



Human Development Report 2001

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Human Development Report 2001 for the Russian Federation has been prepared by a team of Russian experts and consultants. The Report expresses the views of its authors, and not of the institutions where they are employed.

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The cover reproduces a painting by **Pavel Filonov** (1883-1941) entitled *The Peasant Family (The Holy Family)* (1914)

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The reader is offered the seventh national Human Development Report. Such reports are published in many countries on the initiative of the UN Development Programme. UNDP also publishes annual global reports, containing country surveys. The reports are prepared by teams of independent experts.

The Report focuses on human development across the generations. The generation approach opens up new horizons in considering the key issues of human development, relating to the economy, education and people's health. This approach enables Russia to assess the actual impact of the transition period on different strata of the population, as well as their adaptation to the new socioeconomic situation, and to make a more substantiated forecast of human development in the future.

The Report is intended as a reference for managerial staff, political scientists, university lecturers, researchers and senior students.

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To the Readers

I am pleased to present the seventh edition of the national Human Development Report for the Russian Federation, prepared by independent experts at the initiative of the Government of the Russian Federation and the United Nations Development Programme.

Every edition of the Report maintains a methodological continuity based on the analysis of human development, while revealing new aspects of the situation in the Russian Federation. In previous editions, the Reports have considered the status of women; income distribution; social cohesion, and human development in Russia's regions; the central theme of the 2001 Report is human development across the generations in Russia. The approach adopted this year allows an assessment of the consequences of fifteen years of transition and their impact on different strata of the population, and how the population has adapted to the new socio-economic situation. It also highlights the possibilities for future human development in Russia, placing special emphasis on the younger generation, its economic and social status, values and priorities.

This Report considers different generations of Russians living in 1999-2000 through the prisms of sectoral and regional analysis. It shows, on the one hand, some of the profound changes which have taken place since Soviet times: for example, the Report notes that in recent years, members of the male population aged between 25 and 34 years have the highest average per capita incomes while, during the Soviet period, individual prosperity used to peak at 50-60 years of age. On the other hand, the Report also emphasises the need to tackle recent challenges which did not exist at the time of the Soviet Union, and which affect youth most directly, such as drug addiction and HIV/AIDS.

The tasks of change and reform remain formidable, and our role must be to support our Government colleagues and other partners with a view to improving the quality of life of the Russian population. The national Human Development Report and the pursuit of the United Nations Millennium Development Goals will contribute to this by providing both Government and civil society with independent analysis and data, and a regular assessment of progress made towards the achievement of key social goals and targets in Russia.

I very much hope that the contents and conclusions of this new national Human Development Report will help encourage constructive public discussion on these important topics, both in Russia and abroad.

Frederick Lyons,
UNDP Resident Representative
in the Russian Federation

For seven years now, the United Nations Development Programme (UNDP) and its Representative Office in Russia have been performing an important and noble mission of supporting the publication of the annual Human Development Reports in this country. The UNDP's initiative includes not only Russia, but many other countries as well. The human development concept is an important attempt to overcome the widespread "utilitarian-economic" view of people and their material well-being as elements of the economic system alongside production technologies.

It is obvious that people themselves and their development should be central to socioeconomic progress, and that material potential should only be a means for reaching this goal. This approach calls for development policies adjustment. We should stop investing in human resources and the entire social sphere, employing the notorious "residual" principle that has survived to this day. The nation should set its priorities on investment in education, science, and healthcare, strengthening the economic foundation of the social sphere, fairer distribution of income, and the overall expansion of human development opportunities. Russia's economic growth over the past three years may allow to channel greater financial resources to social purposes.

This national Report focuses on the generations and human development – the problem which is extremely important for the nation's future. The generation issue has always been a sensitive one for the Russian public. Problems concerning "parents and children," and relations between the generations have been, and still are, a viable topic of public discussion. The issue is particularly pressing now that major changes are going on in Russia's social and economic life, and new priorities are shaping up. The team of independent Russian experts that prepared this thought-provoking Report have taken a fresh look at human development, concentrating on the problems of the generations, and provided fertile ground for discussing the nation's future based on a study of the younger generations.



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



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Introduction

This is the seventh Human Development Report for the Russian Federation. National reports are issued on the initiative of the United Nations Development Programme (UNDP) in many countries of the world. Annual global reports are also published which contain reviews of countries across the world. They are prepared by groups of independent experts at the UNDP's request.

The *Human Development Report 2001* for the Russian Federation is the continuation of several preceding national reports prepared by various groups of independent Russian experts with the assistance and support of the UNDP representative office in Moscow. Like the previous reports, it is not an account of the socioeconomic situation for the corresponding period, but scientific-analytical research.

The main topic of the Report for 2001 is "Human Development across Generations". The approach of considering human development according to different age groups (the generation approach) opens up new horizons in reviewing the key issues in human development. Such an approach provides Russia with a unique opportunity to assess the real consequences of the transition period over the past fifteen years for various strata of the population and to assess the adaptation of these groups to the new socioeconomic situation. It also helps to forecast more accurately human development in the future. The Report places special emphasis on the

younger generation's economic and social positions, values, and priorities. This analysis will facilitate research of future socioeconomic trends of the development of Russian society and to compare them with worldwide trends.

In order to evaluate the specific aspects of public opinion today, the Report makes broad use of the results of public opinion surveys conducted in the country. A large portion of the survey results was provided by the Russian Centre for Public Opinion and Market Research (VCIOM), one of Russia's leading research centres.

The authors primarily made use of official Russian statistics, such as the data provided by the Russian Committee for Statistics (Goskomstat) and official data from ministries and departments. References to the sources are only given in the Report when data are borrowed from other sources. Where several sources are available, the authors use official publications.

The problems of the different generations in the context of human development are a new and little studied theme, and the Russian Report is one of the first in the world in this area. Together with the novelty of the theme, the conceptual, methodological and statistical gaps have prevented an adequate analysis of all the components of human development. In this connection, the authors hope that this Report will form a constructive basis for further discussion of human development and its generational aspects in Russia.





