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Background paper for HDR 2003

Russia: Case Study on Human Development Progress Toward the MDGs at the Sub-National Level

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2003

Background Papers

Human Development Report 2003

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Case Study on Human Development Progress Toward the MDGs at the Sub-National Level

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Background paper to the Human Development Report 2003

I. Data available.

State statistics does not allow to analyze the disparities at great length in all disaggregated groups. But for the most part, information on ethnic groups is in short supply, as the 1989 Census data have become obsolete.

A better part of MDGs indicators is not available both in Russia's statistics as a whole and in the disaggregated form. It should be noted that such indicators as a proportion of population with incomes below 1 dollar a day, literacy level and elementary school education coverage are not topical for Russia.

Russia's statistics analysis demonstrates that among MDGs indicators only 18 indicators are disaggregated by regions, 7 - by gender, 5 - by urban and rural population. In view of this, the author intends to use additional regional and gender information reflecting problems of human development. These indicators include income, wages, national poverty rate, life expectancy, unemployment by ages, the number of students etc. Furthermore, the analysis uses regional human development indices. All the information available are systematized and presented in the form of regional database (appendix 1), 12 tables, 11 diarams (Appendix 1), 10 maps (appendix 2).

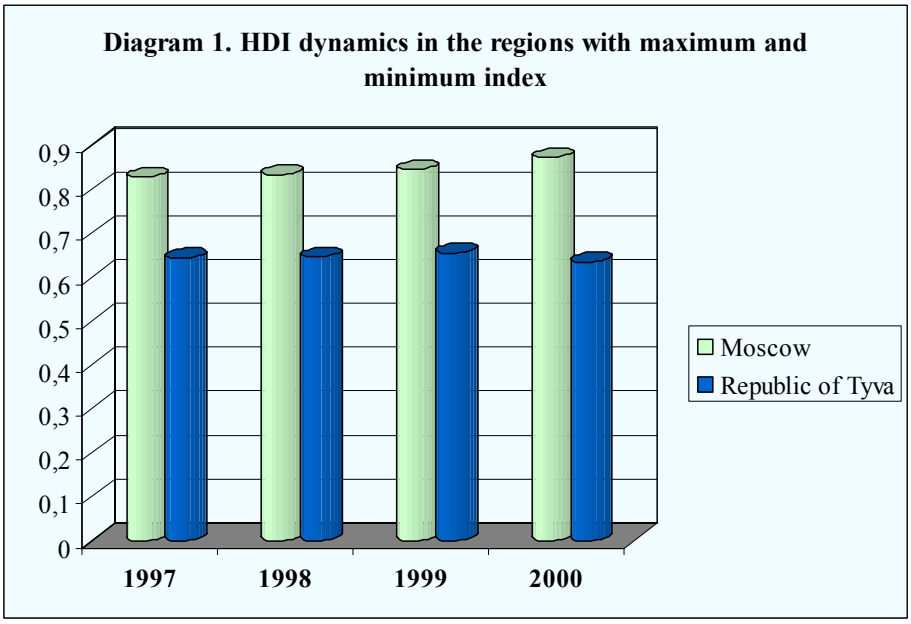
II. Descriptive section: disaggregation, data, and indicators

Russian Federation consists of 89 subjects including 55 regions with Russian population (oblast, kray), multi-ethnic regions (21 republics, 10 autonomous okrugs, 1 autonomous oblast) and 2 federal cities (Moscow, S-Petersburg). There are 7 macroregons (federal districts) – Central, North-Western, Volga, Southern, Urals, Siberian, Far Eastern. Russia, being a multinational country, with its huge territory, has significant disparities in human development between regions, genders and ethnic groups, rural and urban population.

Human Development Index

Russia is characterized by the marked internal contrasts in the field of socio-economic development. In 2000, only in 3 Russia's regions (subjects of Russian Federation) HDI was in line with that of industrialized countries (more than 0.800), this is Moscow, the capital of Russia, the largest oil producing region - Tyumen oblast, and the most economically advanced republic if the RF - Tatarstan. Moscow's Human Development Index (0.872) was close to that of Slovenia and was higher than in Czech Republic and Hungary. In parallel with the leaders there are regions with very low HDI, these are the least developed republics and autonomous regions of Siberia and the Far East. For example, in the most

problematic Republic of Tyva, HDI is 0.634, and it is close to that of Nicaragua and Gabon. Besides poverty, Tyva is characterized by very low life expectancy (56 years). Another problematic region is Chukotka Autonomous Okrug (0.696) situated in the Far North. But in some "Russian" regions of Central Russia, HDI is not much higher (0.704-0.717) because of long-running economic depression and poverty. Calculations of regional indexes made on the basis of stable methods show that for the period of four years the gap between the regions with maximum and minimum indexes widened. (Diagram 1). The growth of economic inequality among regions is playing the most important part in growing imbalances in the human development. Nevertheless, most regions of the country are similar in terms of human development index, with half the regions (46%) having values close to average ones (0.790-0.750) (Map 1. Human Development Index of Russian Regions, 2000).



MDG indicators

Goal 1. Eradicate extreme poverty and hunger

In Russia, like in other countries with transitional economy, the income gap widened in the 1990s. In 1990 20% of population with the lowest incomes accounted for 9,8% of all incomes, and in the period of reforms (1992 - 2000) - for 5.5-6.5%. The widened income gap resulted in increased poverty rate (proportion of population with incomes below the subsistence minimum), and poverty became one of the worst social problems. But it's quite hard to size up the real extent of poverty because shadow economy is vast and incomes are not fully accounted for.

There are two indicators of poverty in the Russian statistics: (1) based on a balance method with an additional valuation, (2) based on household budget surveys, which have been conducted since 1997. The first indicator is an official poverty rate. The indicators vary a great deal, but both of them document the rapid increase in poverty rate after the 1998 financial crisis and further deterioration in 1999. It was not until 2000 that the extent of

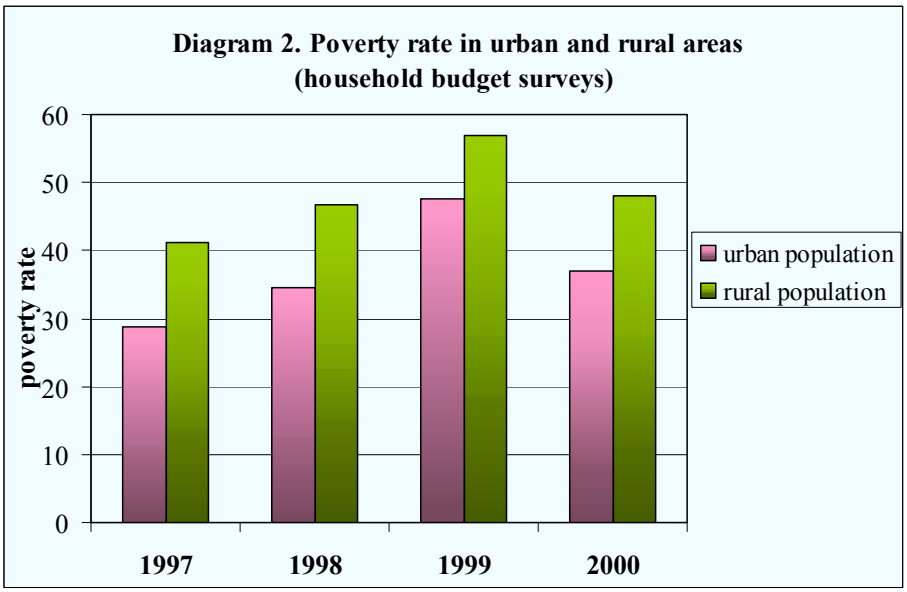
poverty started to diminish due to the economic growth but this trend is not sustainable, and that is why the dynamics of the two indicators varies.

Table 1. Poverty rate (proportion of population with income below the subsistence minimum) based on different evaluation methods

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Official data	33.5	31.5	22.4	24.7	22.1	20.6	23.4	28.4	29.1
Household budget surveys (HBS) data						32.1	37.8	50.2	40.0

Source: *Social Situation and the Living Standards of the Population of Russia, 2000*. Moscow, State Statistics Committee (Goskomstat) of Russia, 2000, pp. 180, 188; *Social Situation and the Living Standards of the Population of Russia, 2001*. Moscow, Goskomstat of Russia, 2001, p. 141-42 (in Russian)

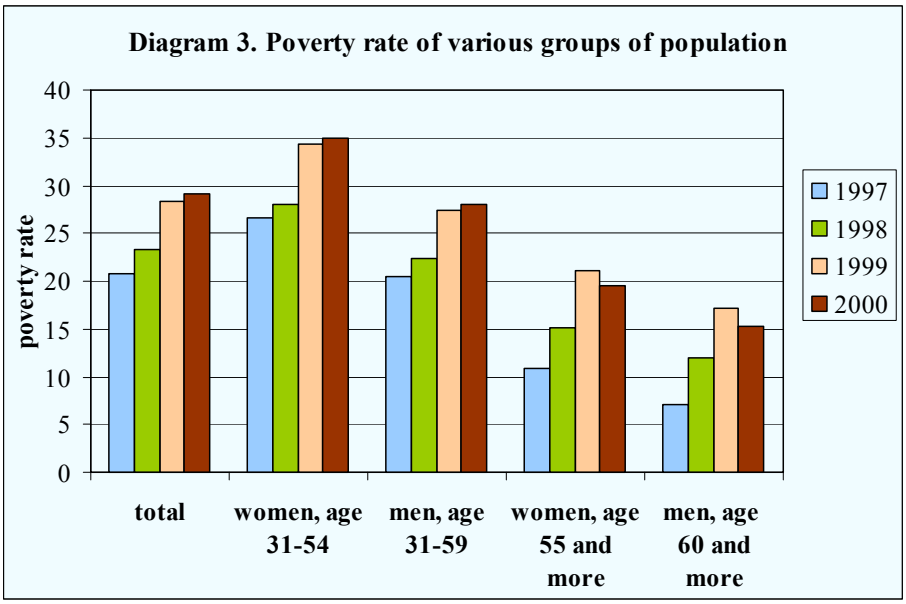
Budget surveys of households demonstrate a higher poverty rate than an official evaluation. Using these surveys we can assess discrepancies in poverty between urban and rural population. These discrepancies diminished only in the period of the most substantial reduction in people's incomes in 1999. In all other years the poverty rate of rural population was 30-40% higher than in urban areas (Diagram 2).



