water shortages, as well as declining oil fertility. About 57% of the Region is farmland (Stavropol Territory, with 60% farmland, is the only southern region with a higher indicator). Rostov Region is mostly planted with cereal crops and sunflowers, which deplete the soil. There are also problems with extensive industrial pollution in the Eastern Donbass.

Maintaining and expanding forest areas is very important for Rostov Region, which is located in the steppe zone. Only 2.2% of the region is now forested, fires and illegal logging are causing further losses and hardly any large-scale forestation is being carried out (such work decreased by a factor of five over the period 1999–2004). Green areas in the Region's towns are very limited. There are only 4.5 hectares of park land in the city of Rostov, which should have 26 hectares. Housing developments have appeared in forest areas, particularly around Rostov, despite laws, which forbid such developments. Transfer of forest management to the local level may reduce control over forest maintenance, with regrettable effects.

The quality of housing infrastructure in the region is below the national average. Only 62% of houses are connected to sewage systems, compared with a national average of 71%. Although all regional towns and 86% of settlements have sewage systems, they are absent in most rural districts. The share of housing connected to mains water is growing slowly (from 66% to 68% over the period 1999–2004). Only 58% of rural settlements have mains water, but the figure in 1999 was 32%, so there is a strong positive trend. In certain regional towns (Zverevo, Shakhty), water is only available at certain times of day, particularly in summertime. Water does not reach the upper storeys of buildings in certain districts of the towns of Gukovo, Taganrog, and Krasny Sulin. Mains water distribution in many of the Region's towns is dilapidated (depreciation levels are as high as 60%), leading to major losses of water and heat.

The Region has considerable experience of projects to improve water supply. Rostov received EBRD loans on favourable terms for this purpose in 1997–2003, and implementation of a second water project began in 2005. The Region is participating in the federal programme "Urban Water Supply and Sanitation", which should reduce energy spending at water treatment enterprises.

Box 4.1. MDGs in Rostov Region *(continued)*

A new approach has been found to organization of the water supply network in the city of Rostov, where a commercial firm, Eurasian Water Partnership (EWP), has agreed with Rostov City Hall to manage the network and to invest about 10 billion roubles in its development, providing a reliable water supply system for a large part of the city, reducing water losses, and creating necessary infrastructure for new residential construction. The regional government has set water tariffs for five years in advance to ensure stable and predictable conditions for investors. In the longer term EWP and the regional administration plan to renew the entire water supply system in the Rostov agglomeration, possibly using funds from the Federal Stabilization Fund. According to representatives of the Ministry of Regional Development of the Russian Federation, the reconstruction will proceed much more quickly than is usual in Russia, and the methods may be duplicated in other regions. In particular, water supply problems in depressed mining towns of the Eastern Donbass will be addressed by the company Don Water Supplies South together with a Swiss bank. The regional government said in 2005 that it would ensure mains water supplies to all rural settlements in the Region. However, it has now been decided to concentrate investments in 5 pilot districts for the time being.

The largest water project to date is commissioning of an effluent collector in Rostov city at cost of 2 billion roubles. The collector replaced dilapidated sewage facilities and will gather and treat wastewater from about half of the city, including 40 industrial enterprises. The new collector will give considerable environmental improvements and provide infrastructure for . construction of an entirely new district in the city.

Goal 8. Participate in a Global Partnership

This MDG puts much emphasis on youth employment. Unemployment in Rostov Region is high among the overall population (9.6% in 2005) and particularly high among people under 25 years of age (17%). There is a sectoral and geographical mismatch between demand and supply, with shortage of qualified workers, low labour force mobility, and lack of salary incentives. About 40% of students at vocational training establishments are unable to find work after graduation, so a better match between the education system and labour market is a clear prerequisite for increasing youth employment.

After financing of technical colleges was transferred to regional administrations in 2006, the Rostov regional government allocated 0.5 billion roubles for equipping such colleges with modern workstations and equipment. Regional government also carries responsibility for developing labour market infrastructure and carrying out awareness work among young people. This is the purpose of the "First Job" regional programme, which aims to help up to 500 young people per year to find permanent work. A practice of direct agreements is being developed between enterprises and educational establishments for training specialists, with enterprises carrying a part of the cost. In 2006, a system of regional orders was created for training specialists at educational establishments, and corresponding agreements will be concluded between the establishments and enterprises. In 2004, over 190 individuals aged 18–29 years started their own businesses with the help of the employment service. Special programmes are being implemented to help insert the unemployed into the labour market, including "job clubs" and "new start" courses. These programmes have had a success rate of 68% to date.

Box 4.2. MDGs in Republic of Adygea

The Republic of Adygea is one of the least developed subjects of the Russian Federation. Its per capita GRP is only a third of the national average, and the rate of GRP increase during the period of economic growth was three times lower than in the country as a whole. Over 50% of the Republic's budget revenues consist of federal government subsidies, so that federal financing determines the Republic's human development policy to a large extent. Over half of enterprises in key sectors are loss-making. Lack of investment resources hinders development of the tourist industry, which could use the Republic's unique natural endowments to support the regional economy. The economic slump in key economic sectors during the 1990s and weak rates of growth since then have kept socio-economic indicators at low levels. Wages (at least, registered wages) remain low and are often not paid on time, and the rate and duration of unemployment has begun to grow once again, particularly in rural areas.

Adygea has seen a natural population decline since 1992, which has not been characteristic of other Northern Caucasian republics to date. In 2005, the permanent population fell by 1,400 (0.3%), and migratory inflow compensated only a fourth of population loss.

Goal 1. Reduce Extreme Poverty

MDG indicators in Adygea confirm the need for more determined public and civil efforts to combat poverty. However, although official poverty indicators in the republic are quite high, international studies using independent methods (including a poverty assessment in Russia by the World Bank) suggest that the official figures are largely falsified by failure to take account of the highly developed black market economy, which offsets the underdeveloped labour market. The black market supplements household incomes, and volume of turnover of goods and commercial

Box 4.2. MDGs in Republic of Adygea *(continued)*

services suggests that poverty is in fact not deep for most households.

Nevertheless, a proper labour market always plays a key role in poverty reduction and the inadequate state of the Republic's labour market reflects overall weakness of the economy, low investment attractiveness, and underdeveloped institutions of the labour market itself. Low declared salaries and periodic salary arrears make the formal labour market inefficient as a poverty reduction mechanism. An exception is employment in the public sector: although public sector employments is, to a large extent, not economically viable, the salaries paid for such employment operate as a form of welfare, providing some stability and security and taking some of the burden off the labour market and employment centres.

Hazy economic development prospects and the large number of loss-making and unviable enterprises limits the volume and quality of labour, which is needed in the Republic, and there has been an outflow of highly qualified labour (a "washing out" of more professional workers). This is a problem for more highly educated people, but also for young people in general, and it is undermining quality of human resources in the Republic. Unemployment tends to be long in duration and a stratum of chronically unemployed people has emerged, particularly in rural districts. Overcoming chronic unemployment is a difficult task, even in conditions of economic growth, which has not been sustainable so far. Household plots and the informal economy are the only means of subsistence for these people (Table 4.5).

Goal 3. Promote Gender Equality

As an agrarian Republic with underdeveloped industry, Adygea has relatively low gender wage differential. Nevertheless, in a opinion poll of women inhabitants of the republic, 55% of women said that gender wage discrimination exists. The overwhelming majority of women in the Republic (79%, including a majority of women in high-income groups) believe that, over the past 10 years, it has become more difficult for women to hold senior positions.

Women hold 13% of seats in the new republican parliament that was elected in 2006. The republican minister of finances and the chairperson of the Maikop city parliament are women. The number of women among civil servants in regional and municipal governmental bodies, regional departments of federal executive governmental bodies, judicial bodies, and public prosecutor's offices is 1.3–1.9 higher than the number of men, but this is mostly due to a high share of women in junior and mid-level posts, which is also characteristic of the rest of Russia.

Respondents in the poll of women in the Republic said that politics has the least gender parity of any part of social life. This seems to reflects a conviction that financial and administrative resources, which play such an important part in a successful political career, are mostly concentrated in the hands of men (Table 4.6).

Goals 4–5. Reduce Maternal and Under-Five Mortality Rates

Although child mortality indicators fluctuate, they have been lower, on the whole, than the national average and the average in the Southern Federal District, with the exception of 2004. By 2005, infant mortality had fallen to 10.7 per 1,000 live births and under-five mortality to 13.4 per 1,000 children in this age group. It will be difficult to reduce infant mortality further, since 82.3% of infant deaths are due to congenital anomalies and complications, originating in the perinatal period. Their prevention requires introduction of effective perinatal

Table 4.5.

Social differentiation in the Republic of Adygea in 2004

Percentage share of quintiles in money income					Gini Coefficient	Funds Coefficient (income of richest 10% to poorest 10%)
First	Second	Third	Fourth	Fifth		
7.1	11.9	16.6	23.1	41.3	0.340	9.4

Table 4.6.

Views of women in Adygea on gender equality, % of respondents

	Equal rights	Men have greater rights	Women have greater rights	Don't know
Getting a professional education	71.8	17.1	0.9	10.3
Finding work in your profession	31.7	57.8	1.4	9.2
Finding work in general	35.2	52.5	1.3	11.0
Wages	29.3	55.0	1.2	14.4
Attitude of government bodies	37.3	23.6	4.6	34.5
Participation in social life	47.4	27.3	3.3	22.0
Participation in political life	24.9	52.7	0.7	21.7

Box 4.2. MDGs in Republic of Adygea *(continued)*

diagnostic technologies and the creation of an expensive intensive care unit. So attainment of this MDG depends in large part on economic development in Adygea.

Maternal mortality in the Republic of Adygea has remained at a low level of 22–24 deaths per 100,000 live births in recent years, which is below the national average, and the trend (if any) is downwards.

Goal 6. Combat HIV/AIDS, Tuberculosis and Other Social Diseases

Although tuberculosis prevalence in Adygea is relatively low, it is tending to increase: in 2005, the active tuberculosis prevalence rate was 77 individuals per 100,000 population, which is 1.5 times higher than in 2002. The highest tuberculosis prevalence rates in the Republic are found in the Koshekhablsky and Giaginsky Districts (over 100 and 94 per 100,000 population, respectively). Prevalence of tuberculosis among children grew from 3.64 to 4.85 per 100,000 in the period 2002–2003 alone. The tuberculosis mortality rate is also growing: it increased by a third in 2002–2005, reaching 27.1 per 100,000 population, which is higher than the national average. Such figures make importance of this MDG for Adygea obvious.

Migratory processes are among the factors causing worsening of the tuberculosis situation in Adygea: 59% of migrants suffering from tuberculosis, who have come to live in the Republic, were infected with bacillary tuberculosis. Early detection of tuberculosis has become more problematic: the share of people undergoing photofluorographic testing fell from 40% in 2002 to 37% in 2003. The lowest share of inhabitants undergoing photofluorographic tests was found in the Koshekhablsky District (29%), which is also the district with the worst tuberculosis rates. Clearly, attainment of this MDG depends on general improvement in socio-economic conditions in Adygea and in the regions, from where the bulk of immigrants are arriving, as well as improvements in the prison system, which is one of the main sources of tuberculosis.

Goal 7. Ensure Environmental Sustainability

Environmental sustainability in Adygea has various aspects. On the one hand, favourable natural and climatic conditions and relative absence of industry make for a healthy environment. On the other hand, some negative trends have emerged in the past decade and there are a number of specific threats.

Over a third of the Republic of Adygea consists of protected natural areas, and 14% of them are on the World Natural Heritage list. Forests cover 23.4% of the Republic and official statistics show this indicator to be rising. However, the real state of forests in Adygea is less favourable. According to the Western Caucasus Socio-Environmental Association, mass logging has been practised over a long period in areas of Adygea where it is officially prohibited, and endangered species are among the trees, which have been felled. Some of the affected territories also have highly sensitive water resources. In particular, the Chernogorye mountain range protects water supplies in Maikopsky and Apsheronsky Districts.

The environmental situation was aggravated in 2006 by plans to build a new Trans-Caucasian highway. The choice is likely to be between two routes, and the Adygea government has expressed preference for a route between Cherkessk, Psebai, Dakhovskaya, Lagonaki Plateau, Solokh-Aul and Dagomys. However, environmentalists say that the construction of a highway along either of the priority routes is unacceptable, since it would lead to economic development of vast territories in the Caucasian Biosphere Reserve and the West Caucasus (the latter figures on the World Natural Heritage list).

Indicators for provision to housing of mains water (68%) and sewage disposal (60%) are 3–5 percentage points below average values in the Southern Federal District and inferior to figures for Krasnodar Territory and the three most developed republics of the North Caucasus. The share of urban housing connected to mains water (79%) is the lowest in the Southern Federal District, while Ingushetia and Dagestan are the only SFD subjects with worse indicators for connection of housing to sewage systems (71%). Respective indicators for rural housing (55% and 48%) are above national and SFD averages, although lower than indicators in Krasnodar and Stavropol Territories, in the three most developed North Caucasian republics and in Ingushetia. There was no expansion of mains water and sewage connections in 2002–2003, so improvement looks improbable in the near future.

The share of housing in Adygea in a poor or dangerous state of repair is only 1.2%, which is better than any republic in the North Caucasus except for Karachayevo-Cherkesia. Resettlement from dilapidated housing is at the expense of federal, republican, and local governments. First funds from the federal programme for replacement of dilapidated housing were allocated to Adygea in 2005 (four years behind schedule), and only 30% of the promised amount was paid.

Goal 8. Participate in a Global Partnership for Development

Cellular communications make the biggest contribution to attainment of this goal in Adygea. Whereas the number of telephone lines per 1,000 population increased by 1.3 times in the five years from 2000 to 2004 (from 177 to 288 in towns and from 62 to 80 in villages), the number of cellular subscribers per 1,000 population grew by 130 times in just three years, from 2002 to 2004 (from 6.5 to 886).

Internet access is also expanding in the Republic: the 2006 development strategy for the city of Maikop calls for installation of public Internet access points in 13 post offices in the capital. Also in 2006 the Maikop city administration created a page on its web site for online interaction with the general public in Adygea.

Attainment of the MDGs, which have priority for the Republic of Adygea, depend on accomplishment of two interconnected key tasks: first of all, revival of industry and creation of sustainable, decently paid jobs; and, secondly, an effective social policy. MDG attainment, including the priority goal of eradicating poverty, require good-quality governance and co-opting of local communities as a genuine force that can contribute to resolution of everyday problems in the Republic.

Box 4.3. Human Development Problems in the Chechen Republic

Current socio-economic conditions in the Chechen Republic are difficult. Economic backwardness is aggravated by poor development of the market economy, low per capita purchasing power, and high business risks, which make the Republic a no-go zone for investors, further fuelling economic problems and social tensions. In recent years, the Chechen Republic has consistently ranked last in socio-economic indicators for the Russian Federation. A comparison of socio-economic indicators for the Chec hen Republic with the national average and the average across the Southern Federal District (2004 statistics) show the extent of the Republic's disadvantages (Table 4.7).

In what follows we will attempt a brief description of each of these problems.

The unemployment rate, at about 80% of the working-age population, is the highest in the country. This problem is greatly aggravated by population growth due to rise in the birth-rate and return of refugees and forced migrants. A number of factors are specifically responsible for the critical state of the regional labour market:

– rapid growth in the working-age population cannot be absorbed, as job numbers decline and the rate of new job creation remains slow;

Table 4.7

Socio-economic indicators in the Chechen Republic

	Percentage share of registered unemployed in total able-bodied population	Living space per person (sq m)	Per capita volume of industrial production (thousands of roubles)	Percentage share of students attending school in late shifts	Hospital beds per 10,000 people	Percentage share of people with incomes below the subsistence level
Russian Federation	8.6	19.2 (norm: 18.0)	78.1	19.8	116.0	17.8
Southern Federal District	15.8	no data	24.8	25.2	105.2	37.3
Chechen Republic	57.8*	11.7	9.6	40.5	65.7	90.0

** in August 2005*

Reconstruction is now underway in all vital spheres of the economy and society. The challenge is to implement a series of measures, which can speed up this process and create the economic foundations for qualitative transition from reconstruction to sustainable socio-economic development in the Republic.

To date, positive trends in economic development are counterbalanced by a large number of negative factors. The following key problems need to be solved:

– high unemployment;
– loss of human resources;
– high level of depreciation and destruction of transport and engineering infrastructure and telecommunications facilities;
– critical level of depreciation and destruction of housing;
– lack of economic diversification;
– high level of depreciation and destruction of social infrastructure;
– lack of market infrastructure;
– weak government support for entrepreneurship;
– poor environmental conditions.
– the high share of young people in the Republic's population is boosting labour supply;
– many small rural settlements have their own closed labour markets, which are very weakly linked to the regional labour market;
– poor development of transport infrastructure and lack of information about job vacancies, due to absence or remoteness of employment offices, make mobile job seeking impossible for most of the unemployed;
– low-quality of available jobs;
– loss of human resources due to outflow of qualified specialists from all sectors of the economy and the social sphere;
– declining quality of education.

The problem of access to education has several dimensions in the Chechen Republic. One of them is **loss of educational establishments.** Many schools (including six technical colleges and general secondary schools and four specialized secondary schools in Grozny) and the majority of pre-school establishments have been closed. About 460

Box 4.3. Human Development Problems in the Chechen Republic *(continued)*

secondary schools are currently operating in the Republic with 13,000 teachers. This is roughly equal to pre-war levels, but the condition of schools today is entirely different: the teachers work in extremely difficult conditions and pupils in some districts have only 10% of the necessary textbooks. Over 152 schools are using temporary facilities.

The education system in Chechnya requires urgent attention in order to support reconstruction of the Republic's industry and meet real demands of the regional economy.

Rebuilding of the Chechen economy will need a substantial number of qualified specialists – engineers, technical specialists, and qualified workers – and the number of students who currently graduate annually from higher educational establishments in the Republic is clearly insufficient. Efficient economic mechanisms are needed to connect the educational system with the labour market and to supply the specialists, who are needed for reviving and developing new sectors of the economy and social sphere.

The problems of **housing quality** and **access to drinking water** are particularly urgent in the Chechen Republic. Destruction during the armed conflict has led to a chronic shortage of housing. What is left standing is inadequate in quantity and quality, lacks dependable public utility infrastructure, and is poorly maintained. Over 150,000 private homes and about 73,000 apartments were fully or partially destroyed during the fighting. A further 2,092 private homes were destroyed and 2,335 were seriously damaged by flooding in 2002.

In November 1994 living space per person in the Chechen Republic was 18 sq m per person (above the national average of 15.7 sq m per person). Total floor space of housing in the Chechen Republic today is only 12,973,000 sq m or 11.75 sq m per permanent resident. The Russian average is 19.29 sq m per person.

Current financing of residential construction in Chechnya is insufficient due to low per capita purchasing power and inadequate budget revenues. The housing problem is also aggravated by:

- slow and poor-quality construction work;
- weakness of the local building industry;
- lack of regional planning documents for the Republic;
- inadequate urban planning documentation for new housing and ineffective urban development;
- lack of ready sites for residential construction;
- underdeveloped residential and capital investment markets, and lack of modern mechanisms for regulating them and stimulating their development;
- lack of a system of loans on special terms for purchase of housing.

As in the education sphere, the problems of **morbidity** and **mortality**, which are linked to the state of public health, are difficult to solve in view of high depreciation and destruction of social infrastructure and weakness of easily accessible health care. Although the public health, education, and social security systems have restarted operations in the Republic, services are still not up to modern standards. There was widespread **destruction of public health establishments**, particularly in towns, during military conflict in the Republic. Medical services, particularly polyclinics and emergency assistance, are still provided in rural areas. However, density of the polyclinic network in certain districts of the Republic is only 20% of national standards. This makes it impossible to provide medical services at a satisfactory level. According to the Republic's Ministry of Public Health, disease is now 10–15 times more prevalent than before the war. Many medical services are provided in partially destroyed buildings; there are shortages of diagnostic equipment; and many clinics and hospitals lack running water, electricity, and sanitation.

Poor environmental situation. Virtually nothing was done during the armed conflict to prevent damage to the environment, and the Republic is now suffering from accumulated oil pollution as well as extensive damage from floods and landslides. There is continuing pollution (though at lower levels than previously) of surface and ground water, soil and air through combustion, evaporation, refining, and leakage of oil and oil products, presence of chemical substances and radioactive sources, and primitive refining of oil and oil condensate at small plants located in or near settlements. Water sources continue to be polluted by discharge of oil products and organic matter. Biological treatment facilities, sewage pump stations, and run-off systems for rainwater not been yet been rebuilt. Untreated wastewater is discharged into surface water sources as well as basements of buildings, increasing the risk of spread of infectious diseases.

Measures are urgently needed to limit impact of landslides and spring and summer floods in most districts of the Republic. Flooding in summer 2002 completely destroyed 747 houses and damaged 70-km of water pipes, 87 bridges and 205-km of roads in the Republic.

The Republic's rivers need a system of flood prevention, since 15 large settlements with tens of thousands of inhabitants are located in the flood zone of the River Terek. Large amounts of pollutants enter the drainage system during floods, and considerable damage is caused to waterworks, private homes, and public utilities.

The armed conflict had negative impact on soil quality in many districts of the Republic, mainly through pollution of soils by oil products. The worst oil pollution is found around facilities for filling, storing, and transporting oil products, fuels and lubricants and around fuel and energy plants at which accidents have occurred. Such pollution is mainly due to depreciation of oil infrastructure, particularly oil storage tanks and fuel pipelines.

Box 4.4. MDGs in Republic of Dagestan

The Republic of Dagestan is the largest republic of the North Caucasus by land area (50,300-sq-km) and population (2,500,000 people, of whom 60% live in rural areas). Dagestan is home to 60 ethnic groups and indigenous peoples speaking over 30 different languages. The bulk of the population lives in the plains and foothills region, while the Republic's highlands and northern regions are virtually uninhabited.

Dagestan currently has problems in all spheres of its economy. The Republic has suffered a serious economic decline, caused by general instability in the North Caucasus region and Russia's financial and economic crisis, and its industry and agriculture have had difficulty adapting to market conditions. A transport and energy embargo in 1995–2001, caused by events in Chechnya, had serious negative impact on Dagestan's economy and social sphere.

The Republican remains dependent on federal subsidies (which account for 76.8% of total budget spending) and on profits from the unregistered "shadow" economy. Dagestan has a larger share of people who have not yet attained working age (32.6%) than almost any other Russian region, and the share of disabled children in this age group (3.59%) is the highest in the country. About 70% of people in Dagestan depend on welfare.

Goal 1. Reduce Extreme Poverty

Dagestan's dire poverty is largely due to the critical state of its labour market. The able-bodied population is growing faster than the number of jobs, so Dagestan continues to experience a labour oversupply. The total number of unemployed by ILO criteria in late 2006 was 267,500 or 27.7% of the able-bodied population. In late 2006, 55,900 people or 5.7% of the able-bodied population were registered at state employment offices. The situation in the Republic's upland districts is particularly difficult with average unemployment rates of 11.5–12% (compared with 4.2% in the plains). The average unemployment rate in urban areas is 2.3%, while the unemployment rate in rural areas (which account for about 84% of registered unemployment) is almost six times the national average (Table 4.8).

Table 4.8

Structure of youth unemployment in 2005

15–19 years	20–24 years	25–29 years
24,324	58,301	47,286

A second problem is low per capita income. The average monthly wage in 2006 was 3,237-roubles, which represents an increase of 17.3% from 2005. This was due to salary increases for public sector workers. However, wages in the Republic remain lower than in other regions of the Southern Federal District. Wages in Dagestan in 2006 were 63.7% of the SFD average and 43.7% of the national average (Table 4.9).

Table 4.9

Share of people with incomes below the subsistence level in 2000–2005, %

2000	2001	2002	2003	2004	2005
72.6	69.0	59.7	54.7	33.9	22.01

Source: Dagestan Republican Statistics Agencies

Growing federal assistance reduced the poverty rate in the Republic by a factor of 3.5 between 2000 and 2006, and deputies of Republic's parliament are discussing ways to improve targeting of welfare, to ensure that it reaches those most in need.

Goal 2. Increase Access to Education

Dagestan outranks many of Russia's major cities by numbers of young people in education. The Republic currently has 1,664 educational establishments with 415,664 students. There are 20 higher educational establishments and over 30 branches of various higher educational establishments, whose main facilities are in other parts of Russia. There are over 100,000 students at higher educational establishments.

Dagestan has received more subsidies through the "Education" national project than most other Russian regions. Over 660 million roubles were invested by the federal government in Dagestan's education system in 2006. The share of spending on education in the Republic's budget increased from 23% in 2001 to 31.2% in 2006.

Goal 3. Ensure Gender Equality and Improve the Status of Women

The share of women in the republican governmental institutions is fairly low. There is only one woman minister and only one woman among 53 heads of city and district administrations. The share of women in the republican parliament is 10%.

Civil society organisations are working to promote gender equality. There is a women's domestic violence crisis centre in the Republic, and a new service – the Union of Women of Dagestan – has been set up to provide psychological assistance to women. Progress has been largely due to work by the plenipotentiary human rights representative in the Republic of Dagestan to develop inter-sectoral partnership and coordinate work between NPOs, the state and local government. NPOs in Dagestan address a wide range of problems: in the last 10–12 years, small loan projects have been implemented, studies have been carried out on the legal status of women, training has been provided to local NPOs, and various other events have been held to expand opportunities for women in the Republic. Several conferences and other events have been held on mechanisms for monitoring progress with implementation of CEDAW (Convention on the Elimination of All Forms of Discrimination against Women), as well as on design of gender policy, and conduct of gender analysis.

Work by NPOs to promote gender equality has included actions to defend women's interests, raising public awareness about equal opportunity policies, gender education, measures to prevent violence against women, and measures to combat trafficking in people, particularly women and children. A programme is currently being developed in the "Civil Education" sector to carry out training seminars on the reasons for violence against women, the role and functions of crisis centres, the basics of gender analysis, and gender studies. These measures should improve capacities of women's NPOs and promote their participation in social development processes.

Goals 4 and 5. Reduce under-five mortality and improve maternal health

Dagestan is in first place in the Russian Federation by natural population growth and its mortality rate is one of the lowest in the country (5.8 per 1,000 population). The latter is due to the younger age structure of the population. The birth rate in Dagestan is 18.5 per 1,000 population, compared with 10.4 in Russia as a whole and 12.1 in the Southern Federal District. The birth rate in rural areas is 50% higher than in urban

Box 4.4. MDGs in Republic of Dagestan *(continued)*

areas. As a result, pre-school and school children account for over 35% of the population, while over 74% of families have children under 18. Families in Dagestan tend to be large: over 40% of families have three children or more, and 8% of families have five or more. The family coefficient is 4.6. The under-five mortality rate has almost halved: from 22.6 per 1,000 live births in 1999 to 12.3 per 1,000 live births in 2006.

Goal 6. Combat HIV/AIDS and Tuberculosis

The active tuberculosis prevalence rate was 62.2 per 100,000 in 2006 (up from 57.8 per 100,000 in 2004). In certain districts and cities such as Makhachkala, Kizilyurt, Kizlyar, and Khasavyurt, the incidence of first time active tuberculosis exceeds the average republican indicator by a factor of 1.1–1.8. A particularly alarming trend is the growing incidence of bacillary tuberculosis (up by 31% from 16.4 per 100,000 people in 2005 to 21.6 per 100,000 in 2006).

There have been some positive results from a regional target programme for the period 2003–2007, which aims to combat tuberculosis and is organized by the State Sanitary and Epidemiological Service together with relevant ministries and government departments. The tuberculosis mortality rate fell by a factor of 1.4 to a level of 15.4 per 100,000 from 2000 to 2006, and the active child tuberculosis prevalence rate fell by a factor of 1.3 to 17.2 per 100,000 population.

According to the Republican AIDS Centre, there were 880 officially registered HIV-positive individuals in Dagestan in December 2006, of whom 75–80% were drug addicts. The main disease centres are the towns of Derbent, Makhachkala, and Dagestanskie Ogni. Over 100 new HIV cases were registered in the Derbent District in 2006. This is related to the fact that drugs are smuggled from the South through Derbent. The high youth unemployment rate also plays an important role. In all, 105 deaths from AIDS have been registered in the Republic, 85% of which were among people aged 20–30 years.

Medical and public awareness work (including via media) is being carried out in order to combat HIV in Dagestan, including provision of HIV tests (about 180,000–200,000 HIV tests are carried out annually). A regional AIDS programme is being implemented alongside the national programme.

Goal 7. Ensure Environmental Sustainability

The state of the environment in the Republic is poor, due to pollution by harmful, toxic and biological waste. Traditional energy sources and raw materials are being depleted, and the natural balance in the environment has not been respected.

Natural endowment of Dagestan are its forests, which cover an area of 524,000-hectares and include some exceptionally rare and valued species. Conservation regions in the Republic include Dagestan State Nature Reserve, Samursky State National Park, three federal conservation areas, 10 republican conservation areas, the Gunibskoye Plateau Mountain Botanic Garden, Makhachkala Dendrological Park, and Ak-Gel Lake Aquatic Park. Nature reserves cover 0.4% of Dagestan, the National Park covers 0.13%, and total territory of conservation areas is 10.4% of the Republic's land mass.

The Republic is rich in thermal, mineral, and fresh ground waters, which are used in power generating, industry and for medical purposes. However, Dagestan's water ecosystems are highly vulnerable to impacts, caused by man. This applies particularly to pollution of rivers and coastal areas of the Caspian Sea by untreated sewage. Only 40% of the Republic's territory has sewage systems. A sewage collector is currently being built to carry waste beyond Makhachkala's city limits, but completion has been postponed due to shortage of funds.

Sustainable supplies of safe drinking water are a very urgent problem, and half of people in the Republic currently drink water that does not meet hygiene norms. Over a third of water supply systems do not meet sanitary and hygiene standards. The republican capital of Makhachkala, where over 30% of the population lives, has severe difficulties with water supplies, particularly during the summer. The October Revolution Canal is not sufficient to meet water needs of the population of Makhachkala, and construction work has therefore begun on a third branch of the Miatlinskoe water conduit, which should solve the problem.

Goal 8. Participate in Global Partnership

Unemployment is one of the key problems in Dagestan and it has particular impact on women and young people. The high share of young people among the unemployed is due to shortage of jobs and high selection criteria among employers. Up to 70% of young people under the age of 30 do not have a registered job and are considered to be unemployed on account of their inadequate levels of education and professional training, suggesting that further improvements are needed in the system of professional and specialist training. Recent growth of labour demand has not solved the problem: employers continue to select employees on the basis of age and work experience, while unemployed individuals, particularly young people, are making increasing demands as regards working conditions and wages.

A job placement centre has been set up at Dagestan State University to assist graduates in finding work and to strengthen ties with enterprises and organizations, which have jobs to offer. The centre holds job and internship fairs, promotes social insertion of graduates into the labour market (via a job club), and helps graduates to set up their own business. The centre is developing a computerized information system that provides information on educational services and the labour market to graduates of schools and technical colleges, university applicants, and employers in order to help young people to choose a profession more effectively and assist employers in finding young specialists.

One key aspect of participating in a global partnership is development of ties between non-profit organizations and state, municipal, and businesses structures. The Republic offers different models for cooperation between civil and state structures, some of which have operated effectively for many years. Various committees and ministries in the legislative and executive branches of the Republic's government deal with inter-ethnic relations, human rights, and development of civil and religious associations. However, despite the number of structures involved, partnership between different sectors of society remains poorly developed.

Key areas of activity by international organizations in the North Caucasus include assistance in conflict resolution and humanitarian work. International organizations often tend to limit their cooperation to a small number of non-profit organizations, overlooking other organizations that are also working constructively on the local level. Many republican NPOs have difficulty obtaining information on activities by international organizations, and lack of attention to independent and youth NPOs makes it more difficult for international organizations to assess the Republic's real needs.

Chapter 5

Ural Federal District. The Backbone of the Nation's Economy

In addition to Sverdlovsk and Chelyabinsk Regions, which are a historical part of the Ural area, and Kurgan Region, located in the Trans-Ural area, the Ural Federal District incorporates a section of Western Siberia – Tyumen Region and the autonomous districts that it contains. The autonomous districts are major oil & gas producers, and their inclusion has greatly enhanced economic status of the Ural Federal District, which ranks second after the Central Federal District by gross regional product (GRP). In 2004, the district accounted for 18% of aggregate GRP of Russian regions, of which 13% (or almost three quarters) was due to Tyumen Region.

The share of the UFD in Russia's population is twice as small at 8.5%. The District's inhabitants are concentrated in the historic Ural area of Sverdlovsk (36%) and Chelyabinsk (29%) Regions. Two cities (Ekaterinburg and Chelyabinsk) with populations of over a million inhabitants each are the centres of these regions. The population of Ekaterinburg is larger (1.3 million), and it has long been viewed as the unofficial capital of the Urals. A major educational and cultural metropolis, it is now the centre of the Ural Federal District.

The economic and socio-demographic "nuclei" of the UFD are thus located in different regions. No other federal district has such a marked imbalance.

Regional differences in economic development are highly apparent in the Ural Federal District. Per capita GRP in Tyumen Region is comparable to that of highly developed countries, while per capita GRP of Tyumen's oil & gas producing autonomous districts is not even measured. Although the bulk of revenues from oil & gas are redistributed by business and the state outside the producing regions, what remains is sufficient to solve many social problems.

Sverdlovsk Region (see Box 5.1) is one of Russia's relatively well-developed regions. Ferrous and non-ferrous metallurgy has been the driving force for recovery and economic development after the slump of the 1990s, and the service sector has been growing rapidly in recent years due to relative affluence in Ekaterinburg. Metallurgy is also well developed in Chelyabinsk Region, and strong export potential of industry has enabled Ural regions to remain among Russia's regional leaders. However, levels of development in Kurgan Region have remained low, due to lack of recovery in its key sector – machine building.

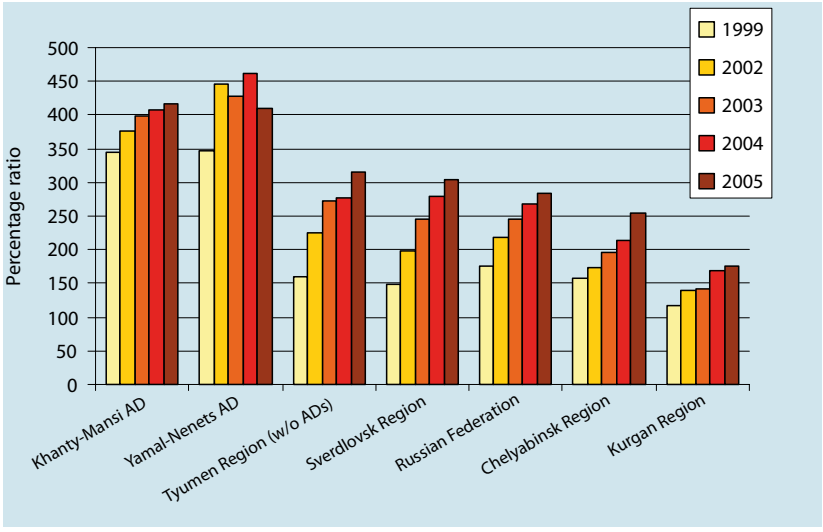
Economic inequalities between regions are also reflected in budgetary revenues: per capita budget revenue in Khanty-Mansi Autonomous District is six times higher than in Sverdlovsk Region and eight times higher than in Kurgan Region, although differences in the cost of living (which is 1.5 times higher in the autonomous districts) should also be taken into account. Per capita indicators in the southern part of Tyumen Region are higher than in the two neighbouring regions by factors of 5 and 7. Such differences in financial resources create very different sets of opportunities for implementing social policy.