Summary

The first chapter **“The Role of the Generations in the Globalisation of Present-Day National Russia”** forms a link between the previous *Human Development Report 2000* for the Russian Federation, which was devoted to globalisation, and the current Report for 2001, which analyses the problems from the perspective of the different generations. The generations – large social groups of people born approximately at the same time in history and possessing a similar set of values, related social experience, and corresponding perceptions of the world – are directly affected by globalisation. A peculiar symbiosis between active global and traditional trends is occurring in the country, which makes the situation in Russia unique. The relative stabilisation of such a crisis-stricken society as Russia (which in no way means it is free of crisis phenomena which are at times very severe) ensues from Russia’s integration into world processes, and not from its withdrawal from them. In this sense, Russian society is influenced by these trends to a greater extent than the fairly traditionally stable Western societies and is acting as a kind of probing ground in which trends can be tried out which will only fully manifest themselves globally in the future. The diagram of common and diverging values of the different generations in present-day Russia shows both the unity of a large number of indices and certain generational differences. Meanwhile, the logic of globalisation is gradually, and sometimes rather rapidly, winning over the generations, primarily, the younger ones, by actively incorporating them into socially productive activity focused on a global future.

The second chapter **“Agriculture at the Turn of the 21st Century”** presents an in-depth analysis of a topic which was not highlighted in previous Reports,

but which is highly relevant to the concept of human development – the state of and problems relating to the development of the country’s agricultural sector. The radical stage of agrarian reform which began at the end of 1991 was focused on forming market-oriented production units by creating conditions for workers to leave the collective and state-owned farms, as well as by reorganising major agricultural enterprises. Individual farmers have appeared, the significance of personal subsistence farms has risen, and previous collective and state-owned farms have been evolving into commercially oriented enterprises. It has become clear that many government support mechanisms of rural areas operate differently in transition economies compared with in market economies. The new policy has passed through three stages in its evolution, from complete liberalisation through to futile attempts to regulate the economy using the old methods, up to real growth of a functioning market and protectionism. The cutback in agrarian production has led to the problem not only of “surplus” agricultural land, but also “surplus” manpower in the main agricultural regions. Lumpenisation of a significant part of the rural population is occurring. An abrupt decrease in the percentage of the youngest generation and an increase in the older pension-aged generation are trends that are clearly manifesting themselves in the villages.

The chapter also presents a brief analysis of the main economic growth trends in Russia during 2000. It is worth noting that the dynamics of socioeconomic development in Russia during the past three years have been determined primarily by the 1998 devaluation of the ruble, which gave rise to import substitution. Devaluation has drastically lowered real wages, which improved the financial situation of the production sec-





tor. The favourable situation on the world markets for oil and other Russian exports can also be added to these two factors. But since the end of 2000, signs of a slowdown in the economy became obvious, which indicates that the growth factors generated by the 1998 crisis have exhausted themselves. The primary areas of economic reform are reviewed from this perspective.

The third chapter “**The Incomes and Employment of the Population**” emphasises that although the standard of living indices began rising from mid-1999, according to the annual figures, incomes and consumption did not increase until 2000. It is noted that the real ratio of the average income of the wealthiest population to the average income of the poorest population is currently much higher than the official estimates. In accordance with this, approximately half of the country’s population lives below the poverty line. On the other hand, the percentage of income from hidden and informal economic activity is the highest in the upper income group. The chapter takes a look at the generational and gender aspects of income distribution. The nature of the distribution of income “between the generations” in society could be considered sufficient for stimulating the economic activity of the population if it were accompanied by a decent level of income among the older and pension-aged groups, as well as by scales of minimum wages and child benefits matching the subsistence minimum level.

During 2000 and 2001, the positive development trends on the labour market have consolidated and were accompanied by an increase in the demand for labour. The low level of income from hired employment in the formal economy is inciting people to work longer hours than official limits, if they can, and look for second jobs. In 2000, a reduction was noted for the first time in the total number of unemployed and level of registered unemployment.

The high mortality rate is still the main problem of the medical-demo-

graphic development in Russia. This fact is singled out in the fourth chapter “**The Health of the Generations**”. The total number of deaths has increased, with the main increment in the mortality rate occurring in the productive age groups. The average life expectancy for 1998-2000 dropped among the entire population and particularly among men. Against a background of negative demographic processes and a declining number of the population, public health is also deteriorating. During the past five years, the overall morbidity level of the general number of cases rose in essentially every disease category. The persistent negative dynamics of child and adolescent health indices in all the main disease categories which entail chronic illnesses is arousing particular alarm. The increase in morbidity rate with respect to tuberculosis and HIV/AIDS is extremely serious in the country. The spread of tuberculosis that began in Russia at the beginning of the 1990s continues to gain momentum. The highest incidence rate is registered in the reasonably young age group of 25-34 year-olds and there has been a significant rise in the number of tuberculosis cases amongst children. The tuberculosis mortality index has risen significantly and is the highest in Europe. The growing HIV/AIDS epidemic in Russia requires: a review of the existing system of measures for preventing the spread of HIV infection; a shift in emphasis towards prevention and an improvement in its methods in the high-risk groups. A federal law and special ANTI-HIV/AIDS Programme have been adopted.

During the past 10-15 years, major changes have taken place in Russian education. These changes are reviewed in the fifth chapter “**The Generations and Education**”. The changes have affected every aspect of education from forms of ownership, the way in which it is financed and by how much, to the curricula and educational methods. Russia entered the third millennium numbered in the group of the most educated countries. But a more detailed analysis presents a much gloomier picture.



By the end of the 1980s the education system found itself in a severe systemic crisis. The reason for this crisis lies not only in the principles of financing that have been left over from the past and the collapsing resources and facilities, but also in the fact that the system itself no longer meets society's demands or its changing views. Significant changes in the attitude towards education have occurred in the recent years. This is shown by the fact that education/vocational training is increasingly viewed as a springboard to success in life, i.e. the choice of profession is made for very pragmatic reasons and spending on education is considered not only acceptable, but also a top priority. The new stage in reforms that has begun is attempting to overcome the drawbacks in the previous stages. For the first time, development of the educational curriculum and overhauling of the system's organisational, economic, and financial structures are being carried out in harmony with each other.