The main reason for a higher poverty rate of rural population is an extremely low remuneration of labour. Wages in the agricultural sector amount to 40% of average wages in the entire country. Because of low wages and pensions, more that one-fourth (26-27%) of rural population incomes are attributable to incomes in kind - foodstuffs from their personal subsidiary plots. This share is much lower in urban areas (5%). The share of foodstuffs from personal subsidiary plots amounts to 60% in poor rural families' expenditures on food[1]. Incomes in kind provide a minimum amount of food but fail to eliminate mass poverty in rural areas. The severity of poverty of rural population is much greater than that of urban population.

[1] *Working Toward a Poverty Eradication Strategy in Russia: Analysis and Recommendations*. ILO office, Moscow, 2002, p. 27.

The official poverty rate is a lot lower and it doesn't show any reduction in poverty in 2000 (Diagram 3). With the help of this indicator we are able to assess gender inequality in poverty for specific age groups (there are no gender assessments of poverty for the entire population). As to people of employable and retirement ages, the poverty rate among women 1998-2000 was about one-fourth higher than among men of the same age. In 1997 these discrepancies were even higher - by 30-50%.



Households with many dependents are the most vulnerable groups of population in urban and rural areas. They are one-parent families and families having many children, the proportion of poor people among them amounts to 62-85% and the depth of poverty in these families is maximal. Another risk group includes people of advanced retirement ages living in the largest cities with the high cost of living and in rural areas. As it has been already mentioned, foodstuffs from personal subsidiary plots account for a significant share of foodstuffs in rural population incomes, but single elderly people are not physically fit to run such plots. For the most part, they are women, as most rural men do not survive to retirement age. In some regions of Central Russia the proportion of pensioners reaches 39.5%, that's why elderly people suffer a great deal from poverty. The growth of poverty among elderly women and one-parent families comprised of women with children are the main features of feminization of poverty in Russia [2]. But the most numerous group among poor households (35%) is composed of two-parent families with 1-2 children, they account for half the aggregate income shortage [3]. The main cause of their poverty is low remuneration of labour common to many industries in Russia.

The vast regional differentiation of incomes and poverty in Russia is one of the severest problems (Map 2. Poverty rate in Regions of Russia). In 1999 almost in 1/3 of the regions (27 subjects of the RF out of 88, excluding Chechnya) more than half the population lived

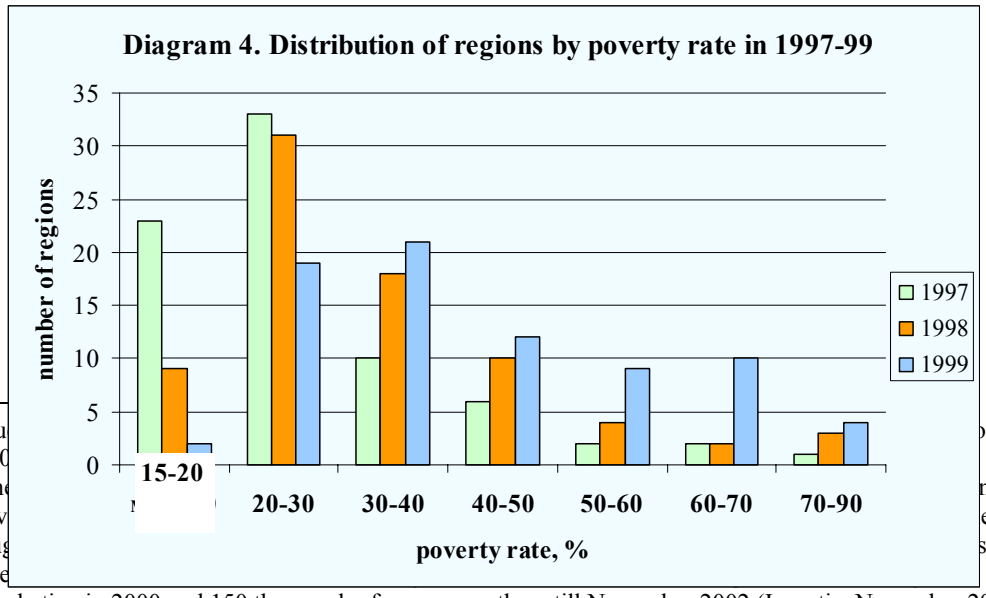
[2] Ovcharova, L.N. and L.M Prokofyeva,. Socio-economic factors of poverty feminization in Russia. *Economics and social policy: gender dimension*. Ed. M. Malysheva, Moscow 2002, p. 50 (in Russian)
[3] *Working Toward a Poverty Eradication Strategy in Russia: Analysis and Recommendations*. ILO office, Moscow, 2002, p. 9.

below the poverty line.[4]. More than 41 million people in Russia did not have a minimally needed income.

Prior to the financial crisis, the Russian capital's population - the city of Moscow accounted for the minimum poverty rate (16%), but since 1999 the proportion of poor people increased to 23% of population. Major oil and gas producing regions - autonomous areas of Tyumen oblast have minimum poverty rate (13-15%) since the late 90s. A relatively low poverty rate is common to other industrial regions producing and exporting oil, gas and metals: Murmansk oblast (16-20% in 1997-1999), Komi Republic (16-22%), Republic of Tatarstan (18-24%), Perm oblast (19-25%), Krasnoyarsk kray (20-25%). The integration of these regions to the global economy made it possible to keep higher living standards unchanged.

Maximum poverty rate is associated with two main reasons: a specific region's economic underdevelopment dating back to the Soviet times (republics of Northern Caucasus and the South of Siberia) or a severe slump in industrial production during the crisis in the 90s (depressed regions of Central Russia). But the worst thing is the impact of military conflicts. The Republic of Ingushetiya bordering Chechnya accepted most refugees during hostilities[5], and its poverty rate increased from 77 to 95% in 1997-1999. The credibility of this data is low, because, for the most part, Ingushetiya's economy is of shadow nature and it is difficult to estimate incomes. But given population's shadow incomes, the underdeveloped and small republic is not capable of addressing the problems of extreme poverty on its own taking into account the massive inflow of refugees.

Regional poverty profile responds to economic changes in a flexible way. In 1997, when the situation was better, the distribution of regions by poverty rate was more homogeneous, only the weakest regions stood out noticeably (Diagram 4). In the period of the financial crisis and lower living standards (1998-99) the distribution of regions with regard to a proportion of poor population became more differentiated. In the 90s it became obvious that economic instability exacerbates regional disproportions in the living standards: less developed regions get poorer to a greater extent than others.



[4] Du ors for 2000

[5] The mation prov en refug sian Fede

Ingushetiya in 2000 and 150 thousand refugees were there till November 2002 (Izvestia, November 29, 2002).

Striking discrepancies in the living standards also increased in urban areas because of various degrees of urban economy adaptation to the transitional period. The concentration of financial resources in the Russian capital and the faster development of market economy sectors brought about huge differences in the living standards between Moscow and the rest of Russia. Moscow residents' incomes amount to more than 20% of all residents' incomes in the country, although the proportion of Moscow residents accounts only for 6% of the whole population in the country. Residents of small- and medium-sized towns got poorer to the largest extent and their living standards are almost identical to those of urban population.

More than 40% of towns in Russia are mono-functional and their development and living standards of population depend on 1-2 enterprises. Unfortunately, poverty rate and per capita incomes of population for urban areas are not calculated. But average wages- to -subsistence level ratio can serve as an indirect indicator. The lowest level of wages was characteristic of towns with predominant textile and machine-building industries, including those with defense industry (Table 2). Low incomes together with high unemployment rate brought about the highest poverty rate.

Table 2. The Ratio between the Average Wages and the Subsistence Minimum in Mono-Functional Cities and Towns (1998)

Cities/Towns – 'leaders'	%	Average wages/ subsistence level ratio
With oil and gas-extracting industry	31	4.8
With metallurgical industry	21	3.6
With electrical power industry	18	4.0
With oil-processing industry	10	3.7
With coal-extracting industry	8	4.0
Other cities/towns	12	3.9
Total	100	4.1
Cities/Towns –"outsiders"		
With mid-size machinery building plants	35	1.3
With food industry	24	1.4
With textile industry	16	1.4
With old mid-size metallurgical plants	12	1.4
With timber industry	10	1.4
Other towns	3	1.3
Total	100	1.4

Source: Estimations according to the database "Mono-Functional Cities/Towns of the Russian Federation" In: *Mono-Functional Cities and City Forming Enterprises*. Moscow, Expert Institute, 2000, pp. 227-35 (in Russian)

Poverty gap ratio (PGR) with respect to regions was calculated in the following way:

$$\mathbf{PGR} = P \times \left(\frac{I}{S} \right) \text{ ,when}$$

P – proportion of poor population
I – income shortage
S – subsistence level

Like the poverty rate this indicator is the lowest both in Moscow and in the Tyumen region (6-7). The most substantial poverty gap ratio is characteristic of the least developed regions where the proportion of poor people and income shortage are highest. Among the regions with Russian population, it is Chita oblast situated in Siberia. The same indicators are common for the least developed republics of Siberia and Northern Caucasus (30-46). In Ingushetiya the poverty gap ratio amounts to 80, but we should take into account the fact that in this republic the information on incomes is not credible.

Research on food caloric content has not been conducted in the Russian regions. But the data on the whole country shows that 10% of the poorest families do not consume a required quantity of calories. According to the Institute of Nutrition under Russia's Academy of Medical Sciences, malnutrition is characteristic of decile group with the lowest incomes, and it influences weight and height indicators[6]. Other categories of poor people are characterized by their unbalanced diet, for the most part, by protein deficiency. Only the families with incomes over the subsistence level consume sufficient (normative) amount of all groups of foodstuffs - these families account for no more than 70% of Russia's people.

Based on these assessments, we can single out the most problematic regions with a maximum rate of dire poverty in terms of food caloric content (proportions of population with incomes below half the subsistence level). These are the regions with sparse population - autonomous areas, the least developed republics of the Northern Caucasus and the South of Siberia, depressed Russian areas in the Center, the Urals and Siberia.

In Moscow, despite the high level of incomes and relatively low proportion of the poor, more than 20% of poor people have incomes below half the subsistence level. This means that 5% of Moscow residents tend to have unbalanced diet and even calorie deficiency. Polarization of wealth and poverty is at the highest level in Moscow, like in the other region with the highest incomes, namely in the oil and gas producing Tyumen oblast.