Regional differences in population income levels are smaller than differences between economic and budgetary indicators. The maximum population income difference between Ural regions is 2.5 (Figure 5.1). The UFD is unique in that most of its regions have a ratio of per capita income to the subsistence level, which is superior to the national average (itself greatly inflated by Moscow's enormous contribution).

High and steadily increasing per capita incomes mean that the ratio of the poverty gap to overall personal incomes is very small in most regions (0.5-3%) with the exception of Kurgan Region (8%). This MDG indicator has fallen most rapidly in the Sverdlovsk Region – from 10% to 2% over the period 1999–2004 – and the poverty rate has decreased accordingly.

The income inequality ratio of upper and lower quintile groups is as high as 10–11 in the richest regions (Figure 5.2). However, this indicator has stopped growing after reaching this value in Tyumen Region and its autonomous districts, which is not the case in Sverdlovsk and Chelyabinsk Regions. Assuming correctness of these statistics, the obvious explanation for the different inequality trends would be as follows: the richest regions, with very high budgetary revenues, can afford to raise public sector salaries, provide large-scale social security, and even support their agriculture. Such massive government support raises incomes of the poorer sections of society, thus slowing growth of inequality. However, budgetary funds are spent relatively inefficiently, with most welfare assistance being distributed on a category basis

Figure 5.1. *Percentage ratio of per capita cash income to the subsistence level (2002–2003 figures are given for Tyumen Region, as data on the subsistence level in Tyumen is lacking for subsequent years)*



instead of a needs (means-test) basis. In relatively developed regions such as Sverdlovsk and Chelyabinsk, budgetary funds to support the poor are in shorter supply, so that economic growth increases income inequality.

The oil-producing autonomous districts of Tyumen Region have the lowest poverty rate in the country (under 10% in 2005). This is the result of massive support allocated to low-income groups. Nevertheless, the poverty rate has stayed almost unchanged in recent years (Figure 5.3) due to changing make-up of the poor. Governments of the rich autonomous districts have been able to draw relatively self-reliant households out of poverty, but they have been unable to alleviate chronic poverty of marginal groups, which are fairly numerous in the North (families of alcoholics, the unemployed among indigenous ethnic groups, the homeless, illegal migrants from Central Asia, etc.). Chronic poverty cannot be reduced by subsidies, because the recipients make asocial use of the allocated funds. Social security offices need help from other specialists (educational, medical, NPO volunteers, and charitable intervention by business) in order to deal with marginal poverty.

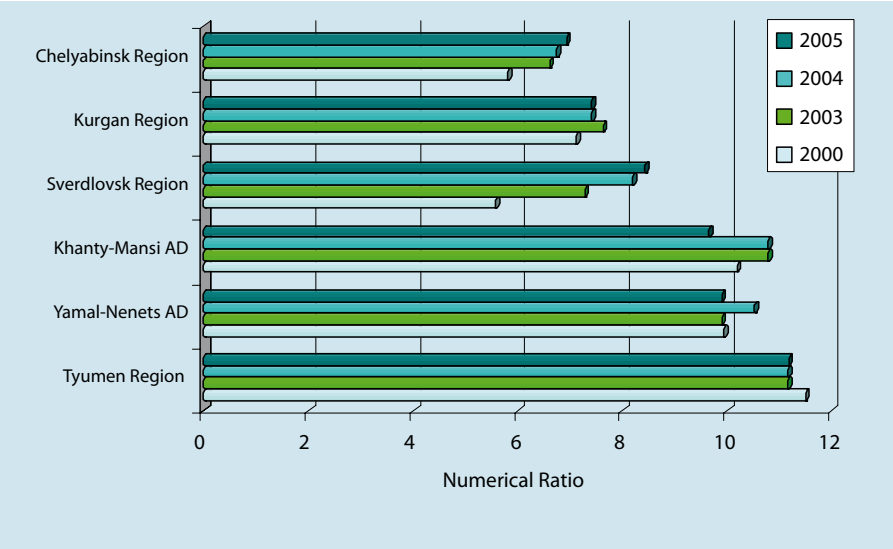
Rosstat calculates poverty rate for Tyumen Region as a whole (with its autonomous districts), so the rate is very low at 12%. However, the indicator measured solely for the southern part of Tyumen Region is much higher at nearly 18% in 2005. Also, poverty has a different structure in the southern part of the Region, where it is predominantly rural (the share of people living in the country in southern Tyumen is 40%). Social security for rural dwellers tends to be less efficiently organized, mainly due to inadequate methods for measuring revenues from household plots. But even a better social security system would not make much impact on rural poverty: improvements in efficiency of agribusiness in Tyumen Region would also be necessary. A discussion of ways of resolving human development problems in Tyumen Region (without the autonomous districts) as well as MDG attainment can be found in Box 10.

Poverty rate in Sverdlovsk and Chelyabinsk Regions has already halved to 13–15%. These are the lowest figures for relatively well-developed Russian regions. In Kurgan Region, the principal means of fighting poverty remains federal aid: federal subsidies account for almost a half of regional budget revenues. Although increases in federal subsidies over the past two years have lowered the poverty rate considerably, a third of the region's inhabitants remain poor.

The MDG unemployment indicator measures unemployment among young people aged 15–24 years. In Russia, graduates of technical colleges predominate in this age group. Youth unemployment figures depend on the state of regional labour markets. As a rule, regions that have cities with populations over one million are characterized by more flexible labour markets, and young people find jobs more quickly. This is confirmed by generally low unemployment figures in Ural regions (Figure 5.4). But high unemployment indicators are found in two different regions in the UFD: the depressive Kurgan Region and the raw-material exporting autonomous districts of the Tyumen Region with their high incomes and stiff competition on the labour market. High youth unemployment in Kurgan Region is due to the high overall unemployment, so that shortage of jobs for the young will only be resolved by reducing unemployment among all age groups. In the northern autonomous districts, especially Yamal-Nenets Autonomous District, high youth unemployment (18–26%) is due to other factors: economic specialization in non-labour-intensive oil & gas production, excess population in towns (left over from the Soviet strategy of developing the North), and very stiff competition for jobs on account of high salaries. Another cause is younger age structure of the population: young people entering the job market tend to outnumber people who are retiring. All of these are long-term factors, so that young people will remain the most vulnerable group on the labour market for a long time to come. Factors that help to reduce youth unemployment in the North are growing mobility of young people and broad access to high-quality education, including at educational establishments in other regions of the country.

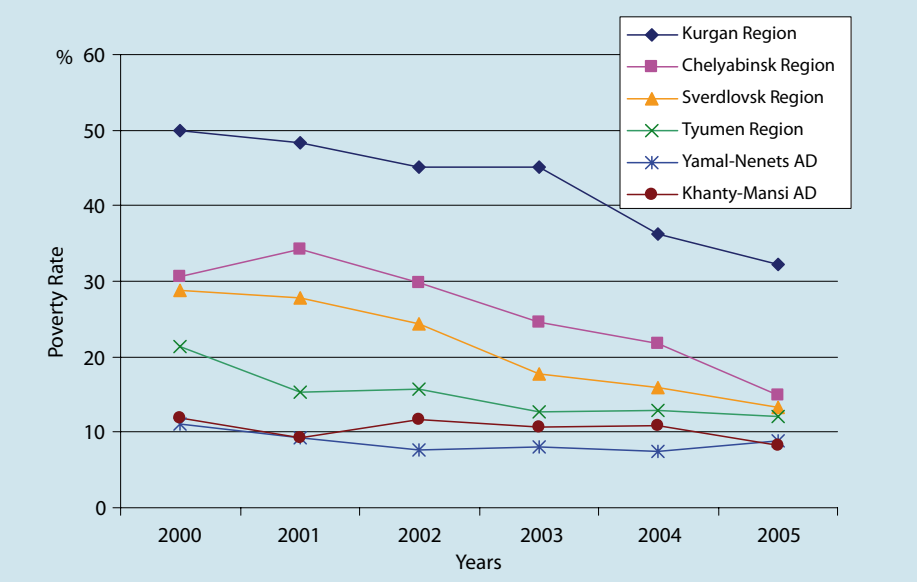
Child and maternal health indicators in the economically well-develo-

Figure 5.2. *Ratio of income of 20% of people with highest incomes to 20% with lowest incomes*



ped regions of the Ural Federal District are substantially above the national average. The Khanty-Mansi Autonomous District, which has managed to reduce infant mortality to Western European levels, deserves special attention (Figure 5.5). This success is based on early diagnosis (particularly of genetic disorders), which is mandatory for all expectant mothers, creation of a system of well-equipped and specialized medical centres, and implementation of numerous programmes for development of healthcare. Contemporary health care is always expensive, and the case of Khanty-Mansi shows that investing money gives good results, even in regions with unfavourable climatic conditions.

Figure 5.3. *Poverty rate in regions of the Ural Federal District*



Infant and child mortality in the neighbouring Yamal-Nenets Autonomous District is twice higher than in Khanty-Mansi. The problem is not only smaller public health expenditures and the harsher climate. While infant mortality is relatively low in towns of the Yamal district (about 9 per 1,000 live births) it is as high as 25–30 per 1,000 live births among small northern indigenous ethnic groups. Child mortality figures for the entire Yamal-Nenets Autonomous District are poor due to high mortality rates among rural children. Poor indicators in Kurgan Region are due to insufficient public health expenditures and inadequate healthcare. This is shown by the high under-five mortality rate, due to lack of emergency medical care and poor diagnostics, which are typical of rural areas.

Social disease indicators point to a mixture of old and new problems in the Ural Federal District. The active tuberculosis prevalence rate is above the national average in almost all regions, particularly Kurgan and the southern part of Tyumen. Spread of tuberculosis is accelerated in these regions by inflow of migrants from Kazakhstan and low incomes of rural inhabitants. The tuberculosis mortality rate in Kurgan Region is very high and continuing to grow as a result of very meagre public health spending and an extremely low number of doctors relative to the population (just over half of the national average) (Figure 5.6).

By contrast, the main problems in rich export regions and major cities are drug abuse and HIV/AIDS. The number of HIV-positive individuals per 100,000 population is 2.6 times the national average in the Khanty-Mansi Autonomous District and Sverdlovsk Region and almost double the national average in Chelyabinsk Region, These indicators are continuing to grow rapidly due to spread of drug abuse (Table 5.1). In other regions, the relative number of HIV-positive individuals is still below the national average, although it is growing in line with the national average. Tuberculosis and HIV/AIDS are spreading among different age and

Figure 5.4. *Unemployment rate among the able-bodied and young people aged 15–24, %*

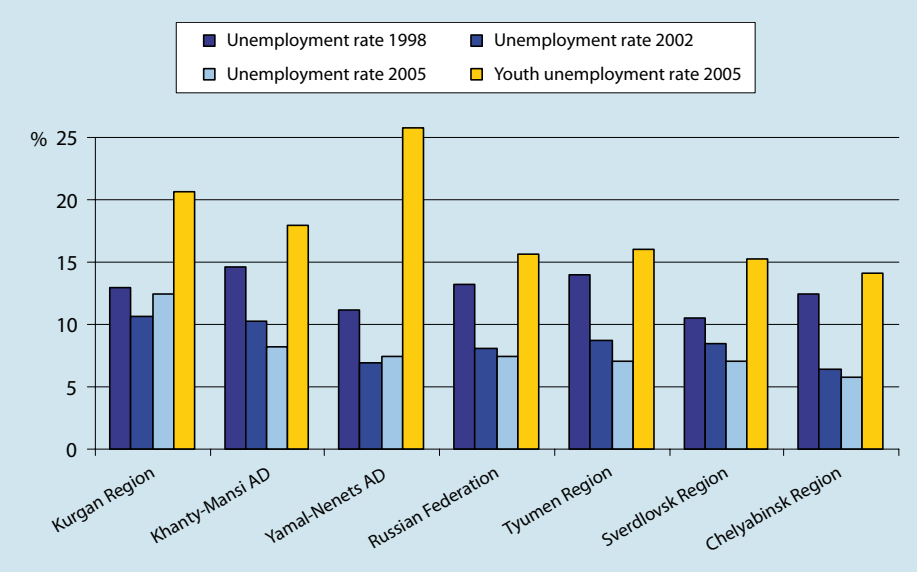
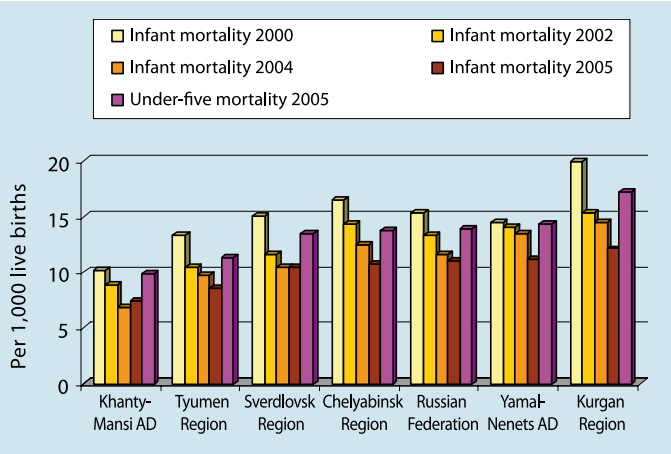


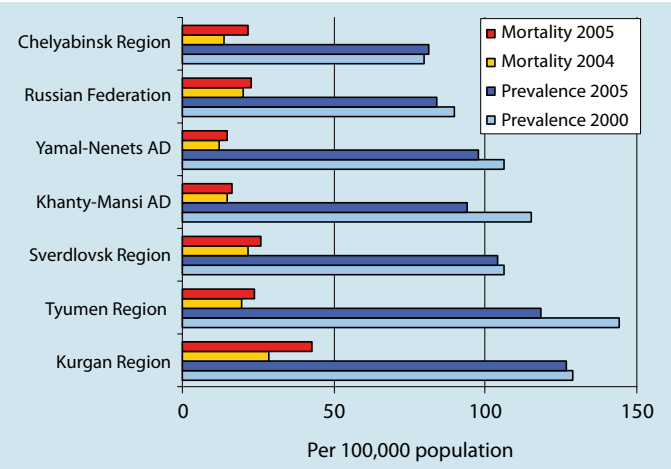
Figure 5.5. *Infant and under-five mortality rates in regions of the Ural Federal District*



income groups, and epidemics are flaring up in different regions, but the chief problem is the same everywhere: healthcare measures are not sufficiently reinforced by social and educational policy.

The experience of the rich oil-producing autonomous districts of Tyumen Region has shown that Russia's most serious gender problem – short life expectancy of men – is not insuperable. Life expectancy of men in urban areas of these autonomous districts is 4–6 years higher than the national average and 5–8 years higher than in rural parts of the districts (Figure 5.7). These differences are due to income levels: workers in high-salary sectors mostly live in towns and urban-type settlements, while rural inhabitants mainly work in agriculture and the forest industry, which offer lower salaries. Also the labour market in high-salary sectors is highly competitive, so that labour discipline is very strict. This "carrot and stick" approach has an impact on lifestyle of urban dwellers, leading to higher life expectancy. Superior levels of education in

Figure 5.6. *Tuberculosis mortality and prevalence per 100,000 population*



towns and cities also have a positive impact (a correlation between the level of education and life expectancy has been shown by E.M. Andreev and A.-Shkol'nikov)[1]. Rural areas do not have the same combination of incentives (high salaries, education) and constraints (stiff competition on the labour market), so that healthy lifestyles do not take root so easily. Short life expectancy in rural areas of the Yamal-Nenets Autonomous District is also determined by high rates of alcoholism and tuberculosis among indigenous northern ethnic groups.

The difference between life expectancies of urban and rural men is much smaller in other Ural regions (less than two years), as the incentives and constraints to alter behaviour are much smaller. Differences in life expectancy between urban and rural men in the depressive Kurgan Region are minimal, as salaries are low everywhere, and highly-paid jobs are scarce.

Gender inequality in employment is obvious only in the Yamal-Nenets AD, where it is due to predominance of "male" jobs in the resource-based economies of northern regions. Political representation of women in regional parliaments varies greatly across the Ural Federal District: it is above the national average in half of regions, but parliaments in Tyumen and Chelyabinsk Regions have only male deputies (Figure 5.8). However, decline of female representation in all regions gives a serious cause for concern .

The Ural Federal District has very serious environmental problems due to industrial pollution. Five Ural towns rank among the top 20 Russian towns by annual emission of pollutants: these are the metallurgy centres of Magnitogorsk, Nizhny Tagil and Chelyabinsk, the nuclear power centre of Troitsk, and Karabash, who copper smelting facilities use outdated technology with high emission levels. Specialization of Ural industry in the "dirty" sectors of ferrous and non-ferrous metallurgy date back to the 18th century, and environmental problems have accumulated since then. In the mid-20th century, another source of pollution appeared: leakage of radioactive waste from the Mayak Nuclear Facility in Chelyabinsk Region. The principal type of pollution in the autonomous districts of Tyumen Region is combustion of associated gas in flares at oil & gas fields, which contributes to the greenhouse effect.

The problem of low-quality housing is found in both rich and poor regions and the only difference is the extent, to which the problem is being addressed. In Tyumen Region and its autonomous districts, the proportion of housing in a poor or dangerous state of repair was 8–10% in the early 2000s. This consisted mainly of hastily built, low-quality housing from Soviet development of oil & gas fields. However, the proportion of such housing fell to 6–7% by 2004, and large financial resources in Tyumen's regions make it possible to speed up resettlement of people to better housing. Khanty-Mansi Autonomous District

[1] V. Shkol'nikov, E. Andreev, and T. Maleva, eds., *Inequality and Mortality in Russia. Moscow* Carnegie Centre. Moscow: Signal, 2000 (in Russian).

Table 5.1

Number of registered HIV/AIDS cases since 1987, per 100,000 population*

	2001	2005	2006, July
Khanty-Mansi AD	465	565	616
Sverdlovsk Region	366	536	610
Chelyabinsk Region	293	401	442
Russian Federation	144	210	235
Tyumen Region (w/o ADs)	no data	no data	218
Yamal-Nenets AD	no data	no data	185
Kurgan Region	no data	no data	173

** According to the Federal Research and Educational Centre for Preventing and Fighting AIDS*

has an additional problem, which is being resolved more slowly, that part of its housing was built from hazardous materials. In the depressive Kurgan Region, the proportion of housing in a poor or dangerous state of repair is around 7% and continues to grow due to lack of regional funds to deal with the problem.

Inadequacy of housing utilities is a major problem in Kurgan, where less than half (45–48%) of the housing stock is connected to mains water and sewage systems. Similar or worse indicators are found only in Chita Region, beyond Lake Baikal, and in Siberia's underdeveloped republics and autonomous districts. Over 90% of housing in the urbanized northern autonomous districts of Tyumen Region and about 80% in Sverdlovsk and Chelyabinsk Regions have adequate infrastructure indicators.

The Tyumen autonomous districts also have the highest density of telephone lines, although most of the Ural Federal District is fairly well off in this regard. Only Kurgan Region has low teledensity (20% less than the national average). Levels of affluence are decisive in development of cellular communications: although the Tyumen autonomous districts were slow starters due to lack of infrastructure, they caught up with other Ural regions by 2004, and the number of subscribers per 100 population reached 50% in all regions in the same year, with the exception once again of Kurgan Region, where the level was 22%. Mobile phone penetration gives an indication of living standards and modernity of consumption in Russian regions.

Figure 5.7. *Male life expectancy in urban and rural areas (years)*

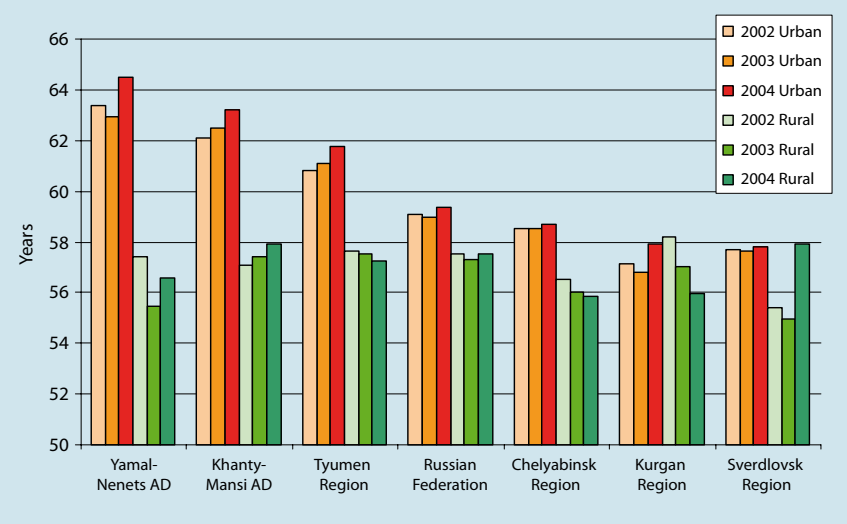
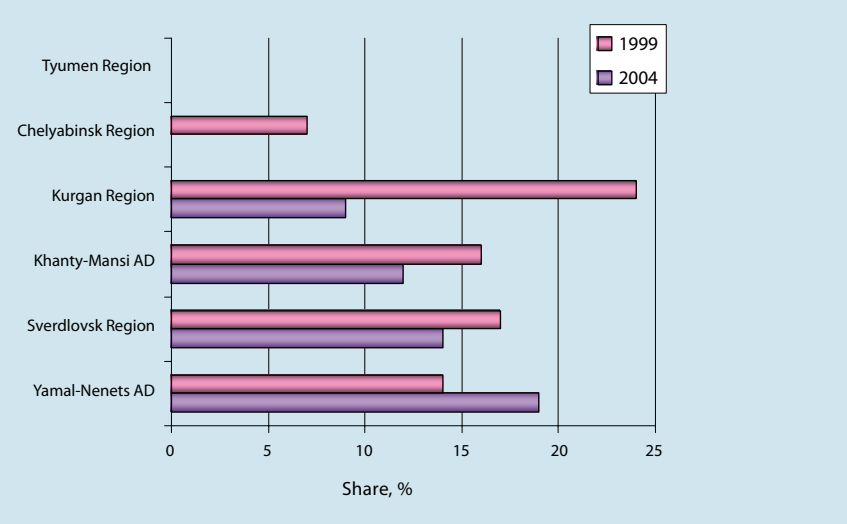


Figure 5.8. *Share of women deputies in regional parliaments*



The Ural Federal District is an excellent example of the close connection between levels of economic and social development. Almost all MDG indicators reflect differences in per capita GRP between the regions. This is hardly surprising, since oil & gas regions have attained levels of economic and budgetary well-being that allow them to allocate sufficient resources for solving many social problems. Meanwhile, social crisis zones, such as Kurgan Region, exist alongside the zones of relative affluence.

Box 5.1. MDGs in Sverdlovsk Region

Sverdlovsk Region is one of the largest (with population of 4.4 million) and most developed industrial regions of the Russian Federation. The regional centre, Ekaterinburg, is one of the five largest cities in the country. Recovery after the industrial slump of the 1990s has been led by metallurgy: ferrous and non-ferrous metallurgy companies account for over 50% of regional output. In previous decades, defence enterprises also played a prominent role in the Sverdlovsk economy.

Financial and economic strength has increased the Region's socio-economic policy opportunities. The regional government has set fairly ambitious goals: doubling of gross regional product by 2010; poverty reduction; increase in the standard of living; growth of wages by 23% over 2006–2007; effective implementation of priority national projects; and improvement of employment services.

Although per capita income has grown considerably in recent years, relatively poor public health and life expectancy have prevented the Region from becoming a leader as regards quality of life.

Goal 1. Eradicate Extreme Poverty

Per capita wages were above the subsistence level in all the Region's municipalities by 2006 thanks to economic development and a policy that promotes declaration of wages. However, wage level differences between municipalities remain as large as 3.3 times.

The Region provides large-scale and manifold social security measures, which have helped to reduce the poverty rate from 29% in 2000 to 13% in 2005. Social security measures in the Region, over and above federal programmes, include child care supplements for foster parents and benefit supplements paid to poor families, those living alone, victims of repression in the Soviet period, and mothers (including mothers who have deserved the special regional award "Excellence in Motherhood").

The regional government also provides assistance to children from socially vulnerable families: free lunches and free public transport. In the future all primary school pupils will get free lunches, and cost of school lunches for pupils in grades 5–11 will be reduced via subsidies.

Goal 3. Promote Gender Equality and Empower Women

There are only 4 women among 28 deputies in the lower house of Sverdlovsk's regional parliament and only one woman among 20 deputies in the upper house. So representation of women in legislative government is fairly low (10.4%). However, women have a much larger role in executive government: 4 regional ministries out of 14 are headed by women (the 4 ministries are responsible for finance, economy and labour, trade and services, and culture).

Goal 4. Reduce Child Mortality

The child mortality rate in the Sverdlovsk Region fell over a period of five years from 15.0 to 10.4 deaths per 1,000 births and is now below the national average. The regional government is taking major steps to further reduce child mortality, guided by a demographic concept covering the period up to 2015.

The "Mother and Child" regional target programme, supervised by the regional governor, has been in operation for the last five years, and has made notable improvements in obstetrics and childcare, including creation of pathology departments for treating and rehabilitating children during the first months of life and post-natal pathology departments for women. Programme financing increased from 198 million roubles in 2001 to 719 million roubles in 2005.

The programme guarantees free and accessible healthy care and quality control in health care services provided through pregnancy, childbirth, the postnatal period, and infancy. Standards for supervision and checks of pregnant women and newborn children have been designed and implemented, along with standards for use of drugs during delivery and the neonatal stage. Financing has been properly calculated to ensure that real costs of obstetric services are met. Outpatient departments have invested in up-to-date technology for examination of pregnant women in the high-risk group, and an information and analysis system for their observation has been put in place. The Region has an inter-regional network of perinatal centres that use the latest Internet technologies.

Perinatal centres have opened in Pervouralsk, Nizhny Tagil, Krasnoturinsk, and Kamensk-Uralsk, and two more centres will soon open in Asbest and Irbit. Significant sums have been spent to install high-tech diagnostic techniques at these centres for identifying women in the risk group. The "Mother and Child" programme has organized free distribution of iodine and iron supplements to all pregnant women to counter natural shortage of iodine in most parts of Sverdlovsk Region and high prevalence of anaemia.

The Region's economic success and partnerships with business have enabled new projects, which use state-of-the-art medical technologies. A children's oncology centre was opened in 2006 and the Region now has a children's heart surgery department, which can operate on children with congenital heart diseases in the first year of life.

Priority targets include providing pregnant women, nursing mothers and children under the age of three years with a properly balanced diet and providing a range of milk products free of charge for children in the first and second years of life. However, cases of avoidable infant mortality still occur periodically. For example, six infants died recently from an infectious disease in a maternity home in the town of Krasnoturinsk. Such incidents prove that more still needs to be done in the sphere of infant care.

The Region is also setting up a general practitioner system. The first general practices were set up three years

Box 5.1. MDGs in Sverdlovsk Region *(continued)*

ago on an experimental basis in the Alapaevsky District. By late 2006, the number of general practitioners in the Region will rise to 120. Establishment of general practice is a good way of ensuring better health care coverage, particularly in areas with high mortality rates. Development strategies for 2007 aim to extend coverage by general practitioners to the entire rural population of Sverdlovsk Region. The total number of general practitioners working in the Region should increase to 250 in the medium term.

Goal 6. Combat HIV/AIDS, Malaria, and Other Diseases

The AIDS situation in Sverdlovsk Region remains critical. Over 28,000 HIV-positive individuals had been registered as of 1st May 2006. The HIV prevalence rate exceeds the national average by a factor of 2.5: 636 HIV-positive individuals per 100,000 population. Sverdlovsk Region is second in the Russian Federation by numbers of HIV-positive individuals and first in the Ural Federal District by mortality of people infected with HIV. There have been 1,640 deaths of HIV-infected individuals in the last five years, of which 160 from AIDS. According to doctors, half of all the AIDS deaths occurred last year. The ratio of fatal outcomes from AIDS among those infected with HIV has increased by a factor of 12:14.6% of all infected individuals die today, as opposed to 1.2% in 2002.

The nature of the HIV epidemic in the region has changed in recent years: the share of sexual transmission has increased by a factor of 4, adding to well-established transmission through intravenous drug use. The epidemic increasingly affects able-bodied young people.

The Region is making efforts to increase HIV diagnosis: an initiative called "Find Out Your HIV Status!", offering voluntary free HIV testing, was implemented in all the towns of Sverdlovsk Region in September 2006 as part of the HIV/AIDS section of the national "Health" programme. Anyone who wished to do so could undergo a free test in their local polyclinic.

The regional government also has a series of regional target programmes for 2007-2009 that aim to improve the HIV/AIDS situation: "Emergency measures for preventing spread of HIV-related diseases in Sverdlovsk Region", "Comprehensive measures for fighting drug abuse and illegal drug trafficking in Sverdlovsk Region", and "Promoting employment among prisoners and preventing spread of HIV and tuberculosis in penitentiaries in Sverdlovsk Region".

Goal 7. Assure Environmental Sustainability

Mains water systems exist in all 47 towns of Sverdlovsk Region as well as in 80% of settlements and 11% of villages. However, most water supply and sewage systems in the Region were built during 1950–1980 and fail to meet modern standards. The problem is aggravated by high average depreciation levels (around 60%), which force large-scale spending on maintenance and emergency repair work. Construction of water supply systems has lagged behind residential and industrial construction for many years, as a result of which water supply systems in 27 areas now have insufficient capacity. Some water sources, which are now used for mains supply, fail to meet sanitary standards and need to be replaced.

The Region's Natural Resources Ministry is implementing a state target programme "Ecology and natural resources in Sverdlovsk Region in 2006", which includes measures to ensure supplies of safe drinking throughout the Region. Another programme, which has been well received by the general public, aims to restore and improve natural water sources (springs). The programme helped to make 333 natural water sources available in 2006, and a total of 1,852 springs, wells and artesian wells have been provided over the last five years.

There has been progress in recent years in housing maintenance and public utility provision. There are now 1,252 housing maintenance and public utility companies in operation with various types of ownership, and about 150 management companies are active in the sector. Much work is being done to repair and modernize public utility infrastructure, guided by a concept document on reform of housing maintenance and public utilities in Sverdlovsk Region during 2003–2010.

Reconstruction of housing in a poor or dangerous state is mainly organized at the municipal level. Ekaterinburg has a target programme for resettling inhabitants from such housing in 2005–2010, which has been only partially implemented so far. The resettlement rate will continue to fall in the near future due to decreasing budget financing and generally low incomes of people living in poor quality housing.

The national project "Affordable and comfortable housing for Russian citizens" calls on regional authorities to double the volume of residential construction and loans for purchase of housing. However, this has led in a number of cases to direct pressure being put on developers to achieve target figures for residential construction. The regional home mortgage programme and regional measures to ensure housing provision to certain social groups will increase effective demand for housing. In addition to budgetary funds, 3.3 billion roubles of home mortgage loans and 3.2 billion roubles of people's own money were harnessed for construction of new housing in the first half of 2006.

Goal 8. Develop a Global Partnership for Development

A programme for providing public access to the Internet is underway in Sverdlovsk Region: to date 307 points with 566 workstations have been opened in 143 towns and settlements. The region ranked second in the Russian Federation in 2005 by the rate of Internet public access provision. Internet access is also growing in schools: the share of schools with Internet access stood at 17% in early 2006, and 30% of schools should have been connected to the Internet by late 2006.

The Region is finding new ways of encouraging social engagement by the general public in order to make social policy more efficient. Municipal grants are an important tool, and the Ekaterinburg city administration has held regular municipal grant competitions for civil and non-profit organizations since 1997. One of the grant categories ("I choose life") is for projects that combat drug abuse.

The 2003 grant competition was financed through a social partnership between the UK Department for International Development and the Ekaterinburg city administration, and focused on support to families, assistance to socially vulnerable groups, and civil initiatives that aim to develop city infrastructure. Significant funds were once again allocated to support the efforts of civil associations working against drug abuse.

Box 5.2. Socio-Economic Development in Tyumen Region in the MDG Context

Tyumen Region ranks second in the Russian Federation in the Human Development Index, mostly on account of its high living standards. The Region plays an important role in the Russian economy as a major producer of fuel and energy resources for use in Russia and abroad.

Tyumen Region has over 1.3 million inhabitants. Its economy (excluding the autonomous districts) is multi-sectoral and fairly harmonious: industry accounts for 14% of gross regional product, agriculture for 6%, construction for 6%, and transport and communications for 15%. Other production and social services account for over 50%. The Region's economic development is greatly influenced by proximity of the oil & gas producing Khanty-Mansi and Yamal-Nenets Autonomous Districts, which rely on large-scale imports of materials and equipment for production purposes and to supply the local populations.

Several major investment projects are being implemented in Tyumen Region. The Region is taking part in the state programme for creation of technoparks and agreements with key investors are currently being drafted. Priority national projects are being successfully implemented in the domains of public health, education, affordable housing, and development of agribusiness.

The regional government aims to design and implement a regional economic model that creates long-term potential for dynamic growth, improves the Region's competitiveness and its role in the national economy, raises living standards and stimulates the birth rate, and ensures a supply of highly qualified specialists from the Region's education system.

Goal 1. Reduce Poverty

High per capita income in Tyumen Region is due to vigorous business activity and a stable budgetary system. Rise in living standards has been mainly due to an increase in per capita monthly salaries, which grew by almost four times over the last five years and reached 9,500 roubles in early 2006 (11% above the national average). Nominal per capita income was 3.6 times higher in 2005 than in 2000, while real incomes grew by 76% over the same period.

In accordance with the Millennium Development Goals and the Russian government's Medium-Term Socio-Economic Development Programme (2006–2008), the strategic economic policy goals of Tyumen Region include increasing real per capita income and reducing the depth of poverty and the share of inhabitants with money incomes below the subsistence level.

The Tyumen regional law "On the consumer basket in Tyumen Region" raises consumption norms and, thus, the subsistence level, expanding social security to the poorest social groups. The salary system in the public sector has been reformed, and transition to a sectoral salary system in 2005 has increased public sector salaries.

The regional government is financing a system of social support measures for specific groups of the population. Since 2005, social security provision has been governed by the regional law "On social support for selected groups of citizens of Tyumen Region". Beneficiaries include the disabled, orphans, war and labour veterans, families with children, people with low incomes, etc. A regional government resolution "On provision of social services to citizens of Tyumen Region" sets standards and a list of guaranteed social services for senior citizens and the disabled. Members of these groups, whose pensions are below the subsistence level, are entitled to social services free of charge.