Problems which different generations face have appreciable differences across regions and localities, which are analysed in the sixth chapter **“The Generations from a Regional Perspective”**. The main aspects of these differences are: the level of socioeconomic development and geographic location of the regions; the size of localities' population; the age structure and the ethnocultural characteristics. On the whole, many of the developing trends confirm the conclusion that there is a yawning economic and sociocultural gap between the largest cities and the rest of Russia. In terms of income level, the most disadvantaged group is families with children. Differences between generations in employment are characterised by the higher economic activity of pensioners in federal cities and the most urbanised areas adjacent to them. In regions with predominantly young populations and underdeveloped economies the percentage of young unemployed people is the highest and stagnant unemployment is particularly virulent. In most regions, more than half of the children live in families

with incomes below the subsistence minimum. In this chapter, the main generational characteristics of adaptation are analysed in different types of regions and cities and it reveals: (1) the contradictory adaptation of young people; (2) the work that burns individuals out or the degradation of human potential in the middle-aged group; (3) a loss of what has been achieved experienced by the older generation.

The human development index (HDI) for the Russian regions is calculated in this chapter. The main criterion in this rating is the regions' level of economic development. The onset of economic growth has led to an increase in disproportion in regional development, and the differences in the per capita gross regional product have grown. The reduction in life expectancy in most regions is playing a significant role. Changes in the education index are counterbalanced by the literacy component, which is equally high throughout the country.

The seventh chapter **“The Generations: A Social Profile”** notes that the historical background forming a generational community in Russia has always been of great importance and constituted the primary form of an individual's self-identification. The chapter is based on a socio-historical approach to the generations. Attention is focused mainly on describing a generation as people with a similar life experience, which becomes transformed as they move from one stage of life to another. A descriptive analysis of the socio-historical characteristics of conventional generational classifications such as “grandfathers”, “fathers”, and “children”, which comprise at present the age stratification of Russian society, forms the basis of this approach. Due to the significant differences between initial human potential and the subsequent life experience of realising it between the age groups over the past decade, their current positions in life greatly differ, along with the degree of adaptation to the social changes that have occurred and the types of adaptive behaviour. Those between the ages of 30 and



39, who entered the economic reform period while they were still young, are at an advantage. They have a lower education potential than other age groups, but they were the first to occupy the most lucrative positions on the expanding labour market.

Significant sociocultural changes are going on in society, relating primarily to society's growing openness and Russia's entry into the global environment. Political liberalisation of social consciousness is gaining momentum among the young age groups and they are more tolerant socioculturally compared with the older age groups, which demonstrates a general trend in the sociocultural changes in society towards greater liberalisation of political and cultural preferences. This also applies to relations between the generations: young people are more tolerant in their view of relations between the generations than people in the older age groups.

A generation analysis of the sociopolitical structures is presented in the eighth chapter **"The Generations' Participation in Public Life"**. The revolutionary changes that occurred in Russian society during the 1980s-1990s began when a conflict arose in the authoritative relations between the "older" (70-80 year-olds) and "younger" (45-60 year-olds) generations of politicians. An active exchange of power for property

occurred; a flow of the party and Kom-somol *nomenklatura* streamed into the new structures of the "alternative" economy. During the past decade, the role of the various generations in society's sociopolitical life has perceptibly changed. After the collapse of the Soviet system, which incorporated young people into society's sociopolitical life, the younger generation found itself in a political vacuum, alienated from decision-making and deprived of experience in public activity. At the same time, the reigning elite "opened up" for a time and new ways to reach the top appeared, bypassing the old *nomenklatura* methods. The formation of a political elite in the executive structures of power during the 1990s occurred in two main ways: a rapid climb up the career ladder ("big leap") and the more traditional way — gradually ascending the rungs of public service. On the whole, during the past decade, the average age of the country's top leadership has steadily declined. The trend towards the reliance on the younger age group members is also seen in a comparative analysis of the elites in Brezhnev's, Gorbachev's, Yeltsin's and Putin's entourage (i.e. the Government and regional elite), with the exception of the continuously aging legislative power. The new Russian elite has not only become younger; its social composition has also changed and brought new ideas and values to political life.



Chapter 1

The Role of the Generations in the Globalisation of Present-Day Russia

The previous *Human Development Report 2000* for Russia was devoted to globalisation and its effect on the country. This chapter forms a link between the previous and current Report for 2001, which analyses the generation problem in Russia. What is the role of the individual generations in the processes which are drawing Russia into world changes, and how are the generations, particularly young people, adapting to the new reality?

Globalisation is one of the most frequently used terms in modern scholarly and everyday language. It has long joined the ranks of such terms as “history”, “civilisation”, “era”, “progress”, “modernity”, “post-modernity”, and other general terms which express the pattern and character of the public mood and consciousness of our times. The appearance and increase in anti-global sentiments and movements, including in Russia, are also to a considerable degree drawing the mass media’s attention to this phenomenon, and as a result, it is being reflected in public opinion (Box 1.1).

The commonly accepted models of globalisation are based, as a rule, on ideas about a united and integrated world civilisation which encompasses the entire earth and near-earth space and

sweeps away all kinds of borders, be they between cultures or states, or regarding social inequality, as well as time differences and physical distances. The world is becoming compact, accessible, transparent and visible, and its parts are becoming closely interdependent. This concerns economics, technology, politics, the environment, moral values, and all the other areas of interest to current humankind, including such especially negative phenomena as organised crime, drug trafficking, terrorism, and other destructive forms of activity. The statement “The world is so small” is the epitome of this mindset. The world really is becoming small in the best and most threatening sense of the word.

The Generations in the Globalisation Context

Globalisation processes, however, are not evolving arbitrarily or at the whim of impersonal forces, but through rational human efforts. These processes are permeating all social groups and institutions, transforming them internally and externally. Globalisation is also having a direct impact on the generations – large social groups of people born approximately at the same time in history and possessing closely related values, similar social experience, and correlating perceptions of the world. Generations are not so much statistical groups as large social and cultural cohorts of people whose inner world has been shaped by the same historical events. Moreover, the members of each cohort have experienced these events at approximately the same age. In the most general terms, it can be said that the sociobiological stages of an individual’s development are undertaken during a series of historical events and as a result, this “chemical” reaction forms generations with their unique social characteristics.

Box 1.1

“Today it is difficult to find a more fashionable and topical subject than globalisation. It is the theme of dozens of conferences and symposiums, hundreds of books, and thousands of articles. Scholars, politicians, businessmen, religious figures, representatives of the art world, and journalists are all talking and arguing about it. Literally everything to do with globalisation is the target of animated debate: What is globalisation, when did it begin, how does it correlate to other processes in public life, what are its short-term and long-term consequences. However, the abundance of opinions, approaches, and evaluations does not in itself guarantee in-depth critical analysis of the topic. Globalisation has proved a hard nut to crack, not only for the mass consciousness, but also for scientific research.”