Goal 2. Achieve universal primary education

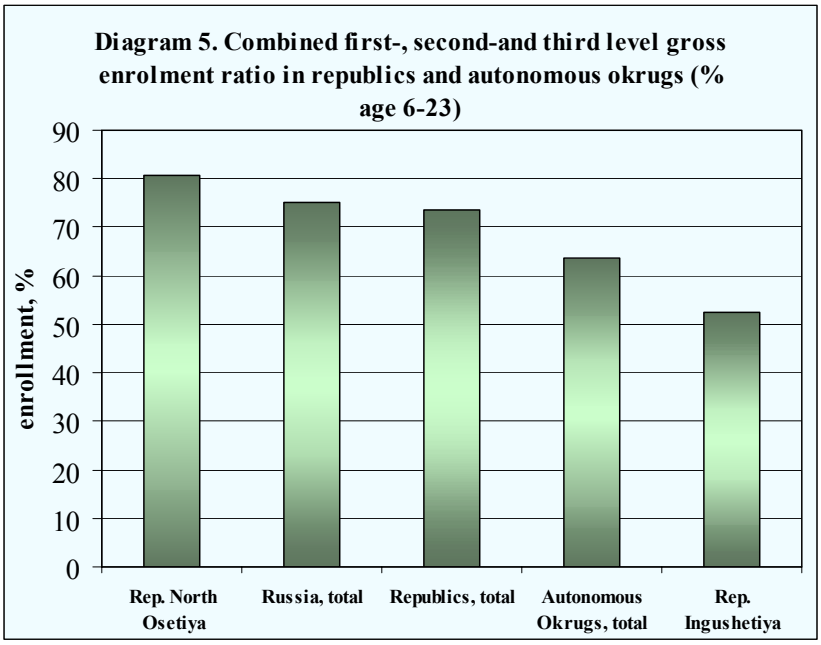
The high educational level of Russian people is still one of Russia's achievements, nine-year basic education is mandatory under the Russian Constitution. But during the transitional period there emerged a problem associated with the fact that there are children who fail to go to school. These are the children from problem families and homeless, neglected children (regional data on the number of such children is not available). Chechnya is the most problematic region. The restoration of region's educational system is running into a lot of difficulties, because of the long-running fighting, an entire generation of children has not been educated adequately.

75% of children and young people at the age of 6 - 23 in Russia's regions are provided with education. The leaders are federal cities (Moscow and Saint Petersburg), where the first, second and third level education is provided to almost all young people. The regions with

[6] *Nutrition in the Families of Poor*. Report, ordered by World Bank and prepared by the Institute of Nutrition of The Russian Academy of Medical Science, June, 2000.

the largest cities - the centers of higher education (Novosibirsk, Samara, Rostov-on-Don, Tomsk, Khabarovsk) are also in the lead. The lowest indicators are characteristic of the regions in the North and in the North-West parts of the country: there are few residents and few large cities there, and, as a consequence, the professional educational network is less developed. (Map 3. Combined first-, second-and third level gross enrolment ratio).

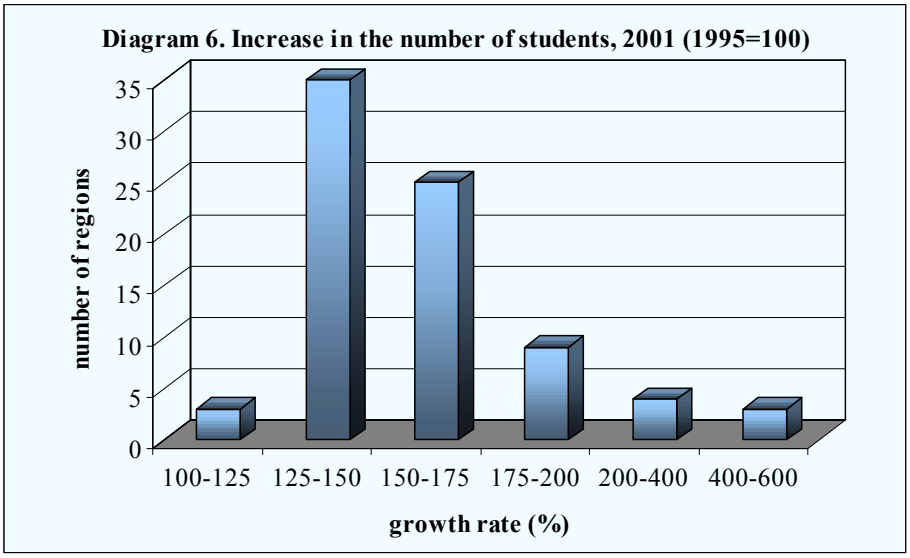
It should be noted that regions with predominantly Russian population and large ethnic regions (republics incorporated in Russia) offer equal educational opportunities to children and young people. Some republics are among the regional leaders in terms of education coverage, for instance, the Republic of Northern Osetiya situated in the Northern Caucasus (Diagram 5). The only republic with low indicators is Ingushetiya as its level of economic and infrastructural development is extremely low. The fact that little attention is given to provide access to education contributes to an already very high unemployment rate among the youth in Ingushetiya. Another zone of low education coverage includes small-sized autonomous areas in the North and East of Russia. Their indicators are attributable to an objective reason, namely their thinly populated territory and the small amount of urban educational centers.



Evident changes have taken place in the field of professional education. At the start of transitional period the increased number of socio-economic problems had a negative impact on the prestige of education and the number of students had been declining till the mid-90s. From 1995 education started to get much more prestigious rapidly. Over 1995-2001 the number of students in the institutions of higher education in Russia increased by 54 %. Even in Moscow, the largest center of higher education, the number of students increased by 50 %.

Nevertheless, the main trend was the regionalization of higher education. The number of students and institutions of higher education increased rapidly in those regions where this number used to be low. These are northern regions with export economy, higher local budget revenues and higher incomes of population (autonomous areas of the Tyumen region, the Murmansk oblast, the republic of Yakutia). These are also numerous agrarian

regions in the South of the country including republics with a low level of urbanization and the undeveloped higher educational institution network but with a lot of young people. The dynamics of higher education exemplifies strikingly considerable progress in human development in Russia (Diagram 6). Undoubtedly, such a rapid growth is accompanied by serious problems. The quality of training in many regional institutions of higher education, specifically, in the new ones is not up to the mark. Another problem is that the number of students paying tuition is on the rise. In the year 2002 a proportion of paying students enrolled in the institutions of higher education amounted 50%. But the massive inflow of young people into higher educational institutions testifies to the fact that education has become more prestigious in the country.



Goal 3. Promote gender equality and empower women

The analysis of male students-to-female students ratio enables us to say that gender problems are not typical for Russia **in the field of education**. For example, the reduction in the number of students in the first half of the 90s was caused exclusively by the decreased number of youths but the number of female students had been increasing continuously. As a result, in 1992-200 the increase in the number of female students in the higher educational institutions was 2,3 times higher than that of male students [7]. As far as feminization of higher education is concerned, Russia is one among the first in the world along with Denmark, Norway, Sweden, France and some CIS countries (Armenia, Belarus). They don't publish information on this issue at the regional level but indirect data allows us to talk of the same trends. In all regions the number of law and economics department students had been increasing more quickly, with female students among them accounting for about 70% [8].

In the field of employment, it seems that statistics don't show any evident gender disproportions. In the Soviet period the labour market's distinctive feature was an extremely high economic activity of women - in excess of 80% at the employable age (16-55 years) and it was about 94% of the male economic activity level. During the crisis, the

[7] Bascakova, M. E. *Economic effectiveness of investment into higher education: gender aspect*. Moscow, 2002, p. 31. (in Russian)
[8] *Women and men in Russia*. Moscow, Goskomstat, 2000, p. 39-40.

women's economic activity at the employable age contracted to 73-74 %. But the male economic activity had been contracting at the same rate and that is why the dynamics of women's economic activity is not caused by gender discrimination. In 2001 economic activity of women at the age of 15-72 years was 60.3% (In Russia women reach retirement age at 55), and the men's economic activity was 71.6% (men reach retirement age at 60)[9].

Regional discrepancies, for the most part, retain features inherited from the Soviet times, this argues for a high stability of factors forming economic activity. The greatest discrepancies in the economic activity of women like in the previous decades are typical for two types of regions:

- Less urbanized republics of the Northern Caucasus with traditional national family roles and higher birth rate. In these republics the level of women's economic activity at 15-72 years is lowest in Russia - less than 15%.
- Regions of the North and Far East with the highest employment rate among women (more than 68%) dating back to the Soviet times, although this indicator is influenced by the high proportion of able-bodied in the population age structure.

The gender structure of those employed in various branches of economy shows that the balance, on the whole, is still in place. (Table 3). But the branch structure of those employed has a great gender disparity. The service sector was and is still dominated by women where labour remuneration is very low. The proportion of women working in the industrial sector contracted significantly at the start of transitional period because of the crisis in the manufacturing industry where female employment is higher. In the agricultural sector, during the period of economic growth in the late 90s, gender proportions got back to the 1990 level. The most pressing problem is that the proportion of women among those employed in the administrative bodies halved (from 67 to 34%). In Russia women are losing the right to participate in administration and policy making.

Table 3. Share of women in wage employment, %

	1990	1995	1996	1997	1998	1999	2000	2001
Total	51	48	47	47	48	48	48	48
Agriculture	39	34	34	32	32	34	35	38
Non- agricultural sector	**52**	**50**	**50**	**50**	**50**	**50**	**50**	**49,5**
Maning and manufacturing	48	40	41	39	38	38	38	38
Construction	27	23	24	24	24	24	24	22
Transport	25	26	26	26	26	26	26	25
Communications	71	67	62	62	60	60	61	61
Trade	80	64	62	62	62	62	62	63
Public health, social security	83	82	82	81	81	81	81	80
Education	79	81	82	81	80	80	80	81
Culture and art	71	69	69	69	68	69	69	68
Science	52	51	51	50	50	51	50	54
Finances and insurance	90	75	74	72	71	71	71	72
Government bodies	67	60	50	50	48	45	45	34

Source: *Social Situation and the Living Standards of the Population of Russia, 2000*. Moscow, Goskomstat of Russia, 2000, pp. 69-70; *Social Situation and the Living Standards of the*

[9] *Economic activity of the population of Russia, 2002*. Moscow, Goskomstat, 2002, p.19. (in Russian)

Population of Russia, 2001. Moscow, Goskomstat of Russia, 2001, p. 71; *Economic activity of the population of Russia, 2002*. Moscow, Goskomstat, 2002, p.61. (in Russian)

Men among those employed in the economy dominate in 77% of regions (Map 4. Share of women in wage employment). The severest imbalance is characteristic of the industrial newly-developed regions - the European North, the North of western Siberia and the entire Far East (44-46% of women among those employed)[10]. Disproportions in the employment results from the economic branch structure, where "male" raw materials industries are predominant. In the agrarian South the relatively low proportion of women among those employed is attributable to a lesser business activity and to the fact that they are involved in homemaking and running their personal subsidiary plots. In the republics of the Northern Caucasus, particularly, in Dagestan and Ingushetia (46-47%), an excessive supply of male labour results in squeezing women out of the labour market.