Measures implemented as part of regional target programmes in 2000-2005 reduced the regional poverty rate from 21.5% to 15.6%. In 2006, the regional government worked out a new approach to welfare provision for families living below the poverty level in order to increase their real incomes. It was found that 25% of the poor (including non-working people of pension age and the disabled) need targeted social security measures, and that 35% of those registered for benefits in social security offices were fit to work (most of them are in rural areas).

Based on the latter finding, regional government has designed a complex of new interdepartmental anti-poverty measures, which help the able-bodied poor to organize small-scale farming activities, learn a profession, find a job, or start their own business. Families who agree to participate are given assistance via agribusiness enterprises, employment offices, and educational and public health establishments. An electronic "social passport" for families has been developed in order to keep track of family needs, facilitating provision of targeted assistance from various sources to needy households. These measures should ultimately increase family incomes bring them out of poverty.

Reduction of unemployment is important as a way of overcoming poverty. The official unemployment level in Tyumen Region is quite low and fell from 2.2% of able-bodied people in October 2005 to 1.8% in October 2006. Young people aged 16–24 years are only 11.5% of the registered unemployed. The average duration of unemployment among young people is considerably lower than the average for all age groups (4.8 and 6.2 months, respectively).

Employment offices and the regional government are making efforts to improve the youth employment situation, using relatively greater mobility of young people and their willingness to participate in temporary work programmes. There is also a temporary employment programme for graduates of technical colleges, aged 18–20, who have problems finding a job on their own. Most of them obtain permanent positions at the end of their temporary employment contracts. Another policy used by employment offices is to encourage participation by unemployed people in public works. Over 4,100 people took part in public works over the first 8 months of 2006, which represents an increase of 2.1 times compared with the same period in 2005. Nearly 18,000 people under 18 years of age found temporary work in 2006 thanks to help from employment offices: this indicator was 25% higher than in 2005.

Box 5.2. Socio-Economic Development in Tyumen Region in the MDG Context *(continued)*

Goals 4 and 5. Reduce Maternal and Under-Five Mortality

A series of measures are being carried out in Tyumen Region aimed at raising the birth-rate, lowering maternal and infant mortality, and reducing child disabilities as part of the national project for improvement of the nation's health and the regional target programme for development of Tyumen's public health system in 2006–2008.

A network of perinatal centers is being set up in the region, and children's and obstetric establishments are being provided with high-tech equipment. The perinatal detection of congenital and hereditary diseases is being improved, along with intensive care, and methods of caring for premature babies. Large-scale testing for hereditary diseases is provided for newborn children, and congenital disorders are treated during the first year of life. Technologies to assist reproduction and treatments for infertility are increasingly available.

Use of the latest diagnostic and intensive care technologies makes a major contribution to maternal and newborn health, and efforts over the past three years have led to a 21.6% decrease in infant mortality in the Region, which fell to 8.8 per 1,000 live births in 2005.

The "Mother and Child" international project, which is being implemented in Tyumen over a three-year period, puts emphasis on the family aspects of neonatal care at polyclinics and maternity homes: babies are roomed in with mothers, and husbands and other family members are encouraged to help the mother. Experience of introducing family technologies into obstetric and neonatal practice has shown positive impacts on the quality of medical assistance and on levels of satisfaction with medical services.

The "Healthy Russia" project, which began in 2006, aims to involve men in the protection of reproductive health. A hotline has been set up in Tyumen Region for people who need to discuss male or female reproductive health concerns and relations within the family. Obstetricians, gynaecologists, sexologists, andrologists, and psychologists offer consultations to married couples.

Goal 6. Combat HIV/AIDS, Tuberculosis and Other Diseases

The HIV prevalence rate was 39 per 100,000 people in 2005. 514 individuals were diagnosed as HIV-positive, and 160 HIV-positive individuals died, including 4 from AIDS. Special measures for lowering HIV prevalence are being taken as part of the regional target programme for development of the public health system in 2006–2008 and the national project for improvement of health. Work with risk groups includes increasing awareness and educational initiatives (thematic anti-AIDS events, distribution of printed materials, psychological trainings, individual and group discussions, and distribution of individual means of protection). Volunteers assist in this work.

The tuberculosis prevalence rate in the Region decreased by 4.7% in 2005 compared with 2004, but it remains above the national average. Tuberculosis mortality increased by 23.6% as a result of mortality among HIV-positive individuals (tuberculosis was the cause of death in 75% of cases). Measures to prevent spread of tuberculosis and improve treatment are being taken as part of the regional target programme for public health development in 2006–2008 and the federal programme to combat social diseases in 2002–2008.

Goal 7. Assure Environmental Sustainability

Air pollution from stationary sources has stabilized, but automobiles are having increasing negative impacts. Automobile fumes now account for almost half of the total volume of emissions, and for a much larger share in the city of Tyumen.

Tracts of water, particularly rivers, are subject to considerable anthropogenic impact. Water collectors, particularly reservoir zones and the shoreline of water tracts, are being polluted. The situation is further complicated by the fact that major rivers (Ishim, Iset, Tura, Tavda, Tobol, and Irtysh) are polluted by enterprises in neighbouring territories. Its location in the lower reaches of major rivers has made Tyumen Region into a receptacle for untreated and poorly treated domestic and industrial wastewater that is discharged into polluted rivers above and beyond levels at which it can be naturally purified.

73% of people in Tyumen Region live in housing with mains water. The remainder use water from private wells, rivers, lakes, and artesian wells for drinking and domestic purposes. Pollution of sources of drinking water poses a serious threat to public health. Existing water supply systems in the Region are in a poor state: over 40% of them lack the necessary treatment facilities for disinfecting and purifying water and regulations intended to prevent pollution of sources of domestic water are not observed in many places. Distribution networks are also in a poor state: they are 50% depreciated and this level is constantly rising. As a result there have been major leaks, breakdowns, and cases of water pollution.

The housing stock in Tyumen Region has total floor area of over 27 million sq m, of which 1.2 million sq m (4.6%) is in a poor or dangerous state of repair. Over 46,800 people (16,700 families) live in dilapidated housing, which is in state and municipal ownership. About 1 million sq m of housing (costing over 17 billion roubles) needs to be built in order to resettle these people. About 20% of dilapidated housing is in Tyumen, the regional capital. The process of resettlement is proceeding slowly. In 2002–2005, 43,800 sq m of housing was built or purchased for resettlement purposes, and 766 families were resettled. In 2006, it was planned to allocate 30,000 sq m of housing. Some of the lots currently occupied by dilapidated housing will be used for new residential construction and connected to public utilities. This will speed up resettlement and enable more efficient use of regional budgetary funds.

Chapter 6

Siberian Federal District.
Building Wealth

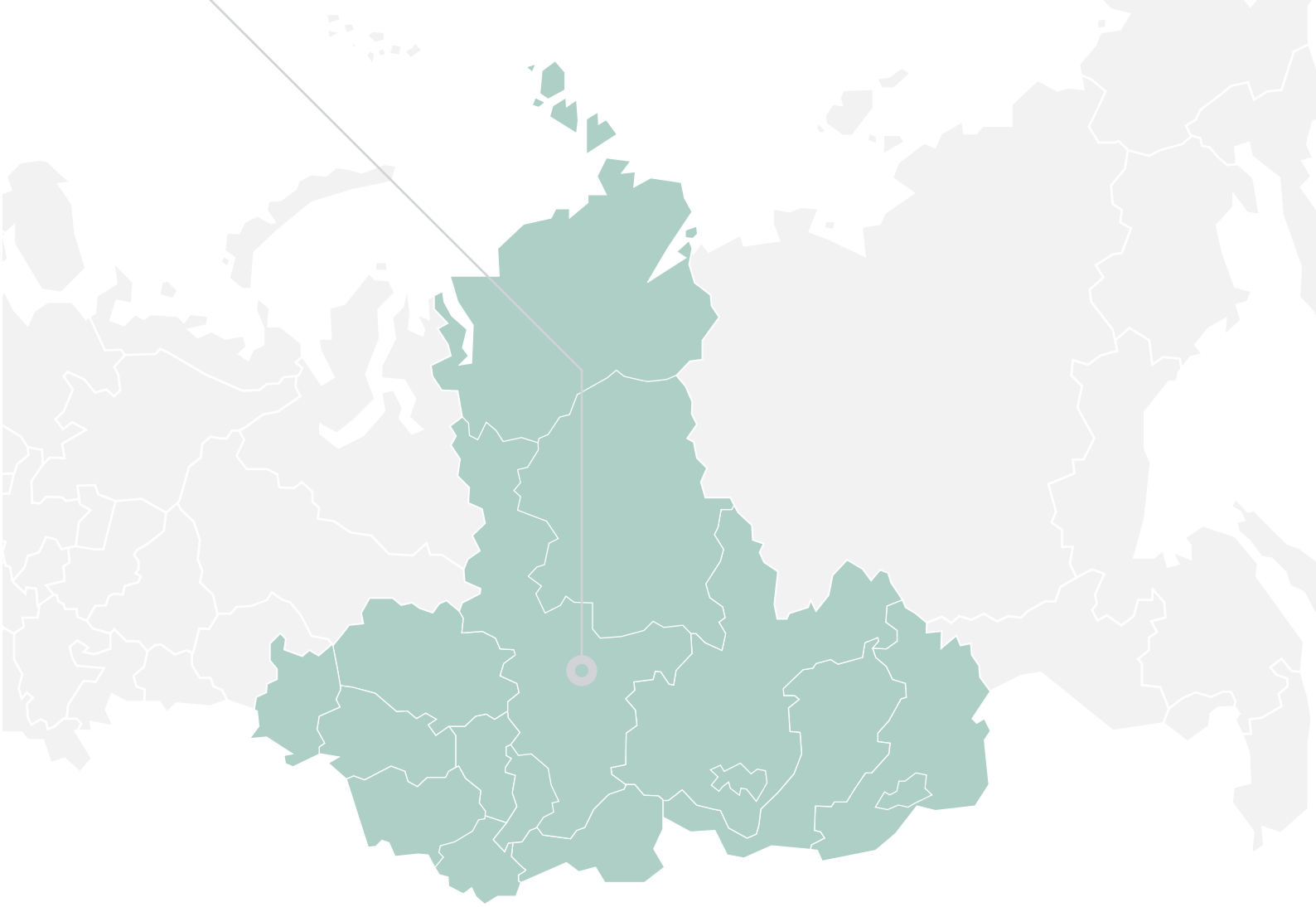
The Siberian Federal District (SFD) has 30% of Russia's land mass and comprises the whole of Eastern Siberia and most of Western Siberia (except for Tyumen Region and its autonomous districts). However, population of the SFD is only 20 million, or 14% of the Russian total. There are 16 subjects of the Russian Federation in the SFD, including 4 autonomous districts. Planned unification of autonomous regions with their "parent" territories will reduce the number of subjects of the federation in the SFD to 12.

Russians refer to Siberia as the country's "treasure house" due to its wealth of natural resources. However, the most important of these resources – oil & gas reserves – are now in the Urals Federal District, which includes Tyumen Region, and the whole of the Siberian Federal District has a smaller share in the Russian economy than Tyumen Region alone (with its autonomous districts). Tyumen represents more than 13% of total Russian GRP compared with 12% for the Siberian Federal District (less than the District's share in total Russian population).

Among SFD regions only Krasnoyarsk Territory, Tomsk Region and Kemerovo Region have per capita GRP, which is higher than or close to average Russian GRP. Economic leadership of these three regions in the SFD is assured by orientation of their economies to export of raw materials (oil & gas and metals). Irkutsk Region used to be a fourth leader, but its growth rates have been slow and its development gap compared with the top-3 has steadily widened (more information on human development in Irkutsk region in the MDG context can be found in Box 6.1). The middle group in the SFD, measured by economic growth rates, consists of Omsk and Novosibirsk Regions, which fare relatively well thanks to strong urban centers (each with over one million inhabitants) and highly-developed manufacturing and service sectors. The Republic of Khakassia is also in the middle group, thanks to benefits of non-ferrous metal exports.

Less economically developed regions include the predominantly agrarian and heavily subsidized Altai Territory as well as the Republic of Buryatia and Chita Region, both located to the east of Lake Baikal and both suffering from depressed economies and chronic under-investment. The situation in the Altai Republic is even less favourable (see Box 6.2) and the worst off in the SFD are the Buryat Autonomous Districts, which have almost no viable industry and subsist entirely on federal subsidies. The situation in the Agin-Buryat Autonomous District has improved in recent years thanks to transfer by some large businesses of their legal addresses (and part of their tax payment) to Agin-Buryat, but this is hardly a basis for sustainable growth.

Our division of SFD regions into groups is highly relative, as it is hard to single out significant distinctions, but it does suggest that half of regions in the Siberian Federal District continue to lag far behind other regions of Russia in terms of economic development. Economic problems



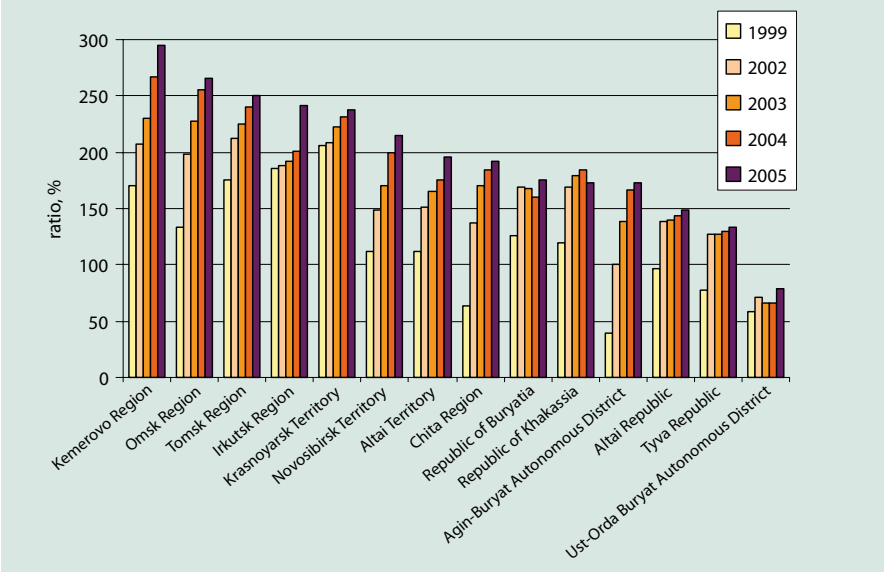
are reflected in indicators relating to living standards and social development.

There are major differences between income levels of the population in Siberia: the ratio of per capita income levels to the subsistence minimum in more developed regions is 2-3 times higher than in outsider regions (Figure 6.1). Even very substantial support from the federal centre will not be able to reduce dramatic development lags in the Ust-Orda Autonomous District and Tyva Republic. Income levels in more developed regions are not only higher but also usually rise faster than in less developed regions. Polarisation of regional development is more pronounced in Siberia than in European Russia. Barriers, which underdeveloped regions find hard to surmount, include lack of infrastructure and rises in the cost of living.

Purchasing power in on the rise in regions whose economy depends predominantly on export of oil, gas or other raw materials, but also in the southern part of Western Siberia, in Omsk and Novosibirsk regions, where the climate is less harsh, cost of living is lower, and there is better developed infrastructure and a number of metropolises. Personal money incomes in these regions are significantly lower than in the exporting regions, but there is also less purchasing power inequality.

Income inequality (the ratio of the 20% of the population with highest incomes to the 20% with lowest incomes) in the Siberian Federal District does not depend

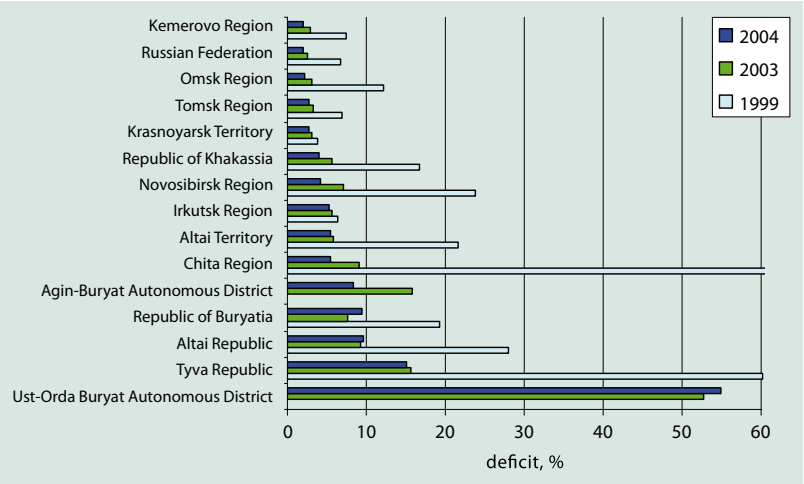
Figure 6.1. *Ratio of average per capita cash incomes to the subsistence wage, % (annual average)*



so much on levels of economic development as it does in other federal districts, where wealthier regions are more unequal. The quintile ratios in comparatively developed exporting regions of the SFD is 7–8, which is not a great deal higher than ratios of 5–7, found in underdeveloped regions of the District. Income inequality in exporting regions of the Siberian Federal District is relatively low because they mostly specialize in metallurgy and timber, where wages are not as high as in the oil industry, so the gap between various income groups inside each exporting region remains moderate. The fact that income inequality in less developed Siberian regions is almost as high as in the exporting regions has another explanation: although agricultural workers in the less developed regions earn little, these regions also have a sizeable class of people employed in governance, who earn 1.5–2 times more than the SFD average. There is a third reason for relatively high levels of inequality in Omsk and Novosibirsk Regions, which are both centered on cities with over a million inhabitants: wages in the service sector and at some industrial enterprises have been growing quickly compared with wages in the stagnating rural economy. The quintile ratio in these regions has risen more rapidly than anywhere else in the SFD, from 5 to 8 times over 5 years, although the income gap has increased to some extent in all SFD regions. Generally, income inequality in Siberia is increasing, both between regions and between income groups in the same region.

Economic growth has helped to reduce income deficit (the ratio of extra income, which would be needed to raise the poor to the poverty line, to total incomes of people in a region) (Figure 6.2). However, about a third of Siberian regions are still marked by considerable income deficits (8–55%), unlike regions in Central Russia. Measured in this way the situation in Siberia looks even worse than in the troubled Southern Federal District, where less than a quarter of regions continue to have significant income deficits. Part of the explanation is that rates of economic growth in Siberian regions, including relatively developed regions, remain slower than in European Russia, so that income growth is also slower. Also, less developed regions in Siberia do not receive the same degree of support from the federal government as underdeveloped regions in the Southern Federal District. Reducing the income deficit in less developed regions requires a federal effort to raise public sector pay levels and social payments. In this respect the Southern Federal District seems at present to have higher priority for the federal government than Siberia.

Figure 6.2. *Ratio of income deficit of the poor to total personal income, %*



There are no data on extreme poverty as such, but the problem can be assessed to some extent using general poverty indicators (Figure 6.3). Only three Siberian regions have lower shares of people below the poverty line than Russia as a whole: these are the relatively developed Tomsk and Kemerovo Regions and Omsk Region, which benefits from a low cost of living. Shares of people below the poverty line in these three regions are 13–17%. However, the poverty rate in 2005 in about a third of SFD regions still exceeded 30% and the rate in Ust-Orda Autonomous District was the highest in the country at 80%. Such a high indicator must include a large measure of extreme poverty.

MDG indicators fail to confirm the myth that people in Siberia enjoy excellent health. Health problems of mothers and children appear to be more acute in Siberia than in European Russia. Infant mortality rates in most Siberian regions are higher than the Russian average and in the Republic of Tyva they are twice higher than the average (Figure 6.4). In almost all of the republics and autonomous districts child mortality rates for children under 5 are 40–80% higher than the Russian average, due to grossly underdeveloped health care systems and low living standards of indigenous peoples. There have been gradual improvements in all Siberian regions, but reduction of infant mortality rates will require a considerable effort to develop the system of health care and to improve living conditions and living standards.

Social diseases are another extremely serious concern in Siberia. High rates of tuberculosis are part of the region's legacy from the past – Siberia has always had a reputation as "the land of exile" and still hosts a large number of penitentiary institutions, with high rates of tuberculosis. Problems, which contribute to the spread of tuberculosis, are unfavourable climate and low availability of medical services due to a thinly spread population and considerable poverty. Rates of incidence and mortality from tuberculosis are significantly higher in Siberia than in Russia as a whole (by more than 3 times

in Tyva) and are still growing in the majority of Siberian regions, in contrast with declining incidence elsewhere in the country (Figure 6.5). Even relatively developed regions of Siberia have had little success in reversing the trend. Tomsk is an exception to this (for more information on human development and achievement of MDGs in Tomsk Region, see Box 6.3 below)

HIV/AIDS, which has taken root in regions with export-oriented economies and relatively high personal incomes, is a new problem for Siberia. Irkutsk is the worst region in Russia by levels of HIV-infection. Its total rate for the period 1987–2006 was more than 3 times higher than the Russian average and has reached 778 infected persons per 100,000 population (0.8% of all those in the region). Kemerovo Region rose above the average rate for Russia in 2005 and the rate of HIV infection in Krasnoyarsk Territory approached the average in 2006. In Tomsk the epidemic has so far been localized in the oil town of Strezhev.

The problem of HIV/AIDS is at least as challenging as that of tuberculosis. Social infrastructure and healthy lifestyles do not take easily in Siberian towns and cities, which tend to located alongside metallurgy plants, pulp and paper mills, oilfields and mines. Young people in such industrial settlements are in danger of falling victim to drug addiction due to lack of opportunities for personal development and leisure. Rapid spread of HIV/AIDS in Siberia underlines the need for serious efforts by government, in coordination with NGOs and families, to counter drug addiction, which is the main channel for spread of the infection.

The most urgent gender-related problem in Siberia is extremely low life expectancy for men. Male mortality indicators in Siberia are alarming, even by Russian standards (the national average life expectancy for men is very low at 59 years). Half of Siberian regions are below the national average. In the Republic of Tyva life expectancy for men recently fluctuated between 48 and 51 years (46–50 in rural areas), in Taimyr Autonomous District it was about 50 years, in Ust-Orda Autonomous District and in Irkutsk Region the range is 52–53 years. Low life expectancy for men is also characteristic for the Republics of Khakassia and Altai as well as Krasnoyarsk Territory (51–54 years). In Chita Region life expectancy for men in urban settlements is even lower than in rural areas – 52 and 54 years respectively.

Appalling male mortality rates in Siberia are due to mass alcoholism and low quality of life, particularly in rural areas and settlements attached to depressed industrial plants. Life expectancy has shown almost no change for the better, and the high

Figure 6.3. *Level of poverty in regions of the Siberian Federal District*

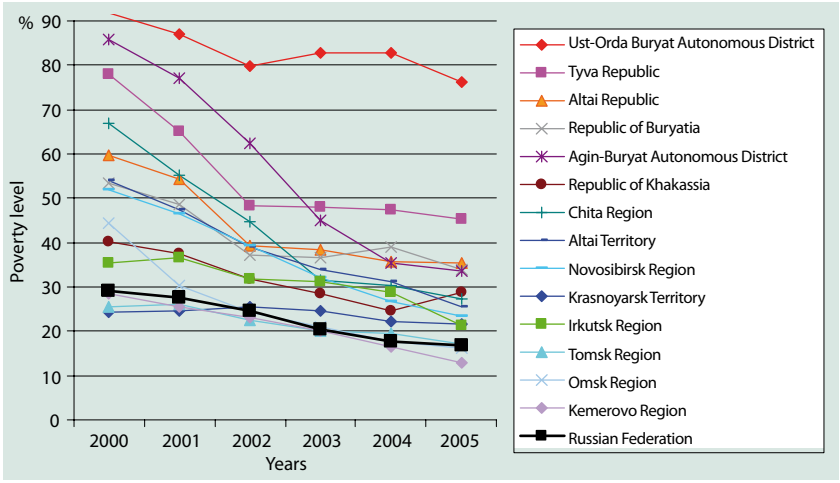


Figure 6.4. *Infant mortality in regions of the Siberian Federal District*

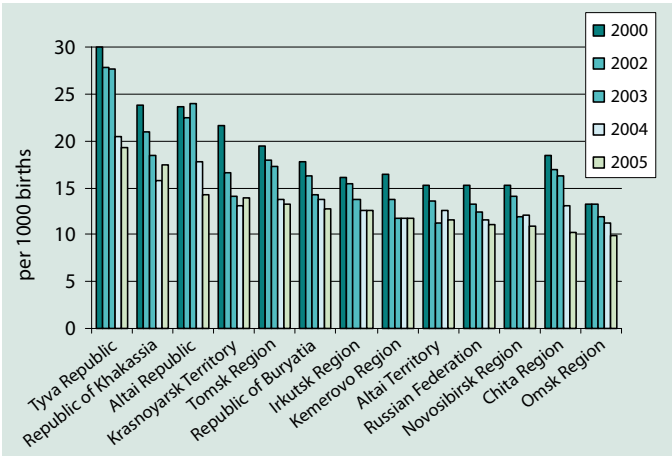
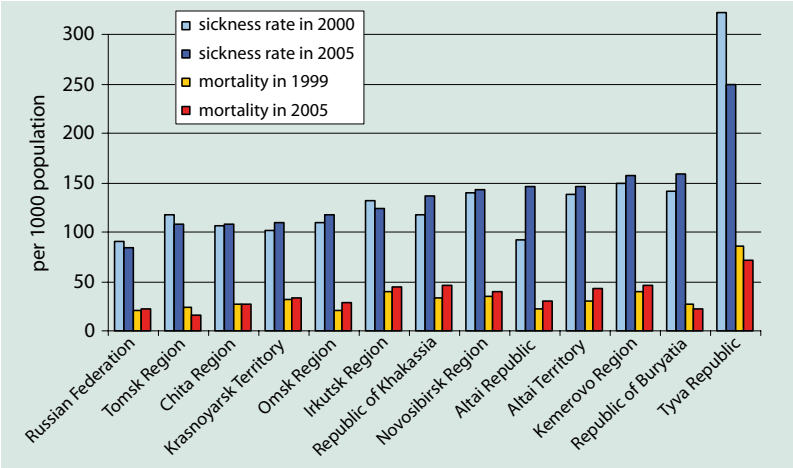


Figure 6.5. *Tuberculosis-related sickness and death rates in regions of the Siberian Federal District*



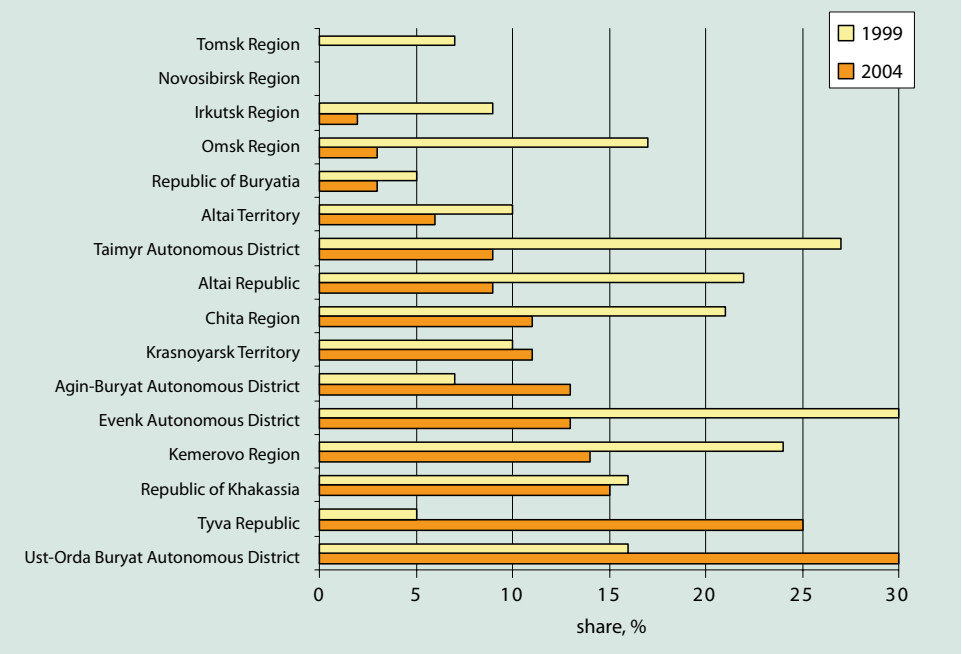
male mortality rate exacerbates ongoing natural decline of population, adding to the effect of migration processes and leading to rapid depopulation of Siberian regions.

There is no easy and quick solution to this problem. Decline in quality of life in Siberia began in the Soviet period and escalated during transition. However, the material cited in Box 6.4 with reference to the Republic of Buryatia shows that policies, which aim to improve life quality and achieve specific results, can bear fruit even in critical socio-economic conditions.

Unemployment is a general problem in Siberia, and half of SFD regions have unemployment rates that are 1.5–2.5 times higher than the national average. Omsk is the only region where the rate differs little from the Russian average. However, gender inequality in employment is minimal. Female unemployment slightly exceeds male unemployment in several less developed regions in the south of Siberia (the Republics of Khakassia and Buryatia, Chita Region and in Altai Territory) due to general problems affecting regional labour markets.

Youth unemployment is a much more serious problem than gender unemployment in Siberia. Unemployment among 15–24 year olds in the SFD is twice higher than among the population as a whole, and youth unemployment in the Republic of Tyva is 38% of the economically active population (only Ingushetia has a worse indicator). The underdeveloped economy in Tyva fails to generate new jobs while the influx of young people into the labour market continues, since birth rates in Tyva remain high. Reduction of youth unemployment rates depends on general improvements in the situation on regional labour markets.

Figure 6.6. *Quota of women in regional parliaments, %*



The Siberian Federal District offers an extreme example of exclusion of women from public life. Female representation in regional parliaments has declined in three quarters of regions and Tomsk and Novosibirsk regions had no female deputies in 2004 (Figure 6.6). It is notable that these two regions have the highest overall education levels and host the largest higher education centers in Siberia. Evidently, education does not help to overcome gender barriers in politics. The quota of female representatives in the legislative authorities has increased only in the least developed regions – the Ust-Orda and Agin-Buryat autonomous districts and the Republic of Tyva.

The two main gender problems of modern Russia – low life expectancy for men and weak representation of women in political life – are both most acute in Siberia.

Enviromental conditions in Siberia's towns and cities also requires urgent attention. The Millennium Development Goals refer only to emissions, which contribute to global warming, but regions in Siberia (and elsewhere in Russia) also have many other types of pollution and contamination to deal with. A third of the 20 Russian cities with the worse rates of pollution are in Siberia, including Norilsk – the most polluted city in Russia (Figure 6.7). The level of air pollution has declined in most Siberian cities during the years of economic growth (with the exceptions of Novokuznetsk and Bratsk), but there has not been any significant improvement of the environmental situation in Siberia.

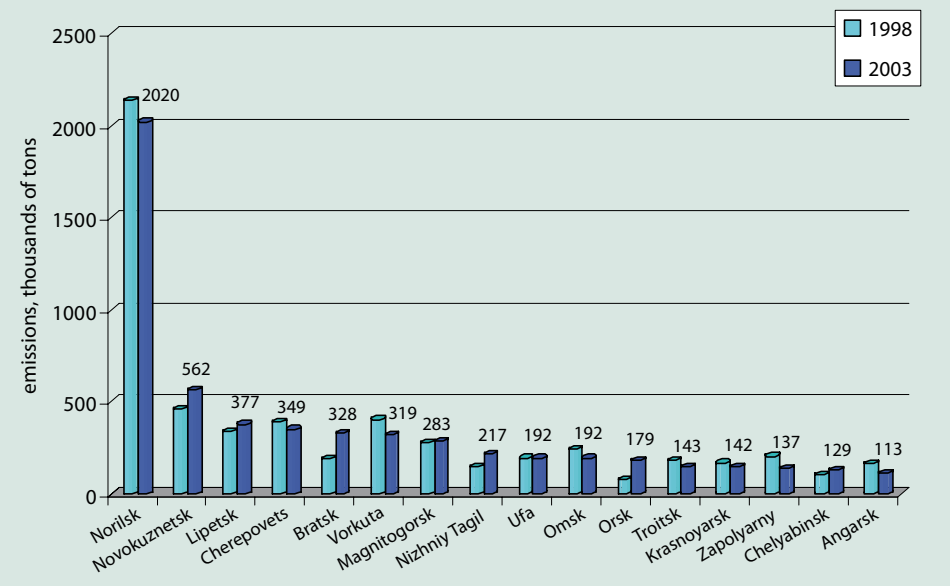
As well as the environmental situation in its towns, Siberia faces the challenge of preserving the ecosystem of Lake Baikal, the world's largest freshwater lake. This issue is dealt with in Box 6.5.

Housing conditions in the Siberian Federal District leave much to be desired, as shown by relevant indicators. The quality of housing stock in the SFD is low: in 40% of regions the share of housing in a dilapidated and dangerous state of repair is 2–5 times higher than the national average and is continuing to rise (Figure 6.8). Budget allocations for housing maintenance are insufficient to overcome a legacy of underinvestment in social infrastructure, dating back to Soviet times (construction of low-quality and barrack-type housing is an unfortunate tradition in Siberia). The situation in the less developed autonomous districts and in the Republic of Tyva is now critical: 14–16% of housing is essentially unfit for habitation.

Underdeveloped social structure and communications in Siberia

are another Soviet legacy. Provision of mains water and sanitation is below the Russian average in nearly all Siberian regions, despite high levels of urbanization in about a third of them. This is explained by the specific nature of urbanization in Siberia: large numbers of so-called "urban-type settlements" were built in Siberia during the Soviet period, which served extraction industries and were urban in name only, lacking any real urban infrastructure. Indicators for Siberian regions with mainly rural populations are even worse: in the regions east of Lake Baikal – Buryatia and Chita – less than half of housing has mains water and sanitation, in the Republic of Altai the figure is just one quarter, while the Buryat autonomous districts show figures of just 4–7% and housing in Evenkia is nearly all without main water or sewerage. In terms of living conditions, a significant part of Siberia has barely emerged from the 19th century.

Figure 6.7. *Cities with highest levels of atmospheric pollution, thousands of tons*



Most Siberian regions also have underdeveloped landline telephone networks. This is particularly true in southern Siberia (from the Republic of Altai to regions east of Baikal) where telephone penetration in cities is only 50–80% of the Russian average and 40–70% in rural areas. This is despite large distances between settlements, which make telephones essential.

Development of cellular communications reflects differences in the pace of modernization between Siberian regions. The leaders are Tomsk and Novosibirsk regions, which host the largest educational centres in Siberia, followed by other relatively developed regions with large cities and high personal income rates (Figure 6.9). In the underdeveloped republics and remote regions east of Baikal low purchasing power and poor infrastructure limit growth of cellular communications. Once again, the Republic of Tyva is the absolute outsider: in 2004 just 1% of its population were mobile users.