Source: B. Kuvaldin, “Globalisation: The Bright Future of Humankind?” *Nezavisimaya gazeta*, October 11, 2000.





However, it is not a question of processes of integration encompassing the earth and bringing together parts of the world community that used to be isolated and alienated from each other. Globalisation is permeating every cell of large and small communities, at times radically changing the nature of relations between people and institutions and creating new sets of values and reference points in our everyday lives. In other words, globalisation is not only “a small world”, but also a world which is fundamentally new in all of its modifications. And this innovation is often hard to accept, is frequently resisted, and sometimes arouses direct protest in those who are not fully ready to see the birth of a new system with all its unpredictable and incomprehensible characteristics. This is the way it has always been in the history of humanity whenever a civilisation crossed a threshold in its development, “exchanging” one era of history for another.

Despite the fact that the people who belong to one generation may have quite different (and sometimes diametrically opposing) values and outlooks, they are nevertheless united by a single purported field of activity and common understanding of the social world along the lines “I know that you know that he knows”. This is a kind of collective network communication which joins together the representatives of the same generation. So it is precisely in groups of generations that the main socialisation processes occur, generalised historical experience is transferred from the older to younger generation, and social capital is accumulated in its most diverse forms (Box 1.2). It should come as no surprise that the different generations keenly reflect the trends of social change, actively supporting some of them, and just as actively resisting others. The different generations are like mirrors of civilisation which reflect the evolutionary traits of the social system as a whole.

The general ideas about globalisation and its influence on the various generations also fully apply to Russian society.

Box 1.2

“In essence, the differences between generations are cultural, but they are primarily based on natural distinctions. However, when analysing specific social processes, a boundary must be drawn between social communities which are essentially very different: age group and generation. Neglecting these differences could lead to mixing up reasons lying in the socialisation conditions of a generation and the special features of its life experience with reasons lying in the psychic and physical characteristics of an age group.”

Source: V. Ilyin, *The State and Social Stratification of Soviet and Post-Soviet Societies (1917-1996)*, <http://socnet.narod.ru/library/authors/ilyin/strata/index.htm>.

The Generations in Present-Day Russia

What is happening in Russia at the beginning of the 21st century? Does a devastating crisis threaten wiping out social structures in its wake? Will we be faced, either with the prospect of being quietly reconciled to sinking to the bottom of contemporary civilisation, or will Russia soon become an intrinsic part of the globalised community of the postindustrial world?

The answers to all these questions can be found in an analysis of economic, political, geopolitical, and sociocultural trends. But of no lesser importance is the human factor, which is expressed in the first instance in the broad societal approach, including in an analysis of the life of the different generations and the generational cohorts.

How do the representatives of different generations of residents in contemporary Russia see their past, present, and future? To what extent do they perceive and accept the prospect of Russia’s globalisation? Is there consent between the different generations on this vital question, or is Russian society too deeply split in its vision of the future? These are in no way “superfluous” or idle questions. The answer to them shows the degree to which society is internally ready for action and full-scale historical creativity. In essence, through the eyes of a given generation, it is possible to see what cannot be seen during objective analysis, which relies on purely statistical indices.

The new state that Russian society found itself in at the end of the 1990s is marked by a sufficient level of equilibri-



Box 1.3

“Each age group and each generation has its own specific groups (which differ according to value orientation, affiliation with a particular subculture, etc.). These differences within the generations also deserve special study. Moreover, the differences between and within the generations are interwoven into a mosaic of all the social ties and relations, giving them additional complexity and qualitative definition.”

Source: L. Lebedeva, “The Theoretical Aspects of Studying the Dialectics of Conflict and Cooperation Between Generations,” *Herzen Readings*, Herzen Russian State Teacher Training University, St. Petersburg, 2000 (in Russian).

um (which does not rule out crisis phenomena, that are at times extremely acute). This equilibrium is based on a social structure that has arisen in society, i.e. the stability of relations between all the main social groups and public institutions. Even the very feeling of social change has essentially disappeared. It appears that the new social institutions have reached their completion in economics, politics, and culture, and in their combination there are signs that they complement each other.

Relations Between the Generations and the Problem of Values

All of this is fully in keeping with the “social weight” of the generations in the structure of current Russian society. Each age and sociocultural cohort has defined itself, developed its ideology, found a common economic and political niche for its members, acquired a cultural identity and correspondingly distributed its roles both at the level of society as a whole, and within each separate generation (Box 1.3).

The conflicting complaints between the generations which became so openly manifest in Russia at the beginning and in the mid-1990s have essentially

disappeared or are very weak. The sociological data presented below show this trend quite convincingly (Table 1.1). The dominant feeling in the attitude of the older generations towards the younger is empathy (43.2 per cent). This is a good and very evangelistic emotion which opens the way to further creative activity. On the other hand, such destructive feelings as envy (2.2 per cent), fury and indignation (7.3 per cent) do not predominate among the older generation with respect to young people. There is some irritation (20 per cent), but it does not go beyond the bounds of the usual dissatisfaction felt by elderly people when comparing their youth with the stormy present.

Such a clearly negative emotion as fury and indignation towards old people is felt by only 1.4 per cent of young people (Table 1.2). A slightly larger percentage (2.0 per cent) of young people experience irritation towards old people (which is fully in keeping with the traditional matrix of relations between generations). Fear among young people with respect to old people is essentially negligible (0.1 per cent). On the other hand, such non-aggressive indices as respect (32.9 per cent) and empathy (29.7 per cent) rival with each other. It is worth noting that old people themselves are full of inner dignity and self-respect (35.1 per cent), although at times they also feel sorry for themselves (30.9 per cent). But no one experiences remorse, regrets anything, or stigmatises themselves for the “aimlessly spent years” during Brezhnev’s era and before it: irritation towards themselves (0.6 per cent), and fury and indignation (0 per cent) were expressed by an insignificant number of elderly respondents. Young

Table 1.1

Which feelings do young people most frequently arouse in you? (in %)

Age	Respect	Affection	Empathy	Envy	Irritation	Fury, indignation	Fear	Don't know
Under 29	7.2	31.5	27.0	2.1	11.5	4.1	6.1	22.5
30-49	3.6	18.4	43.2	3.4	13.6	5.2	12.0	14.7
50 and older	3.7	10.5	43.2	2.2	20.0	7.3	10.5	11.9

Source: The Soviet Man VCIOM monitoring (weighted data), January 1999. N = 2,000.