Gender equality in the structure of those employed is typical for the subjects of the RF where depopulation has been underway for a long time, namely the European Center and North-West regions, federal cities. This is not caused by gender policy but by the impact of demographic processes - population aging and the prevalence of women at the employable age of over 45 years because of high male mortality. The imbalance in favour of women (52%) is typical for some less developed ethnic regions with specific gender roles (the Republics of Tyva, Altai and several autonomous areas). In these areas women become leaders in the non-competitive labour market, as well as principal breadwinners because of rampant alcoholism and high unemployment rate among men. The double workload is also typical for rural women in Central Russia, they are increasingly becoming heads of the family and principal breadwinners replacing degrading men. This example of social gender equality could hardly be called positive.

Feminization of unemployment (Table 4) is not characteristic of Russia on the whole and its regions. But the existing equality is attributable to the fact that men do not compete for unprestigious and low-paid positions. Women agree to worse working conditions to get jobs much more often, during the transitional period declining labour mobility and lower social and professional status were common to women. As a result gender problems are being masked by differences in mechanisms used by men and women to adapt themselves to new labour market conditions.

Table 4. Unemployment rate (% of economically active population)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Total	5.2	5.9	8.1	9.5	9.7	11.8	13.2	13.0	10.5	9.1
Men	5.2	5.9	8.3	9.7	10	12.2	13.5	13.3	10.8	9.5
Women	5.2	5.8	7.9	9.2	9.3	11.5	12.9	12.7	10.1	8.6

Source: *Economic Activity of the Population of Russia, 2002*. Moscow, Goskomstat, 2002, p. 113. (in Russian)

The increased gender inequality in the **remuneration of labour** during the transitional period is documented by all surveys. According to the data furnished by the All-Russian Center for Studying Public Opinion (VSIOM), female average wages amounted to 56% of

[10] Employment Survey (November 2001). Moscow, Goskomstat, p. 281-82 (in Russian)

male average wages by early 1999, 52% - in late 1999 and 50% - by mid-2000[11]. According to the State Statistics Committee (Goskomstat), this ratio diminished from 70% in 1998 to 63% in 2000. Despite the differences in the figures, the trend is obvious. The reason for gender inequality in the remuneration of labour is the existing branch segregation and professional (above all vertical) discrimination.

At the regional level there are several factors of gender inequality in the labour remuneration, the most important of them are the branch employment structure and the level of economic development. Besides, Russia's regions display an inverse dependence of gender wage discrepancies on the educational level: the lower the educational level of the region's population the greater is the gender equality in the remuneration of labour. The reason for it is that agrarian and less developed regions with low educational level of population do not have branches with high wages that is why a substantial differentiation is not in place. In the urbanized regions in the North and West of our country, the educational level of population is higher, but there the differentiation is caused by a different factor, namely raw material industries with higher wages where few women are employed. In the East of Russia there is a group of the least developed autonomous areas and republics with the minimum gender wage differentiation. (Table 5).

Table 5. Women's Average Wages in 2000 (men's average wages = 100).

Groups of regions	Number of regions	Women's wages, %
Regions of Far North and Siberia with raw material exporting industry and the most high incomes	10	53-57
Regions of Europian Center with relatively low incomes	10	69-76
Some Republics and autonomous okrugs with the lowest incomes	6	86-98
Moscow		70
Russia, total	89	63

Source: Goskomstat database, 2000 (in Russian)

Only Moscow, where more than 42% of employed population are graduates of higher educational institutions, shows the efficiency of a gender equalization mechanism through the higher educational level of population but this is not true for Russia as a whole during the transitional period. Due to the modernization of gender roles, wage imbalances (70%) are below the national average. But more often gender discrepancies are equalized by minimum opportunities for both men and women to find well-paid jobs, rather than by higher educational standard and higher wages of population. In the depressed, agrarian and, particularly, in the underdeveloped regions with lower incomes of population, female wages are close to male ones but this is equality in poverty.

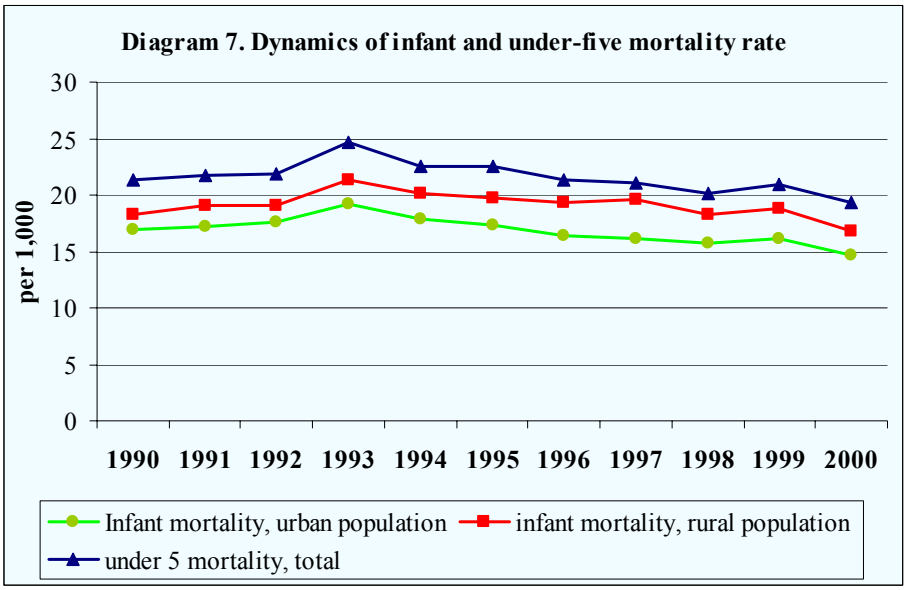
Economic inequality between men and women in the labour market and less modified gender roles are evidently politically driven. A distinguishing feature of the transitional period was an extremely low political representation of women in the legislative bodies (Map 5. Proportion of seats held by women in regional parliament). In 5 subjects of the RF there are no female deputies, and almost in half of them women account for less than 10% of deputies. Only in 11 subjects of the RF the proportion of women amounts to 20-30% including both eastern regions (for the most part, the least developed autonomous areas)

[11] Public Opinion Monitoring: Economic and Social Changes. VSIOM, 1999, # 1, p.72; Public Opinion Monitoring: Economic and Social Changes. VSIOM, 2000, # 4, p. 54. (in Russian)

and the most advanced Moscow. There is little relationship between a region's economic development level and women's representation in politics.

Goal 4. Reduce child mortality

The socio-economic crisis of the 90s resulted in the increased infant and child mortality rate in all Russian regions. The worst indicators for urban and rural areas were in 1994, this year witnessed the lowest expected life expectancy rates. Urban areas started to adapt gradually to the transitional period some word earlier, but by the late 1990s infant mortality started to dwindle fast in rural areas as well, and in the year 2000 infant mortality rate was lower than at the end of the Soviet period (Diagram 7). The positive dynamics can be explained by the increased use of contraceptives, particularly, in urban areas, and this allowed to reduce the number of unwanted pregnancies.



As far as infant mortality is concerned, Russia is lagging behind industrialized countries, its infant mortality rate is 2.5-3 higher. From one region to another the difference in indicators is at a more than threefold rate (Map 6. Infant and under-five mortality rate). Infant mortality indicator clearly divides Russian regions into the most and least developed ones of Russia, these latter include, for the most part, ethnic regions. The most unfavorable ones are some of the republics of the Northern Caucasus and the Siberian Republic of Tyva, as well as autonomous areas of the Far North, where small indigenous nationalities live. But even in more developed republics of the Eastern part of the country, for instance, in Yakutia, municipalities with the maximum share of title (native) population are characterized by higher infant mortality (Table 6). The factual reason for it is the level of economic development rather than the ethnic structure. Yakutia's municipalities with high infant mortality rate are, for the most part, rural, their population is deprived of stable sources of income and their poverty rate is the highest.

Table 6. Infant mortality, income and ethnic composition in Respublic of Yakutia (Sakha)

	Share of Yakut population, %	Infant mortality per 1,000 live births	Monthly income (rubles)

Yakutia (Saha), total	35,8	18,9	1510,7
Municipalities with Yakut's population 70% and more	70,0 –97,7	24,8*	776,7*

* average

Source: Fedorova E.N. *Regional analysis of human development in Yakutia (Sakha*). Background paper for Human Development Report of Russian Federation, 1998 (in Russian)

Other republics and autonomous areas with high infant mortality indicators are in the same situation. The regional underdevelopment resulted in calorie deficiency in mothers' diets, low social regional budgetary expenses, limited access to healthcare services because of the insufficient number of physicians or remoteness of medical institutions. Only additional investments in the healthcare system can't resolve all these numerous problems. In the regions and cities with the lowest infant mortality these problems are resolved with the help of higher incomes and more advanced healthcare infrastructure. (Table 7).

Table 7. Infant mortality, number of doctors r and per capita gross regional product (2000)

	Infant Mortality	GRP per capita, US $ PPP	Number of physicians per 10,000		Infant Mortality	GRP per capita, US $ PPP	Number of physicians per 10,000
Moscow	10,9	19914	86	Republic of Ingushetiya	33,0	2333	20
Khanty-Mansi AO*	10,2	29180	41	Republic of Tyva	30,0	1819	37
Samara oblast	10,7	9123	48	Chukotka AO*	33,1	2761	45
S-Petersburg	9,5	5944	76	Karachaevo-Cherkes Republic	29,7	3453	34

* AO – Autonomous Okrug

Source: *Demographic Yearbook*, 2001. Moscow, Goskomstat, 2001, pp.184-196; *National Accounts of Russia in 1994-2000*. Moscow, Goskomstat, 2002, pp. 166-168; *Health Care in Russia, 2001*. Moscow, Goskomstat, 2001, pp. 300-301. (in Russian)

The differences in mortality of children under 5 years between urban and rural areas in 1998-2000 were even greater (Table 8), as the mortality rate at the age of 1-4 years for rural population is two times higher that that of urban population. The main reason for the imbalances is more limited access to medical services in the rural areas. As a result the gap between urban and rural indicators had been on the rise till 2000. The positive dynamics seen in the recent years is associated with the increased government social expenditures in the late 90s and better preventive measures. In 1995-2000 the level of immunization against tuberculosis grew from 91 to 96%, against diphtheria – from 78 to 96%, against measles – from 85 to 97%, against poliomyelitis – from 77 to 97% (regional data is not available)[12]. But Russia's distinctive feature is that access to healthcare services varies a great deal in urban and rural areas, this affects the quality of healthcare services and the level of children's immunization. As a result, during the transitional period the gap between the urban and rural infant mortality widened. Regional differences in the mortality rate of children under 5 years correspond fully with the infant mortality situation.