MDG indicators emphasize the lag between Siberia and the rest of Russia in main aspects of social development. The tradition of a raw materials economy with insufficient attention to people's needs has proved hard to break, and the problems (income inequality, social diseases, gender disproportions and lack of infrastructure) are becoming more serious. Disparity between Siberian regions is also becoming more marked: personal incomes in economically developed regions with export-oriented economies are growing faster, and the income deficit of those below the poverty line is decreasing, but poorly developed regions and autonomous districts are lagging further behind. The least developed region in Russia, the Republic of Tyva, is located in Siberia.

Successful social development in Siberia is a complex and expensive challenge. There will never be enough

Figure 6.8. *Share of housing in dilapidated or dangerous state of repair in regions of the Siberian Federal District, %*

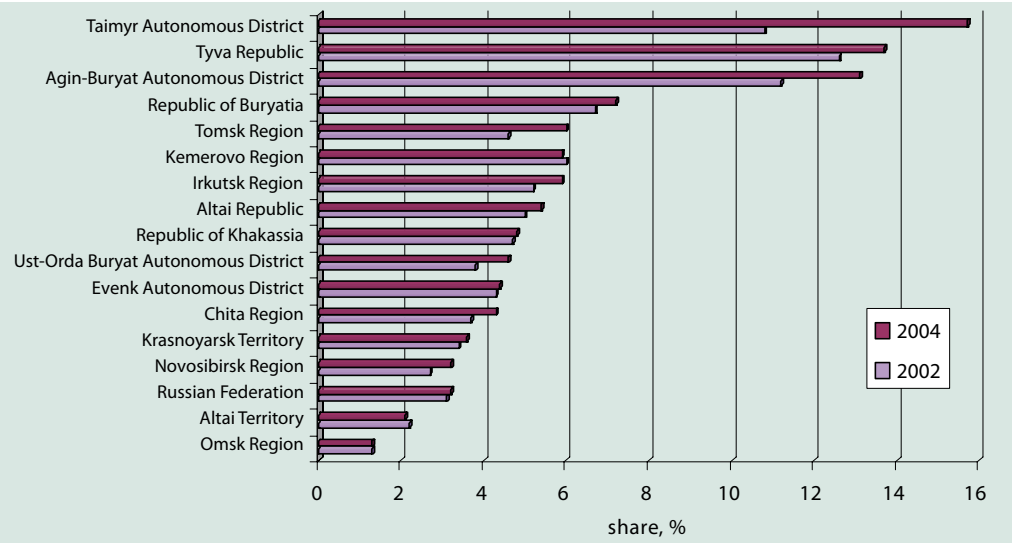
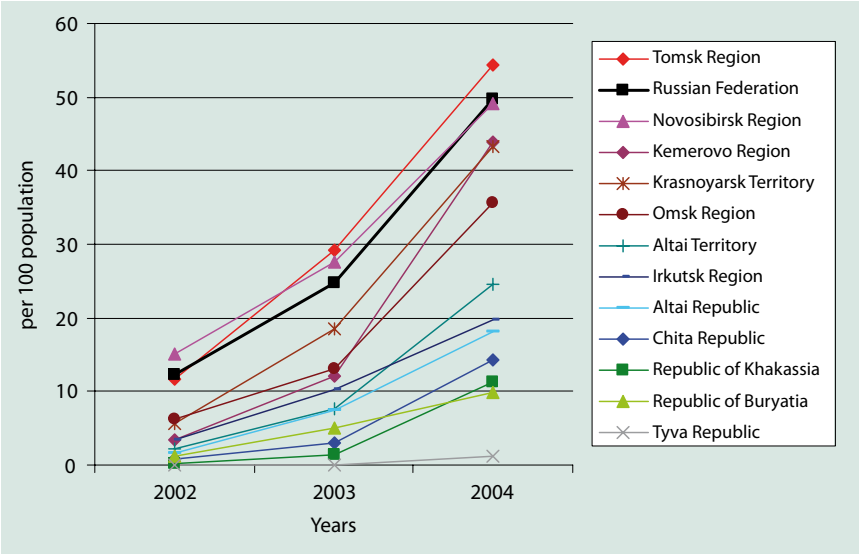


Figure 6.9. *The rate of mobile phone network penetration, per 100 population*



money to provide social infrastructure across the whole of such a vast and thinly populated area. Experience of other northern countries has shown that social modernization starts from cities, which become genuine development centers for the surrounding territory. Another essential trend is gradual concentration of the population in more developed regions (this is already happening in Siberia). Finally, it is important to provide social services (particularly health services) in a mobile form to reach populations in distant locations.

UNDP is providing assistance in several regions of the Siberian Federal District, including a project "Assistance to reform of local self-government in the Russian Federation" (2003–2006), which is being implemented jointly with the Regional Development Ministry of the Russian Federation in the Republic of Buryatia and Irkutsk Region (Box 6.6).

Box 6.1. Human Development and Achievement of MDGs in Irkutsk Region

Irkutsk is a mid-ranking region in terms of development, but stands out by its rate of population loss in recent years. Population in Irkutsk Region shrank by 10% in 1991–2005 and now stands at 2.5 million. Irkutsk is 30th among subjects of the federation measured by GRP. Its industry, which represents a third of regional GRP, is focused on raw materials (timber, minerals) and semi-products with small added value, which are sold outside the region. Production of hydroelectricity is also a major business in the region. The raw materials bias explains the large gap between economic potential of the region and the living standards of its population.

Social indicators are worse than economic indicators. The MDGs most relevant to Irkutsk are those concerned with public health and overcoming poverty. Irkutsk ranked 75th in Russia for life expectancy in 2004 (the indicator declined from 61.9 to 60.8 years in 2000–2004), and it is one of the worse regions in the country for spread of HIV/AIDS, tuberculosis and drug addiction.

The Region's socio-economic development programme up to 2010 uses the Human Development Index as a basic indicator for the first time, targeting 8% improvement of the HDI compared with 2005. Human development has been put forward as a priority goal of the Region's socio-economic development strategy.

Goal 1. Reducing Poverty

The share of the population with per capita income below the subsistence minimum dropped from 31% to 21% in 2003–2005, but remains significantly higher than the Russian average (16%). High poverty levels in Irkutsk Region are related to low incomes, arising from dependence of many urban settlements on a single employer or industry that is in economic depression. In this situation the working population has also low incomes Average per capita income in Irkutsk Region was 85% of the national average in 2004, while the subsistence minimum was 10% higher than the Russian average. The figures are made worse by inclusion of Ust-Orda Autonomous District where poverty levels are the highest in Russia (76% in 2005) and which ranks 87th among Russia's regions by personal income levels.

Poverty is most widespread in rural areas and small towns. The number of people in need of social assistance – pensioners, people wight special needs/disabilities (including children), orphans and children without parental care and families with many children – is on the increase. As of January 1, 2006, 191,300 families were receiving child benefits, i.e. their per capita income was below the subsistence minimum. About 94% of families with three or more children have per capita incomes below the subsistence minimum.

A special programme to reduce poverty, raise incomes of the working population and stimulate salary increases was prepared in 2004, but has not been approved for implementation. According to data presented in the programme, families of the working poor accounted for 60% of those living in poverty in Irkutsk Region. The current programme, "Social assistance to the people of Irkutsk Region", aims to support socially vulnerable groups in accordance with Russian legislation.

Goal 2. Increasing Access to Education

The problem of access to education only exists for pre-school children, for whom there are insufficient kindergarten places in large cities. In 2003 Irkutsk Region had only 605 places per 1000 children aged under 6 and in 2004 the figure dropped to 599. The level of provision for school-age children is improving due to declining numbers of children in the Region: the percentage of children attending afternoon

Box 6.1. Human Development and Achievement of MDGs in Irkutsk Region *(continued)*

and evening sessions at schools has dropped from 30% to 24 % over 5 years.

The problem of access to higher education is purely economic, being determined by low incomes, and Irkutsk ranks quite highly (13th place among Russian regions) by the number of students in higher education per 10,000 population. Irkutsk is the largest educational centre in Eastern Siberia, and Tomsk and Novosibirsk are the only Siberian cities with better provision of higher education provision.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

The most serious aspect of gender inequality in the region is the 15-year gap in life expectancy between men and women (54 and 69 years respectively – both figures are on the low side). Mortality among men of working age is three times higher than among women of working age, and men in this age group account for 43% of total male deaths. Key causes of excessive male mortality include behavioral patterns, particularly alcohol and drug abuse.

Gender inequality in education tends to favour women. The number of female students in higher education rose by 6% in 2004–2005 compared with the previous year and women were 56% of total students. However, the highest percentage of female students is found in teacher training (74–75%) and medical high schools (67–77%), which mostly lead to poorly paid public sector jobs.

The share of women in the able-bodied population is also growing due to their longer life expectancy and educational potential. However, participation of women in decision making on the regional level is still low and numbers of women in executive positions in government are particularly low. The previous Irkutsk regional parliament had only one woman among its 45 deputies and the present parliament has 4 (9% of total membership). The number of women in local self-government has risen: women were 63% of all those holding elective office in executive and representative local government. But it should be emphasized that women are most numerous in government of the 355 rural areas and small towns in Irkutsk Region, which have serious budget constraints and where representative office is not paid (women have 74% of representative positions there). The proportion of women among deputies of the Region's 36 urban districts is much lower (26%), and there are only 2 women among 36 mayors of urban districts, while 127 (35%) of 355 heads of administrations of towns and villages are women.

Irkutsk has been carrying out regional action plans since 2002 aimed at improving the situation of women and enhancing their role in society, and NPOs have been invited to work alongside government structures in designing the latest plan (for 2006–2010). These plans mainly focus on helping women to perform functions related to family and motherhood, but the latest plan contains new gender strategies developed by women's and other NPOs, including combating domestic violence, prevention of drug and alcohol abuse, preventive health, and gender equality in education. Over 120 NGOs, including women's organizations, partnered with local authorities to design the "Programme for socio-economic development of Irkutsk Region in 2006–2010 and up to 2020".

A series of international forums "Women for Survival of Our Planet" have been held in Irkutsk since 1996, organized by the Angara Women's Union and the Coalition of Women's Organizations. More than 2550 people attended the most recent forum. The Angara Union provided a basis for creation of the UNDP Regional Centre for Women. The "Programme for gender development in the Siberian Federal District" was designed with support from UNDP and 6 other UN agencies as well as government structures and NGOs. This Programme offers a strategy for realisation of the gender aspect of the Millennium Development Goals, summarizing the experience of international, federal and regional strategies and actions for gender development, using recommendations and guidelines of the Beijing Platform for Action and each of the eight MDGs. Specific tasks and measures have been defined for achievement of the Goals, taking account of specific development conditions in the Siberian Federal District, and indicators have been designed to help measure outcomes. Unfortunately, the "Programme for gender development in the Siberian Federal District" has not been used in design of socio-economic programmes for Irkutsk region. But women's organizations supported by other NGOs have had major impact in other directions.

A network of crisis centers now operates in the region, set up by various women's organizations. The regional women's programme for 2006–2010 includes a number of measures to combat domestic violence, and to consolidate and develop a network of crisis centers. Information campaigns are being carried out, as are specialized expert training seminars for medical staff and law enforcement officers. Another programme run with support from women's organizations is "Prevention of Human Traffic". There are lectures at schools, seminars and training courses on finding employment, a special hotline and a "Safe House" programme.. Women's organizations have also set up a new campaigning body, "Mothers Against Drugs". Schools and higher education institutes are following suggestions made by women's organizations concerning peer-group trainers, special actions and new forms of social advertising.

Much attention is given to educational programmes aimed at boosting potential of women's and non-profit organizations and developing social initiatives among local communities. Grant competitions under the umbrella of a Provincial Community Assembly were introduced in 2000 with backing from the Joint Council of NPOs and the Irkutsk regional administration. the competition is held annually with financing from the regional budget and aims to support civil initiatives, which are deemed to be of public importance. More than 1200 projects have been submitted and over 400 have received approval. Many of these have gender relevance and a special "gender and society" division of the grant scheme has been set up: more than 30 projects focused on gender development in Irkutsk Region have received funding, including a single fathers' club, an information campaign for combating human traffic, a girls' leadership school, etc. The main point of the Provincial Community Assembly is

Box 6.1. Human Development and Achievement of MDGs in Irkutsk Region *(continued)*

to help teach people basic skills of social planning, understanding their own needs, and presenting coordinated, well-planned activities to meet those needs.

A gender-conscious budget is an important component of gender policy. The Coalition of Women's Organizations has helped to implement "Transparent Budget" technology in operations by local authorities and administrations. Gender-conscious analysis of budget allocations to young people and of educational policies has been carried out, and conclusions and proposals have been presented at public debates in the regional parliament. Two gender experts serve on the public council of experts, attached to the parliament's committee on budget, price formation and financial, economic and tax law. The council assesses the Irkutsk regional budget from a gender viewpoint and results are presented at public hearings. Training seminars on the theme "Transparent budget with public participation" have been held in many parts of Irkutsk Region.

A series of publications, "Baikal Women's Initiatives", has appeared, which presents approaches to solving social problems, and a number of business-development organizations have been set up (the Angara Plus Women's Centre, Baikalia Tourist Information Net). Angara Plus works to support business initiatives by women. Annual competitions are held to find the Region's best female manager, and socio-economic development programmes for the city of Irkutsk and the Region include proposals for development of female small business as a tactic for combating poverty. Baikalia is focused on ecology and development of the tourist industry around Lake Baikal. Baikalia and other NGOs are particularly concerned with conservation of Lake Baikal and have campaigned against construction of an oil-pipeline along its shores. The regional administration and general public gave their support to this campaign, leading to cancellation of the project.

Goals 4 and 5. Reducing Maternal and Child Mortality

Irkutsk was among the regions with high maternity and infant mortality rates in the 1990s. Special measures have helped to reduce infant mortality from 16.1 per 1000 babies born in 2000 to 12.5 in 2005, but the region is still in the bottom third of Russian regions by this criterion. One of every three children who dies in the first year of life is from a family with high social or medical risk profile. Under-5 mortality was 16.5 per 1000 in 2005, which is still significantly higher than the national average. Maternal mortality in the region also remains high, although there was a drop of 29% between 2000 and 2004.

A new analytical department was set up in 2006 at the main regional perinatal centre to monitor and investigate infant and maternal mortality. The department also monitors progress of pregnancies among women in high obstetrical and perinatal risk groups. Observations were already carried out before creation of the special department: in 2005, 184 babies were kept under observation and several of them were transferred to clinics in Moscow and Novosibirsk. Organization and practice at the regional children's clinic has been modernized. New initiatives also include monitoring of children from poor families in kindergartens and schools.

A regional target programme "Healthy Child – Safe Motherhood" has been operating in the Irkutsk Region since 2000 and mobile medical teams have been in operation since 2004 serving children in remote parts of the Region. These salaried teams use equipment from the "Healthy Child" programme, and carry out routine medical examinations. Medical institutions in rural areas and small towns are receiving new life-saving and rehabilitation equipment, and paediatricians have been trained to provide medical aid to children away from the clinic. The same programme has sponsored purchase of computer equipment to simplify routine examinations in short-staffed regional hospitals.

Goal 6. Combating HIV/AIDS, Tuberculosis and other Diseases

Irkutsk is among Russian regions most affected by spread of HIV. The number of people in the region diagnosed HIV-positive was 20,670 at the beginning of August 2006, including 267 children. Until recently, spread of HIV was driven by spread of drug addiction, and the majority of victims were among the unemployed and those serving custodial sentences. But there was a surge in sexual transmission of the disease in 2004, when sexual contact was responsible for 43% of new cases. The infection is beginning to spread beyond the high-risk group to the rest of the general public, who are not involved in drug abuse. Another worrying trend is rise in the number of HIV-infected women of childbearing age and transmission of the infection from mother to child. HIV-positive mothers have produced 2068 children to date.

The regional HIV/AIDS-prevention service consists of the Irkutsk Regional Centre for Prevention and Control of AIDS, branches of the Centre in 5 other cities, and 29 local screening laboratories. A regional target programme to combat HIV and AIDS has been in operation since 1998, and its financing has increased by 6 times since 2000. The largest share of these funds goes towards acquisition of anti-retrovirals and diagnostic systems.

The programme has included training seminars for medical staff, psychologists and volunteers dealing with virus carriers, as well as an AIDS prevention campaign in the media. In 2005, 25 preventive programmes with total budget of 11.8 million roubles were operating in the region. Anti-HIV and AIDS programmes had been approved in 32 out of 37 of the urban districts in Irkutsk Region by 2005 and financing of these programmes had begun in 23 of the districts.

Preventing spread of the infection from mother to child is an important part of the battle against HIV. Irkutsk Region uses a staged system for preventing mother-child infection, including treatment of the embryo while still in the womb, and the system can reduce risk of virus transmission to 1.5%. However, impact is limited since most of the virus carriers among pregnant women are socially maladapted and slip through the net of antenatal care: the chances of preventing transmission to the child are much less if nothing it done until after birth.

Box 6.1. Human Development and Achievement of MDGs in Irkutsk Region *(continued)*

In 2006 funds allocated by the regional budget for treatment of HIV were supplemented by federal transfers as part of the national project for combating HIV-AIDS. However, efforts to date have not been able to curb spread of the infection in Irkutsk Region. Efforts have focused predominantly on medical aspects of the problem, aiming to make life easier for HIV-infected and AIDS patients, but negative social aspects, which encourage drug use and spread of HIV, have not been addressed. The Region lacks resources to tackle these root causes of HIV on its own.

Programmes to combat tuberculosis are in place at federal, regional and local level in Irkutsk Region, and all aim to make action against tuberculosis more effective, to improve quality of personnel, equipment and medicines at diagnostic and treatment centers. Federal assistance accounts for 72% of total financing, but overall financing is still insufficient to provide adequate – anti-tuberculosis medication, to ensure that diagnostic equipment is up to date and in good order and to provide specialised tuberculosis diagnosis and treatment centers in all localities. Tuberculosis incidence and mortality rates have continued to rise as a result.

Goal 7. Ensuring Environmental Sustainability

Environmental sustainability is of tremendous importance to Irkutsk Region. The Region's economy depends on raw material extraction and processing, so employment and personal incomes of its population depend on proper management of natural resources. Rapid industrialization placed a large man-made burden on the environment, leading to negative effects on public health and putting limits on further industrial development in the most economically advanced part of the region. Irkutsk and Bratsk have long numbered among the most polluted cities of Russia, and the town of Shelekhov joined this list in 2000. The most industrialized part of the Region is adjacent to Lake Baikal, whose unique natural features have earned it a place among World Heritage sites. A Russian federal law on protection of Lake Baikal calls for creation of special zones around the Lake, restricting or completely prohibiting certain kinds of industrial activity. However, this zoning plan has not yet been finally approved. Other nature reserves exist in Irkutsk Region in addition to the Baikal shoreline, and their total area is 3.1% of the Region's territory.

The state of housing and water supplies are important determinants of living standards. Irkutsk lags the Russian average measured by living space per person (19.4 sq m per compared with 20.5 sq m in 2004). The share of housing in dilapidated and dangerous condition is also high (5.9% of housing 2004) and is growing due to low rates of new construction. The Region is also below the Russian average for mains water provision (68% of housing in Irkutsk and 76% of housing in Russia as a whole in 2005) and sewerage (66% of housing in the Region has sewerage and this figures has been constant for several years). However, these figures are better than averages for the Siberian Federal District.

The regional authorities and civil society have worked together on protection of the environment. Ecological education has been developed with assistance from international organizations, and the Region passed a law on ecological education and awareness in 2003. About one third of the Region's schools now study ecology as part of their curriculum and the Region has 12 institutes offering higher education courses with ecological themes. These methods of raising ecological awareness are highly important in cities with adverse environmental conditions.

The problem of environmental sustainability in Irkutsk Region is likely to become more acute in the future, since development prospects for the next decade are based on natural resource extraction projects in the north and east of the Region (sometimes referred to as a "second industrialization" of Irkutsk). Forthcoming unification of Irkutsk Region with Ust-Orda Buryat District is also expected to stimulate new projects and attract new financing from business and the federal budget, which the region intends to use for development of special economic zones, including development of a tourist and recreation complex on the shores of Lake Baikal and a uranium-processing plant in the city of Angarsk. Another project is for creation of a new agglomeration uniting the cities of Irkutsk, Angarsk, Shelekhov and adjacent territories.

Goal 8. Forming Global Partnerships for Development

Irkutsk Region is making steady progress with achievement of this Millennium Development Goal. Over the past 5 years the number of fixed telephone lines has increased by 1.8 times thanks to presence of competing telephone companies on the market, although the gap between regional indicators and the Russia average is still large (in 2004 the region ranked 63rd by fixed-line provision). The situation in rural areas is particularly critical, since the Region's vast area makes infrastructure maintenance very costly. Fixed-line provision in rural areas rose by 25% in 2000-2005, but the Region still ranks 82nd in Russia by this indicator (only the most underdeveloped regions such as Dagestan, Tuva and Agin-Buryat Autonomous District fare worse).

The prospects of achieving Millennium Development Goals in Irkutsk Region depend largely on federal policy. The most urgent task is to combat spread of HIV/AIDS, tuberculosis, drug addiction and other social diseases by attacking root causes of these problems. That requires a new system for integration of young people into adult life and increase of decent job opportunities for them.

Influx of new investments in the extractive industries will stimulate income growth and reduce poverty. But mechanisms of social optimization function poorly in a region, which is predominantly dependent on extractive industries, where local business is underdeveloped and which is dominated by large companies. Reduction of income inequality may therefore prove a harder task than at first appears.

Stable growth of global partnership indicators has been ensured by successful development of information services in Irkutsk region, as competition forces providers to work harder to win customers. Positive trends of environmental sustainability indicators are mainly due to strong civil movements and involvement of the general public.

Box 6.2. Altai Republic in the Context of the MDGs

The Republic of Altai is a relatively small region, with population of 204,500 in 2006. More than half of the Republic is covered by mountains, and it is one of the most sparsely populated subjects of the Russian Federation. The largest urban centre is Gorno-Altaisk (also the Republic's administrative centre) with population of 53,500.

Socio-economic indicators put the Altai Republic in a group of heavily subsidized agrarian regions with low levels of economic development and poor living standards. Industrial enterprises are unevenly distributed, but mainly concentrated around the Republic's capital. Districts further away from Gorno-Altaisk tend to have lower levels of socio-economic development and poorer quality of life.

Goal 1. Reducing Extreme Poverty

Monetary incomes have been consistently low over the past decade. Only one region of the Siberian Federal District – the Republic of Tyva – has lower income indicators than the Altai Republic. The lowest income quintile accounted for 8.5% of total incomes in 2005 and 9% at the end of the first half of 2006.

The funds Coefficient (ratio of incomes of the 10% best-off to incomes of the 10% worst-off) is not much different from the average Russian level, standing at less than 7 times as of 1 July 2006.

The federal policy of subsidies to certain regional budgets to overcome skewed development of different Russian regions has significantly improved per capita budgetary provision in the Altai Republic in recent years. However, no significant changes in relative personal incomes of the population have been achieved. The average per capita income stood at 52% of the Russia average and 64% of the average in the Siberian Federal District in 2001, and these figures were little changed in 2005 at 54% and 67% respectively. Continuing rise in the cost of living has an aggravating effect, preventing a significant percentage of people from escaping poverty. The subsistence level in 2005 was 22.7% higher than in 2004 and rose by further 26.4% in the first six months of 2006. Poverty levels in the region are declining at a slower rate than average per capita income levels are growing.

The main technique used to combat poverty is to stimulate employment. Unemployment rates in the Republic dropped from 15.9% in 2000 to 9.1% in 2005. As of 1 July 2006, unemployment in Altai Republic stood at 8.6% (below the average rate of 9.6% in the Siberian Federal District). People with secondary education but no special training represent the largest group among the unemployed (38.5%). Youth unemployment rates are high: 21% of the population aged between 15 and 24 is out of work. The regional labour market offers very few opportunities for young people with university degrees in law and economics, but qualified professionals are in great demand (for example) in the construction industry.

Improving quality of life, combating poverty and reducing unemployment rates all depend directly on economic development, which is not moving ahead quickly at present. A so-called Institute of Social Investors was set up in 1998, by which the regional government gives investors in the Republic's social infrastructure special tax exemptions at local and republican levels. Investments thanks to this mechanism were 45 million roubles in 2005.

The Republic has designed a medium-term programme of socio-economic development for the period 2006-2009 and the regional parliament is hopeful that it will serve as a way of overcoming economic depression and poverty. Priority sectors for development will be tourism and leisure: a new tourism and leisure zone is being prepared, and work is underway to build and upgrade sanatoria and spa facilities. The Russian government is ready to invest 14 billion roubles in development of the leisure industry in Altai and the Republic's government has signed investment contracts with the business community worth 6.6 billion roubles. Planned projects include reconstruction of Gorno-Altaisk airport and a motorway to China. Gorno-Altaisk University introduced a new course in tourism management from 2006.

Success of this programme for boosting the economy will create more resources for tackling priority social tasks, modernizing social infrastructure and attracting private investment. Target outcomes include reduction of registered unemployment from 4% to 3.5% and a 25% rise in youth employment rates, as well as reduction of child disability rates from 30 to 22 per 1,000.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

There are 96,9000 women living in the Republic of Altai (52.5% of the total population). The gap between life expectancy for men and women is 13.8 years compared with the Russian average of 13.4 years. As elsewhere in Russia, the share of men among all those working or seeking work is higher than the share of women (69.4% and 60.5% respectively). However, male unemployment rates, according to ILO criteria, are also higher. The share of women in the workforce outside agriculture is 54%. Wage levels of men and women are practically equal.

Among the 41 member of the regional parliament (El Kurultay) only 6 are women (15%), while municipal and district councils have 58 women among their 207 deputies (28%). The share of women in executive government posts was 68% as of 1 January 2005, but women tend to occupy lower-ranking positions.

Goals 4 and 5. Reducing Child Mortality and Improving Health of Mothers

Infant mortality rates in the Republic far exceed Russian averages. Main causes are respiratory diseases, congenital abnormalities, perinatal pathology, traumas, intoxications and accidents. Accidents were responsible for about a third of all infant deaths in the region in 2005, mainly due to social conditions of families, which include alcoholics.

Infant mortality dropped from 18 to 14 cases per 1,000 live-births in 2004-2005, thanks to well-coordinated joint

Box 6.2 . Altai Republic in the Context of the MDGs *(continued)*

efforts by the Republic's Ministry of Health and health care institutions. An entirely new system was introduced in 2005 for transfer of newborn babies from outlying districts to the Republican children's hospital and new standards of antenatal care were put in place, which take account of all health risk factors. The medical services now have specially equipped ambulances with incubators designed for transporting newborn children.

Two republican target programmes, both addressing maternal and child health, have made extra financial and technical resources available for care of mothers and young children. A new fully-equipped intensive care ward has been commissioned at the Gorno-Altaisk Maternity Hospital, which also serves as the Central Republican Maternity Hospital, and rooming-in wards have also been introduced.

All in-patient and out-patient clinics and hospitals have been equipped with modern ultrasonic diagnostic facilities to help in screening of pregnant women for possible foetus pathologies. About 82% of expectant mothers now undergo antenatal screening.

Telemedicine is increasingly used for consulting and monitoring of pregnant women with high risk of foetus pathologies. In 2004–2005 telemedicine equipment was purchased for all central district hospitals, and installation is now being completed at the last four hospitals.

Goal 7. Ensuring Environmental Sustainability

Environmental sustainability is crucial for development prospects in the Altai Republic, which are linked to the tourism and leisure industry. The situation today is relatively satisfactory compared with other Siberian regions. Conservation areas and parks cover 24% of the Republic. But efficient use of this potential is hindered by remoteness, infrastructure weakness, shortage of qualified professionals, and limitations on development due to need to respect conservation requirements.

Significant reserves of underground water could be used for water supplies in the Altai Republic, but there is currently a shortage of drinking water in Gorno-Altaisk. Up to 60% of the mains water supply system in large villages is in a critical state due to long use without maintenance. Excessive amounts of electricity are used for pumping purposes due to leaks from water pipes.

The share of housing units in the Altai Republic with mains water is very low at 25% only. Communities provided with running water facilities often fail to observe the sanitary rules and norms for management of water sources, there is no water metering equipment, and the pipe network is not properly maintained, which often leads to bacteriological contamination.

Wastewater discharge, of which 83% comes from housing, is another problem. The Republic's only facilities for water purification (including biological purification) are in Gorno-Altaisk.

The Katun water collector, which should overcome drinking water shortages in Gorno-Altaisk and Maymй, is currently under construction as part of a federal water supply sub-programme. Regional budget spending on maintenance and repair of communal infrastructure in 2000–2004 was 140 million roubles (18.6% of total spending), of which 55 million roubles was used for maintenance and repair of water supply pipes and wells. Work is being carried out to renew a range of depreciated communal infrastructure assets, including renewal of water and heating systems in Gorno-Altaisk.

Goal 8. Forming Global Partnerships for Development

Like other Russian regions, The Republic of Altai has seen dramatic development of information and communication networks over the past five years. Fixed-line telephone coverage increased by 2.2 times in 1990-2004 and a further 389 lines were installed in 2005, of which 223 in villages and rural settlements. Registered numbers of mobile phone users rose from 37,000 in 2004 to 90,000 by 1 July 2006 (in 2006 mobile coverage was provided in the high mountain districts of Kosh-Agach, Ust-Kan and Ust-Coxin). Installation of 70 public telephones was carried out in districts of the Republic in 2006 and there are plans to install satellite communication sets in remote villages during 2007. Mobile Internet services are provided in rural schools where mobile phone connection is available as part of a programme by the cellular company, Beeline.

Provision of Internet connections in schools is a crucial task, in view of inaccessibility of many schools and low population density. To date, 23 schools have Internet connection and another 205 schools are due to be connected in 2006–2007. The company Intel carried out a training programme for teachers called "Studying for the Future" in July 2006 to support IT use in schools.

Regional social policy depends on support from the federal budget, and important mechanisms include federal target programmes and federal investment programmes with specified beneficiaries. The Republic is also implementing 60 of its own target programmes. About 3 billion roubles were spent on federal and regional target programmes in 2000-2005, and 60% of financing came from the federal budget. Most of the investments are in construction and reconstruction of social infrastructure.

Financial support from the federal government has led to the following achievements:

– reduction of infant mortality by 75%;

– 43% increase in the number of places in institutions, which care for the elderly and invalids;

– improvement in the pre-school education network;

– reduction in the share of pupils attending late shifts at schools from 27% to 23%.

Hepatitis B vaccinations were provided as part of the federal project for improvement of the nation's health and 42,700 people (21% of the total population of the Republic) have undergone HIV-tests. Medical examinations were carried out on 7,400 people of working age in 2006.

Box 6.3. Tomsk Region in the Context of the MDGs

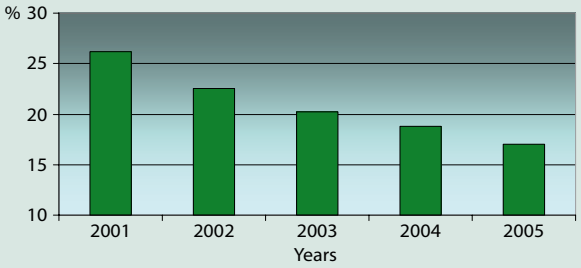
Tomsk Region is rich in natural resources and its development has been rapid. The economy grew at average annual rates of 9.5% in 2000–2004 compared with 6.8% in Russia on the whole. GRP of the region has grown by 57% in real terms over the past 5 years (the average figure for Russia was 39%), industrial output has grown by 70% (the Russian average was 38%), and real wages by 72% (67% in Russia as a whole). Real wages surpassed the 1998 level as early as 2001 and had reached 162% of the 1998 level by 2004. On the whole, Tomsk Region retains its leadership among regions in the Siberian Federal District with regard to key social indicators. The Region ranked 5th among all Russian regions in the Human Development Index in 2004.

Goal 1. Reducing Poverty

Like most regions with a predominantly oil-extracting economy, Tomsk region has large wage differentiations. Wages in the industrial sector are 3.1 times higher than in agriculture and 1.9 times higher than in education and health care. Average wages in the financial sector exceed the average in agriculture by almost 5.5 times. Large wage gaps between different sectors also divide the Region geographically: the wage leaders are oil-extracting districts and the capital, while the outsiders are agricultural districts and urban settlements mired in economic depression, where the problem of poverty is also acute.

The percentage of people living below the poverty line in Tomsk Region is close to the Russian average. There has been a steady decline in poverty levels over recent years from 26.2% in 2001 to 17.0% in 2005. A regional strategy for reducing poverty has been applied since 2004, which aims to improve regional social policies for dealing with poverty (Figure 6.10)

Figure 6.10. *Decline in poverty levels in Tomsk Region, 2001–2005, %.*



Goal 2. Increasing Access to Education

Problems with access to education are most pressing at the pre-school level. Studies by the regional administration have shown that low pre-school coverage in the Region is leading to significant disparities in ability when children enter school. Failure to increase numbers of pre-school facilities to meet demand is due to high-cost of kindergarten projects, which tend to involve new construction or conversion of existing school facilities, and shortage of financing for such projects. Lack of standards and norms for pre-school education is also a problem. Three focus areas have been suggested for finding solutions to these problems:

- making provision of pre-school education more flexible (organizing part-time groups at secondary schools and other existing institutions, etc.);
- designing minimum standards for pre-school education and defining sources of financing;
- transfer to per capita financing of pre-school education with support from both the public and private sectors.

One more issue of access to education is that under per capita model of financing it turns out that maintenance of small one-room schools is costly, but their closure is not always justified due to problems of distance to other schools (67 schools in Tomsk Region are relatively accessible, but 174 are relatively inaccessible).

The federal Ministry of Science and Education is helping with a project to use Tomsk State Polytechnical University for training of teachers to work in one-room schools. Tomsk Region would thus be the pilot region for a training model that would later be duplicated elsewhere in the country.

Development of the system for preparing highly qualified specialists is essential for realisation of the Region's competitive advantages as a high-tech leader. Projects include creation of a multi-stage competitive environment at Tomsk Polytechnical University, aimed at motivating students to work in the most complex disciplines, attain more in-depth knowledge and learn to solve engineering tasks independently and innovatively.

The University curriculum also includes programmes to develop leadership qualities and skills, training for project management and team work as well as a second foreign language, summer natural-science and language schools, possibilities of inclusive education and study periods abroad on exchange programmes, and contracts with future employers prior to completion of studies. Creation of resource centres is also planned on the basis of already existing NGO institutions, using funds provided by large businesses, which need high-class, trained professionals, capable of handling modern equipment and using modern materials.

Goals 4–6. Reducing Maternal and Child Mortality, Combating Social Diseases

The most critical problem for Tomsk Region is high mortality rates, although they are lower than the Russian average and the average for the Siberian Federal District while birth rates are consistently higher than the Russian average. In 2004 Tomsk region ranked 6th among Siberian regions measured by birth rates.

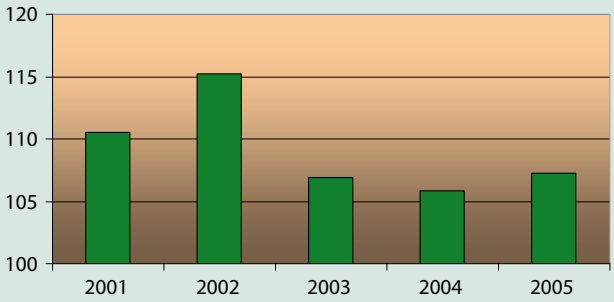
Infant mortality rates in Tomsk Region have declined in recent periods, but they remain higher than the Russian average.