Table 1.2

Which feelings do fifty year-olds who spent their youth during Brezhnev's time arouse most frequently in you? (in %)

Age	Respect	Affection	Empathy	Envy	Irritation	Fury, indignation	Fear	Don't know
Under 29	32.9	13.7	29.7	6.1	2.0	1.4	0.1	22.6
30-49	31.3	24.0	27.4	6.1	2.0	0.1	0.6	16.1
50 and older	35.1	27.6	30.9	1.1	0.6	0.0	0.1	10.2

Source: The Soviet Man VCIOM monitoring (weighted data), January 1999.
N = 2,000.

people clearly are not in favour of aggravating the social conflict with old people, opting instead for a peaceful settlement to any possible dispute between them. Respect, affection and empathy were expressed by most of the young participants in the survey. Unfortunately, one index was not included in the survey, that is, indifference and apathy. And it could have featured in the final results.

So, if we reconstruct the social "mirrors" reflecting the younger and older generations in Russia at the end of the 1990s, we find a whole gamut of mutual feelings, among which destructive indices do not predominate. No generation gap can be seen. Rather reconciliation is demonstrated, albeit with some asymmetrical hues. Young people mainly respect, empathise with and express affection for the older generation, while old people empathise with the younger generation with slight irritation.

Can There Be Stability in a Crisis Society?

What is the source and secret of this unexpected stability, including between the generations, which has come after the peak of the most radical changes in a vast social system?

One answer among several possible ones suggests itself. Russia is not sluggishly adapting to the global changes throughout the world, but, on the contrary, due to a significant weakening of the social structure in post-Soviet society, most of the global trends are dynamically manifesting themselves in their vibrant "hybrid" form.

In counterbalance to what is often said about the inevitable collapse in

Russian society in the very near future, this collapse is not happening. There is no apocalypse. On the other hand, entirely new trends are occurring, which are directly or indirectly associated with globalisation. These trends do not necessarily harbour a resolution to the old social problems, turning society into a paradise on earth. By removing one series of social ills, globalisation in many cases transposes social tension and a possible conflict to another plane.

Therefore, stability in such a crisis-ridden society such as that of Russia can be viewed as a result of Russia's incorporation into the world context, rather than its dropping out of it. In this sense, Russian society has been influenced by these trends to a greater extent than the rather traditionally stable Western societies, and is acting as a kind of testing ground on which trends are being tried out that will only fully manifest themselves in the global format in the future. Moreover, many clearly traditionally "bad" and non-standard processes are being painted in entirely different colours in the system of new global coordinates.

Society is reaching a state of balanced and long-term stability with undesignated parameters of this stability. But this is not stabilisation in the ordinary sense of the word. It is a balance between inconsistencies and fragments which never have and never will be defined, unfragmented, or built to form a single whole in the old sense of these terms. On the contrary, this fragmentation paradoxically promises stability of the social structure. At times it is difficult to understand and comprehend how stability within instability can exist. Is this not a paradoxical combination of contradictory terms?



The thing is that globalisation is making possible not only the constant transformation of social structures, but also making them legitimate. It allows them to radically change and take up new positions, or break down and form new “molecules”, that is, new organisations, relations, and public movements, at any moment at the micro and macro level.

The stability of instability and a fragmented social structure are not only Russian problems. They form a general global trend that has found its own, perhaps most expressive, manifestation in Russia due to the sudden fall in Russian society of resistance through inertia. An unusual symbiosis between active global trends and traditional, to some extent, archaic stratification is going on in Russia. Russian history of the pre-October and Soviet era has not disappeared into oblivion. Recent and distant history is present to one extent or another in people’s consciousness, in their values, life orientations, perceptions of the world, and professional skills and is still drawing close attention to itself in the present day and age. This is giving the Russian situation a whimsical, often even exotic profile. Russia at once yearns for innovations and resists them, steps forward while constantly looking back, as though searching for an internal support in the past eras of its history.

This very unusual attitude towards oneself and history is fully revealed in the general social condition (or to be more precise, sense of self) of different generations. When studying the state of the generations in present-day Russia, very different features are found:

- A tendency towards material consumerism, be it even at the lowest level. In response to the question: “How important is financial security for you”? 27 per cent of “young people” (13–29 years old) unambiguously put this index among the highest priorities, while the older generation is still in a world of self-restraint and has critical attitude towards consumerism.¹ At the same time, wealth has still not become an overriding value for all young people.

The contrasting evaluations of “wealth is not important” and “extremely important” were selected by 13.5 per cent and 13 per cent, respectively.² This current parity between love and hatred of wealth appears to be temporary with a tendency for a further transition of society to a strictly materialistic standpoint.

- A constant narrowing of the social interest sphere, right down to complete uniformity and unfunctionality; people are turning into “one-dimension figures”, deprived of any profundity. For example, answering the question, “How important for you is freedom of thought and expression”? only 8 per cent of the young respondents replied: “Very important”, while 23.5 per cent said: “Not important”. So freedom of thought and expression (that is broad views, the ability to comprehend complex problems) is undoubtedly receding into the background. The same goes for spirituality (a unique kind of moral concept with its roots in the Russian Orthodox tradition). Only 8.3 per cent of the young respondents opted for a high level of spirituality, while 20.8 per cent said that spirituality was “not important”. According to the data of the VCIOM surveys, “love of knowledge”, “tradition”, “honouring ancestors”, “belief in God”, “openness towards the world”, and so on were equally repressed among young people.³ These basic traditional values are yielding to their surrogates and substitutes, which may retain an outer similarity to the original, but are deprived of substance.