Table 8. Under-five mortality rate (per 1,000 live births)

	Urban population	rural population	rural / urban, %
1990	20.2	24.3	120.3
1994	21.5	26.1	121.4

[12] *Healthcare in Russia 2001*. Moscow, Goskomstat, 2001, p. 140. (in Russian)

1995	20.9	25.7	123.0
1998	18.5	23.8	128.6
1999	19.3	24.7	128.0
2000	17.9	22.3	125.3

Source: *Demographic Yearbook*, 2001. Moscow, Goskomstat, 2001, pp.166-167; *Demographic Yearbook*, 1996. Moscow, Goskomstat, 1996, pp. 250-251 (in Russian)

The analysis of infant and child mortality indicators doesn't provide an explanation for an extremely low life expectancy in Russia. The country's main problem is the high mortality rate at the employable age, notably, among men. In the regions of Central Russia, the difference in life expectancy between men and women reaches 14-16 years. In demographers' view, an extremely high male mortality rate plays a primary part in reducing longevity indicators [13].

Goal 5. Improve maternal health

Since 1998 the maternal mortality rate tended to shrink in Russia, average indicators shrank from 50.2 per 100,000 individuals (1997) to 36.5 per 100,000 individuals (2001). Despite all the social problems Russia's maternal mortality rate is lower than at the end of the Soviet period (47.5 in 1990), although this in part linked to the reduced birth rate.

But any mean values obscure the factual differentiation, though it is rather difficult to assess it because of significant regional yearly fluctuations. Nevertheless, there are obvious problematic zones with continuously high indicators. This is the Far East, particularly, its northern part with extreme natural climatic conditions and underdeveloped social infrastructure, and this is also Siberia, and above all, its least developed republics (Map 7. Maternal mortality rate). In some years over the recent five years the infant mortality rate in the most problematic regions was 3 to 6 times higher than the national average in Russia, amounting to 250-300 deaths per 100,000 mothers in the Far East autonomous regions.

The country's European part has permanently lower indicators for objective reasons, as it has better natural climatic conditions, higher density of population and cities, and this provides better access to medical institutions. But the quality of healthcare services has little impact on maternal mortality indicators in the European part regions. For example, in federal cities with the most advanced healthcare system the maternal mortality indicator differs little from the national average. This testifies to the fact that women's health in the largest cities has deteriorated under the influence of pollution, psychological pressures and stresses.

Goal 6. Combat HIV/AIDS, malaria and other diseases

«Russia ranks first in the world in terms of HIV epidemic proliferation». Aza Rakhmanova, Saint Petersburg's Chief Specialist in Infectious Diseases.
Source: Utro.ru, February 15, 2002, ussue #46

[13] *Population of Russia 2000: 8-th Annual Demographic Report*. Edit. A. Vishnevsky. - Moscow, Center of Demography and Human Ecology. 2001, p. 96. (in Russian)

The increased incidence of AIDS in Russia assumed threatening proportions. According to the data made available by the Russian Federation Center for the Prevention and Fight against AIDS, the number of infected (HIV-positive) people grew from 11 thousand individuals in 1998 to 179 thousand individuals in the end of 2001. Almost 90% of AIDS victims are young people at the age of 15 to 29 years [14].

In the first half of the 90s the number of AIDS/HIV-positive people increased most rapidly in the border regions, namely, in the Kaliningrad oblast in the West and the Krasnodar kray in the South. By year 2002 the AIDS proliferation rate reached maximum in the largest urban areas (federal city of Moscow and Moscow region – 32.5 thousand individuals infected, federal city of Saint Petersburg – 16.5, Sverdlovsk oblast- 16.5, Samara oblast – 15). The AIDS proliferation was closely connected with the growth of drug addiction. Drug addicts account for 90% of those infected. For the same reason the incidence of AIDS is growing fast in oil and gas producing and other export regions with higher incomes of population (Tyumen, Irkutsk, Chelyabinsk regions- more then 10 thousand individuals). For example, in the Tomsk oblast situated in Siberia, 70% of all AIDS victims live in one and the same oil producing town with the highest incomes of population [15]. In the two cities – Norilsk (the largest metallurgy export center in Siberia) and Tolyatti (the main car producing center in European Russia) the share of infected population is the highest in Russia – about 1% of population[16]. As a result AIDS is becoming a disease of young people in the most urbanized and richest territories.

Table 9. Regions with maximum number of registered AIDS/HIV positive citizens per 1000,000 population

	1999	2000	2001	Total number (1987-July 2002) per 1000,000
Russia	137	409	612	1443
Irkutsk oblast	1160	1749	1313	4849
Samara oblast	10	1467	2395	4651
Khanty-Mansy AO (part of Tyumen oblast)	550	1433	2112	4647
Orenburg oblast	28	1622	1787	4108
Kaliningrad oblast	463	416	558	4050
Tyumen oblast	614	1514	1325	3946
Sverdlovsk oblast	28	823	2119	3659
Saint Petersburg	65	921	1984	3609
Chelyabinsk oblast	51	1012	1403	2927
Moscow oblast	671	911	727	2679
Leningrad oblast	54	655	1297	2648

Source: Information Bulletin "AIDS/HIV". №24, 2002. Federal Center for the Prevention and Control of AIDS. (in Russian)

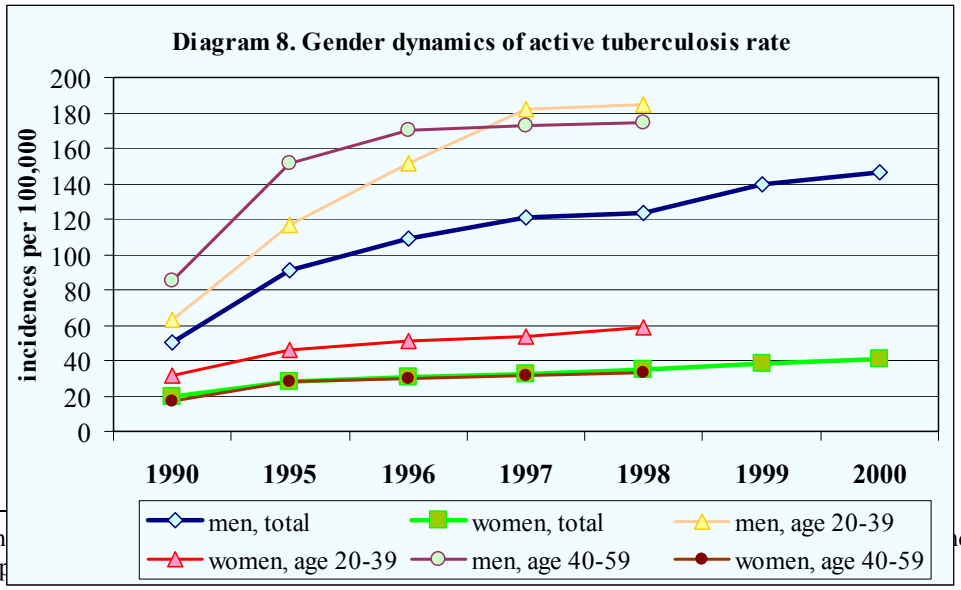
The number of children born of HIV-positive women is also on the rise. Most of them live in Moscow: during all these years 578 [17] of 1362 [18] children born of HIV-positive mothers

[14] Information Bulletin "AIDS/HIV" № 24, 2002. Federal Center for the Prevention and Control of AIDS.
[15] Izvestiya. November 6, 2002, p. 6
[16] Information Bulletin "AIDS/HIV" № 24, 2002. Federal Center for the Prevention and Control of AIDS.
[17] Shvetsova, L.I. Cooperation of governmental entities and NGOs in AIDS profilactics (practice and perspectives). *Healthcare management*. # 1(5), 2002, p. 8 (in Russian)
[18] *Human Development Report 2001. Russian Federation*. Moscow, 2002, p. 60

were born in the capital. A great deal of children are placed in charge of the state, in Moscow and Saint Petersburg specialized Baby Homes for 60 and 30 babies were opened. In federal cities, in the year 2001, the proportion of babies born of HIV-positive mothers already amounted to 0.4% of all births. In other regions the number of babies born of HIV infected woman is a lot lower, but there is a danger that this number is likely to grow.

Moscow's experience demonstrates that the epidemic has not been halted yet but proliferation rates has been reduced. The program of AIDS prevention for 2001-2003 is in progress in the Russian capital. According to Moscow Vice-Mayor L. Shvetsova, personnel of all maternity hospitals were trained to do express tests for AIDS virus. Medications for preventing perinatal AIDS transmission are available in all maternity hospitals. State-run and public organizations started to cooperate to fight AIDS and foster healthy life styles, now more than 10 programs developed by public organizations are underway including family planning programs and programs to fight AIDS and drug addiction. As a result, after the peak incidence of AIDS in 1999 the growth rates of those infected started to dwindle: in 1999 5.36 thousand HIV-positive individuals were identified, in 2000 - 4.88 thousand, in 2001 - 3.52 thousand. Within a period of three years the number of drug addicts among those infected was brought down from 89% to 69%. The cumulative level of AIDS incidence remains high in Moscow (1930 per 1000,000 individuals), but this level is lower than in Saint Petersburg, which proved to be unprepared to handle the critical growth of those infected with the AIDS virus in 2001. Nevertheless, a lot of problems in Moscow have not been resolved: growing rapidly is the number of sexually transmitted infections (up to 26% of all those infected in 2001, for the most part, they are women), the number of infected teenagers under 15 years old and, particularly, the number of children born of HIV-positive mothers (from 88 children in 1999 to 310 in 2001)[19].

The increased **incidence of tuberculosis (TB)** is one of the most serious problems of the transitional period, reflecting social hardships, the rapid lowering of living standards and deteriorating sanitary and epidemiological control. In the penitentiary institutions, the situation was the worst. The incidence of TB there is ten times the national average and it assumed epidemic proportions. The proportion of individuals with TB, identified in the penitentiary institutions, amounted to 22% of all individuals with TB in Russia in 2002.



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The dynamics of TB proliferation (Diagram 8) shows that among Russia's TB victims men predominate greatly, with the TB incidence is growing most rapidly among young people including women too. The trends remain to be extremely unfavorable, in the late 90s the incidence of TB increased.

Treatment of TB patients is not efficient without improving living conditions and diet of people, but given the high poverty rate among Russia's population it is very difficult to fulfil these tasks. And the state's role remains to be limited, medical institutions are not funded enough to provide patients with medications and preventive treatment in health centers. As a consequence, the number of deaths caused by TB increased dramatically in 1999-2000, both men and women were affected. As compared to 1990, the number of deaths caused by TB had increased by 2.8 times among men and by 3.6 among women by the year 2000 (Table 10). One of the reasons for it is diagnosis of tuberculosis at advanced stages.