High active tuberculosis incidence rates are also a characteristic feature of Tomsk Region, and they have consistently exceeded rates in the country as a whole.

Box 6.3. Tomsk Region in the Context of the MDGs *(continued)*

As of 1 January 2006, Tomsk region had 1007 officially registered cases of HIV infection, including 8 AIDS patients. The HIV incidence rate was 97.2 per 100,000. (Figure 6.11). These are moderate levels and significantly lower than the Russian average of 228.8 and the Siberian average of 224.3 per 100,000 (see Table 6.1).

Figure 6.11. *Tuberculosis incidence rate in Tomsk Region, per 100,000 population*



The situation in the town of Strezhevoi and in Alexandrov District remains critical: HIV incidence rates there have reached 966.1 and 313.7 per 100,000 respectively. These regions account for 45.6% of all cases of HIV-infection in the region.

As regards more general health problems and the demographic situation, it should be stressed that the most dramatic rise in mortality over the past 10–12 years has been in working-age groups:

- 20–30 years – the main causes of mortality were: accidents, poisoning and traumas (about 70%);
- 45–55 years – the main causes of mortality were: cardiovascular diseases (about 29–30%) and accidents (25–26%).

On the whole, the structure of mortality in Tomsk Region is close to that of Russia as a whole. The biggest share is due to cardiovascular diseases (46%), followed by cancers and by accidents (14%), and poisoning and traumas (15.7%). Growth in the number of socially conditioned causes of mortality should be noted: deaths due to accidents and traumas, mostly when the victim was in a state of intoxication, and due to serious circulatory, digestive, and other failures, which are brought on by alcohol abuse in every third case (according to post-mortem findings).

Goal 7. Ensuring Environmental Sustainability

Pollution from industry and other anthropogenic causes is a serious problem in Tomsk Region, and poses a threat to the environment and to the people of the Region, who find themselves unable to meet their physical and economic needs due to the adverse state of the environment.

Harmful atmospheric emissions in Tomsk region in 2005 totalled 402,800 tons (including automobile emissions). More than half of this amount was caused by the oil & gas industry. Pollution due to industry and to housing and utility infrastructure also has serious impact on water resources.

The level of soil pollution by dangerous chemical substances remains high, mainly due to the oil industry.

Table 6.1

Spread of HIV/AIDS in Tomsk Region, the Siberian Federal District and Russia, data for January 1, 2006

Region	Number of HIV-infected, per 100,000 population		In absolute terms	
	Total	Children	Total	Children
Russia	228.8	no data	1498	200
Siberian Federal District	224.3	no data	175	5
Tomsk Region	97.2	5.0	8	no data

Accumulated mass of waste dumps in Tomsk Region had reached 17.2 million tons by the early part of 2005.

Goal 8. Participating in Global Partnerships in Accordance with Russia's National Interests

Nearly all types of telecommunication service provision in Tomsk Region are superior to the national average. The number of urban telephone network subscribers has increased significantly in recent years. Telephone density (the number of connected telephone lines per 1000 population) has increased from 233 to 351 over the past 7 years, while digitization of the fixed telephone network has reached 86.4%.

Tomsk Region is the leader in Siberia by mobile penetration with more than a million subscribers (as of 1 January 2006) and ranks 5th in the national Internet rating system. Annual rates of growth of Internet users have been close to 100%. Tomsk is in 3rd place, behind Moscow and St. Petersburg, by IT readiness and preparedness for e-government, which is to be developed by the Russian Ministry for Communications and IT and by the Institute for Development of the Information Society.

Box 6.3. Tomsk Region in the Context of the MDGs *(continued)*

Table 6.2

Indicators of sustainable development in Tomsk Region

Indicator	2001	2002	2003	2004	2005
Ratio of money income to the subsistence minimum, %	144.7	212.2	224.9	239.6	256.4
Income inequality (income ratio of the highest quintile group to the lowest quintile group)	6.48	7.,08	7.10	7.45	7.43
Income deficit of low-income groups as a share of total personal incomes, %	4.2	3.2	2.7	2.4	2
Poverty rate, %	26.2	22.5	20.2	18.8	17
Infant mortality, per 1,000 newborn	16.7	17.9	17.2	13.8	13.2
Tuberculosis incidence rate, per 100,000 population	110.5	115.2	106.9	105.8	107.3
HIV incidence rate, per 100,000 population	56	72.9	80.9	89.3	69.8
Life expectancy (men), years	59.81	59.8	58.29	59.55	59.12
Life expectancy (women), years	71.97	71.81	71.34	71.72	71.4
Unemployment rate, %	10.12	12.91	15.06	11.34	11.48
Number of women in the regional parliament	0.00	4.76	4.76	4.76	4.76
Emissions (thousands of tons)	105.455	95.08	96.004	100.7	103
Share of housing in poor and dangerous state of repair, %	4.71	4.67	5.96	6.03	5.36
Mains water provision , %	73.3	73.6	74.1	73.8	75.1
Sewerage provision, %	66.6	67.5	67.7	68	68
Provision of fixed telephone lines in urban areas, %	70	62	76	80	82
Provision of fixed telephone lines in rural areas, %	51	54	49	53	55
Mobile penetration per 100 people	3.5	12.34	30.28	56.31	97.6

In 2005 the Tomsk regional administration designed a special development strategy for the region up to 2020 and a socio-economic development programme for the period 2006–2010, aiming to address human development issues while taking account of the Millennium Development Goals. The main objective of the programme is to ensure high living standards by:

- creating a dynamically developing, balanced and competitive regional economy which can ensure high personal income levels;
- making Tomsk Region an excellent location for living, working and recreation.

In order to assess efficiency in implementation of this programme a system of benchmarks was used, including nearly all indicators of sustainable development for Tomsk Region (Table 6.2).

Box 6.4. Republic of Buryatia and the Prospects for MDG Achievement

Buryatia is a relatively small region in the southern part of Eastern Siberia. It covers 2% of the total Russian territory and has population of 969,000. Buryatia occupies a medium-low position in ranking of Russian regions by economic development, and is among the worst-off as regards poverty and unemployment. Nearly half of the Republic's budget (46.8% in 2005) consists of federal subsidies, and the Ministry for Economic Development and Trade ranks Buryatia 78th among Russian regions on a complex of indicators, i.e. among regions with the lowest development levels.

There have been improvements during the years of economic growth. GRP grew by 31% from 2000 to 2004, while industrial output increased by 58% and volume of retail trade rose by 83% over the same period. Real monetary incomes and real wages were 59% and 87% higher respectively. However, both average per capita income and average wages in Buryatia remain below the average in the Siberian Federal District (Buryatia is in 8th place among Siberian regions by wage levels). Major challenges faced by the Republic are reduction of poverty, improvement of the general climate for business and investments and attaining qualitatively new development levels. These tasks are directly linked to achievement of the MDGs.

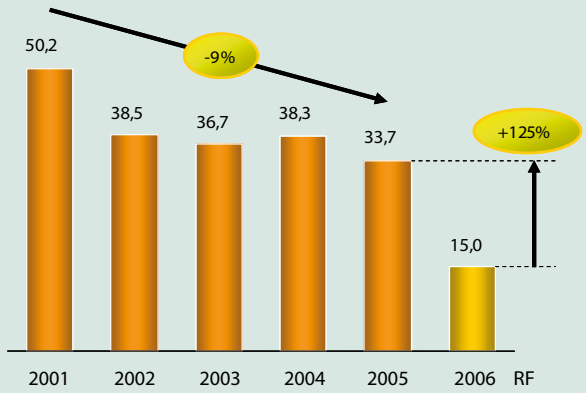
Goal 1. Reducing Poverty

Income inequality in Buryatia has remained roughly constant in recent years. The ratio of incomes of the top 10% group to the bottom 10% was 13.4 in 2004. The share of people below the poverty line was still very high at 33.7% in 2005, which is double the Russian average (see Figure 6.12). High poverty rates in the Republic are due to a long-established lag in economic development compared with the rest of Russia and slow recovery after the major recession of the 1990s. Overcoming poverty depends on creation of new jobs, reducing the economic development lag, and reducing dependence on federal subsidies.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

Women are fairly active on the labour market in Buryatia, with 53.9% of total employment in 2004 (estimates based on figures from large and medium-size enterprises). However, female representation in politics is extremely low: only 6% (4 out of 65) of deputies in the People`s Hural (regional parliament) are women.

Figure 6.12. *Percentage of people with income below the subsistence level, %*



Low life expectancy, particularly among men, is a major concern. The indicator for both sexes is unacceptably low, even by Russian standards, at just 61.1 years in 2004, representing a decline of 6.5 years compared with 1990. Average life expectancy for men is not only extremely low (54.6 years), but has also declined more drastically than the average (by 7.8 years since 1990).

Goals 4–6. Reducing child mortality, improving maternal health, combating HIV/AIDS, tuberculosis and other diseases

Infant mortality rates in Buryatia are higher than the national average, but there has been a notable decline in recent years: from 17.8 per 1000 newborn children in 2000 to 12.8 in 2000. Mortality rates among children under 5 years of age are 20% higher than the average indicator in Russia (16.7 and 13.9 respectively per 1,000 children of this age group). Maternal mortality in 2003–2005 was double the national average. The Republic suffers from high and increasing rates of active tuberculosis incidence. The number of people diagnosed with tuberculosis for the first time reached 159 persons per 100,000 population in 2005, which is almost twice higher than the Russian average. The rate among men in 2004 was 211 per 100,000, compared with 98 per 100,000 women. Tuberculosis mortality in 2001 was 18.7 per 100,000, rising to 23.0 per 100,000 in 2005, which is close to the Russian average. It should be noted, however, that tuberculosis mortality is twice higher among the 40-44 and 55-59 age groups.

Proximity to Irkutsk Region, which has become the epicenter for spread of HIV/AIDS in Russia east of the Urals, has led to rapid spread of the epidemic in Buryatia. The total number of HIV-infected persons in Buryatia in October 2006 was 3000, representing 270 per 100,000, which is higher than the national average.

The regional government is addressing these problems in its social policy, but available resources are not sufficient. A regional law, passed in 2006, ensures provision of adequate diets for pregnant and breastfeeding women and for children under three years old (adequacy is vetted by qualified doctor). Provision of diet supplements will be via a network of specially organized centres.

HIV-tests had been carried out on 12,600 people in Buryatia as of 1st September, 2006, and treatment for 80 HIV-infected persons was planned in 2006 within the framework of the Health national project. Special emphasis is placed on preventive action. There is a volunteer movement helping to combat HIV in Buryatia: its members carry out training and information events at schools and higher education establishments in the Republic.

Goal 7. Ensuring Environmental Sustainability

Industrial plants are mainly located in the cities of Ulan-Ude and Gusino-Ozersk and the North Baikal industrial area,

Box 6.4. Republic of Buryatia and the Prospects for MDG Achievement *(continued)*

which have become major centers of pollution. There are also pollution problems along main roads and railways as well as in large river valleys. Pollution elsewhere in Buryatia is low-level and dispersed. Main sources of pollution of surface water tracts are industrial plants and housing utilities, but in recent years there has been a tendency to reduction in the amount of pollutants discharged into surface water.

Atmospheric pollution is mainly from electricity and heat generating plants, housing utilities and motor transport, aggravated by weather in the colder seasons, which prevents dispersal of air pollution. There is also negative impact from forest fires. On average 86.2% of harmful atmospheric emissions in Buryatia are neutralized by filters (the level is 10 percentage points higher than the average in Russia). However, pollutant emissions per GDP unit in Buryatia have been increasing since the mid-1990s, indicating that current filtering technologies can no longer cope with emissions and that modernization of the economy is urgently needed.

Rates of mains water connection and proper sewerage are used as criteria to assess overall housing amenities. Rates of mains water and sewerage connection are 4–5 times higher in urban than rural housing. In 2004 the share of all housing in the Republic with mains water was only 50%, of which 74% was in urban areas. The share of housing with sewerage was 49%, of which 73% in urban areas.

The share of housing in poor or dangerous condition was very high at 7.2% of total housing in 2004. This problem is particularly grave in the northern areas of the Baikal-Amur Railway: the share of poor or dangerous housing in Mui district is 46% and shares of such housing in the town of Severo-Baikalsk and in Severo-Baikalsk District are 26–28%. Northern areas of Buryatia also have the highest percentages of unsafe housing: 9% in the town of Severo-Baikalsk and 6–7% in Severo-Baikalsk and Bauntov districts. The problem arises from the fact that most housing built along the Baikal-Amur Railway at the time of the railway's construction was meant to be temporary and is now critically depreciated. The need to re-house people living in these areas has been repeatedly raised with federal government, but a solution has not yet been found.

Goal 8. Forming Global Partnerships for Development

Communications infrastructure in the Republic is inadequate. Buryatia ranks 78th among Russia's regions by the number of telephone subscribers per 1,000 people in cities, with rates that are 40% below average indicators for Russia. Buryatia is 61st in Russia by telephone line provision in rural areas, representing a smaller 12.5% gap compared with the rest of the country.

The past 2 years saw rapid development of mobile communications and there are currently three mobile operators in the Republic. Mobile penetration reached 46% in 2005, up from just 10% in 2004.

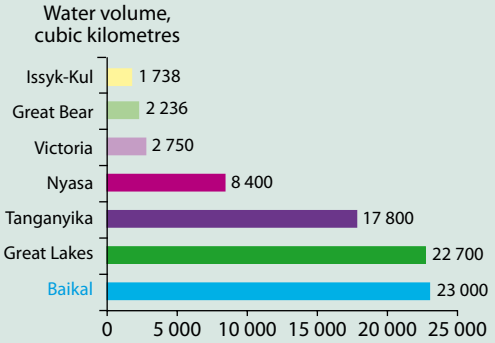
However, the coverage zones of both federal and local mobile operators is limited (many areas around Lake Baikal are inaccessible for mobile connection).

Box. 6.5. Lake Baikal – What does it Mean to Russia?

Russia is the largest country of the Eastern hemisphere and has abundant water resources. Quality of groundwater is quite satisfactory *to date* and quality of surface water *to date* is higher than in many European countries (particularly if cities are compared). However, Lake Baikal stands out by any criteria due to its unique physical and geographical features and purity of its waters.

Situated in the south-east of Siberia the Lake has the world's single biggest volume of fresh water (23,000 cubic kilometers) with depths up to 1620 meters (1637 meters according to some estimates). Figeres 6.13 and 6.14 out Baikal in the context of the world's other major lakes.

Figure 6.13 *Water volume, cubic kilometres*



The Baikal basin contains one fifth of all the fresh water on Earth. The volume of water carried by all the rivers in Russia in one year (the country's river network is one of the greatest in the world) is only 10% of the volume of water in Baikal. The Lake covers an area between that of Belgium and Switzerland with a 2000-kilometer shoreline to which 300 rivers arrive and from which only one departs (the Angara River). The lake was formed at the place of a crack in the earth's crust about 22–23 million years ago, giving life to 2,630 species of flora and fauna, of which about 2000 are not met with anywhere else in the world. Baikal's shoreline includes 12 protected territories and 3 conservation areas where any type of economic activity is strictly prohibited.

UNESCO included Baikal and the adjacent area in the list of World Heritage sites in 1996.

The Russian government acknowledged the uniqueness and importance of Baikal in 1999, when its passed a federal law to ensure protection of the Lake (the first law ever passed at government level in Russia to protect a specific natural site). Preparation of the law saw an unprecedented public debate, including 1300 amendments put forward by NGOs, and its passage appeared to mean that Baikal was no longer subject to threat. However, non-governmental organizations, particularly those involved in ecological issues, still point regularly to multiple threats, which continue to hang over the Lake.

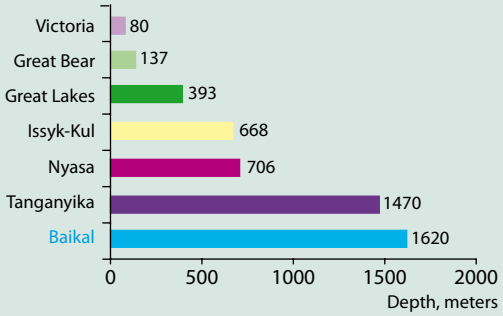
Box. 6.5. Lake Baikal – What does it Mean to Russia? *(continued)*

Are there causes for alarm?

In the 1960s the Baikal Paper Processing Plant was built and commissioned on the shore of the Lake, contaminating the virgin waters. The government has passed dozens of directives to prohibit discharge of pollutants from the Plant, to redesign it or even to close it, but none of them have been put into effect. According to its technical documentation, the plant operates a closed cycle, meaning that polluted water should not be discharged into the Lake. In fact, however, monitoring of water near the plant indicates that contamination with phenol, sulphides and other chemical substances is growing year by year. Transparency of the water (a key indicator of the Lake's health) is decreasing, and the balance of organisms in the Lake, which has come about over thousands of years, is rapidly changing. This information is included in official annual government reports on Lake Baikal, but the facts, which are not officially reported, are more alarming: illegal felling of trees, forest fires, contamination by oil discharged from boats, and large-scale losses of the Baikal nerpa – the world's only fresh-water seal.

It may be said that the situation has not yet developed from a threat into a catastrophe. It may be said that the Lake can rejuvenate itself, since it reproduces more than a quarter of its waters (about 60,000 cubic kilometers) each year. That might be true if all man-made activities were to cease, not only along the Lake shore, but across the whole of the Baikal basin, which covers an areas more than 18 times greater than the actual Lake surface, and 40% of which is in Mongolia. There are 140,000 people living on the shore line of the Lake and more than a million people in the Baikal basin. For many of these people the Lake is not only (and not so much) a sacred object, or a unique part of our global heritage – it is the only source, from which they can make s living. The Republic of Buryatia is ranked 71st in the Human Development Index our of 78 ranked Russian regions, and prohibition of economic activities on the Lake would exacerbate the poverty rates. An alternative strategy is therefore necessary, of combining economic growth with maximum levels of protection: a strategy of sustainable development of the Baikal area.

Figure 6.14. *Depth, meters*



Sustainable development can mean compromises between the interests of people and of corporations and the victory of common sense. An example has been given by Transneft, a state-controlled pipeline transport company, which is building an oil pipeline from Eastern Siberia to the Pacific Ocean. It was initially planned to lay the pipeline just 800 meters from the shores of Baikal, but when environmental NGOs raised the alarm, it was decided to move the pipeline 400 kilometers to the north of the lake. The new project will require about one billion dollars of additional investments as well as research into construction techniques to deal with the permafrost highlands. But value of Baikal cannot be measured in money terms or in terms of slower or faster rates of economic growth.

Box 6.6. Support to the Project for Local Self-government Reform in the Russian Federation Project (Results in Siberia)

A joint project by UNDP and the Russian Regional Development Ministry for reform of local self-government is currently being implemented in two pilot regions (Republic of Buryatia and Irkutsk Region). Activities to date have included:

- adaptation of regional and local government procedures in the pilot regions to comply with the new version of the federal law on local self government;
- ensuring that local executive and representative government and NPOs in the pilot regions are equipped to carry out the local self-governance reform;
- increasing awareness in Russian civil society of the changed role of local governance, and involving the general public in local governance to a greater extent;
- giving comprehensive strategic recommendations and distributing legislative and administrative models based on experience in implementation of the project.

Several changes have been made to the new federal law based on experience in trying to implement it in the pilot regions. For example, a problem which arose in the Republic of Buryatia during implementation of the Project concerned physical location of local government: the Project experts found that amendments were needed to allow the administration of a new municipal district to be located outside the territory of the old urban district, which it replaced without geographically coinciding with it.

Study of the situation in pilot regions also suggested that it might be necessary to relax the federal law requirement, which prohibits one and the same person from combining the positions of chairman of the representative body and head of the executive in municipal formations with populations over 1000. Lack of resources and people with necessary qualifications for these jobs in most rural settlements made the law requirement very hard to meet. These points were made at the federal level by regional authorities, and a new version of the federal law allows one person to combine these offices in all rural settlements, regardless of their population.

Chapter 7

Far Eastern Federal District. Escaping an Outback Role

The Far Eastern Federal District (FEFD) occupies more than a third of Russia's territory, but its population is the smallest and most thinly spread of all the federal districts: the number of people living in the FEFD is equal to the number in Moscow Region (the region which surrounds Moscow, not including the city itself). The share of the Far Eastern Distict in Russia's population and its economy is less than 5%. The District comprises 10 regions, but the number will reduce to nine after unification of Kamchatka region with the Koryak Autonomous District. About three quarters of the District's population lives in its southern part and more than half live in two regions: Primorsk and Khabarovsk territories. The administrative centres of these territories – the cities of Vladivostok and Khabarovsk – are the largest cities of the Russian Far East with populations of about 600,000 each and are also traditional rivals for leadership in the region. Khabarovsk is the administrative centre of the Federal District and also the largest centre of higher education in the Far East. Northern parts of the FEFD are very thinly populated: population density in the Republic of Sakha (Yakutia), Magadan Region and Chukotka region is less than 1 person per sq km.

The Far East has always been regarded as a peripheral part of Russia, and its infrastructure remains underdeveloped. Transition to a market economy led to a dramatic rise in transport prices, weakening economic ties with other regions of Russia, so the economic crisis in the Far East was more serious and protracted than elsewhere in the country. Decline in job numbers was accompanied by a sharp increase in the cost of living, provking a mass outflow of people, which is still continuing today albeit on a smaller scale. The remotest parts of the Far East suffered particularly serious population losses: Chukotka Autonomous District lost two thirds of its population and Magadan Region lost half. Overall, the Far East lost 18% of its population between 1990 and 2005.

Recovery afer the crisis of the 1990s has been much slower than in the rest of the country. Far East GRP increased by less than a quarter (24%) in 1996–2004 compared with average 43% for all regions of Russia. Sakhalin Region is the only part of the Far East with high growth rates (63% in the same period), which can be explained by new oil & gas projects. Mass emigration from Kamchatka and Magadan regions has led to GRP declines in those regions at a time when the economy elesewhere in Russia has been growing.

Differences in development levels between various regions of the Far East are not large: the highest ratio of regional per capita GRP to the cost of living is only twice higher than the lowest. This Federal District has no clearly defined economic leaders or obvious outsiders among its regions, in contrast with the Siberian and (especially) the Urals Federal District. All 10 regions of the FEFD receive federal subsidies, which partially compensate for rise in the cost of living in remote territories with severe climates.

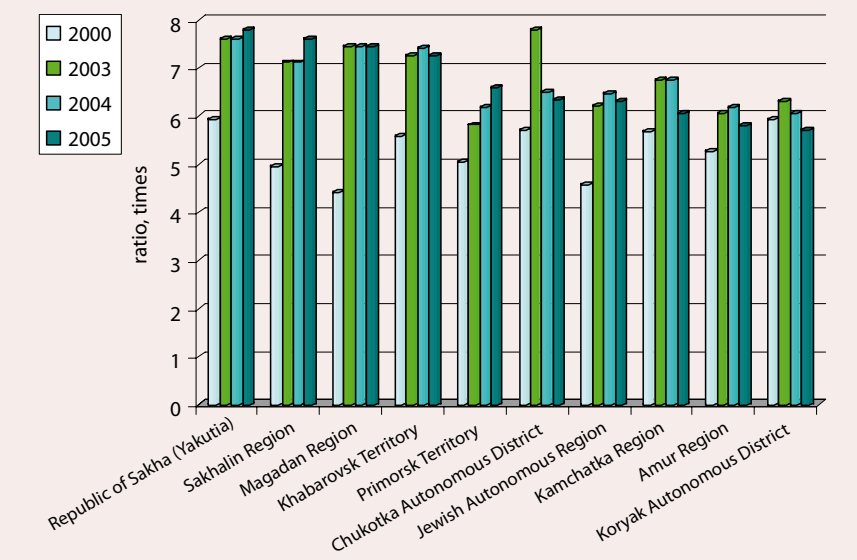
The highest per capita GRP indicators in the Far East are found in the regions with major export industries: the Republic of Yakutia with its diamond industry and, recently, Sakhalin Region with its oil & gas industry. Faster economic growth in the Chukotka Autonomous District in the early 2000s was due to large businesses becoming chief taxpayers to the region's budget in exchange for tax remissions (the Region operated as a domstic tax haven), but this "economic wonder" proved short-lived. When the Governor of Chukotka (Roman Abramovich) sold his oil company (Sibneft) to the national gas company (Gazprom) budget revenues and investments in this autonomous district fell drastically.

Regions with medium development levels are Khabarovsk Territory – the main manufacturing region in the Far East (see Box 7.1 on achievement of MDGs in Khabarovsk Territory) – and the gold-mining Magadan Region, whose economy is largely sustained by its status as a special economic (customs) zone. Agrarian regions along the Amur River (Amur Region and the Jewish Autonomous Region) as well as regions focused on the fishing industry (Primorsk Territory and Kamchatka Region) have much lower levels of development. However, low figures for per capita GRP in the regions along the Pacific coast are not only due to major economic recession during the crisis years, but also to the fact that a large share of fishing is in the shadow economy and not recorded by statistics. Average income indicators for the population of these regions are inevitably distorted to an extent. Also, small samplings for household budget surveys in these regions mean that conclusions about income and income inequality are not necessarily reliable.

According to statistics, gaps between personal income levels in different regions of the Far East are shinking. The reason for this is slower economic development and the "smoothing" effect of federal subsidies. In 2005 the ratio of average per capita income to the subsistence minimum in more developed regions was 2.2–2.4, while in less developed regions the ratio averaged 1.8: the divergence is much less than in Siberia. Differences between quintile ratios (income of the 20% of people who receive most as a ratio income of the 20% who receive least) in different regions are also limited: the ratios are between 6 and 7 in most regions (Figure 7.1). Even in Far East regions with economies mainly dependent on export of raw materials quintile ratios are smaller than the national average. These are surprising results: in the 1990s statistics organizations in the Republic of Yakutia recorded extremely high income ratios (more than 40 times) between the top and bottom 10% in the Repblic. It seems unlikley that income inequality could be low in a region where wage differences (between those working in the diamond industry and in agriculture) are measured in tens of times.

Like other federal districts, the Far East has seen a considerable reduction in the income deficit of

Figure 7.1. *Ratio of cash income of 20% of population with highest income to that of 20% with lowest income*



the poorest segment of society during the years of economic growth. This reduction has affected more developed regions, whose economies depend on extraction of natural resources, but the income deficit has also shrunk in heavily subsidised Amur region (Figure 7.2). Income deficit indicators in the FEFD are now only slightly higher than the national average, and interregional differences have almost been smoothed out. Again, the statistical findings are hard to account for, expecially when compared with findings for the Siberian Federal District.

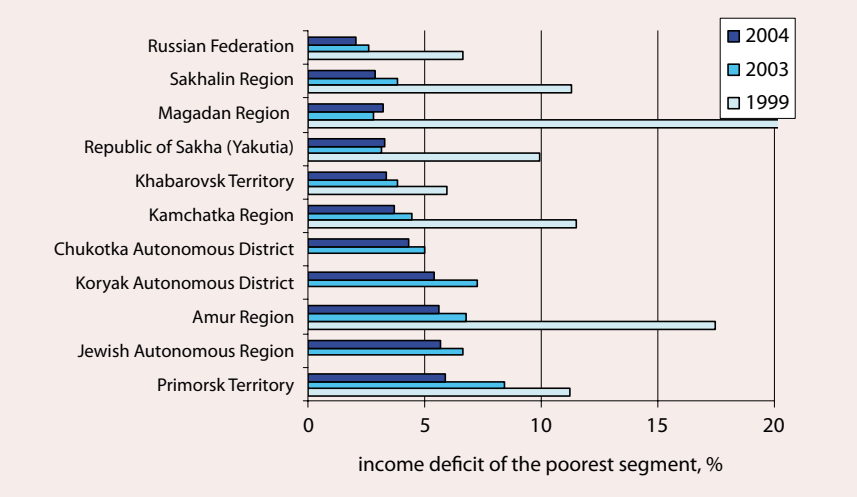
Poverty levels have declined sharply, as have interregional difference in poverty levels (from two times in 200 to 1.5 times in 2005) (Figure 7.3). The share of those in poverty is under 30% in all regions of the FEFD and levels in Sakhalin and Magadan are under 20%. That compares with poverty levels above 30% in about a third of Siberia's regions in 2005. Generally, indicators of both income and income inequality in the FEFD show considerable improvement. However, continued high levels of emigration prove that the current state of affairs is still far from satisfactory. Lower rates of economic growth in the FEFD compared with the rest of the country suggest that reduction of poverty must be entirely due to redistributive policies by government.

It is unlikely that extreme poverty is declining as rapidly, since the Far East has a high concentration of people living on the margin life styles: homeless, unemployed, people not even looking for work, people from indigenous ethnic groups with no steady source of income, etc. But comparatively reliable statistics on income rates are not sufficient even for an expert estimate of extreme poverty rates, and data on extreme poverty are never published. There is a total lack of information on economic status of both legal and illegal migrants from China, who settle in southern parts of the Far Eastern Federal District.

Current financing levels in the social sector cannot solve the problems of large-scale erosion of human potential and underdeveloped social infrastructure in the Russian Far East. This is also clear from MDG health indicators. Infant mortality rates in nearly all Far East regions, although declining, are still higher than the Russian average (Figure 7.4.). The situation is particularly serious in autonomous districts, where the problem of alcoholism is combined with high birth rates among the indigenous population. Agrarian regions east of Lake Baikal also show high mortality rates, and relatively worse rates in rural areas are a general rule: infant mortality in rural areas of Primorsk and Khabarovsk territories, Amur Region and the Jewish Autonomous Region is 1.5–1.7 times higher than in their cities and towns, due to marginalisation of rural populations and limited access to medical services. Under-5 mortality rates are high in all regions of the Far East, particularly in autonomous districts and Amur Region where the rate is 24 or more deaths per 1000 compared with the Russian average of 14 per 1000 (in 2005).

There has also been a notable reduction in maternal mortality, but improvement of mother-and-child health indicators in the Far East has been slower than in the rest of

Figure 7.2. *Ratio of income deficit of poorest segment of society to the total personal income, %*



the country. This is clear from statistics for the two biggest Far East regions, Primorsk and Khabarovsk territories. In 2003 maternal mortality rates in these two regions were respectively 1.2 and 1.6 times higher than the national average, but that had increased to 1.8 and 2.1 times by 2005.

Social diseases are spreading in the FEFD. Tuberculosis infection and mortality rates continue to rise in the majority of regions (Figure 7.5). Tuberculosis incidence is 1.5 times higher in the Far East than in the rest of Russia (only Siberia has worse figures). Tuberculosis is particularly frequent among small indigenous ethnic groups in the North: the Koryak Autonomous District, with a population of only 18,000, has 5 times more cases relative to its population than the rest of the country and the tuberculosis mortality rate in the District is more than 3 times higher than the national average. Extremely high morbidity and mortality rates are also observed in the south of the FEFD (in regions along the Amur River as well as in Primorsk and Sakhalin), due to poverty, social problems and poor living conditions.

HIV/AIDS has so far only affected Primorsk Territory, Russia's eastern "trade gate", largely due to the number of major ports located there. The number of registered cases in Primorsk is about a quarter higher than the national average (per 100,000, taking the total figure for the period 1987–2006). Sickness rates in Primorsk are still lower than in regions of European Russia with major seaports, but increase of drug addiction is helping to spread the infection, which is likely to move beyond Primorsk into other FEFD regions, particularly neighboring Khabarovsk Territory. The biggest threat is to large cities.

Gender-related problems in the Far East have their own specific character related to geographic and ethnic peculiarities of the District. Firstly, low life expectancy is common to both men (56 years) and women (69) in the Far East, due to social problems and the severe climate. Also the Far East now has regions where social problems are concentrated among indigenous peoples (similar to Tyva in Siberia). For instance, in the Koryak Autonomous District life expectancy for men has declined to 46 years (the lowest in Russia) and to 49 years in rural areas of Chukotka. Life expectancy of women in these two autonomous districts is also the lowest in Russia, at under 62 years (the national average is 10 years higher). In rural areas of Chukotka life expectancy for women does not exceed the pension age of 55 years. This is not a gender problem, but a long-standing problem of alcoholism and social maladaption of indigenous peoples (both men and women) in autonomous districts. Marginalization of ethnic Russian populations in

Figure 7.3. *Poverty level in regions of the Far Eastern Federal District*

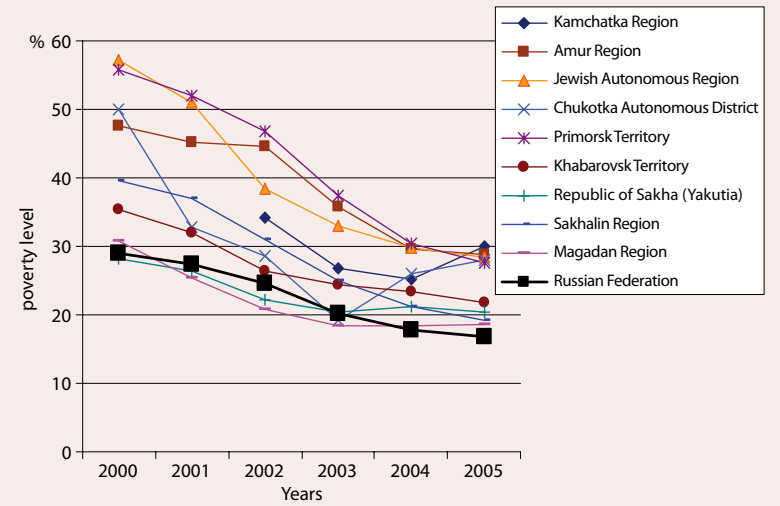


Figure 7.4. *Infant mortality in regions of the Far Eastern Federal District*

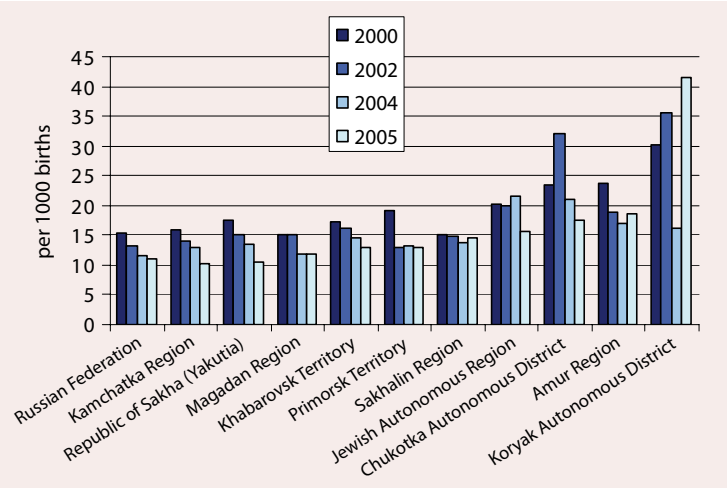
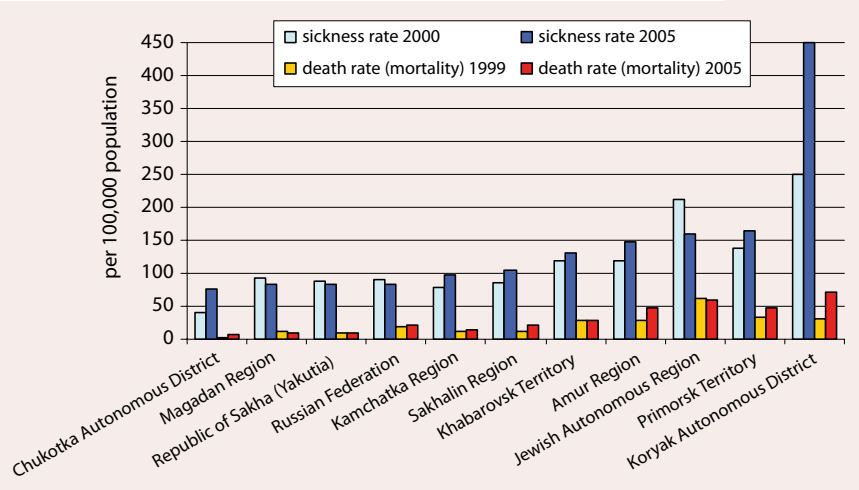


Figure 7.5. *Tuberculosis-related sickness and death rates, per 100,000 population*



the less developed agrarian south has also accelerated. The regions most affected are Amur Region and the Jewish Autonomous Region (the name does not reflect its ethnic composition, since more than 90% of its population are non-Jewish Russians). Life expectancy in these regions has declined to 54 years for men and 67 years for women. Both indicators are 5 years lower than the national average.