- Flexibility, in other words, the ability to adapt to any social change. The population can withstand practically anything. It is essentially ready to go lower and lower down the scale of archaism and primitiveness, it can survive in any case, in any situation, under any form of political power. At the same time, technological advancement in one area, the Internet and home electronics, for example, can be combined with unproductive labour in garden plots and plundering “the gifts of nature” in the forests. Flexibility is sometimes transformed into a paradox, that is, the compatibili-





ty of incompatible characteristics and life orientations. Russian sociologist J. Toshchenko defined this as the concept of the “paradoxical man”.⁴

- Virtualisation, that is, frequently unconscious entry into the world of any “simulacres” (artificial mythological constructs) that do not have any direct bearing on objective reality. An external manifestation of this is subordination to the mass media, advertising, and manipulative political procedures. This television, pop-culture, advertisement cult, the idolisation of “stars”, and so on is combined with a new perception of social time and a departure from fundamental knowledge (Box 1.4).

- Removal of moral issues, cessation of the regulating functions of moral consciousness, and the spread of anomie, which is a lack of correlation among moral values, increased vagueness with respect to what is considered right and moral, and what is not. The VCIOM surveys show that some young people have a very nebulous idea about important moral values. Such values as public justice, responsibility to society, equality, social tolerance, helping people, environmental protection, and so on have abruptly dropped in status in the eyes of the Russian youth.⁵ Knowledge, safety of the family, wisdom, stable personal relations, real love, and true friendship retain their level of value despite the decrease in the importance of values, which is accompanied by a parallel reduction in the intellectual and “romantic” mindset of young people. How is all of this combined in one generation? Contrasting and at times mutually exclusive indices stand side by side, creating a whimsical profile of the generation.

- Lack of cultural demands, the departure from a classical cultural heritage and national traditions, as well as the willingness to make use of any cultural ersatz. Responding to the question: “How important are traditions for you?” 24.7 per cent of the young respondents replied: “Not important”, and only 3.7 per cent said: “Extremely important”.

The value world of today’s Russian youth presents a rather contradictory

Box 1.4

“Today’s adolescents, striving to assimilate new social experience for themselves, are mainly absorbing information spontaneously, unconsciously, and choosing channels that are attractive to them. If we take the results as a whole, television naturally takes first place among favourite pastimes (almost 77 per cent of the respondents). This is followed by a 10 per cent lag by listening to cassettes or discs (although this pastime takes top priority among older adolescents). Almost at the same level is spending time with friends, followed by watching video films, and reading books (49.1 per cent). These are followed in descending order by club activities, reading newspapers and magazines, talking on the telephone, going on dates, computer games, spending time with adults, listening to the radio, going to the theatre, attending concerts, visiting museums (15.6 per cent) and going to the movies (6 per cent), and socializing on the Internet.”

Source: 1 Sentyabrya, March 25, 2000.

combination. It would be easiest of all to criticise or even deny this “new brave world” of young people, declaring it a sign of falling moral standards and the degradation of Russian society. However, the situation is much more complicated and not so hopeless. Many indices which characterise the world of values of young people are rather whimsically combined with the globalisation trends manifesting themselves in the West. A new social fabric is being woven from separate values which would seem to contradict each other, the features of which can only be foreseen by its separate manifestations.

The Generations in Russia and the Parameters of Globalisation

Globalisation is a complex and ambiguous phenomenon which always goes beyond the framework of those categories which are applied to it. But if we accept the following parameters as those defining the social features of globalisation,⁶ their ambiguity becomes clear in the perception of members of different generations:

(a) *The all-encompassing and comprehensive nature of the changes*

Globalisation is stressing that the main emphasis should not be placed on looking at the separate “trajectories” of the social changes in a particular sphere, but at the interaction between these



changes, their interweaving, and reciprocity. During the ten years of radical changes in Russian society, all its links have been subjected to alteration, and moreover, it was synchronised, when all the parameters of society transformed at essentially the same time.

The younger generations in Russia have accepted this trend in universal changes. Young people live in short time spans (“projects”), without setting themselves long-term goals. An individual evolves as he transfers from one “life project” to another. What’s more, these projects are short-term and intercept the line of sociocultural inheritance. Each “project” (education, a new job, personal relationships, and so on) blots out the memories of a past “project” in the perception of a young person. Each time he begins everything anew. The middle-aged and older generations constantly search for some historical logic in what is happening (almost in a Hegelian way) and try to find transitional time structures that unite the past, present, and future of Russian society. They are constantly concerned with re-writing Russian history and finding that point of bifurcation where “Russia veered from the right path”. A significant number of young people, in turn, are more inclined to forget the past and have no wish to stir it up. They hardly care about what went wrong in Russia and when. The retrospective depth of their historical thinking has become greatly reduced. Even the Soviet era is to a certain extent terra incognita for them. In this context, the new god for young people is not the stability of historical retrospective, not the link between cen-

turies and generations, but a state of constant change. And what seems like pure torment for the older generations is just another *modus vivendi* for the young (Box 1.5).

Most young people simply cannot imagine how it is possible to make long-term plans, think about tomorrow, maintain relations with people, and be concerned about one’s own authority. For them everything is very transient, momentary, and superficial. But this does not mean a decline in morals, rather it is the new reality of globalisation. It is bringing with it a new perception of social time, which is broken down into short segments (“projects”) and demands from a person, primarily a young one, maximum mobilisation of current resources and then the rapid transfer to a new project. The world is never likely to return to the old perception of social time. The middle-aged and older generations will have to accept the new concept of time and find their niche in it, without necessarily imitating the youth culture and its style (any imitation is only worthy of ridicule), but by establishing relations with this culture. This constitutes the high art of being beneficial to the younger generation. And this art is a means of maintaining the longevity of the older generations. Any departure into blind defence or alienation is fraught if not with physical, at least, with social and psychological self-destruction.

(b) Global and local interaction

Another aspect of globalisation is based on reviewing the close ties between the macro and micro levels of the changes going on. An important feature of globalisation is that it is permeating the very core of social structures, turning them into the bearers of new meanings. This applies to such “local” values as traditions, customs, habits, local communities, and so on. In short, new global realities are radically changing even the most conservative and stable structures of social consciousness and behaviour. In so doing, the process of “discarding the old” is progressing quickly, decisively, and visibly. Social

Box 1.5

“Our society is experiencing the processes and consequences of forming a young subculture, the demographic transition (to a nuclear and small family), and the “sex revolution” at a certain lag behind analogous events in Western countries. All these processes began in our country earlier than the period under review (*perestroika* – *Ed.*), but in recent years have been brought to public attention. In addition, we are also witnessing the officially recognised and widely accepted idea of the unity of contemporary world civilisation and the universality of its values.”