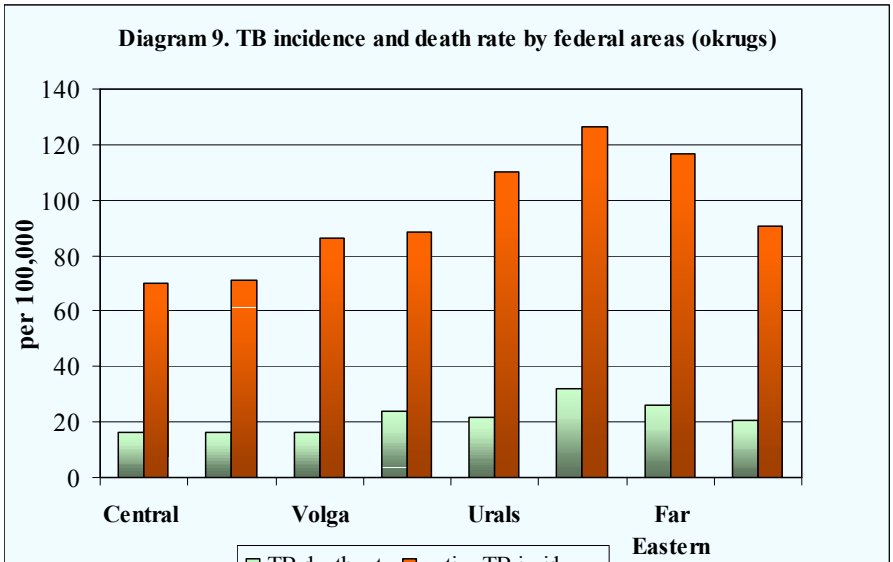
Table 10. TB death rate per 100,000 population

	1990	1995	1996	1997	1998	1999	2000
Total	8,1	15,4	17,0	16,7	15,4	20,0	20,4
In able-bodied age *,	9,9	21,2	23,7	23,3	20,8	27,2	27,8
Men	17,5	36,9	41,7	41,0	36,2	48,0	48,8
Women	1,7	4	4	4	4,4	5,4	6,2

* men – 16-59; women – 16-54

Source: *Health Care in Russia, 2001*. Moscow, Goskomstat, 2001, pp. 44-45; *Human Development Report, Russian Federation 2001*. UNDP, Moscow, 2001, p.54.

In the Soviet period, tuberculosis was most rampant in Siberia and the Far East where most penitentiary institutions were situated and the living conditions were a lot worse. In the transitional period, given the increased incidence of TB in general, the situation in the eastern areas of the country and in the Urals had been deteriorating to the greatest extent (Diagram 9). The continuously high incidence of TB is common to the least developed Russia's southern republics, autonomous areas of Siberia and of the Far East, and many regions in Siberia and the Urals, where raw materials industry with difficult working conditions is dominant. In the regions situated along the border of Kazakhstan, one of the reasons for the increased incidence of TB was a significant inflow of migrants from CIS countries.



The situation in Siberia is the most dangerous, particularly in the Republic of Tuva, where the incidence of TB reaches 323 per 100,000 individuals. An extremely high incidence is linked to unfavorable living conditions, predominant poor population and degrading TB prevention system.

The regional indicators of deaths caused by TB are almost identical to the TB incidence indicators and are explained by the same reasons. The number of deaths caused by tuberculosis varies from one region to another in Russia from 80 cases per 10,000 individuals in Tyva to 5-7 cases in the regions of European Center. The southern area is known for a very high number of TB deaths caused not only by a very high incidence of the disease, particularly, in the border regions, but also by the problems in the healthcare system, namely, the shortage of physicians and, above all, the extremely underfinanced healthcare system, as most of the RF subjects in the area are least developed subsidized by the state.

Goal 7. Ensure environmental sustainability

Solution to ecological problems and attainment of sustainable development remain to be a peripheral objective for federal and regional authorities. The country's economy is developing, for the most part, through using non-renewable resources.

Compared with major timber-producing countries in the northern timber belt, Russia is the only country that regenerates no more than 1/2 of forest areas after logging. The highest rate of deforestation is typical for the regions with developed timber industry (the European North and Eastern Siberia) and for the most populated regions of the Center. Full reforestation has not been set as a task and is not being monitored by the state.

The size of woodlands on the regions' territory depends on the natural and climatic conditions and the degree of territory development. The largest woodlands are situated in Siberia, the Far East and the North of Russia's European part. Southern regions are situated in the steppe zone, the Far North is situated in the tundra zone, and the size of timberlands on these territories is smallest. (Map 8. Proportion of land area covered by forest).

The total area of protected territories (nature sanctuaries) is less than 3% of the country's area. These areas are distributed on the territory in the most non-uniform way, their number is evidently insufficient in the most populated regions of the Center, North-West and the Volga region accounting for the largest woodland areas. The greater part of protected territories is situated in mountain or taiga areas with sparse population, and with its main function being the conservation of bio-diversity.

In Russia, in the 90s, because of a major decline in industrial production, environmental conditions somewhat improved, but this improvement was not in line with the rate of decline. The decline in production in raw material industries was not as sharp as in manufacturing industries, that is why the unit consumption of power and resources in the

Russian economy increased. In many regions the proportion of raw materials and primary refining industries grew, and these industries are the most eco-unfriendly. With the start of industrial growth and after the 1998 financial crisis, pollution level started to grow. Data on carbon monoxide are not calculated with respect to regions, but we can compare the indicators of atmospheric pollutant emission level and identify the most ecologically unfavorable regions, towns and cities (Table 11). All Russia's leading industrialized regions with the highest incomes of population are among them. The "dirtiest" regions are situated in the Urals, Siberia and the European North, and Siberian towns account for 2/3 of 13 towns with the highest pollution level. Two-thirds of Russia's population live on 15 percent of its territory regarded as environmentally unfavorable. Air pollution in cities and industrial centers, toxic industrial wastes, and radiation safety problems are typical for more than 40 percent of the regions [20].

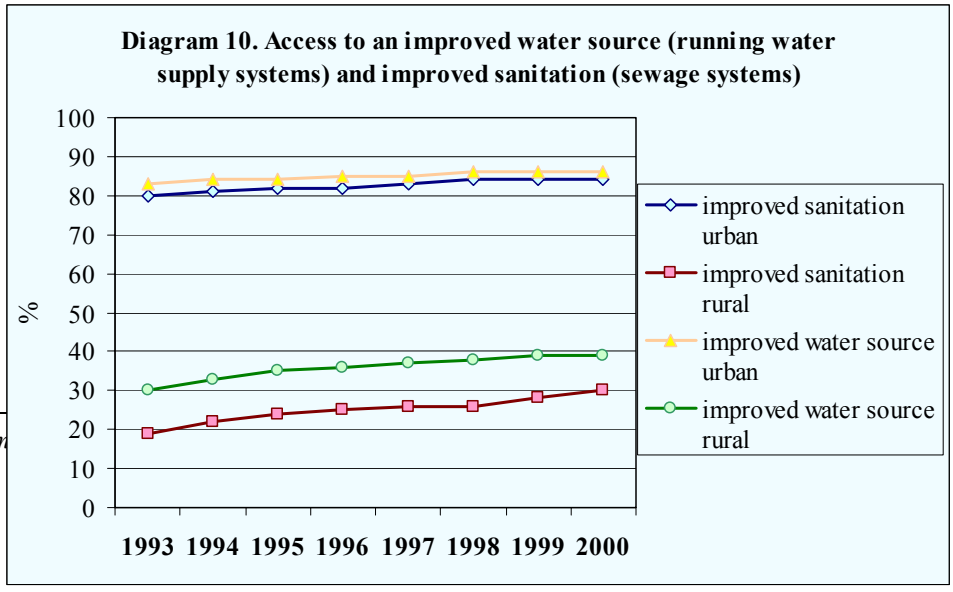
Table 11. Air pollution per capita, 2000.

Region	Macro-region	Kilo per capita	HDI	City	Macroregion	Kilo per capita
Krasnoyarsk Kray	Siberia	877	0,782	Norilsk	Siberia	14850
Komi Republic	Europ. North	608	0,786	Cherepovets	Europ. North	1137
Tyumen Oblast*	Siberia	594	0,848	Novokuznetsk	Siberia	858
Murmansk Oblast	Europ. North	377	0,774	Novocherkassk	Caucasus	774
Kemerovo Oblast	Siberia	365	0,738	Magnitogorsk	Urals	748
Vologda Oblast	Europ. North	365	0,782	Lipetsk	Center	679
Sverdlovsk Oblast	Urals	322	0,754	AngarskS	Siberia	584
Lipetsk Oblast	Center	310	0,785	Shelehov	Siberia	507
Chelyabinsk Oblast	Urals	283	0,765	Zima	Siberia	533
Orenburg Oblast.	Urals	240	0,772	Achinsk	Siberia	475
Perm Oblast	Urals	191	0,769	Nizhny Tagil	Urals	460
				Usol'ye	Siberia	370
Russia		**130**	**0,763**	Bratsk	Siberia	334

* including autonomous okrugs

Source: *Healthcare in Russia, 2001*. Moscow, Goskomstat, 2001, p. 27; *Social Situation and the Living Standarts of the Population of Russia, 2000*. Moscow, Goskomstat of Russia, 2000, pp. 453-54.

The extent of access to clean water and sanitation can be assessed in terms of running water supply systems and sewage system availability. These amenities' indicators are similar. In Russia, as a whole, the availability of running water supply systems in the urban areas is 2.2 times higher than in the rural areas and the availability of sanitation – 2.8 times higher. (Diagram 10).