So population decline in the Far East due to mass migratory outflows is being intensified by high mortality rates in the autonomous districts and southern agrarian territories. Problems of rural areas in the Far East deserve special attention. They arise from high unemployment rates (11–15% in rural areas of most regions), low wages, low availability of social services, and the fact that most of the rural population is not indigenous, but moved to the Far East a few decades ago. Rural areas of the Far East are turning into a vast depressive zone with marginalized populations.

Gender-related problems in employment are only found in regions of the North-East. The economy there is mainly based on extraction industries and shortage of employment for women has been a problem since Soviet times. High female unemployment rates (over 10%) are characteristic for the northern region of Magadan, but in other regions the gap is either less substantial or male unemployment is actually higher.

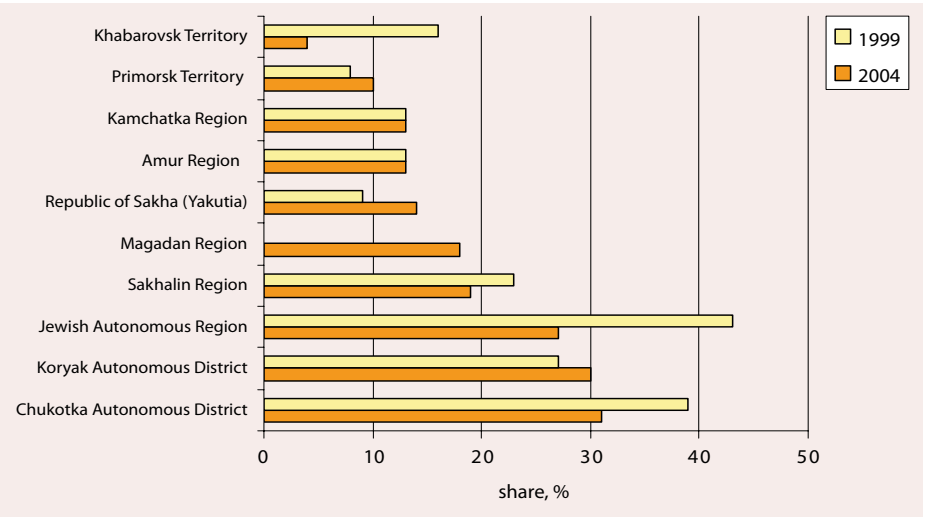
Representation of women in FEFD regional parliaments is the highest in the country, with levels significantly higher than the national average in 80% of Far East regions, although there have been notable changes in the last 5 years (Figure 7.6). Female representation is strongest in small and less developed autonomous districts and in the Jewish Autonomous Region, and is lowest in the most populous regions (Primorsk and Khabarovsk territories). The inverse relationship between female political representation and economic weight of regions is typical for Russia, although some increase in the level of representation of women in legislative bodies of Yakutia and Magadan (both with economies based on raw materials) should be noted. On the whole, gender-related problems (both those, which are emphasized in the Millennium Development Goals, and gender issues, which are most relevant for Russia today) are less pressing in the FEFD. This has to do with presence of women in higher status jobs in developing regions, but also with the fact that the Far East has limited economic resources.

Misuse of natural resources is a greater problem than pollution in the Far East. Tremendous harm is being done to the environment by timber poaching and its illegal export to China as well as by uncontrolled trawling. Sparse population means that environmental pollution is localized in nature: emission of atmospheric pollutants is mainly concentrated around large coal-fired power stations, but there are not many of those. Levels of water and air pollution in cities and towns of the Far East are significantly lower than in Siberia.

The Far Eastern Federal District is marked by underdeveloped infrastructure and low quality housing. This is a legacy of the Soviet era when spending on amenities was kept to a minimum. Box 7.2 below illustrates the extent of this problem in the Republic of Sakha (Yakutia). In about half of FEFD regions the share of housing in a poor or dangerous condition is 2–4.5 times higher than the national average (Figure 7.7). Mass emigration has reduced housing shortages, but quality continues to deteriorate due to insufficient budget investments. The situation is worst in remote territories of the North-East and in Sakhalin where housing maintenance costs are highest (see the discussion of human development problems in Sakhalin in Box 7.3). The situation is already critical in Yakutia and the Koryak Autonomous District, where 12–14% of housing is practically uninhabitable. The problems have been aggravated by natural disasters: floods in Yakutia and a recent earthquake in the Koryak Autonomous District. Regional budgets cannot afford to deal with the backlog of problems and the federal authorities only provide help in emergencies.

Mains water and sewerage is available to a greater share of homes in the Far East than in most other federal districts, including Siberia, but this stems from a higher level of urbanization. There are serious problems in the agrarian Amur Region and Jewish Autonomous Region (only 55–60% of housing has water and sewerage) and in the Republic of Yakutia (50%). In Yakutia the capital

Figure 7.6. *Quota of women in regional parliaments, %*

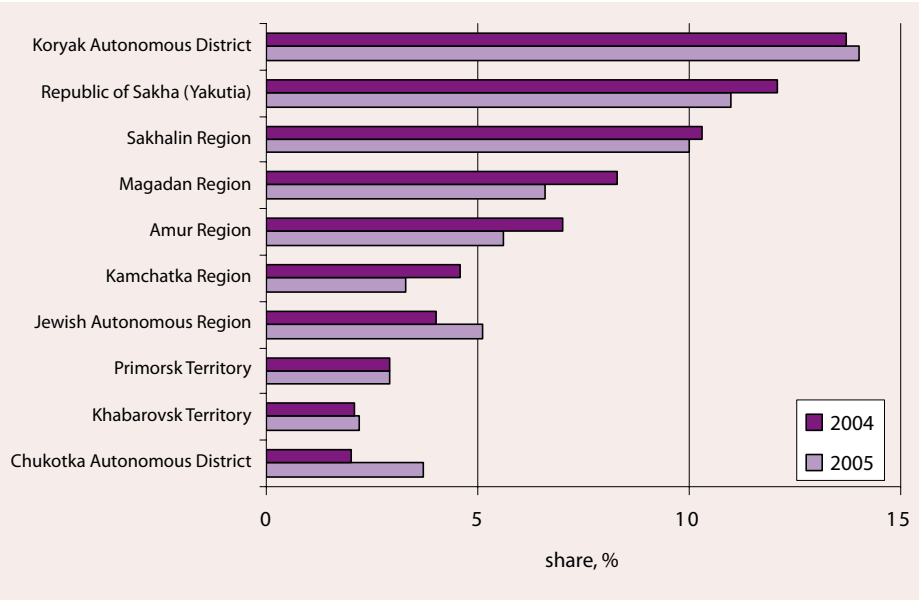


and main industrial centers, which provide the lion's share of budget revenues, are fairly well-developed, but in rural areas only 3–4% of housing has sanitation facilities (10 times less than the average for rural areas of Russia).

The FEFD is the most backward of Russia's federal districts as regards communications. This is explained by its remoteness and the rising cost of infrastructure maintenance. In 2004 only Primorsk and Khabarovsk territories had cellular penetration (40–48%) comparable with the Russian average. There has also been rapid cellular development in Kamchatka (30%). In most regions mobile phone penetration did not exceed 6–15% and in the Jewish Autonomous Region it was only 1%.

MDG indicators show that increasing incomes of the population and reducing income inequality through redistribution of budget funds are the priorities of federal policy in the Far Eastern Federal District. However, problems of low living standards and deteriorating social environment are becoming more acute. Long-standing neglect of social issues and financing shortages make it vital to define territorial and structural priorities for social policy in the Russian Far East.

Figure 7.7. *Share of housing in poor and dangerous state of repair in regions of the Far Eastern Federal District, %*



Box 7.1. MDGs and Socio-Economic Policy in Khabarovsk Territory

Goal 1. Reducing poverty

Positive trends in the economy have helped to stabilize the situation on the labour market, improve social infrastructure, and raise living standards and conditions in Khabarovsk Territory. Real household incomes increased by 1.7 times in the period 2000–2005, real average wages rose by 2.1 times and pensions by 1.9 times. The share of people with incomes below the subsistence minimum fell from 35.5% to 21.9%.

Goal 2. Increasing Access to Education

Khabarovsk has much experience in adapting its education system to match demands of the market economy and labour market. The council of heads of higher education establishments in the Territory has set up an employment commission, which designs policies with respect to teaching staff, monitors quality of education and training, and helps graduates to find employment.

Demand on the regional labour market is increasing, and the Territory is encouraging school leavers to prepare for jobs in industry. Joint career-guidance programmes, organized by educational authorities and job placement services, focus on job counseling for school leavers and young unemployed people, emphasizing opportunities in industry. Promotional literature from schools and technical colleges is distributed to job placement centers throughout the Territory.

The career guidance programme provides assistance and counseling to 60,000–65,000 young people every year. Regular events include job fairs, open days at technical and higher-education colleges and at enterprises, competitions, presentation of industry professions in schools, meetings with potential employers, etc.

Regional job placement services have organized a vocational training programme for young unemployed people to make them more competitive on the labour market. The curriculum covers 138 professions and 3,500 people aged 16–29 obtained training via the progamme each year from 2003 to 2005.

Khabarovsk city job centre works with teaching and health institutions, which deal with various categories of handicapped children, including the Verboton school for children with hearing difficulties and schools for retarded children. Job centre experts offer their help to psychologists and teachers at these schools as well as individual consultations to parents, pupils and school graduates.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

There has been a gradual improvement of women's representation in the regional parliament, from two to four deputies (16% of the total). The share of women among

Box 7.1. MDGs and Socio-Economic Policy in Khabarovsk Territory *(continued)*

candidates running for the regional parliament in 2005 was 15% for party lists and 12% in first-past-the-post constituencies. Three of the four women who were actually elected are from first-past-the-post constituencies (there are 13 such constituencies in the Territory), and they enjoyed overwhelming victories with 37% or more of total votes. Such results should help to dispel the view that voters in Russia are inherently "anti-female".

Women played a bigger role than ever before in recent elections to Khabarovsk city parliament (council) and drew unprecedented support from voters: nearly half of Khabarovsk city council members are now women. However, the share of women in all local councils of Khabarovsk Territory (two urban districts and 17 municipal regions) is below 20%, and only two councils are headed by women.

Goal 4 and 5. Reducing Maternal Mortality and Under-Five Mortality

Child health indicators in Khabarovsk Territory, as in the rest of Russia, are poor, with high levels of sickness and disability among children. The share of children in a good state of health has dropped by 10 percentage points over the last 10 years (from 44% to 34%). The percentage of school-age children with pathologies that require regular supervision and treatment is particularly high.

Infant mortality in Khabarovsk Territory has been declining steadily for the past five years, from 19.4% in 2001 to 13.3% in 2005, although it remains above the national average. In absolute terms, mortality in the first year of life has declined by 20% – from 250 to 200 cases. Perinatal complications and congenital anomalies remain the chief cause of death among infants and children under five years of age (they are responsible for 60% of mortality). The maternal mortality rate in 2005 was 46.5 per 100,000 live births, which is significantly higher than the average rate in Russia.

There are 9,000 families registered with the social services in Khabarovsk Territory, including 15,000 children. Individual monitoring and medical supervision for children in this risk group is provided at clinics and hospital outpatient departments, and they receive regular medical checks. Children without parental care undergo monthly medical examinations and prophylactic checks by various specialized medical staff twice a year.

Goal 6. Combating HIV/AIDS, Tuberculosis and Other Diseases

HIV incidence rates per 100,000 people in Khabarovsk Territory are much lower than the Russian average, but there is a clear growth trend. Total registered cases of HIV-infection at the start of August 2006 were 1066, of whom 40 were pregnant women. The number of children born of HIV-positive mothers has also been on the rise (from 11 in 2003 to 21 in 2004 and 15 in 2005).

A regional target programme for the period up to 2009 is underway to prevent spread of HIV in Khabarovsk Territory and special measures are being implemented as part of the national project to combat HIV. Results were seen in 2005, when there was a 20% decline in HIV incidence rates. There was also a 17.8% decline in incidence of viral hepatitis C in 2005.

Tuberculosis incidence rates have been on the rise in Khabarovsk Territory (and in Russia as a whole) since the 1990s. Efforts by anti-tuberculosis services in the Territory have not been as effective as was anticipated, despite rise in the share of people undergoing regular medical checks (73% in 2005 compared with 58% for Russia as a whole). A large share (58%) of children and adolescents with tuberculosis are from dysfunctional and low-income families. The tuberculosis mortality rate in Khabarovsk Territory has doubled over the last 10 years.

Goal 7. Ensuring environmental sustainability

Serious ecological problems in Khabarovsk Territory are largely the legacy of Soviet industrialization, when cities were built around or near large plants and factories with little regard for the environment and without creating adequate buffer zones. The economic crisis of the 1990s aggravated the situation, since many enterprises closed down leaving thousands of tons of toxic waste. Khabarovsk and Komsomolsk-on-Amur still have numerous plants using dirty technologies, gas-cleaning equipment is outdated, and road use has increased. Air pollution has reached dangerous levels in these cities as a result.

Rapid development of north-eastern regions of China has a major role in polluting the environment in Khabarovsk Territory. Discharge of pollutants from all Russian regions into the Amur River is only 10% of discharges into the river on the Chinese side of the border. Growing pollution levels are causing water supply problems in the city of Khabarovsk, and there is an urgent need to reduce dependence on surface water and increase use of underground water sources, which are less subject to anthropogenic impact.

Replacement of dilapidated housing is part of the national programme for housing development in the period 2002–2010 and is financed from the federal budget. However, Khabarovsk Territory did not receive any federal funds for these purposes in 2006. The Russian government believes that the problem of replacing dilapidated housing is best addressed via a sub-programme, which aims to provide public utilities and infrastructure for land plots, on which new housing will be built. But the financing mechanism for this sub-programme is unaffordable for most municipalities in Khabarovsk Territory: of 236 municipal formations only two (the cities of Khabarovsk and Komsomolsk-on-Amur) can afford large-scale housing programmes. The largest share (70%) of housing in poor or dangerous state of repair is concentrated in districts of Khabarovsk Territory, which rely heavily on subsidies and are incapable of attracting private investments or credit to finance housing construction.

Box 7.2. Achieving MDGs in the Republic of Sakha (Yakutia)

Goal 1. Reducing Poverty

Extreme climatic conditions in the Republic of Sakha (Yakutia) require more spending to maintain decent living standards than in other regions of Russia, and the high cost of living adds to the cost of social programmes. The share of people in Yakutia whose income is below the subsistence minimum dropped during the first years of economic growth, but remains significant at 20%. One reason for slow decline in poverty levels in 2003–2005 is the high share of people in rural areas (over a third of total population of the Republic), whose incomes are significantly lower than the republican average. Per capita personal incomes in the ulus (administrative district) of Mirny – the centre of the Republic's diamond industry – and in the rural Nam ulus differ by 5.5 times. The problem of poverty in rural areas remains paramount and represents a key challenge for the region. In addition to this, Yakutia has 218,000 pensioners, of whom 61% are not working. Pensions were indexed twice in 2005, but remain below the subsistence minimum for persons of pension age.

Yakutia has led the way among Russian regions in designing approaches and methods for reducing poverty. A plan and a series of measures for increasing motivation in the work place, boosting employment and reducing poverty were approved in 2001–2004. Their goal is to increase incomes of the working population while ensuring adequate provision of state support for socially vulnerable groups. Implementation is in stages. A first stage in 2001–2003 consisted of measures to make people more competitive on the labour market, expand employment opportunities and increase access to economic resources. The main objective of the second stage (2004–2010) is to ensure increase of public sector salaries, improve social support to families with children and the elderly, design and implement employment programmes and stimulate small business initiatives in agriculture. Key indicators of living standards (including standards in rural areas) are monitored as part of the programme. A system for measuring per capita income of rural smallholders has been introduced to improve targeted social support to people on low incomes in the countryside.

The regional law "On additional state guarantees of social protection for pensioners and certain categories of citizens of the Republic of Sakha (Yakutia)" ensures that 80,000 particularly vulnerable people in the Republic receive special benefits and compensations in addition to their federal entitlements. Another area of focus is provision of non-state pensions to people in rural areas: 13,000 contracts for provision of non-state pensions have been signed as part of this initiative.

Goal 2. Increasing Access to Education

Development of the educational system has been a strategic goal of regional government policy in Yakutia since the 1990s. In 2005 the federal government launched its national project entitled "Education", which includes encouragement for innovation in schools, assistance to talented and promising young people, and computerization of the educational process.

A network of pre-school education is maintained in the Republic in order to help ensure that general education is available to all. Over 80% of children in Yakutia (58% on average in Russia) between the ages of 1.5 years and 7 years attend kindergartens. In 2005 a regional law made pre-school education from the age of 5 compulsory, and the share of children in that age group receiving pre-school education is now 93.5%.

There are 160,000 children attending schools in the Republic. Most schools (72%) are located in rural areas, and half of them are one-room schoolhouses. A regional law on rural schools stipulates the scale of government support, which they receive. Special financing is assigned for construction and purchase of housing, as are lump-sum benefits and subsidies to young teachers in order to encourage them to stay and work in villages. The Republic has consistently been among the leading regions in the country by scope of school-building projects. Over the past 4 years 56 new school buildings have been opened, including 16 schools with total capacity for 2767 children, which were opened in 2005. More than half of pupils in Yakutia have access to Internet, and 220 schools have always-on Internet connections.

A new, flexible basic curriculum has been introduced to help meet individual preferences and choices of parents and children, and experiments are continuing to introduce greater specialisation in the education system and to extend use of the unified state exam. There has been a 38% rise in the share of pupils studying at specialised schools, and the unified state exam has been tested at schools in remote rural districts. The number of school graduates enrolling on distance learning courses at institutes of higher education and vocational training schools has risen by 1.5 times. A decree by the President of the Republic of Sakha, Vyacheslav Shtyrov, aimed at supporting youth talent, has introduced 700 lump-sum scholarships, and the 30 best-ranking schools of the Republic receive special grants.

Goals 4 and 5. Reducing Maternal and Child Mortality

The Republic has achieved a notable reduction in infant mortality, from 15.9 per 1000 live births in 2003 to 10.6 in 2005, thanks to a series of measures, which reduced deaths from perinatal causes by 1.2 times, from congenital malformations by 1.1 times and from infectious and parasitic diseases by 1.6 times. The improvements were supported by opening in 1998 of the National Medical Centre as well as Paediatric and Perinatal Centres equipped with modern diagnostic equipment. There are plans to open an intensive-care consulting service at the National Medical Centre, which will provide distance-consulting and assistance in treatment of newborn children at maternity hospitals in Yakutia's uluses (administrative districts).

As part of its "Healthy Child" programme the Republic annually renews stocks of medicines, which are used in the first hours of life to improve survival chances of premature babies and to prevent permanent damage to children who require artificial pulmonary ventilation for long periods after birth. The federal programme "Children with special needs" helps to provide neonatal screening for possible hereditary diseases. The screening can detect congenital abnormalities in early, treatable stages. Coverage increased from 61% of all

Box 7.2. Achieving MDGs in the Republic of Sakha (Yakutia) *(continued)*

newborn children in 1999 to 97% by 2005. Funds from the new system of state bonds issued to parents of new-born children are also being used to obtain medical equipment for district hospitals and obstetric units.

Monitoring of child and adolescent health has been helped by introduction of chip cards, which carry details of regular medical checks. A regional law makes local authorities responsible for providing free food to children under 3 years of age.

Maternal mortality has dropped by almost half in the past 2 years, thanks partly to launch of a computer-based system for monitoring pregnant women and detecting those in high-risk groups as well as creation of a centre of preventive medicine for high-risk groups.

The Region designed and implemented a family policy concept in 1995 and a similar concept for demographic policy was put into practice in 1999 to support sustainable and high-quality population growth in Yakutia. Bank accounts with an initial 10,000 rouble deposit are now opened for all new children in families after the first-born as well as for all twins and triplets. Cumulative accounts with an initial deposit of 25,000 roubles are opened for families of university and college graduates who decide to live and work in rural areas of the Republic, Orphans who marry before 30 years of age are given cumulative accounts with an initial 10,000 rouble deposit. These measures are intended to support birth rates.

Married people under 35 years of age receive housing loans with 10-year terms, which have inbuilt conditions to encourage creation of families: when a first child is born the repayable amount is reduced by 20%, birth of a second child takes off a further 30%, and a third child gives another 25% reduction. If a young family sets up an agricultural small-holding, the amount to be repaid is reduced by further 25%. i.e. the loan is entirely paid off.

The regional government's concept for family and demographic policy up to 2015 and the implementation plan for 2006–2010 offer every support to the institutions of marriage and family. Creation of three-child families is encouraged, and there are special measures to help reduce mortality rates and increase life expectancy.

Goal 6. Combating HIV/AIDS, Tuberculosis and Other Diseases

Since the first officially recorded case in 1996, a total 626 cases of HIV-infection have been registered in Yakutia. The HIV incidence rate in the republic is still much lower than the Russian average and stood at 58 infected persons per 100,000 population in mid-2006. The AIDS rate was 3.4 per 100,000 population. Most registered cases of HIV infection are among users of intravenous drugs. The average age of the infected is 18–29 and 42% of them are unemployed. However, there has been an increase in sexual transmission of HIV in recent years (from 31% in 2003 to 43% in 2005) and in the number of infected women who come from non-marginal social groups. There have been cases of HIV detection in blood of pregnant women registering at antenatal hospitals and polyclinics. HIV transmission from mother to child is also becoming an issue: 35 children have been born in Yakutia from HIV-positive mothers to date.

A republican programme and 18 district programmes to combat HIV are now in progress and in 2006 Yakutia became a testing ground for the Mother and Child Project, which is part of the Transatlantic Partnership against AIDS. Various educational programmes on AIDS prevention have been designed for adolescents, medical staff, media and those serving custodial sentences.

High tuberculosis rates represent another difficult challenge, although some progress has been made: tuberculosis incidence rates declined from 92 to 83 cases per 100,000 people from the 1990s to 2005. Specialized treatment has become more effective, the rate of clinical recovery has risen from 24% to 38% (the average recovery rate in Russia is 39%, which is also the average figure for the Far Eastern Federal District). Tuberculosis mortality in the Region declined from 98 to 8.5 cases per 100,000 population over the period from 1999 to 2005, which is significantly lower than the average figure for Russia (22 per 100,000 people) and for the Far Eastern Federal District (29 per 100,000 people). Regular medical examinations to detect tuberculosis cover 70% of the population, which is superior to 58% for the whole of Russia and 60% in the Far Eastern Federal District.

In addition to federal and republican anti-tuberculosis programmes, local programmes are now being implemented in 31 of the Republic's 34 uluses and Yakutia has been included in the World Bank project for tuberculosis prevention, diagnostics and treatment since 2004 (training programmes for specialists and supplies of equipment started in 2005). These programmes have helped to contain spread of tuberculosis in Yakutia, but tuberculosis rates among children remain high, prophylactic coverage is still insufficient, and planned measures to provide tuberculosis sufferers with housing (or better housing) have not yet been implemented.

Goal 7. Ensuring Environmental Sustainability

Living conditions in the Far North are different from anywhere else, and the people of Yakutia are adapted to their harsh environment and the narrow range of bio-resources, which sustain them in this environment. The slightest disruption of fragile northern ecosystems has a dramatic negative effect on traditional lifestyles. Development of Yakutia's Arctic territories as part of energy projects and construction of related infrastructure presents a number of grave threats.

The way of life of indigenous peoples in Yakutia has always depended on hunting, fishing and reindeer breeding. The period since break-up of the USSR has brought a crisis as captive reindeer herds and wild reindeer have been slaughtered and fisheries have been depleted. Damage to the environment and biodiversity of the Region is threatening long-established lifestyles. International experience of development of northern territories needs to be applied in Yakutia, with greater attention to environmental issues and respect and consideration for lifestyles of the indigenous population. The government of the Republic is fully aware of the need for ecological sustainability, and a draft programme has been prepared for the period 2007–2010.

Despite the abundance of water resources, provision of quality drinking water remains an issue. Most settlements obtain their drinking water directly from lakes and rivers,

Box 7.2. Achieving MDGs in the Republic of Sakha (Yakutia) *(continued)*

which are not provided with purification plants and are often polluted with sewage or industrial effluent. There are rich underground water resources, but they provide only one third of total water consumption in the Republic. Factors responsible for the low quality of drinking water include poor maintenance of the mains water system, which is more than 70% depreciated. A target programme to improve the situation with drinking water was carried out in 2003–2006.

Harshness of the climate means that relocation of people from dilapidated housing is particularly urgent in Yakutia. About 20% of housing dates back to the period 1946-1970, and much of it does not meet basic quality requirements. The state of housing in Yakutia had deteriorated in recent years: the share of it, which is in a poor or dangerous condition, increased from 4% in 1995 to 12% in 2005, and the number of people inhabiting such housing has increased from 42,000 to 116,000. The poor-or-dangerous indicator for housing is 3.8 times higher in Yakutia than the Russia average and is the worst in the Far Eastern Federal District. The Republic also scores very badly for provision of amenities: about 50% of flats in the Republic lack running water, sewerage, or hot water systems, and 28% of housing lacks central heating.

The regional government is making efforts to address this situation. A housing programme for the period from 2006 until 2010 includes measures to relocate people from decrepit or dangerous dwellings. The programme has 30% federal financing, with the rest coming from the regional budget. Financing to date has been insufficient: between 2003 and 2006 only 95 depreciated blocks of flats were demolished and only 644 families were offered new housing.

Goal 8. Forming Global Partnerships for Development

Yakutia has a predominantly young population and the number of young people entering the employment market is increasing. This entails a significant problem of youth unemployment. Helping the young to adapt to new socio-economic conditions is an important part of the MDGs and Yakutia is unique among Russian regions in having a special administrative structure for this purpose: the Youth Ministry of the Republic of Sakha (Yakutia). Great importance is also attached to career advice services at institutions of higher education.

Regional and federal budget funds are also being used to finance a programme of temporary work for graduates of technical colleges (lower- and medium-level professional education) who enter the labour market for the first time. The graduates are offered training placements, financed by the employer. Annual regional and local job markets for graduates have been held since 2002 and are attended by 7000 graduates and students. In recent years all government ministries and agencies with responsibility for economic sectors and industries have taken an increasing role in helping to find jobs for graduates.

Box 7.3. Human Development as a Strategic Goal for Sakhalin Region

Sakhalin Region comprises Sakhalin Island and the Kuril Islands in the Russian Far East. The Region is sparsely populated, with 526,200 people at the start of 2006 (8% of the total in the Far Eastern Federal District). Population distribution across the Region is uneven. Most live in the south of Sakhalin, where climatic conditions are more favourable. The level of urbanization of the region (87%) is significantly higher than the Russian average.

Sakhalin's GRP far surpasses the average for the Far Eastern Federal District. Oil & gas extraction has become the core industry of the region in the recent years, but fisheries are also well-developed. The region has very high levels of foreign investments (in oil & gas projects on the ocean shelf off the shore of Sakhalin Island).

Goal 1. Reducing Poverty

The problem of extreme poverty is not typical for Sakhalin: nominal average per capita incomes are significantly higher than the Russian average, and are continuing to rise quickly thanks to launch of oil & gas extraction projects. However, the cost of living is much higher in Sakhalin Region, so the ratio of average per capita income to the subsistence minimum is lower than elsewhere in Russia. As in other regions, income growth in Sakhalin has been accompanied by growth of income inequality. Incomes of employees in different sectors and industries vary greatly. Average wages in the oil industry are 2.1 times higher than average wages of industrial workers, while wages in the timber and woodworking industry are 2.7 times lower than the average.

There has been steady progress in reduction of poverty levels in Sakhalin Region since 2000. There has also been a notable reduction in extreme poverty (the percentage of people with income below the subsistence minimum) from 7.8% in 2000 to 3.7% in 2005 (Table 7.1), and the index of depth of poverty has dropped from 12.4% to 5.6%. However, the gap between different income groups is increasing (the share of the lowest income quintile in total personal incomes is diminishing). This growing gap has exacerbated problems of vulnerable groups, particularly pensioners. As of July 2006, some 38% of all those in poverty (registered with social services) were pensioners (30,100 out of total 78,400), so one of every five pensioners was in poverty.

A target programme is being implemented in Sakhalin Region aimed at increasing effectiveness of social policies and quality of life of socially vulnerable groups. The programme includes targeted provision of social support to poor citizens in groups with high poverty risk: the disabled, those who can no longer help and sustain them-

Box 7.3. Human Development as a Strategic Goal for Sakhalin Region *(continued)*

Table 7.1

Trends in poverty indicators in Sakhalin Region in 2000–2005

Indicator	2000	2001	2002	2003	2004	2005 r.
Number of people registered with social services, thousands	73.4	54.7	53.8	63.1	67.8	84.7
Share of people with income below half of the subsistence minimum, %	7.8	8.5	6.8	6.2	5.8	3.7
Share of incomes of lowest quintile in total income, %	7.7	7.2	6.6	6.2	6.1	5.9

selves, and children from poor families and families with many children.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

Ensuring gender equality is a relatively new challenge for Russian society. Application of MDG indicators for employment show achievement of a gender balance in Sakhalin Region: the proportion of women employed in industry, although slowly decreasing (from 52.4% in 2000 to 48.5% in 2004), is still close to half. However, there are growing disproportions in representation of the sexes in political life: the share of women among deputies of the Sakhalin regional parliament has dropped from 22% in 2000–2003 to 7% in 2005.

A special employment support programme has been launched to help ensure gender equality and improve the situation of women on the job market in Sakhalin Region. The programme supports teaching of professions, which are in demand on the labour market, and offers help to business start-ups and job seekers. Every year up to 300 women study basics of business administration at "Introduction to Business" seminars, and about 150 of them each year start up their own firms.

Goals 4 and 5. Reducing Maternal and Child Mortality

Problems in Sakhalin Region relating to public health and development of health care are numerous and varied. The most urgent among them are as follows:

Increase in sickness rates among children and adolescents: 53.8% of children examined in 2004 were suffering from some kind of health problems; one in five of all 6-year-olds are not fit to attend school; 5.3% of school-age children have bone or muscle development pathologies, 4.2% suffer from various cardiovascular maladies, and 2.5% suffer from hypodynamia; sickness rates of children in rural areas are significantly higher than in cities and towns.

Shortages of doctors, general practitioners and paediatricians in primary health-care and emergency units ("double accounting" of those who work as both doctors and paediatricians implies 99% sufficiency of the two specializations, but the level is only 70% if such dual functionality is not admitted).

Inadequate equipment and medical supplies in health care institutions, including primary care institutions (emergency ambulance, obstetrical centres, clinics, etc.)

Infant and child mortality indicators have been on the rise in Sakhalin Region since 2003, despite decline in Russia as a whole. Infant mortality rose by 13% in 2003–2005 and now stands at 14.2 per 1000 live births. This regional indicator is 30% worse than the national average.

Structure of infant mortality in 2005 showed that 36% of infant deaths were due to perinatal abnormalities (such abnormalities account for 49% of infant deaths in Russia as a whole), 27% were due to development anomalies (the average figure for Russia is 27%), traumas, poisonings and accidents were responsible in 17% of cases (9% in Russia), respiratory diseases caused 3% of the deaths (6% for Russia), and infectious diseases claimed 1% of victims. Half of the remaining 15% were put down to sudden infant death syndrome. Perinatal mortality rate is steadily declining, from 12.9% to 10.4% in 2002-2005 (the average for Russia is 10.6%). Still births are down from 8.2% to 5.7% (5.8% in the whole of Russia). Neonatal mortality rates (death before the sixth day of life) have been fluctuating within a range of 4.8–6.6%.

Measures are being taken to improve this situation. A perinatal centre set up in Yuzhno-Sakhalinsk in 1997 provides medical assistance to pregnant women in high-risk groups, a standard pregnancy monitoring procedure has been designed, and training for future mothers has been organized at 15 of the Region's obstetrics centers (up to 93% of pregnant women attend the training). Those in high-risk groups (20–24% of all future mothers) deliver their babies at centers in Yuzhno-Sakhalinsk, and procedures to assist delivery have been reviewed and improved. These measures have reduced probability of complications during pregnancy and delivery. Functioning of obstetrical and maternity departments is now based on the "Mother and Child" principle, helping to reduce illness and mortality in the first years of life. Breast-feeding is strongly encouraged.

The number of women of childbearing age in Sakhalin Region is decreasing as the overall population declines (the number of women in this age group fell by 1.9% in 2005). Maternal mortality has declined significantly in recent years, and in 2005 there were no registered cases of maternal mortality.

Box 7.3. Human Development as a Strategic Goal for Sakhalin Region *(continued)*

Goal 6. Combating HIV/AIDS, Tuberculosis and other Diseases

Social diseases – tuberculosis, drug addiction, HIV/AIDS – are still on the rise in Sakhalin Region. First-time tuberculosis diagnoses increased by 22% in 2000–2005 (per 100,000 population), significantly exceeding the national average. Tuberculosis mortality in the region rose by 60% in the same period, but remains below the Russian average (see Table 7.2). Sakhalin is also in a better situation than the rest of the county as regards HIV/AIDS, with a significantly lower than average rate of infection.

in the period from 2006 to 2015 has been approved in the framework of the federal housing programme, with special attention to development of civil engineering and transport infrastructure. A pilot project for construction of affordable housing is underway: 6 potential sites have been selected for construction of low-rise and high-rise housing in Yuzhno-Sakhalinsk and Anivsky urban district.