Source: Yu. Levada, *From Opinion to Understanding*, Moscow, 2000, p. 21 (in Russian).





institutions at the local level no longer need to go through the entire vertical hierarchy in order to reach the world level. Families, small groups, local organisations, and local movements and institutions are globalising directly at their particular level, demonstrating new forms of participation in global phenomena. This quality of globalisation fully coincides with the network structure of contemporary communities.⁷

The relations between people, groups, communities, and large structures are being formed according to the principle used to form a network, in which there is no single centre or any hierarchical dependencies, but a multitude of horizontal ties. Any change in one “knot” of such a network has an effect on the other knots and mesh of the net. The very concept of a network structure acts as a natural antagonist to vertical structures of power.

The younger generation in Russia relies freely on the horizontal levels of society, finding similar ones for themselves in their immediate environment, city, country, and the world. Moreover, young people are not too ambitious and find self-realisation in forming such global networks of communication as through the Internet and tourism. Russian youth is both local and global at the same time. It can exist in small local communities and easily enter international orbits. The middle-aged and older generations are incorrigibly hierarchical, in their eyes, the entire social world is shaped like a pyramid, and so implies “ascension”, including in terms of moral position, personal careers, the system of values, etc.

(c) *The multitude of hybrids in the cultural sphere*

Globalisation is radically changing our idea about culture, which was previously viewed either as something inherited or imposed “from above” and “disseminated”. This is leading to the appearance of diverse global and local sociocultural hybrids, with a very short period of life, instability, and non-correlation to the traditional context inher-

ent in them. Russian youth has fully assimilated the cultural hybrids of the entertainment world and consumption world (the rock and pop culture, “superficial” education, consumerism, a flippant attitude towards time, and so on).

The global culture is losing features of its traditionally fundamental nature and completeness. It is transferring to a mosaic state, i. e. a combination of separate fragments scattered across the field according to the whim of an “artist”. In other words, each person creates his/her own mosaic, expressing only his or her ego, or self-identity. In addition, this mosaic – bright and unique – is never completed, but always remains in a state of flux. In this sense, creativity, “the mosaic”, and the search for self-identity are becoming a kind of game. People and organisations are doing everything seriously, but also flippantly, with elements of self-irony, and looking askance at what is going on. It stands to reason that such a stance is primarily in harmony with the view of the younger generation. The older generations find it difficult to understand and are even less willing to accept it. It remains unacceptable for the older generations.

(d) *Minimisation of the nation-state factor*

The process of globalisation is reasonably consistently countering the idea of nationalism and the national state as the highest value of society. One of the most vibrant examples is presented by united Europe, which is not only being united politically and economically, but also is creating the foundation for a “European consciousness” and European identity, which relegate government structures as such to the background. Nevertheless, along with the globalisation processes, some manifestations of nationalism have become aggravated, which is reflected in the disintegration of federal states into national (Yugoslavia, Soviet Union, Czechoslovakia), and in the national bent of international terrorism, and so on.

The weakened state of the Russian power structures in the 1990s is also





echoed in public opinion, primarily that of young people. Indifference towards society has risen to the surface of public opinion. For example, in 2000, responding to the question in VCIOM monitoring: “Do you feel personal responsibility for what is going on in the country? For resolving Russia’s problems?” 36.6 per cent of the young people questioned showed their complete indifference. Only 7.3 per cent of the young people indicated their “high responsibility”.⁸ Nor do world problems arouse any enthusiasm in Russian youth. “Do you feel personal responsibility for what is going on in the world? For resolving world problems?” To this question, 46.6 per cent of the young respondents replied no, “I do not feel any responsibility”. At the opposite end of the scale, only 5.6 per cent of young people are concerned about world problems.⁹ This does not at all mean that the value world of the Russian youth has no motivations. They definitely exist. But these motivations are found in other areas: a decent job, leisure, self-reliance, safety of the family, stable personal relations. All of these values are well realised at the micro level in network communication.

So when drawing a picture of the ideal state, in 2000, at the peak of building the new Russian statehood with its vertical power structures and rule of law, young people gave their clear preference to states of the Western liberal type with a stable market economy and the right to private ownership (30 per cent of the young respondents). Although, 31.5 per cent of the young respondents refrained

from expressing their state preferences at all, agreeing to any type of state as long as it ensured a decent life.¹⁰

Nevertheless, rather definite isolationist feelings are still inherent to the Russian youth. This is shown by the VCIOM data (Table 1.3). More than 41 per cent of the young people questioned believe it “very important” for Russia to maintain its economic independence. The question is how to understand this independence. And whether “independence” can be achieved at all in a global world where the most diverse types of dependency are multiplying, including economic. Of course, no one is raising the question of eliminating the national economy. But it should be aimed at becoming incorporated in world economic relations and globalisation. Today’s youth also understands this. They believe that “becoming more integrated in the world economy” is “quite important” for Russia (40.5 per cent) and only 1.9 per cent deny the importance of this.¹¹

Russian youth also expresses similar thoughts with respect to retaining its distinctive culture. The VCIOM surveys of 2000 show that more than half of the respondents are definitely in favour of retaining “their own culture and lifestyle”, which indicates a very high level of emphasis on this particular point of view.¹² Some 34.1 per cent of young Russian citizens who agree with this to a certain extent note that the need for Russia to become integrated in the global culture is “not very important” and 14.5 per cent do not see any point in this at all.¹³ There is an obvious increase in an isolationist mood, which is the result of a feeling among Russians of some injury, having gone from full and excessive openness towards the West to feeling as though they are “not understood” and have been deceived in some way.

Incidentally, these figures can be viewed in a different way. They can show a sufficiently stable maturing public opinion among Russian youth, which understands that entering the global community cannot mean being a weak player of the world process and dissolving in this community. Russia, in their eval-

Table 1.3

How important is it for Russia to maintain its economic independence from other countries in the 21st century? (in %)

Age	Very important	Quite important	Not very important	We should not strive for this at all	Don't know
18-29	41.9	41.3	8.1	1.3	7.3
30-49	38.1	42.5	9.5	2.9	6.9
50 and older	42.3	36.2	7.2	1.5	12.8

Source: VCIOM EXPRESS-19 survey (18 Aug.-21 Aug. 2000) (weighted data). N = 1,574.





uation, should preserve its identity and maintain its economic growth rates in order to occupy a relatively high position in the globalised world community. A weak partner will not be able to gain an advantageous position in this world, even be it global.