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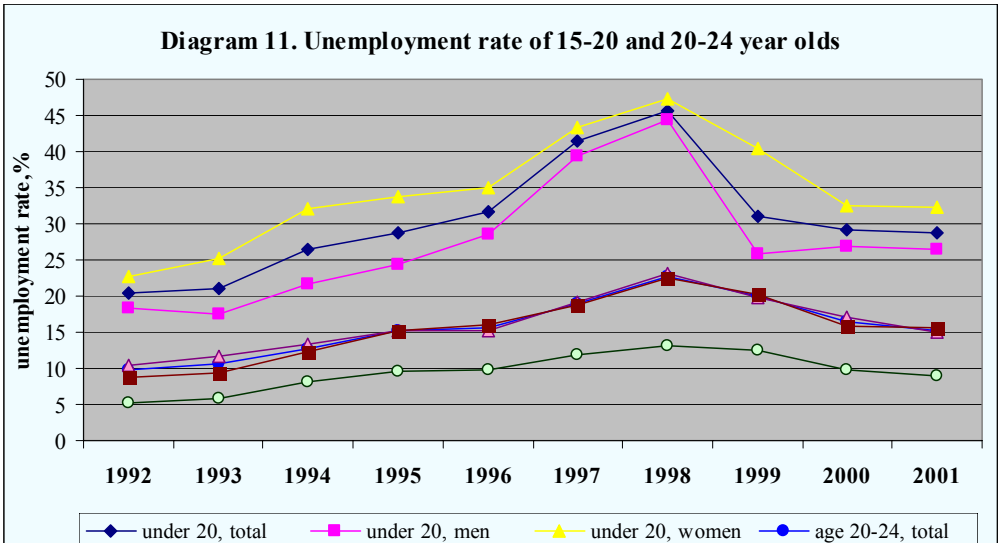
Regional differences depend on the urbanization and territory development level that's why the sanitation availability indicator is one of the most accurate to identify the most problematic regions in terms of human development. As a rule, people living in the regions with underdeveloped amenities have lower access to secondary and higher education, low incomes. In the least developed republics and autonomous areas (Russia's South and Siberia) the availability of running water supply systems and sewage systems is 2 - 10 times lower than in the most urbanized regions of the Center and the North (Map 9. Proportion of habitation with access to an improved sanitation (sewage systems)). In the Evenk Autonomous Area situated in Siberia and occupying the territory larger than that of France with the population of 18 thousand people, sewage system is not available at all.

By official statistics, in almost all regions of the country, the problem of secure tenure is not crucial, ***insecure tenure*** (dilapidated buildings in a state of disrepair) accounts for no more than 2-4%. But in a number of regions this problem is topical, especially in the least developed autonomous okrugs. In the industrialized regions of the North and the East, the proportion of insecure tenure is also high. Thousands of migrants used to come there to make money till the early 1990s, and not all of them have been provided with secure tenure so far, even in the richest oil and gas producing autonomous okrugs of Western Siberia (Map 9).

Goal 8. Develop a Global Partnership for Development

The selection of indicators for this goal is most limited. Russian statistics allow to assess the level youth unemployment and availability of telephones. **The proportion of the unemployed among the youth** is continuously higher than the national average: at the age of under 20 – 3-4 times higher, at the age of 20-24 – 1,5-2 times higher (Diagram 11). The worst years were 1997 - 1999, when the proportion of the unemployed among 15 to 19-year-olds reached 45% of economically active population of this age. But it should be noted that there are very few 15-19-year-olds in the labour market, not more than 2.5-3.5% of economically active population. But it is young people who are mostly effected by gender discrimination: the unemployment rate among girls is higher, during the crisis period it had been increasing faster, but when the situation improved it had been dwindling more slowly than among young men.

Diagram 11. Unemployment rate of 15-20 and 20-24 year olds



Unfortunately, there exists a different gradation of ages in the Russian regional unemployment statistics (till 20, 20-29 years old), and that is why it is difficult to analyze regional differences. The only thing we can do is to say that unemployment problem among the youth is most serious in the regions with the high natural population growth - in the republics of the North Caucasus and the South of Siberia.

Diagram 11. Unemployment rate of 15-20 and 20-24 year olds

The country's huge territory complicates the development of communications. **The availability of telephones** in urban families is 2.5 times higher than in rural families (58.8 telephones per 100 families in towns and 23.5 telephones - in rural areas). These are very low indicators, but for the period of 10 years (compared to 1990) the availability of phones increased greatly - by 65-70% both in urban and rural areas.

In Moscow the availability of phones per 1000 individuals is 30 times higher than in the Republic of Ingushetiya, but we can get a more precise picture if we compare regions. Regional indicators tend to diminish from the North East to the South, as telephone availability is linked to the urbanization level. The availability of phones in the Northern region is 5-6 times higher that in the least developed agrarian republics and autonomous areas (the South of Siberia and the Northern Caucasus) (Map 10 Access to telephone and Internet). But it should be noted again that even in the regions with better indicators no more than 70-80% of urban families have telephones, and in rural areas - no more than 30%. In Moscow alone each family has a telephone. The best regional indicators do not exceed 300 telephones per 1000 individuals (excluding federal cities).

Only scientific research assesses the level of **Internet penetration** in Russia, because official statistical data is not available. The research shows that Internet expansion is taking the form of innovation diffusion. According to Yu. Perfiljev [21], till the year 1998 Internet users were concentrated in Moscow and Saint Petersburg, 1999 saw the start of the mass Internet penetration in 11 largest cities with population exceeding one million people, since the end of 2000 the connection to the Internet assumed mass proportions in regional centers (with population of 300-800 thousand people) and in leading cities of export industry. But, as a whole, the proportion of people having access to the Internet doesn't exceed 8-9% of Russia's population.

The Internet reflected the division of Russia not by regions but by the types of settlment: residents of the largest and large cities are integrating faster to the global information system due to their modernized life styles and higher incomes. Residents of small- and medium-sized towns together with rural population «fell out» of the global information filed, and the gap between large urban centers and periphery is on the rise. This polarization is even more evident in the field of the new type of communications, namely,

[21] Perfilyev, Yu. *INTERNET in Russian regions*. Master's dissertation. Moscow State University, Department of Geography, 2002.

cellular communications. It is quite well established in Moscow and Saint Petersburg and is starting to penetrate into the regional central cities on a large scale.

Analytical Section: National and Subnational Characteristics as Development Factor

1. Human development regional disparities are rooted in history, but in the course of transitional period they became much more pronounced, thus posing major problems for Russia's future. Regional problems of human development are associated with two groups of factors. One of them includes long-term factors such as climate, land development and development of infrastructure, urbanization and population composition. Based on these factors' impact, Russia can be divided into three parts:

- old-developed, highly-urbanized European regions with more developed social infrastructure, older population, specifically, in rural areas;
- national republics of the South (the Northern Caucasus, the South of Siberia), are for the most part agrarian and to a lesser degree urbanized with a younger population and an underdeveloped economy and social infrastructure;
- newly developed regions (the North and East) abundant in mineral resources with backward infrastructure, a high proportion of migrants from other regions of the country residing in towns, and indigenous people, specifically, in rural areas.

In the transitional period, new disproportions were added to the Soviet-style ones as the role of economic factors increased dramatically. Due to various rates of economic downturn in the 90s regional disproportions grew. "Open" export regions with higher incomes came into being along with "closed" internal economy regions with low incomes, high unemployment and poverty rates. Most export economy regions are confronted with fundamental ecological challenges (pollution map), and massive income gap. Despite the economic growth of recent years regional disproportions in human development and quality of life continue to be on the rise.

During the transitional period 4 basic axes (types) of regional differences in social and economic development came into being:

1. **Center-Periphery**. These differences increased most evidently between the capital and other regions: 6% of the country's population, over 18% of GDP, 20% of population incomes, and more than one-third of all taxes collected are concentrated in Moscow. Similar processes are underway in the regions. Regional centers are better equipped for human development (access to education and healthcare, higher incomes and better labour market conditions) than regional peripheral areas, and such inequality is increasing.
2. **North-South.** These differences are linked to the urbanization level governing access to various services, with the service sector, for the most part, being well-developed in urban areas of Center and North (professional education, amenities, telephonization). But the most important thing is inequality in incomes, because in southern agrarian regions incomes are lowest. The low urbanization level is setting up barriers to their integration into global economy and slowing down social modernization.
3. **West-East.** The differences between old-developed regions of European Russia and newly-developed regions in Siberia and the Far East manifest themselves in the wellbeing and cost of living and influence population migration. But gradually they are transforming into another type of differences: ***"open" – "closed"*** regions. During the

transitional period some newly-developed regions with abundant resources and export economy got more socially prosperous due to higher incomes of population, higher regional budgets and increased expenditures on social programs.

4. **"Russian" and "Ethnic"** regions. In Russia, there are 21 republics and 10 autonomous areas with a different proportion of title (indigenous) population, in half the republics and most autonomous areas, Russian population is dominant, that is why regional differences are far from being necessarily of ethnic nature. Asymmetry in social development of "Russian" and "Ethnic" regions reveals itself selectively (see below) and is closely linked to the differences in the urbanization level (North-South).

The combination of the four types of differences creates an extremely mosaic regional picture of human development, and this is illustrated by the regional HDI map (Map 1). In the Soviet times the differences were partially equalized by the social policy but in the period of crisis social inequality of regions increased following exacerbated economic inequality. Despite the positive economic dynamics of the recent years regional imbalances in human development and quality of life are not diminishing.

2. Disparity in human development among urban and rural population has also increased. All MDGs indicators for rural areas are worse than those for urban ones. (Tables: proportion of population below poverty line, infant mortality, proportion of people with access to improved sanitation, telephone lines per 1000 people etc.). But even in cities and towns the situations differs greatly. During the transitional period only the largest cities, in particular, Moscow, became the centers of human development due to the impact of globalization and establishment of new economic mechanisms. Residents of major cities, regional centers and export economy cities have better access to top quality education and healthcare.

In medium and small size towns, as well as in rural areas, human development has declined greatly, the problem of poverty is exacerbated by limited access to education and healthcare, residents' mobility and social activity diminished significantly. Municipal authorities are not capable of addressing social problems due to the lack of financial resources as most municipal budgets are subsidized, subsidizes account for 70% of budget revenues.

Territorial polarization of human development likens Russia to developing countries. Closing the inequality gap between the largest cities and the rest of Russia takes a lot of time. Only sustainable economic growth and reforming regional and municipal governing could make it happen.

3. Gender inequality is most pronounced in economy and politics, but it is not existent in the sphere of education. Gender equality among unemployed is attributable to the fact that women are ready to do the least prestigious, low-paid job. The most prominent gender inequality for men is reflected by a very low life expectancy. In the Central Russia, specifically, in the countryside, gender gap amount to 15-16 years, one of the reasons for it is alcoholism. Gender inequality is related to the human capital and economic development. As for underdeveloped regions, gender equalization is typical against a backdrop of poverty; as far as export regions with higher incomes are concerned - increased disparity is common. Only in the largest cities thanks to a high educational level of residents and highly advanced labor market, gender disparities are on the decline; women's role in economy and politics starts to grow.

4. Ethnic factor doesn't dominate human development in Russia's regions. Among ten regions with the highest HDI there are three most advanced republics (Tatarstan, Komi, Bashkortostan), among ten of the least developed regions there are four Russian regions (oblasts). Nevertheless, many republics and, particularly, autonomous areas are less developed economically, they come up against numerous social problems, and this is reflected by low HDIs and MDG indicators.

The most serious problems are common in the area of military conflict (violence and human rights problems in Chechnya) and in the area of huge refugee inflow (Ingushetiya). In the regions of the Northern Caucasus with multiethnic population, ethnic migrant and refugee concentration areas are characterized by the worst MDGs indicators, in particular, this is true for children's health and infant mortality.