Goal 8. Forming Global Partnerships for Development

IT and telecom development in Sakhalin (as in other Far Eastern regions) is at a lower level than in European

Table 7.2.

HIV/AIDS and tuberculosis trends in Sakhalin Region

Indicator	2000	2001	2002	2003	2004	2005
Share of HIV-positive pregnant women in the 15–24 age group, %	1	1	no data	1	5	11
Share of people using contraception, %	17.4	16.3	12.9	15.3	16.7	17.2
Incidence of active tuberculosis rate, per 100,000 population	85.2	76.3	70.6	75.2	97.2	104.2
Number of patients registered at patient care and prophylactic medical institutions, per 100,000 population	324.8	344.7	343.9	383.2	309.4	no data
Tuberculosis mortality, per 100,000 population	13.9	15.6	19.3	18.7	19.7	22.2

Goal 7. Ensuring Environmental Sustainability

Human impact on the environment is increasing rapidly in Sakhalin Region. Offshore oil & gas production is starting on the continental shelf, and forests are being cut down for timber. Ensuring stability of ecosystems in the Region is therefore of prime importance. Priorities are:

- to preserve and ensure reproduction of biological populations, and individual species of flora and fauna;
- to ensure efficient use of resources during raw material processing, by use of ecologically safe, resource-saving and waste-free technologies.

At present only 80% of air-pollutant emissions are captured and neutralized and 23% of polluting liquid discharges reach coastal waters without purification. Solution of the liquid discharge problem requires investments in water recycling. The plan for 2007–2009 is to continue work on new water disposal plants, reconstruction of drainage systems and gas cleaning systems as well as forest regeneration and measures to support biodiversity. Oil & gas projects on the Sakhalin shelf are being closely supervised by environmental groups and the regional government.

Sakhalin Region is relatively well provided with housing amenities: over 86% of urban housing (more than 91% of total housing in the Region) has running water, 82% has sewerage and 77% has central heating. A regional target programme for construction of new residential housing

Russia. According to the Institute for Development of an Information Society, Sakhalin Region ranks 35th among 88 subjects of the Russian Federation as regards IT readiness in the public administration. However, certain branches of the Region's economy are making full use of IT tools: fiscal, economic, social and legal databases have been assembled and various sectors of the economy have their own communication networks.

TV broadcasting coverage of the entire territory of the region was achieved in 2002 and fixed telephone lines rose from 195 to 285 per 1000 urban population over the period 2000–2004 (the latter indicator is now higher than the Russian average). Mobile phone penetration has grown very rapidly: from 0.8% of the population (4400 subscribers) in 2002 to 56% (379,400 subscribers) in 2005. More than 30 mail and telecom providers are now operating in Sakhalin Region, providing traditional services (mail, fixed line telecom, telegraph, radio) and new services (cellular, improved types of radio communication, satellite networks, datacom).

An extensive fibre-optic network has been installed in Sakhalin Region over recent years. Combined TV reception and directional transmitters have been installed in 15 settlements, so that regional TV broadcasting from Yuzhno-Sakhalinsk can now be received in 38 settlements. Work is underway on centralized connection to the Internet for educational facilities.

Charter 8

The Role of Regional Variations in Estimating Welfare and Poverty Indicators in Russia

The social sphere is the priority for national governments and international organizations today. In Russia most of the burden for solving social problems is on the shoulders of regional and sub-regional (local) government, which must design and implement actions and programmes to ensure maintenance of living standards and fulfillment of various social obligations across the territory of Russia, taking due account of regional peculiarities and distinctions.

Reliable statistical estimates of poverty distribution are of great importance for monitoring progress in implementation of social programmes. Since human needs are to a significant extent determined by climatic and geographical factors, it is important to use indicators for measuring poverty, which adequately reflect specific aspects of living conditions in different parts of the same country. This is even more obvious in a country as large and diverse as Russia.

In Russia there are official criteria for poverty, which are laid down in law. The criteria measure whether people's incomes are below the poverty line, which is defined as the minimum subsistence income. Poverty lines for families or households are set on the basis of individual subsistence minima of family members, taking account of varying needs due to age, sex, composition and size of the family.

Sources of data on poverty in the regions include registers of people receiving welfare, i.e. people whose financial situation meets poverty criteria as implied by the regional subsistence minimum and who have applied to social security services in order to be registered as low-income citizens and receive the welfare to which they are entitled. However, data on recipients of welfare under state-run programmes only capture a part of those living in poverty.

In order to design a general social policy, account must be taken of those who have not applied to the social security services or have not been able to prove their vulnerable financial situation. This can be achieved using statistical estimates of poverty headcount. Such estimates are achieved by comparing available data on incomes with poverty parameters, which take account of specifics of life in a certain region, sex, age, field of work, family size, numbers of (possible) dependants and other factors. In various countries the sources of data on personal incomes may include tax declarations, population censuses, pension registers and registers of other "social" services as well as data on household budgets, which are obtained through state-sponsored selective statistical observations.

A Russian law passed in 2002 "On the All-Russia Population Census" prohibited collection of data on personal incomes. Information contained in tax declara-

tions is also unsuitable for poverty estimates, because only a limited percentage of people in Russia declare their real income. In principle, use could be made of the register of the Pension Fund of the Russian Federation, which includes data concerning people's salaries and pension accumulations (for everyone who has state insurance and is registered in the system of mandatory retirement insurance). However, these data are currently not available for purposes of measuring income and poverty rates.

Thus, sample surveys of households remain the only source of statistical data necessary for evaluation of "overall" poverty in Russia. Selection of samples is based on population structure, composition, and types of households (which should be representative of both urban and rural populations in each subject of the Russian Federation). The samples include all types of households. At present, 49,200 households participate in household budget surveys in Russia, of which 33,500 are in cities and towns, 15,200 are in rural areas, and 500 are households among indigenous nations of the Far North. Participation in the surveys is voluntary. By processing the collected data on household consumption and expenditure it is possible to calculate approximate income and compare it with the minimum consumer baskets for various types of households, defined by the number, age and sex of their members.

The results are used as a basis for calculation of population distributions by average per capita income. A simulation method is used, based on the hypothesis that the distribution of income in society is close to the lognormal distribution. This model uses two parameters: level of per capita money income (using macro-economic calculations as a source) and dispersion of levels of income (based on the household budget surveys).

However, there is good reason to believe that household budget surveys only provide reliable estimates at the national level while the number of recorded cases at the level of regions is not sufficient for drawing statistical conclusions, due to the problem of "limited survey area". In EU countries household survey samples are much larger in relation to total population size than in Russia. For example, in Latvia, with its population of 2.4 million, 8,250 households are taken as a survey sample while in the regions of Russia with comparable population the samples are much smaller. Thus in Voronezh region (2.4 million people) only 550 households are questioned, in Dagestan (2.6 million) the number is 615, in Volgograd Region (2.7 million) it is 770, etc. In Finland, a country with a population of 5.2 million, 4,359 households are covered by studies and surveys while in Krasnodar Territory (5.1 million) similar studies cover only 905 households. Caution is therefore

needed as regards estimates of regional poverty and income inequality indicators in Russia. Particularly in view of the fact that poverty is unevenly distributed across Russia's regions.

In researching regional distribution of poverty it should be remembered that differing levels of income inequality in different regions affect estimates of living standards of regional populations and average indicators for income and consumption, and that differences between average household incomes in various regions are quite significant. Over the past 10 years Muscovites have accounted for between 20% and 25% of Russia's highest income quintile while the poorest Muscovites account for only 1–2% of the lowest income quintile.

Purchasing capacity of incomes in a region must take account of price levels there. This is important in order to estimate the real living standards and to avoid possible overstatement of standards in regions with high price levels relative to regions with significantly lower prices. Differences in price for identical goods and services in different regions of Russia are now much less than was the case at the start of reforms (the differences have been eroded by the changing economic situation, development of market competition and other factors), but they still exist. Regional variation in the cost of living is found in all countries and is particularly marked in large countries with varied climate zones and with regions that have very different levels of economic development. So elimination of difference in prices for goods and services is a necessary condition for comparison of monetary incomes and expenditures in different regions.

Interregional differences in prices can be measured by comparing actual final consumption and volumes of consumer expenditures in different regions. Estimates of the cost of living based on actual final consumption of goods and services and on estimates of consumer expenditures have independent importance. In the first case what is compared is consumption volumes in fixed prices irrespective of the source from which the consumer receives the goods or services, but in the second case what is compared is value of the baskets of goods purchased by the consumer. The difference between the volume of final consumption (as a basket of consumed goods and services) and consumer expenditure (as a basket of goods and services purchased) can be quite significant.

The list of goods and services used to fix the Russian subsistence minimum (the minimum basket of goods) is not fully suitable for these purposes because difference in price levels is not the only factor causing difference in subsistence minima in different regions. Russian legislation makes the goods-and-services composition of the basket vary from region to region, depending on differences in natural and climatic conditions, the size of the territory, level of provision with social institutions, transport and communications, consumption characteristics etc.

Estimates of regional differentiation of socio-economic phenomena and processes are of particular importance in Russia. Most statistical indicators can be presented as a geographical distribution of national estimates. However, this does not apply to measurement of poverty. Calculation of poverty levels in Russia has been paradoxical since passing in 1997 of a federal law "On the subsistence minimum in the Russian Federation", which stated that there can be more than one subsistence minimum indicator in Russia: the "federal" and "regional" subsistence minima. As a result the share of the poor and poverty levels can now be calculated both at national level and at the level of Russian regions. Use of the regional minima seems to be good practice since most people pay for goods and services at or not far from where they live and regional price levels are a better reflection of actual consumer expenditure than average Russian price levels. Estimates of the total number of Russians living in poverty (and of the national poverty level), calculated as a total of poor people in the regions (based on regional poverty criteria), are higher than estimates based on the federal subsistence minimum. The reason for this is that the minimum regional consumer basket in many regions includes more items than the federal minimum basket.

The abolition of centralized supervision of baskets of consumer goods, calculated at the regional level, means that there is no longer any single system for monitoring the different approaches used by subjects of the Russian Federation for determining poverty criteria. The possibility always exists that certain regions may artificially exaggerate their subsistence minimum to justify demands for an increased financing from the federal budget or, on the contrary, use an artificially low poverty line in order to make limited budget resources suffice for meeting welfare obligations. In making quantitative estimates of the scale of poverty at the federal level and comparing the situation in different regions it is important to remember that, due to regional differences in poverty criteria, the poor are not uniform across different regions with respect to the main criterion used for identifying them.

Poverty rate in Russia as a whole is calculated, based on general distribution of the country's population according to income levels, as the percentage of the population whose incomes are below the all-Russian subsistence minimum. But this approach cannot be reckoned entirely correct, since the all-Russian subsis-

tence minimum is not a weighted average of regional minimum baskets of goods calculated on the basis of regional norms and price levels (weighted by the number of poor people in each region). For this reason, it is informative to give an additional estimate of the size of the poor population in the whole of Russia as the sum of the poor in each region, determined by regional subsistence minima and regional distribution of population according to income levels. Therefore poverty rate should be calculated as the proportion of the number of people who are judged poor according to the regional criteria to the total population of the country. In that case, estimates of the number and share of the poor in Russia's population take account of regional subsistence minima and numbers of the poor in Russia's regions.

Official data, calculated on the basis of the subsistence minimum fixed by the Russian government in 2004 (there was no official estimate of the minimum in 2005), suggest that 25.5 million people in Russia or 17.6% of the total population were in poverty. However, if the sum is done by adding together all those who qualify as poor based on subsistence minima established by regional administrations in subjects of the Russian Federation, the number of people living in poverty rises by 5 million. The highest poverty levels (over 50% of the population) are found in Ust-Orda Buryat Autonomous District, Republic of Ingushetia, the Komi-Perm Autonomous District. The lowest poverty levels are found in Moscow and St. Petersburg, the Republics of Komi and Tatarstan, and the Yamalo-Nenets and Khanty-Mansi Autonomous Districts.

Chapter 9

Human Development Index in the Regions of Russia

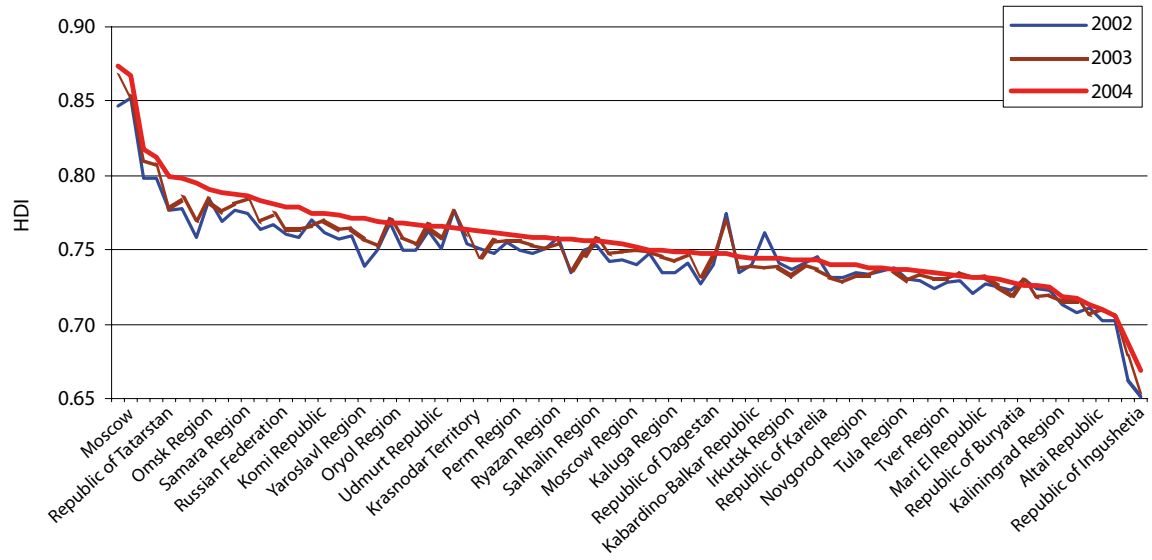
Estimates of the Human Development Index for 2003 and 2004 are given in Tables 9.1 and 9.2. The Index rose over this period in the vast majority of subjects of the Russian Federation, but dynamics varied considerably from region to region. The fastest HDI growth was in regions with large resources of raw materials and export-oriented economies, where the HDI was pushed higher by growth of per capita GRP (this is especially true in oil-producing regions). A slight drop in the Index in several depopulating regions of the Central Federal District is related to reduction in the number school pupils due to small size of the generation reaching school age. Another reason for HDI volatility is peculiarities of tax treatment and transfer of legal addresses of large companies, which have major impact on per capita GRP indicators in certain regions. This explains the short-term growth and subsequent drop in the indicators for Chukotka Autonomous District and Magadan Region (the same occurred earlier in the Republic of Kalmykia). In 2004 Omsk Region and Republic of Mordovia also enjoyed short-term GRP growth due to the same causes.

Comparison of this indicator in different regions and countries is highly conditional but very indicative in the case of Russia. Moscow is in this respect comparable to Czech Republic and Malta, Tyumen region – to Hungary and Poland, St Petersburg and Tatarstan – to Bulgaria, although the "second capital" of Russia is lagging significantly behind the Baltic states. The weakest regions of Russia – Ingushetia and Tyva – are comparable to Mongolia, Guatemala and Tajikistan. The immense gap between the regions of Russia with regard to the level of human development are slowing down the pace of development of the country as a whole.

Analysis of regional HDI dynamics in 2002–2004 shows that distinctions between regions are increasing. The pace of Index growth in regions with higher indicators was notably faster than in regions with lower indicators, with the exception of the 2 or 3 weakest regions, which received the largest amounts of federal support (Figure 9.1). Calculations by the Independent Institute for Social Policy show that increase in regional distinctions during the period of economic growth has been most marked with respects to precisely those HDI components, in which Russia is lagging behind developed countries – per capita GRP and life expectancy. The gaps between economic and social development levels of subjects of the Russian Federation are widening despite increased redistribution of budgetary resources. The conclusion must be that efficiency of the redistribution policy is diminishing while slow rates of improvement of social indicators in most regions point to low quality of economic growth.

Levels of differentiation can also be evaluated by considering shares of the Russian population who live in regions with various HDI levels (Figure 9.2). Such comparison is notional due to income inequality inside

Figure 9.1. *Human Development Index in subjects of the Russian Federation in 2002-2004*



the regions, but it gives a general picture of the percentage of people in Russia who enjoy or lack necessary regional conditions for development of human potential. Over a quarter of Russia's population lives in regions where the HDI is above the national average, and 15% of the population live in the most affluent subjects of the Russian Federation (Moscow, Tyumen region with its autonomous districts, St. Petersburg and Tatarstan), whose human development indices are comparable to those of developed countries. Such regions have sufficient means and resources to develop their human potential alone. Meanwhile, 6% of the Russian population live in regions with the worst indicators (below 0.730). These are regions, which cannot develop without large-scale and long-term federal support.

Calculation of the numbers of Russians living in regions with various HDI levels shows that the key requirement for sustainable growth of human potential in Russia is improvement in the group of regions with indicators below the Russian average but above the critical level. Two thirds of the country's people live in these regions, where economic resources are still insufficient for social development, but federal aid could not suffice to support the majority of the population in conditions of a market economy. These regions need to stimulate growth of their own economic resources and more energetic social development policy by their administrations, supported by federal assistance in key areas of social development and improvement of institutional structures. Such a distribution of roles and responsibilities requires revision of the redistributive mechanisms of social policy financing and, most of all, creation of mechanisms for real reforms in regional and local labour markets, for economic restructuring and diversification, for social innovation, and for modernisation of both public administration and self-governance. Federal government policies in this direction still lack consistency. Mechanisms for stimulating reform must start to play a larger role in regional development policy in the near future, ending over-dependence on accumulation of resources in the federal budget and their redistribution.

Figure 9.2. *Share of people living in Russian regions with various HDI levels, %*

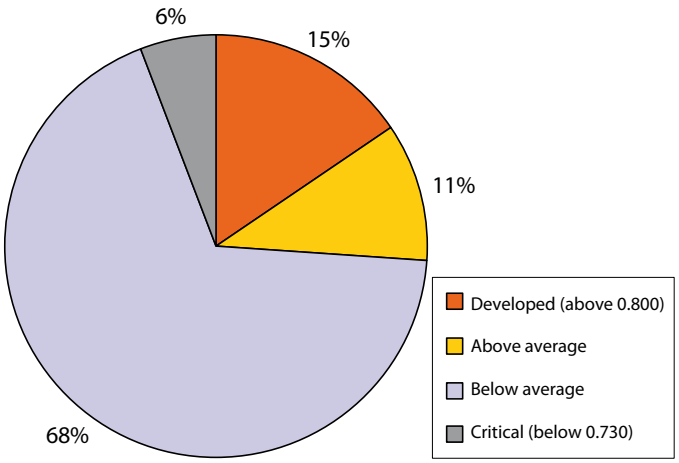


Table 9.1

Human potential development index in 2004

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Russian Federation	9922	0.767	65.3	0.671	99.0	73.7	0.906	0.781	
Moscow	17091	0.858	70.8	0.763	99.8	100.0	0.999	0.873	1
Tyumen Region	44775	1.000	66.6	0.694	99.2	73.5	0.906	0.867	2
St.-Petersburg	10133	0.771	67.3	0.706	99.8	93.1	0.976	0.817	3
Republic of Tatarstan	12325	0.804	67.7	0.711	99.0	78.5	0.922	0.812	4
Tomsk Region	12512	0.806	65.4	0.673	98.9	77.7	0.918	0.799	5
Lipetsk Region	13732	0.822	65.7	0.678	98.4	71.4	0.894	0.798	6
Omsk Region	11945	0.798	65.7	0.678	98.7	74.5	0.906	0.794	7
Republic of Sakha (Yakutia)	11680	0.795	64.2	0.654	99.0	78.4	0.921	0.790	8
Belgorod Region	8464	0.741	68.2	0.720	98.6	74.1	0.904	0.788	9
Samara Region	9795	0.765	65.7	0.678	99.2	77.2	0.919	0.787	10
Republic of Bashkortostan	9664	0.763	66.3	0.688	98.8	74.3	0.906	0.786	11
Vologda Region	13864	0.823	62.8	0.630	98.8	70.8	0.895	0.783	12
Krasnoyarsk Territory	11466	0.791	63.6	0.643	99.0	72.4	0.901	0.779	13
Orenburg Region	9445	0.759	65.4	0.673	98.9	72.7	0.902	0.778	14
Komi Republic	11723	0.795	62.2	0.620	99.2	73.2	0.905	0.774	15
Novosibirsk Region	7519	0.721	65.6	0.676	98.8	79.3	0.923	0.773	16
Chelyabinsk Region	9131	0.753	64.6	0.661	99.1	73.4	0.905	0.773	17
Yaroslavl Region	9857	0.766	63.8	0.646	99.2	71.5	0.900	0.771	18
Republic of Mordovia	6555	0.698	66.6	0.693	97.9	80.2	0.920	0.770	19

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Arkhangelsk Region	10870	0.783	62.3	0.622	99.2	71.4	0.899	0.768	20
Oryol Region	7144	0.713	65.0	0.667	98.9	79.4	0.924	0.768	21
Sverdlovsk Region	8369	0.739	64.4	0.657	99.2	73.3	0.906	0.767	22
Kursk Region	7047	0.710	65.0	0.666	98.5	80.0	0.923	0.766	23
Udmurt Republic	7793	0.727	64.2	0.653	99.0	77.1	0.917	0.766	24
Volgograd Region	6864	0.706	66.9	0.699	98.9	69.1	0.890	0.765	25
Magadan Region	9384	0.758	62.4	0.624	99.6	74.5	0.912	0.765	26
Krasnodar Territory	6469	0.696	67.5	0.709	99.0	67.0	0.883	0.763	27
Murmansk Region	9573	0.761	63.6	0.643	99.6	65.4	0.882	0.762	28
Chuvash Republic	5577	0.671	66.3	0.689	99.0	78.9	0.923	0.761	29
Perm Territory	9282	0.756	62.5	0.625	98.9	71.5	0.898	0.760	30
Saratov Region	6288	0.691	65.6	0.677	99.2	74.5	0.910	0.759	31
Astrakhan Region	7078	0.711	65.3	0.672	98.6	70.2	0.891	0.758	32
Ryazan Region	7190	0.714	64.1	0.652	98.7	74.7	0.907	0.758	33
Nizhny Novgorod Region	7664	0.724	63.8	0.646	98.9	72.7	0.902	0.757	34
Kemerovo Region	9400	0.758	62.2	0.621	98.9	69.2	0.890	0.756	35
Sakhalin Region	10357	0.774	61.5	0.608	99.4	66.3	0.884	0.755	36
Voronezh Region	5454	0.667	66.1	0.686	98.3	77.1	0.912	0.755	37
Rostov Region	5505	0.669	66.7	0.696	99.1	71.4	0.899	0.754	38
Moscow Region	7670	0.724	65.6	0.676	99.6	59.1	0.861	0.754	39
Tambov Region	5977	0.683	65.6	0.676	98.1	72.6	0.896	0.752	40

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Khabarovsk Region	7043	0.710	62.2	0.620	99.5	76.4	0.918	0.749	41
Kaluga Region	6610	0.700	64.5	0.658	99.2	68.2	0.889	0.749	42
Stavropol Territory	4794	0.646	67.8	0.713	98.6	68.3	0.885	0.748	43
Republic of North Osetia – Alania	4205	0.624	68.4	0.724	99.1	70.4	0.895	0.748	44
Republic of Dagestan	3414	0.589	72.7	0.795	98.4	60.1	0.856	0.747	45
Ulyanovsk Region	5481	0.668	65.3	0.672	98.6	72.6	0.899	0.747	46
Chukotka Autonomous District	13401	0.817	57.5	0.541	99.4	65.5	0.881	0.746	47
Kabardino-Balkar Republic	4135	0.621	69.8	0.747	98.8	61.9	0.865	0.744	48
Penza Region	4958	0.652	65.7	0.679	98.4	73.4	0.901	0.744	49
Republic of Kalmykia	4321	0.629	67.3	0.705	98.2	72.9	0.898	0.744	50
Irkutsk Region	7756	0.726	60.8	0.597	99.1	74.1	0.908	0.744	51
Karachayevo-Cherkessian Republic	3846	0.609	69.5	0.742	98.4	66.6	0.878	0.743	52
Kamchatka Region	6054	0.685	63.6	0.643	99.7	70.7	0.900	0.743	53
Republic of Karelia	7703	0.725	61.6	0.610	99.2	69.4	0.893	0.742	54
Leningrad Region	10235	0.772	62.0	0.616	99.5	50.0	0.830	0.740	55
Republic of Khakassia	6285	0.691	62.4	0.623	98.8	73.7	0.904	0.739	56
Novgorod Region	7257	0.715	61.4	0.607	98.9	70.8	0.895	0.739	57
Kirov Region	5356	0.664	63.9	0.649	98.4	72.9	0.899	0.737	58

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Smolensk Region	6397	0.694	62.3	0.621	98.9	71.1	0.896	0.737	59
Tula Region	5955	0.682	63.0	0.634	99.1	69.6	0.893	0.736	60
Primorsk Territory	5606	0.672	63.0	0.633	99.5	71.8	0.903	0.736	61
Altai Territory	4856	0.648	65.5	0.676	98.2	68.3	0.882	0.735	62
Tver Region	6336	0.692	61.6	0.611	99.1	71.9	0.900	0.734	63
Kostroma Region	6000	0.683	62.6	0.627	98.8	68.8	0.888	0.733	64
Vladimir Region	5588	0.671	62.9	0.631	99.4	69.7	0.895	0.732	65
Mari El Republic	5002	0.653	63.4	0.640	98.8	72.6	0.901	0.731	66
Bryansk Region	4658	0.641	64.2	0.653	98.6	72.1	0.898	0.730	67
Kurgan Region	4858	0.648	63.9	0.648	98.4	71.4	0.894	0.730	68
Republic of Buryatia	6180	0.688	61.1	0.602	98.8	70.4	0.893	0.728	69
Amur Region	6334	0.692	60.3	0.589	99.3	70.4	0.897	0.726	70
Republic of Adygea	3161	0.576	67.8	0.713	98.7	68.7	0.887	0.725	71
Kaliningrad Region	6413	0.694	61.4	0.606	99.4	63.2	0.873	0.725	72
Pskov Region	5634	0.673	60.6	0.594	98.9	68.3	0.887	0.718	73
Ivanovo Region	3992	0.615	62.4	0.623	99.3	75.4	0.913	0.717	74
Altai Republic	4494	0.635	61.1	0.602	98.3	73.2	0.899	0.712	75
Chita Region	5532	0.670	59.3	0.572	98.8	68.4	0.887	0.709	76
Jewish Autonomous Region	5318	0.663	59.4	0.573	99.1	65.8	0.880	0.705	77
Republic of Ingushetia	1360	0.436	75.9	0.849	96.2	40.7	0.777	0.687	78
Tyva Republic	3125	0.574	56.5	0.525	99.1	73.1	0.904	0.668	79

Table 9.2

Human Potential Development Index in 2003

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Russian Federation	8800	0.747	64.9	0.664	99.0	73.9	0.906	0.773	
Moscow	16740	0.855	70.0	0.750	99.8	98.8	0.995	0.866	1
Tyumen Region	31742	0.961	66.1	0.686	99.2	74.6	0.910	0.852	2
St.-Petersburg	9475	0.760	67.0	0.700	99.8	90.8	0.968	0.809	3
Republic of Tatarstan	11098	0.786	67.6	0.710	99.0	79.2	0.924	0.807	4
Lipetsk Region	10434	0.776	65.6	0.676	98.4	72.7	0.898	0.783	5
Republic of Bashkortostan	8963	0.750	66.1	0.685	98.8	76.9	0.915	0.783	6
Republic of Sakha (Yakutia)	10404	0.775	64.0	0.649	99.0	78.7	0.922	0.782	7
Samara Region	8759	0.747	65.5	0.675	99.2	77.2	0.919	0.780	8
Tomsk Region	9676	0.763	64.3	0.655	98.9	76.5	0.914	0.778	9
Belgorod Region	6756	0.703	68.0	0.716	98.6	74.9	0.907	0.776	10
Magadan Region	9933	0.767	63.1	0.635	99.6	76.3	0.918	0.774	11
Omsk Region	7618	0.723	65.7	0.679	98.7	75.0	0.908	0.770	12
Novosibirsk Region	6971	0.708	65.4	0.674	98.8	80.1	0.926	0.769	13
Oryol Region	7146	0.713	65.0	0.667	98.9	80.3	0.927	0.769	14
Chukotka Autonomous District	17177	0.859	59.0	0.567	99.4	65.0	0.879	0.768	15
Vologda Region	10962	0.784	62.2	0.620	98.8	72.4	0.900	0.768	16
Udmurt Republic	7740	0.726	64.1	0.651	99	78.0	0.920	0.766	17
Komi Republic	10463	0.776	61.5	0.609	99.2	74.9	0.911	0.765	18

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Yaroslavl Region	9321	0.757	63.0	0.633	99.2	72.1	0.902	0.764	19
Chelyabinsk Region	7694	0.725	64.4	0.657	99.1	74.5	0.909	0.764	20
Krasnoyarsk Territory	9314	0.757	62.7	0.628	99.0	73.4	0.905	0.763	21
Orenburg Region	7230	0.714	65.0	0.667	98.9	74.2	0.907	0.763	22
Krasnodar Territory	6254	0.690	67.2	0.703	99.0	67.4	0.885	0.759	23
Sverdlovsk Region	7820	0.728	63.7	0.645	99.2	72.4	0.903	0.758	24
Volgograd Region	6343	0.693	66.2	0.687	98.9	70.1	0.893	0.758	25
Republic of Mordovia	5374	0.665	66.0	0.684	97.9	80.8	0.922	0.757	26
Voronezh Region	5504	0.669	66.0	0.684	98.3	78.0	0.915	0.756	27
Saratov Region	5992	0.683	65.3	0.672	99.2	75.1	0.912	0.756	28
Perm Territory	8766	0.747	62.0	0.617	98.9	72.8	0.902	0.755	29
Chuvash Republic	5036	0.654	65.9	0.682	99.0	80.0	0.927	0.754	30
Nizhny Novgorod Region	7220	0.714	63.6	0.644	98.9	73.1	0.903	0.754	31
Kursk Region	5528	0.670	65.0	0.667	98.5	80.3	0.924	0.754	32
Astrakhan Region	6481	0.696	65.0	0.667	98.6	71.3	0.895	0.753	33
Arkhangelsk Region	8348	0.738	61.9	0.616	99.2	72.6	0.903	0.752	34
Ryazan Region	6755	0.703	63.4	0.639	98.7	74.8	0.907	0.750	35
Tambov Region	5940	0.682	65.0	0.666	98.1	74.0	0.901	0.750	36
Khabarovsk Region	7293	0.716	61.7	0.612	99.5	75.9	0.916	0.748	37
Moscow Region	7146	0.713	65.1	0.668	99.6	59.6	0.863	0.748	38
Rostov Region	5014	0.653	66.3	0.689	99.1	71.8	0.900	0.747	39

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Sakhalin Region	8646	0.744	61.3	0.605	99.4	68.0	0.889	0.746	40
Republic of North Osetia – Alania	3978	0.615	68.6	0.727	99.1	70.5	0.896	0.746	41
Murmansk Region	7235	0.715	63.0	0.634	99.6	67.0	0.887	0.745	42
Kaluga Region	6052	0.685	64.3	0.655	99.2	69.6	0.893	0.745	43
Ulyanovsk Region	5328	0.664	64.9	0.665	98.6	73.6	0.903	0.744	44
Stavropol Territory	4534	0.637	66.9	0.698	98.6	69.4	0.889	0.741	45
Kamchatka Region	5895	0.680	63.1	0.635	99.7	71.4	0.903	0.739	46
Irkutsk Region	7290	0.716	60.4	0.590	99.1	74.9	0.910	0.739	47
Penza Region	4474	0.634	65.4	0.674	98.4	74.9	0.906	0.738	48
Republic of Kalmykia	4148	0.622	65.8	0.680	98.2	76.9	0.911	0.738	49
Smolensk Region	6380	0.694	62.0	0.616	98.9	72.5	0.901	0.737	50
Kabardino-Balkar Republic	3940	0.613	68.8	0.730	98.8	62.4	0.867	0.737	51
Republic of Karelia	7213	0.714	60.6	0.593	99.2	72.4	0.903	0.736	52
Kemerovo Region	6893	0.707	61.5	0.608	98.9	70.2	0.893	0.736	53
Tula Region	5912	0.681	62.6	0.627	99.1	71.5	0.899	0.736	54
Vladimir Region	5752	0.676	62.6	0.627	99.4	71.0	0.899	0.734	55
Altai Territory	4460	0.634	65.7	0.678	98.2	69.4	0.886	0.733	56
Kirov Region	4963	0.652	63.5	0.641	98.4	74.3	0.904	0.732	57
Novgorod Region	6661	0.701	60.6	0.593	98.9	72.8	0.902	0.732	58
Karachayevo-Cherkessian Republic	3609	0.599	68.1	0.718	98.4	67.0	0.879	0.732	59
Bryansk Region	4553	0.637	64.3	0.654	98.6	73.8	0.903	0.732	60

	GDP per capita, US $	Income Index	Life expectancy at birth, years	Life Expectancy Index	Literacy, %	Enrolment in Education, age 7–24, %	Education Index	HDI	Ranking
Republic of Dagestan	2682	0.549	72.3	0.789	98.4	60.4	0.857	0.732	61
Leningrad Region	8942	0.750	61.4	0.607	99.5	51.6	0.835	0.731	62
Mari El Republic	4511	0.636	63.8	0.647	98.8	75.0	0.909	0.730	63
Kostroma Region	5657	0.674	62.1	0.619	98.8	71.4	0.897	0.730	64
Tver Region	6037	0.684	61.1	0.601	99.1	72.5	0.902	0.729	65
Primorsk Territory	5089	0.656	62.8	0.630	99.5	71.1	0.900	0.729	66
Republic of Khakassia	6037	0.684	60.6	0.593	98.8	74.6	0.907	0.728	67
Amur Region	5991	0.683	60.9	0.599	99.3	72.0	0.902	0.728	68
Kurgan Region	4564	0.638	63.6	0.643	98.4	72.3	0.897	0.726	69
Republic of Buryatia	5378	0.665	60.9	0.598	98.8	70.7	0.894	0.719	70
Kaliningrad Region	5706	0.675	61.4	0.606	99.4	64.2	0.877	0.719	71
Republic of Adygea	2822	0.557	67.4	0.707	98.7	69.3	0.889	0.718	72
Ivanovo Region	3792	0.607	62.2	0.619	99.3	76.7	0.918	0.715	73
Pskov Region	5224	0.660	60.2	0.587	98.9	70.9	0.896	0.714	74
Chita Region	5276	0.662	59.7	0.578	98.8	68.8	0.888	0.709	75
Altai Republic	4341	0.629	60.0	0.584	98.3	75.3	0.906	0.707	76
Jewish Autonomous Region	4436	0.633	60.6	0.594	99.1	68.5	0.889	0.705	77
Republic of Ingushetia	1184	0.412	74.8	0.831	96.2	44.9	0.791	0.678	78
Tyva Republic	2978	0.566	54.2	0.487	99.1	73.6	0.906	0.653	79

Can Russia Implement a Unitary Policy for Human Development?

As was noted in the National Human Development Report 2005, territorial differences in Russia are very deep-rooted and present a mosaic effect as regards human development and the MDG indicators in the country as a whole. More detailed analysis of the situation in the federal districts, conducted in this Report, has shown some positive changes in the MDG indicators as well as the existence of critical problems of various types in the regions. Is economic growth in itself capable of solving the problems of social development?

Economic growth has contributed to improvement of the Human Development Index in the vast majority of Russia's regions, but indices in the stronger, more developed subjects of the Russian Federation have grown faster than in most less developed subjects, so that inequality between regions has increased (see Chapter 9). Regional development remains extremely inertial and is based on natural advantages (the agglomeration effect and raw material endowment) and not on investments in human potential, so ranking of the top-10 regions has remained virtually unchanged. Only about a quarter of the country's population lives in regions where HDI indices are above the national average. Such regions have their own resources for social development and are implementing pro-active social policies, as shown in detail in the present Report. The problems of the least developed regions are extremely critical, but their populations are only 6% of the total population of Russia, so that support from the federal centre is sufficient to give them a substantial "leg up", provided that it is used more efficiently. However, it remains unclear how acceleration of human development is to be achieved in the numerous regions of the vast "middle zone", where two thirds of the country's population are concentrated and where resources for development are still lacking. Mere redistribution of funds from the federal centre will not help to improve the situation so long as institutional mechanisms for stimulating development in the regions themselves remain weak.

MDG indicators for the regions also show a complex balance of social development successes and problems. Economic growth has almost halved poverty rates in Russia, and regional indicators have also improved considerably: while in 1999 only 4% of regions had poverty rates below 20%, the share of such regions had risen to 40% by 2005. Income deficiency of the poorest strata has decreased dramatically: in most regions it is only

5% of total income, although it still exceeds 10% in the five least developed regions. However, the higher the income level in a region, the higher income inequality tends to be: this is a clear correlation in all places, but particularly in Moscow. Rapid income growth also brings a rapid increase of inequality, as is clearly shown by the example of St. Petersburg. Large inequality is a result of the low quality of economic growth and unbalanced distribution of the benefits, which it brings, making it hard for disadvantaged groups to emerge from poverty, particularly extreme poverty.

In reduction of infant and maternal mortality, economic growth has proved to be a supporting factor rather than the initial impetus. Improvement of the indicators since the mid-1990s has been due to modernization of reproductive behavior and more responsible patterns of family planning. The Russian state has only recently begun to invest more in diagnostics and obstetrics, and spending increases on mothers' and children's health has reduced regional variations in infant mortality. The progress in reduction of child mortality contrasts with rather unfavourable trends in life expectancy, which actually decreased in the first five years of economic growth. Regional polarization of life expectancy indicators is increasing due to economic and social factors (people's lifestyle and value system). Life expectancy indicators remain significantly higher and continue to rise in the most developed subjects of the Russian Federation – Moscow and the Tyumen autonomous districts, – since competition for well-paying jobs encourages people to take better care of their health. But economic incentives lack the force to change lifestyles in underdeveloped and depressive regions, where persistent marginalization tendencies keep life expectancy low. Solution of the problem of low life expectancy in Russia as a whole and in each of its regions requires a combination of economic growth and a well-designed policy for promoting a healthy lifestyle.

The dynamics of social diseases also have little dependence on economic growth. Tuberculosis incidence rates have begun to decline only in those federal regions where the scale of this problem was initially less critical. Incidence rates in Siberia and the Far East remain the highest in the country and are continuing to rise. Ability of the health care system to cope with the situation is severely limited by degradation of the entire social environment: Russia's eastern regions have higher poverty and marginalization rates and a higher concentration of penitentiary institutions on their territory and, in addition to all of these factors, they also have unfavourable climatic conditions. Up to now in Russia measures against tuberculosis tend to be applied in regions, where the situation has not been the most acute to start with, while regions that are in particularly dire straits, lack resources to overcome the impact of negative development factors.

HIV prevalence is in an inverse relationship to economic development: HIV is more widespread in "rich" regions, particularly those with economies that are heavily dependent on raw material extraction and which lack well-developed social infrastructure. Higher incomes are not always used for the benefit of human development. There is currently little reason to hope for improvement in this state of affairs, and rate of growth of HIV infection remains high.

The geographical pattern of gender-related problems is similar: higher income levels in a region tend to entail a larger gap between average wages of men and women and, vice-versa, the male-female wage differentiation is lower in regions with lower income levels. So, in the present state of things, gender income equality in Russia is only possible in poverty. Gender ratios in wages have changed little in the years of economic growth: dominance of raw material extraction in structure of the Russian economy and dependence of growth on commodity exports are not conducive to gender equality.

Another problem is the extremely low representation of women in government. Again, an inverse relationship is observed: larger and richer regions tend to have less female representation in their parliaments. Only one region in ten has a level of female representation in its parliament above 20%, and levels in about a quarter of regions are 5% or lower. Elections held since 2000 have brought practically no changes. On the whole, economic growth does not have much impact on gender inequality in politics and on distribution of income between the sexes.

MDG-based assessment of the social development situation in Russia's regions has confirmed once again that economic growth in itself cannot cut the Gordian knot of accumulated social problems. Indeed, both regional and social differentiation in Russia are becom-

ing more marked. It has to be recognized that regional inequality in Russia is a long-term phenomenon, is caused by objective factors and is particularly pervasive at the catching-up stage of economic development. Redistribution of budgetary resources alleviates inequality but it only "papers over the cracks", without stimulating social modernisation.

Debates concerning the feasibility of a single universal policy of regional development in Russia have continued for a number of years and have not led to any significant results beyond redistributive measures in the budget and finance sphere. Moreover, the reasoning is sometimes highly dubious: opinions are aired on the need for forced repopulation of sparsely populated territories or compulsory prevention of migration from these territories, about creation of a single centralized development plan controlled by the federal centre, or about supposed need for a protectionist trade policy, which would stimulate import-substituting production on regional markets. Research and the experience of other countries have shown that regional development policy cannot be effective when it is organized in the form of a planning diktat. Instead, the emphasis needs to be on stimulating change, on improvement of the institutional environment, improvement in quality of government and social management, with due attention and willingness to reduplicate successful experiments. Can the present "regional" analysis of the Millennium Development Goals contribute something new to this discussion?

Firstly, the analysis has shown that absence of a single federal policy has not been an obstacle to implementation by subjects of the Russian Federation of their own varied and often quite successful development programmes, which deserve to be viewed precisely as investment in human capital. Areas, in which the subjects of the Russian Federation have taken major steps forward, include: education and linking it to the labour market; increase of access to medical and social services; restoration of ecological balance; stimulation of effective employment (particularly with regard to low-income and other socially vulnerable groups); and eliminating gender inequality and disproportions on the labour market. Improvement have been achieved by a variety of regions with very different levels of development and degrees of natural resources and infrastructure endowment. The cases presented in this Report do not exhaust the list of social and economic innovations, which have been developed, piloted and implemented in Russia's regions. However, we hope that the Report will contribute to interregional transfer of positive experiences in ways of addressing problems, faced by Russian society in the context of MDGs, thus building strong horizontal connections to support social development.

Secondly, comparison of the situation in different federal districts and regions helps to discover "weak links" in socio-economic policy, which may need adjustment. For example, the experience of many regions shows that emphasis in current demographic policy is often on stimulating birth rates, although the major problem for human development and quality of life in Russia remains the shocking number of early and perfectly avoidable deaths. Another example: there is currently an obvious lack of programmes aimed at increasing mobility of the population. Treatment of Russian regions as separate, closed economies is often manifest in policy formulation by regional administrations themselves. This limits the possibilities for capitalizing on comparative advantages of economic development and human development, particularly when the advantages are not functions of natural resource endowment, but arise, for example, from scientific know-how, technological innovation, or sectoral developments, which have competitive potential on external markets.

Thirdly, the research carried out for this Report suggests a list of general recommendations for designing a socio-economic policy, which could stimulate regional growth and increase potential for human development. We now proceed to briefly set out these recommendations.

Many regions need to find ways of freeing mobilizing resources for economic growth, which is the main factor of human development. Structural distortions of "monoindustrial" regional economies, the problems of large engineering and light-industry plants, as well as of agriculture, and the high share of the non-market sector in the economy all show a pressing need for a policy, which could speed up conversion of factories that lack prospects and establish new competitive production in their place (albeit on a smaller scale), and could design

effective temporary measures to support, retrain and increase mobility of workers, who lose their jobs as a result of the change.

A multi-pronged regional policy for human development and improvement of people's welfare needs involvement of local government and civil society institutions. That could be achieved by *a mechanism that stimulates effective social reforms by operating at the regional level in each subject of the Russian Federation, while interacting and cooperating with the local government level*. Whatever such a mechanism is called ("municipal social development fund" or "social initiatives fund") its purpose will be to give prompt and relevant responses to changes in local development priorities, based on flexible financial planning and offering a strategic vision of development prospects for the whole region, properly linked to economic prospects. Such development fund could also help to strengthen institutions of state and municipal governance, requiring administrations to be accountable to their voters, and monitoring government spending on items of priority importance for local communities. Co-financing or other forms of contribution by local people and business to solution of their own socio-economical problems would help the mechanism to work. Resources could be allocated to fund a variety of measures and programmes, provided that they meet general criteria of responsible financial management and support for human development goals. Worthy causes could include programmes for restructuring publicly funded social institutions, competitive procurement of social services, social infrastructure projects to benefit socially vulnerable groups, development of inclusive (integrated) education for children with special needs, promotion of healthy lifestyles, development of preventive medicine, socio-medical care for expecting mothers and many others.

However, these recommendations cannot hope to produce results without proper mobilization of all social forces to *combat corruption*, which slows down economic development and impedes effective restructuring as well as preventing the state and local authorities from performing their main duties properly and cooperating with tax-payers. Human development analysis of Russia's regions does not produce any new suggestions for specific measures to combat corruption. It merely highlights the fact that lack of efforts in this direction will prevent human potential from becoming the key factor in regional development and thus prevent the country as whole from successful integration into the post-industrial global economy.

An important recommendation, which could be implemented in one form or another in practically every subject of the Russian Federation, is to boost development of social programmes and services that would encourage ordinary people to take the initiative on the labour market. This would involve cooperation between social services and employment services and would target people of working age with low incomes. This Report has offered some examples of programmes that aims to mobilize the labour potential of socially vulnerable families, and such programmes are increasingly popular at both regional and municipal levels in Russia. Such an approach has proved effective in reducing depth of poverty, reintegrating families, preventing social dependency and helping to solve youth problems. The main obstacle in all regions to large-scale implementation of this approach is lack of coordination between various departments in the socio-economic and labour sphere. At present, joint efforts by employment services, economic departments and social agencies are mainly limited to implementation of target programmes, but there is very little day-to-day cooperation focused on resolving real problems of people and their families. An initiative to harness the efforts of separate departments at regional level could start with integration of databases, creation of common procedures for information exchange, and creation of a "case management" system, which would analyze problems and design individual plans for social integration and self-support for *needy families*, including provision of various services (medical, social, educational) and required actions and efforts by the recipients themselves. Integration or harmonization of activities by various departments and agencies could take different forms in different regions. One possibility would be to strengthen the role of schools in social monitoring of families with children. Law enforcers also have a role to play in programmes for social integration of such marginalized categories as the homeless or street children. Decentralization of the Federal Service for Labour and Employment since for 1 January 2007, should stimu-

late this agency to define priorities and resources for development of labour markets, and for implementing a whole range of programmes that promote real (not ersatsz) employment.

The Report cannot offer any general recommendations regarding *problems of infrastructure provision*. There is no doubt that these problems have a major impact on human development. But trends in development indicators show that traditional mechanisms for improving infrastructure (mainly target programmes) have failed to produce fundamental changes in most cases. Decay of social infrastructure in regions and municipalities has most impact on low-income and socially vulnerable groups, since they lack financial and other resources (administrative or social connections), which they could use to obtain goods and services on the private market. People in low-income groups cannot afford private kindergartens, schools and medical care, and young people from low-income families are most at risk of being unemployed. Therefore, regional policies for improving social infrastructure and utilities, and increasing access to modern services for the poor and people with special needs, will do much to equalize human development prospects. The challenges are numerous: improving the quality of tap water; increasing geographical and informational accessibility of public institutions; increasing provision of quality education to children from socially vulnerable families; and increasing mobile provision of medical, social and other human development services, so that they are available in settlements, which are scattered across large territories (there are several examples of such initiatives in the current Report). There needs to be a complete and radical *revision of rules for realization of target programmes*, including principles for their responsible financial management, transparency in defining financing priorities, compulsory independent assessment of investment efficiency, proper competitive application systems and feedback mechanisms.

Returning to the issue of social and labour mobility as a factor in proper use of human potential, we have only been able to cite a few anecdotal examples of *state-sponsored regional programmes investing in mobility* in the Report. These mainly concern assistance in resettlement of people from depressive territories with low development potential. Such assistance is undoubtedly a very effective way of transferring the key factor of production (people) and of reducing inefficient budget spending on infrastructure in unpromising settlements. But regions should be encouraged to go further and to consider a wider range of social investment programmes promoting labour mobility. These could include educational loans to young people, wider implementation of micro-credit programmes, development of continuous education (by revision of current programmes in compulsory and professional education), development of interregional information exchange on the labour market, etc.

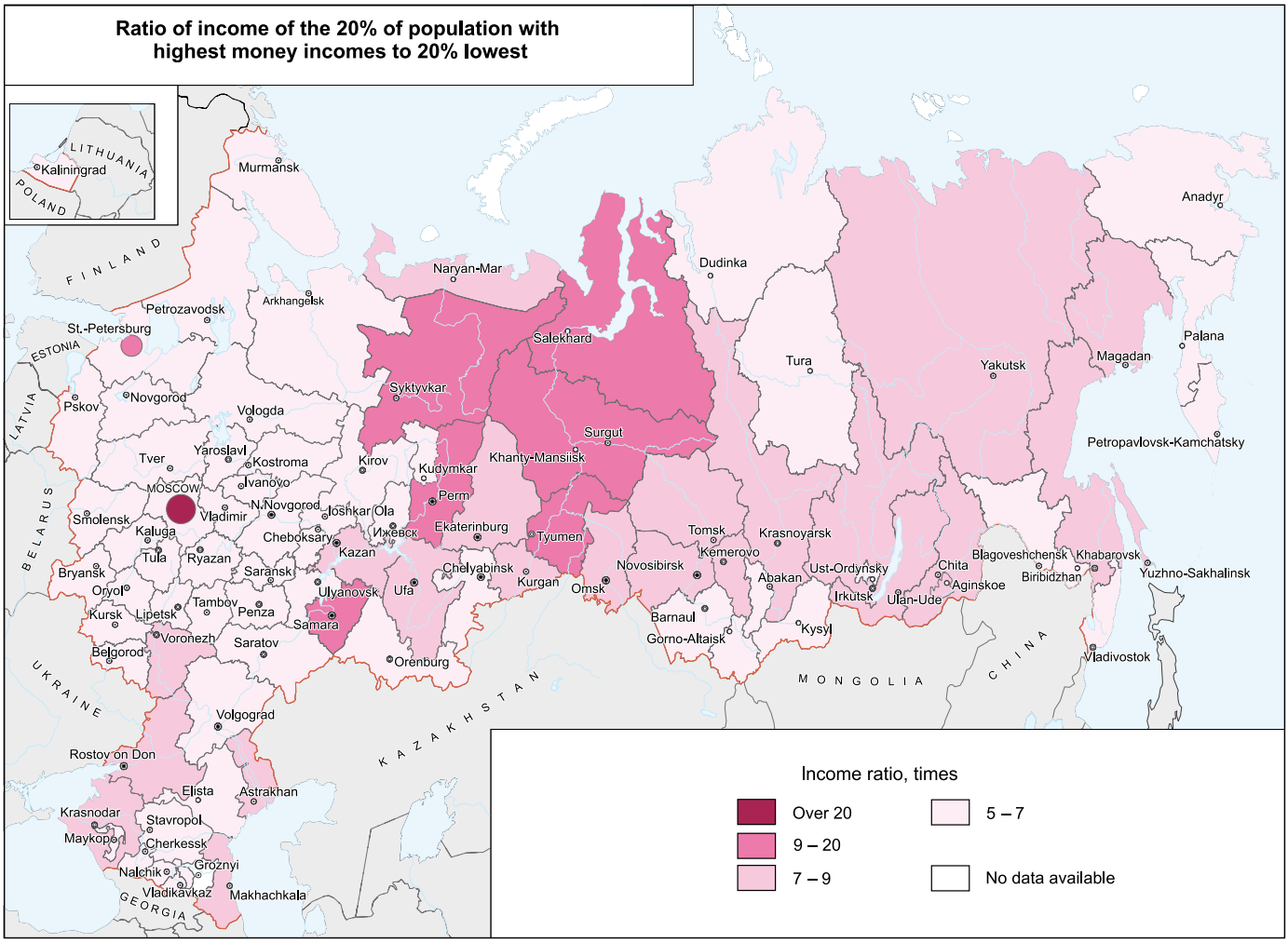
Involvement of civil society in design and implementation of regional human development policies needs to be increased. Studies show that capacities of civil society organizations for providing social and educational services are not sufficiently exploited. Independent non-profit organizations, public commissions, official and unofficial civil unions and volunteers can do much to improve accessibility and transparency of public welfare services inside regions, and have an important role in monitoring the activities and initiatives of the state. Civil society institutions can help to overcome administrative barriers and assist the most vulnerable members of society in obtaining access to services and also to information, which is often at least as important as an impulse for development. Russian regions would do well to move beyond the debate and discussion stage and to start a cooperation in practice, allowing NGOs and initiative groups, which provide real services to people, to use their expertise for improvement of social development management. Local and regional research centers can also play an important role, by monitoring work of executive government towards achievement of the Millennium Development Goals in each of the subjects of the Russian Federation.

Studies have shown that regional development priorities cannot be identical in "leader" and "outsider" regions despite indisputable relevance of the tasks defined within the framework of the Millennium Development Goals for the whole of Russia. Better developed regions can and should focus on issues of social integration of low-income groups and people with special needs, on finding comparative advantages of their economies, which will increase stability of regional labour markets, on reducing mortality and developing prevention programmes in health care,

and on implementing special programmes to stimulate local development (particularly in rural areas) by creating new jobs in new spheres. By contrast, in the least developed regions investments in social infrastructure make little sense. Such regions should give primary importance to economic restructuring and finding new spheres of development, after which they can support retraining and skill upgrading programmes for people of working age. They should also make efforts to increase labour mobility and combat social diseases, which are responsible for degradation of human potential. These measures require the backing of an appropriate and consistent federal policy to create essential conditions for their success. Such conditions would include development of public and political institutions promoting stable growth, modernization of the educational and health systems, genuine reform of the public administration, and increasing competitiveness of domestic products on the world market.

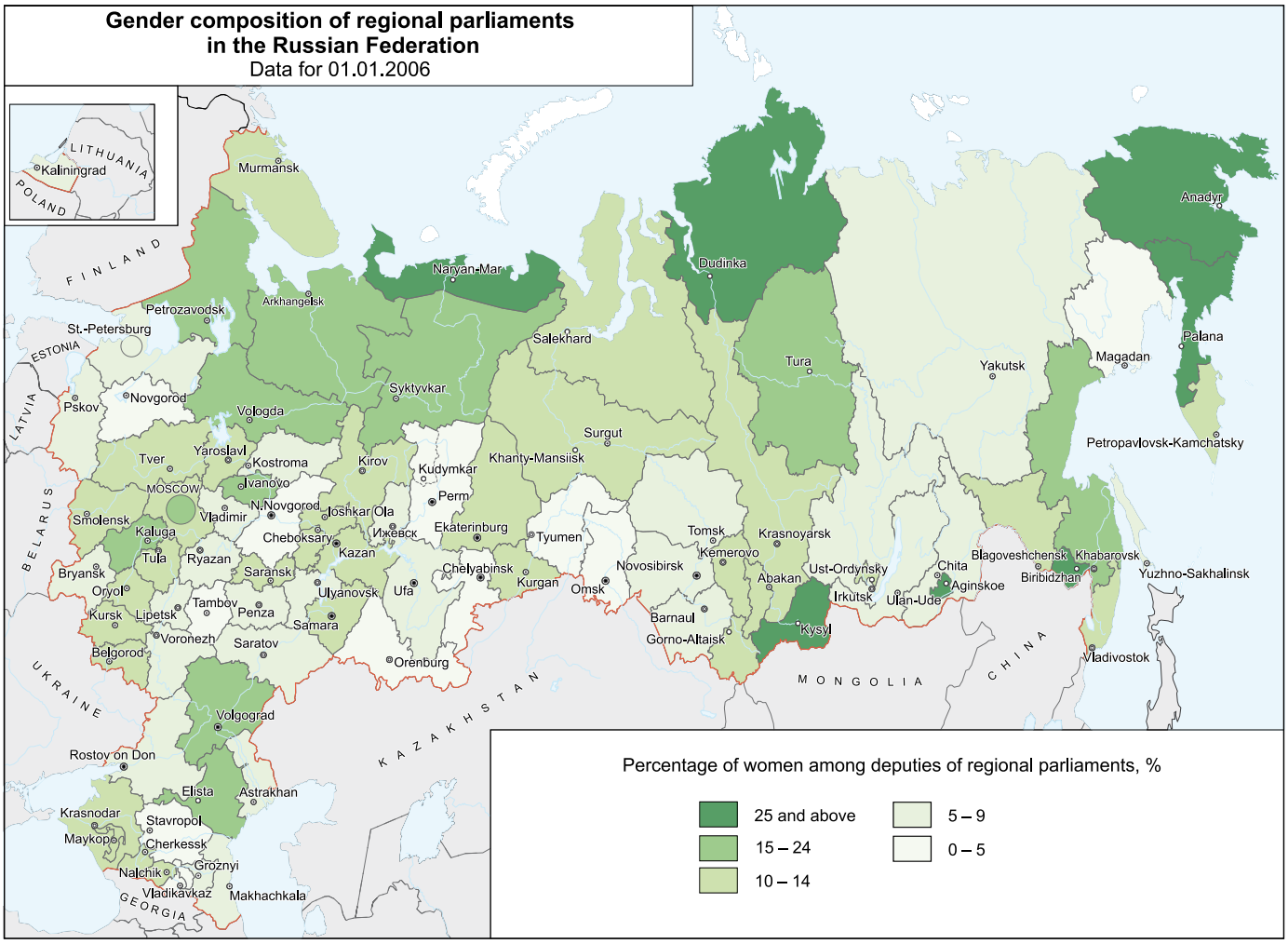
The most important conclusion deserves to be stated once again: in a country with such huge inequality between its different regions, no single recipe for social policy is possible. Support measures have to be varied, because social problems in Dagestan (for example) are completely different from those in oil-extracting regions of Tyumen or Moscow. Ways of implementing national projects cannot be "carbon copied" across Russia without risk of huge inefficiency. In addition to support from the federal centre, regions need wider powers and larger resources to increase their responsibility for their own social development. Without stimulation of social modernization "from the grass-root level", economic growth will continue to be accompanied by stagnation (or even degradation) of important components of social development. This has already been seen in recent negative dynamic of life expectancy and the HIV/AIDS epidemic. In order to be effective, social policies of the state must be based on the modernization potential of the society itself.

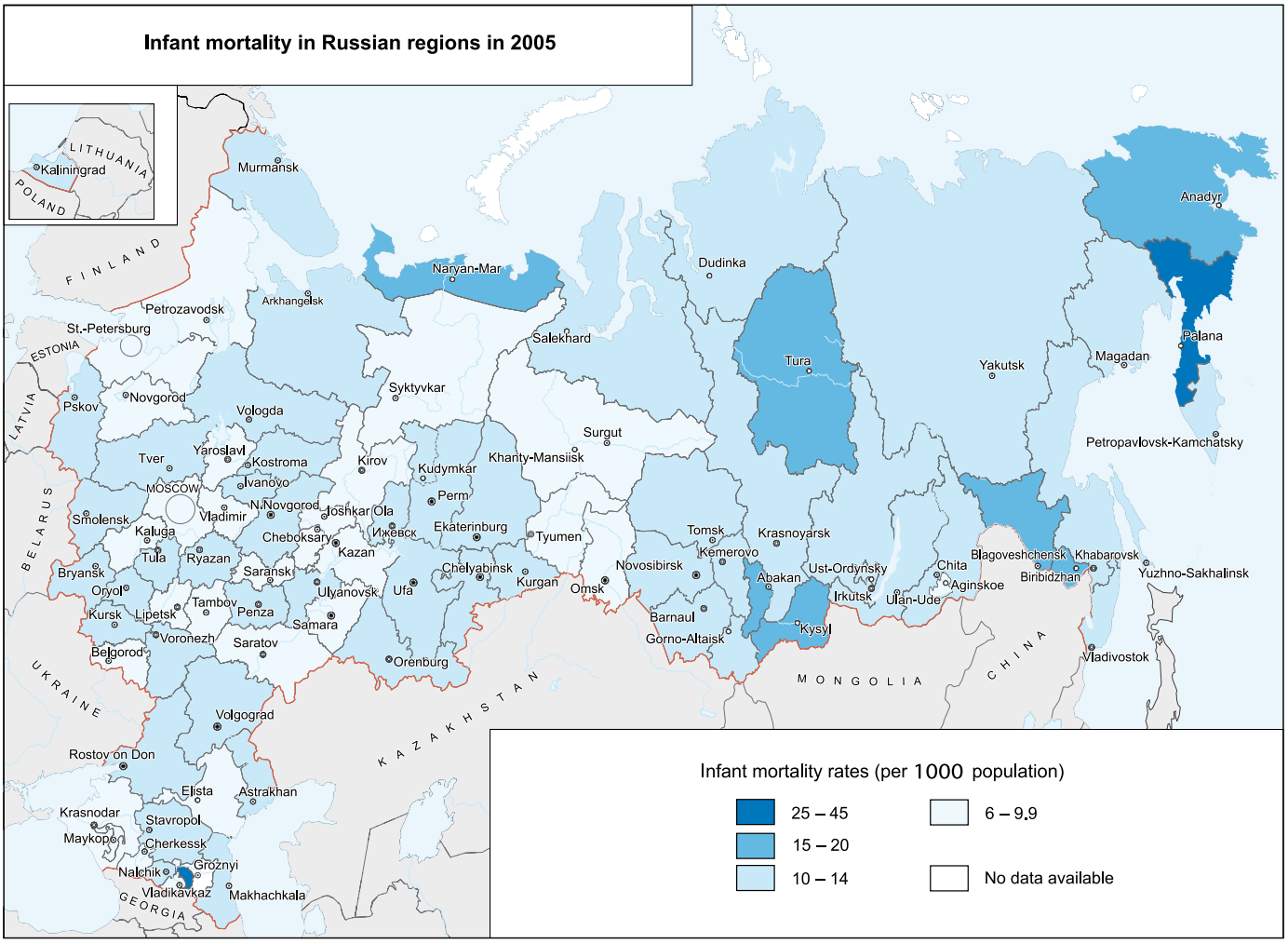
Ratio of income of the 20% of population with highest money incomes to 20% lowest

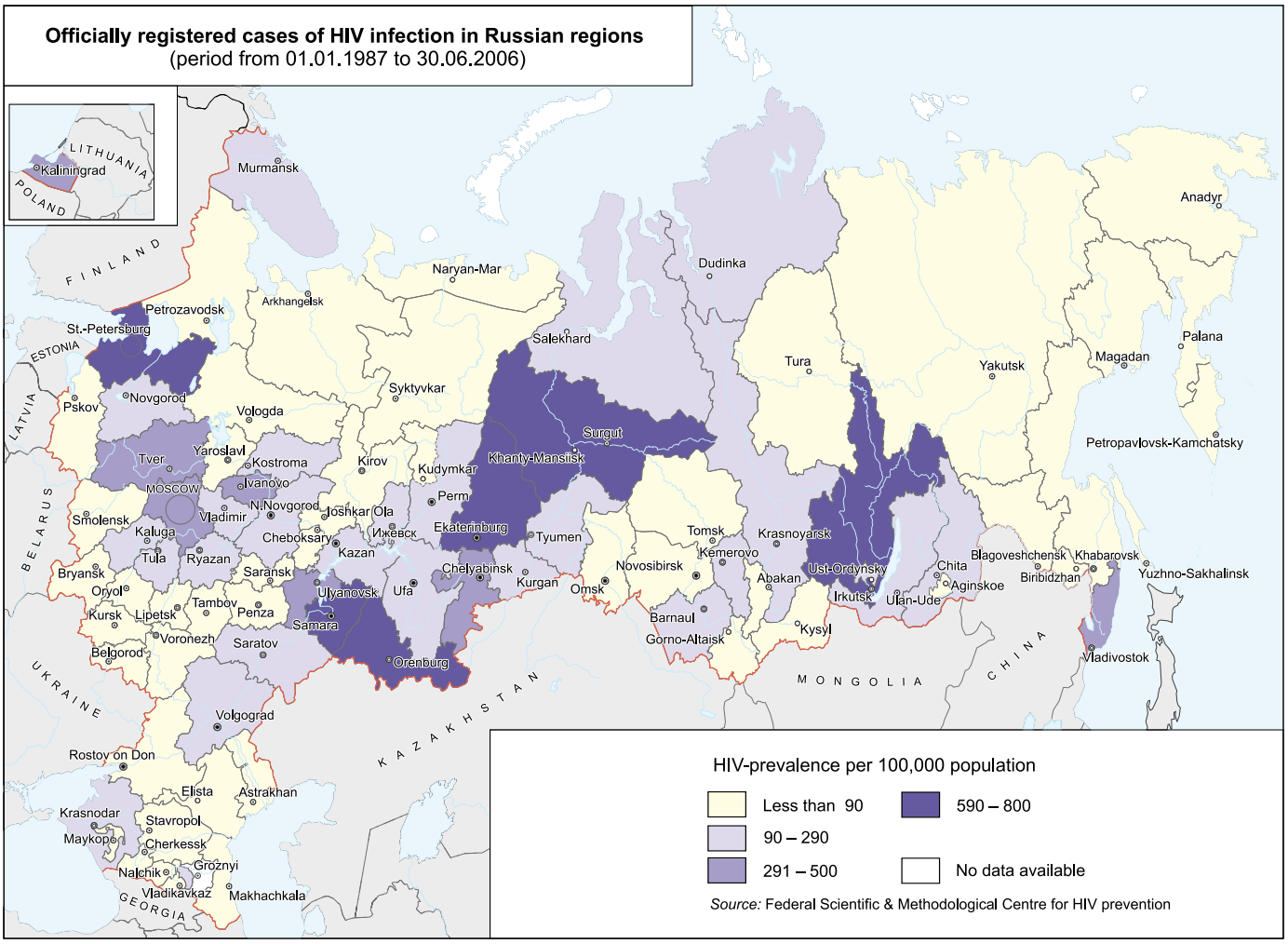


Gender composition of regional parliaments in the Russian Federation

Data for 01.01.2006




Infant mortality in Russian regions in 2005
LITHUANIA
Kaliningrad
POLAND
FINLAND
ESTONIA
LATVIA
BELARUS
UKRAINE
GEORGIA
KAZAKHSTAN
MONGOLIA
CHINA
Murmansk
Arkhangelsk
Petrozavodsk
St.-Petersburg
Naryan-Mar
Dudinka
Anadyr
Salekhard
Tura
Yakutsk
Palana
Magadan
Syktyvkar
Pskov
Novgorod
Vologda
Surgut
Petropavlovsk-Kamchatsky
Tver
Yaroslavl
Kostroma
Kirov
Kudymkar
Khanty-Mansiisk
MOSCOW
Ivanovo
Perm
N.Novgorod
Joshkar Ola
Smolensk
Vladimir
Ижевск
Ekaterinburg
Tyumen
Tomsk
Krasnoyarsk
Kaluga
Cheboksary
Kemerovo
Kazan
Tula
Ryazan
Blagoveshchensk
Khabarovsk
Bryansk
Saransk
Chelyabinsk
Novosibirsk
Ust-Ordynsky
Chita
Yuzhno-Sakhalinsk
Kurgan
Omsk
Abakan
Aginskoe
Biribidzhan
Oryol
Ulyanovsk
Ufa
Irkutsk
Ulan-Ude
Tambov
Penza
Barnaul
Kursk
Lipetsk
Samara
Kysyl
Gorno-Altaisk
Voronezh
Saratov
Vladivostok
Belgorod
Orenburg
Volgograd
Rostov on Don
Elista
Astrakhan
Krasnodar
Stavropol
Maykop
Cherkessk
Nalchik
Groznyi
Vladikavkaz
Makhachkala
Infant mortality rates (per 1000 population)
25 – 45
15 – 20
10 – 14
6 – 9.9
No data available


Officially registered cases of HIV infection in Russian regions
(period from 01.01.1987 to 30.06.2006)
LITHUANIA
Kaliningrad
POLAND
FINLAND
ESTONIA
LATVIA
BELARUS
UKRAINE
GEORGIA
KAZAKHSTAN
MONGOLIA
CHINA
Murmansk
Arkhangelsk
Petrozavodsk
St.-Petersburg
Naryan-Mar
Dudinka
Anadyr
Salekhard
Tura
Yakutsk
Palana
Magadan
Syktyvkar
Pskov
Novgorod
Vologda
Surgut
Petropavlovsk-Kamchatsky
Tver
Yaroslavl
Kostroma
Kirov
Kudymkar
Khanty-Mansiisk
MOSCOW
Ivanovo
Perm
N.Novgorod
Joshkar Ola
Smolensk
Vladimir
Ижевск
Ekaterinburg
Tyumen
Tomsk
Krasnoyarsk
Kaluga
Cheboksary
Kemerovo
Kazan
Tula
Ryazan
Blagoveshchensk
Khabarovsk
Bryansk
Saransk
Chelyabinsk
Novosibirsk
Ust-Ordynsky
Chita
Yuzhno-Sakhalinsk
Kurgan
Omsk
Abakan
Aginskoe
Biribidzhan
Oryol
Ulyanovsk
Ufa
Irkutsk
Ulan-Ude
Tambov
Penza
Barnaul
Kursk
Lipetsk
Samara
Kysyl
Gorno-Altaisk
Voronezh
Saratov
Vladivostok
Belgorod
Orenburg
Volgograd
Rostov on Don
Elista
Astrakhan
Krasnodar
Stavropol
Maykop
Cherkessk
Nalchik
Groznyi
Vladikavkaz
Makhachkala
HIV-prevalence per 100,000 population
Less than 90
90 – 290
291 – 500
590 – 800
No data available
Source: Federal Scientific & Methodological Centre for HIV prevention

Provision of sewerage in Russian regions in 2005

Human Development Index in Russian regions in 2004