The policy pursued by some regional authorities is not conducive to a better life of ethnic migrants. From 13 to 24 thousand Meskhetian Turks reside in the Krasnodar kray in the Northern Caucasus. Turks were citizens of the former USSR and arrived from Uzbekistan in the early 90s. The Krasnodar authorities regard them as illegal migrants and refuse to register even on a temporary basis. Migrants are not allowed to take a lease of land and to be engaged in farming. In some cases, in 2002, Meskhetian Turks were deported from the region. The governor A. Tkachev said that the authorities would encourage Meskhetian Turks' emigrate to the U.S. *(Izvestia, November 16, 2002, p. 1)*.

Other problematic group of multi-ethnic regions with low MDGs indicators is underdeveloped republics and autonomous regions of Siberia, as well as territories populated by indigenous people of the North (Table 12). They also come up against serious problems, namely, high infant mortality, high incidence of tuberculosis and alcoholism.

Table 12. MDG indicators for indigenous people territories*

	Urban population, %	Infant mortality	Share of women in wage employment, %		TB incidence (per 100,000)	Proportion of people with access to sewage system	Telephone lines per 1,000 people
			total	in non-agricultural sector			
Indigenous people Territories	46	21 (27**)	57	68	102	53	192
Russian Federation, total	73	15	48	50	90	69	228

* territories (areas) in 25 Russian regions (North, Siberia and Far East)
** indigenous people only
Source: *Economic and Social Development of the Northern Indigenous People*. Moscow, Goskomstat, 2002, pp. 15, 33, 36, 38, 124, 130, 213 (in Russian)

Ethnic factor exerts influence on human development in those cases when ethnic regions are economic outsiders or the conflict situation is still there. Except for Chechnya, the intensity of ethnic conflicts in most republics had diminished by the beginning of the new decade. But by and large, the human development, both in the ethnic minorities regions and in many regions where Russian population dominates, is still rather low.

4. The State's role in adjusting conditions for human development is, undoubtedly, still insufficient, and this is evidenced by MDGs indicators (maps of poverty rate, infant and maternal mortality, tuberculosis by regions etc.). In the 90s, the policy of the state was

extremely ineffective, and this policy was not capable of mitigating increased regional imbalances. In the period of economic growth the situation started to change to the better, and the analysis of real population income dynamics for 1999-2001 testifies to this fact. Predominant growth of incomes was typical for two groups of regions - the "richest" oil exporting ones and the "poorest" ones. In the group of the weakest regions (12 republics and autonomous areas of the Northern Caucasus, Siberia and the Far East) the increase in real incomes for 2000-2001 was the greatest - by 50%, for the most part, it was a result of increased appropriations (transfers) from the federal budget to pay wages and allowances to those employed in the state sector. The economic growth enabled the state to optimize its income redistribution policy to alleviate poverty in the most problematic regions. But in many other regions with the high poverty rate, for example, in the areas of Central Russia, the growth of real incomes was not high, and the state's assistance was evidently insufficient.

But a truly efficient mechanism to render targeted assistance to the poor has not been created so far. In 1999-2000, according to the data furnished by the Labour and Social Security Ministry, only in 60% of regions social assistance to the poor was provided on a regular basis, and in 10% of regions assistance was not provided because of the lack of funds. For the most part, expenditures on providing assistance to the poor are to be covered by regional (41%) and local (32%) budgets, most of them run income deficits and are not capable of meeting their social commitments. Welfare benefits were provided to the poor only in 21 regions of 89, and only 17 regions provided monetary benefits. Only 5-6% of population were recipients of these benefits, despite of poverty rate almost everywhere was higher than 25% of population [22]. The average amount of targeted welfare benefit to the poor was 40-80 rubles per one person a month, that is no more than 15 US$ PPP. Poor families with children receive government benefits but the amount of the benefits was only 6% of one child subsistence level in 2001 [23]. These examples show that there is no efficient policy to fight poverty in Russia both at the federal and regional level. The problem of mass poverty continuos to be an obstacle to human development and contributes to increased social tension.

In the healthcare system positive shifts are more obvious, particularly - positive changes in mortality rate of children under 5 years old and in infant and maternal mortality. They are linked to the increased financing of healthcare system and disease prevention. But the continuos growth of socially conditioned diseases (tuberculosis, AIDS) indicates that the situation is not favourable in all regions. Ecological problems, the severity of which diminished in the period of industrial production slump, worsened again with the start of economic growth, particularly, in the most industrially advanced export regions. This fact shows that the state's regulatory role has been at the lowest level so far, and it should be noted that economic conditions underlie pollution dynamics. Gender inequality in incomes and particularly in policy-making (in the regional authorities) also testifies to the absence of gender policy in the regions.

The regional authorities' social policy could be quite successful along some directions. For example, in the Republic of Yakutia situated in the Far East, a long-term program was launched. It aims to boost education and personnel training including education abroad and

[22] Ovcharova, L.N. and L.M. Prokofyeva, Socio-economic factors of poverty feminization in Russia. *Economics and social policy: gender dimension*. Edit. M. Malysheva - Moscow 2002, p. 49. (in Russian)
[23] *Working Toward a Poverty Eradication Strategy in Russia: Analysis and Recommendations*. ILO office, Moscow, 2002, p. 10.

in the higher educational institutions of other Russian regions. In 1997, 31% of all regional budgetary funds were allocated for education. In that period the total number of students doing a course of studies in the higher educational institutions of other Russian regions and other countries amounted to 20 thousand students, and this number is quite great for the republic whose population is less than one million people. The number of students in higher educational institutions in Yakutia increased by 70% in 1995-2001. But the fact is that some other serious social problems were not addressed (insecure tenure, incidence of tuberculosis, low incomes of population).

The application of MDGs is beneficial for an integrated approach to address social problems. The first pilot program to achieve MDGs has been drawn up by experts of UNDP Moscow office for the Samara oblast, one of the most advanced regions of the RF. This region has already gained experience in implementing social programs. One of the examples is the program to fight tuberculosis in the city of Samara.

As a result of actions, taken under the purpose-oriented program "Tuberculosis Prevention in the City of Samara for 1999 – 2001", it became possible to stabilize the tuberculosis incidence at the level of 62 – 63 cases per 100,000 individuals. The percentage of advanced form of tuberculosis shrank to 0.7% in 1999 and to 0.3% in 2000, no advanced forms of tuberculosis were identified in 2001. The percentage of population who had medical checkups grew from 65.8% in 1998 to 81.0% in 2000. 93.5 % of city residents most vulnerable to tuberculosis infection were checked up. In accordance with the program 100% of children and 93.4% of teenagers were examined for tuberculosis. *Source: Samara city Duma resolution of November 1, 2001 #103* .

The application of MDG indicators to the pilot program makes it possible to identify the most serious problems and formulate key tasks that should be fulfilled for the Samara region to attain Millennium Development Goals:

- to reduce by at least two times the proportion of population living in the conditions of dire poverty (with per capita incomes lower than half the subsistence level);
- to reduce mortality rate of children under 5 years old (infant mortality in the Samara region is one of the lowest in Russia);
- to reduce tuberculosis incidence in the coming years rather than by 2015, to mobilize resources to fight tuberculosis;
- to have halted by 2010-2015 and begun to reverse the spread of HIV/AIDS
- to reduce male supermortality in the able-bodied age, to foster and propagate healthy life styles;
- to offer better job placement opportunities to young people, to expand the system of professional education for young people under 20 years old;
- to reduce gender inequality in incomes and in policy-making, to increase representation of women in legislative and executive authorities;
- to reduce volumes of water pollution;
- to implement programs for telephonization and better access to new telecommunications (Internet).

The work on the pilot program and comparative analysis of regional statistics demonstrated that the social situations differ from one region to another, that is why quantitative MDG indicators can't be universal for the entire country. These indicators should be elaborated in detail and priorities for specific territories should be selected.

Social expenditures in Russian regions

Russian federal government is redistributing budgetary funds in order to help less developed regions which face acute social problems. More than 80% of Russian regions receive financial aid from federal budget in the form of unconditional transfers. Apart from that regions receive subsidies, subventions. Financial aid accounts for 70-90% of budgetary revenue of least developed regions; financial aid from federal budget is the only revenue source for the budget of Chechen Republic.
Financial aid helps reduce disparities in {per capita} social expenditures of regional budgets (table 13), but even after redistribution of revenue social expenditures are still low. Consequently, there is no significant improvement in MDG indicators (especially in health care and income indicators) in the least developed regions. The situation calls for increased financing of special purpose social programs for the least developed regions.

Table 13. Regional budgets' expenditures in 2001 and MDGs indicators (the less developed regions with minimal HDI and the leading regions with the highest HDI)

	HDI	Share of federal aid in regional budgetary revenue, %	Per capita social expenditures of regional budget* comparing to RF average (RF=1)	Infant mortality per 1.000	Active TB incidence per 100.000	Poverty rate, %, 1999	Gross enrollment ratio (age 6-23),%
Russian Federation	**0.763**	**17**	**1**	**15.3**	**90**	**29**	**75**
"Outsiders"							
Rep. Tyva	0.634	87	1.7	30.0	323	79	70
Chukotka AO**	0.696	55	2.1	19.6	250	71	52
Chita oblast	0.701	45	0.9	18.4	62	89	65
Rep. Altay	0.704	59	1.4	23.6	92	61	75
Jewish AO	0.705	74	1.1	24.3	211	56	71
Ivanovo oblast	0.709	47	0.7	16.8	98	65	75
Pskov oblast	0.717	44	0.9	15.1	89	51	71
Amyr oblast	0.719	49	0.9	23.8	120	45	67
Rep. Buryatiya	0.721	47	1	17.8	141	50	72
Rep. Marii El	0.723	48	0.7	12.4	55	69	75
Rep. Ingushetiya	0.727	79	0.6	33.0	163	95	52
Rep. Dagestan	0.739	83	0.8	18.5	92	63	74
"Leaders"							
Moscow	0.872	3	1.3	10.9	47	23	106
Tyumen oblast***	0.848	1	4.0	10.2	106	16	72

* healthcare, education, culture expenditures, social assistance, housing subsidies (accounted according to the regional cost of life coefficient)
** Autonomous Okrug
*** oil extracting Khanty-Mansy autonomous okrug of Tyumen oblast

Conclusion. Not only do MDGs indicators and HDI demonstrate the vast diversity inside such a big country like Russia, but they also enable us to single out the most urgent problems of human development at the subnational level. This gives us the chance to formulate and pursue a differentiated social policy which is still absent in Russia so far.

Appendix 1. Regional indicators (database) and Diagrams
(find EXEL file attached)

Appendix 2. Maps

(find 10 maps in the TIF files attached)