This peculiar historical wisdom, which is expressed in the striving to establish a balance between identity and integration in the world community did not begin manifesting itself among young people until the end of the 1990s. And although along with this, an increase in isolationism and disillusion in the assistance from the West is also manifest, nevertheless, the balancing of these factors is very significant and encouraging and, in the final count, the more productive in the historical perspective.

As for the older generations, they are still in the closed system of imperial thinking to a significant extent, with its subordination to power and hierarchies, although in these generations the adherence to vertical structures of power varies.

(e) Primordial phenomena

The topic “civil society” also has a special twist when the theory of globalisation is applied to it. The process of internalisation of values and value orientations is leading to a significant change in the regulatory-normative function of society, and non-socialised “primordial” phenomena (i.e. the world of various pre-cultural manifestations of the human ego – the sex revolution, youth subcultures, drugs, primitiveness) which used to be suppressed by civil society are finding an outlet (Box 1.6).

The mosaic of social “types” and models, and the lack of unified principles of rationalisation and freedom of handling of primordial phenomena all creates a global post-modern picture of the social world. For the most part, young people in Russia have easily entered the primordial world. For the older generation, this cannot be understood and remains unacceptable.

“Dissatisfaction with civilisation”, according to S. Eisenstadt, a leading contemporary Western sociologist, is also

Box 1.6

“Man is a spiritual and physical being. As a physical being, he is connected to the entire circle of world life, and as a spiritual being he is connected to the spiritual world and to God. The spiritual foundation in man does not depend on nature and society and is not determined by them. Freedom is inherent in man, although this freedom is not absolute. The principle of freedom is not determined from below, or from above. The freedom inherent in man is an uncreative, primordial freedom. The matter concerns irrational freedom: not freedom in truth, but freedom to accept or reject the truth.”

Source: Nikolai Berdyayev, *My Philosophical World Outlook*, 1994 (in Russian).

permeating Russian youth, which is constantly looking for alternative ways to remove the contradictions of modern culture and create its own world of intimate genuineness. Moreover, the social immaturity of young people cannot explain these trends and the hope that young people will sooner or later “get over it” and “become normal”. This may not happen, and the movement towards a primordial state could also remain amongst the older youth. In the long run this will determine the elements which characterise the appearance of a stable global community in Russia. So the task is not to totally deny these trends, but to analyse in detail the striving towards genuineness and departure from civilisation, particularly in everyday life. This creates a noteworthy combination of social factors, one group of which is promoting an increase in technology and technological progress, and the other expresses a movement towards archaism, primitivism, and proximity to nature, the simplicities of life and thoughts in the broadest sense of the word.

(f) A new rationality

The new global processes are forcing a change in the former conception of rationality, which formed within the “contemporary society” in contrast to the “post-modern society”, borne from globalisation. Since globalisation is a normative-theoretical paradigm, it also draws up models of new rationality, that is ideas about “how it should be”. The younger generations, encountering traditional values and elements of the values of the older generations, are not



protesting and are not taking to the streets with revolutionary fervour. Young people are becoming immersed in the system of new rationality and are following a logic in particular dictated by the globalisation process.

It is interesting to note that this immersion is often manifested by rejecting communication and interaction with members of the older and traditionally oriented generations. To put it simply, young people are not arguing or protesting, they are simply limiting their communication with the older generation by creating their own sphere of interests, symbols, and meanings.

However, freedom of various forms of self-expression is above all understood as rationality in the global sense and it is frequently found in the “theory of multiculturalism”, i.e. in the recognition of the dominating principle of the full mosaic cultural “map” of one or other regional or professional group. Individual and group cultures are literally formed from individual fragments which are at times only remotely related, or not related to each other at all. The Russian youth has essentially entered or “departed” for the world of secondary rationality, so there is no need to expect them to return to that field of “good and correct” behaviour in the traditional sense of the word. This is already a new and largely globalised world.

* * *

So the diagram of common and contrasting elements in the range of points of view about values characteristic of the generations in present-day Russia shows both the integration of a large number of indices and certain gaps between the generations. Nevertheless, the logic of globalisation is gradually and sometimes quite rapidly winning over the generations, primarily winning over young people, actively incorporating them into social and productive activity aimed at global horizons.

In a certain sense, there is no alternative to globalisation. The question is only of when and at what level Russian society will ultimately become incorporated into this process. A sufficiently large amount of data shows that this process is developing rapidly, although not always in a straight line.

The view of present-day Russia through the prism of the problems of the range of generations and the view of it as a developing social system on large historical scale, show that Russia is not on the periphery of the highly cultural West, but a cultural area in its own right which is anticipating the development of global trends, no matter how disturbing they may be.

Notes

¹ VCIOM monitoring, June 1998. Sample survey of 1,000 people, pp. 1-25.

² Ibid., pp. 1-21.

³ Ibid., pp. 1-30, 1-43, 1-67, 1-70, 1-72, 1-75.

⁴ J. Toshchenko, *The Paradoxical Man*, Gardarika, Moscow, 2001 (in Russian).

⁵ VCIOM monitoring, June 1998. Sample survey of 1,000 people, pp. 1-48, 1-50, 1-51, 1-52, 1-53.

⁶ N. Pokrovsky, “Inevitability of the Strange World: Russia’s Incorporation into the Global Community”, *Zhurnal sotsiologii i sotsialnoi antropologii*, No. 3, 2000.

⁷ M. Castels, *The Information Era. Economy, Society, and Culture*, Moscow, 2000 (in Russian).

⁸ Express-19. VCIOM, September 2000 (weighted data). Sample survey of 1,574 people.

⁹ Ibid.

¹⁰ Express-13. VCIOM, March 2000 (weighted data). Sample survey of 1,595 people.

¹¹ Express-19. VCIOM, September 2000 (weighted data). Sample survey of 1,574 people.

¹² Ibid.

¹³ Ibid.





The demographic history of Russian generations

Today, all generations born in Russia during the 20th century are, to one degree or another, represented in the Russian population. Over the last century, Russia suffered the Revolution and Civil War, the famine of 1921-1923, the famine of 1933, mass repressions, war with Finland, World War II, the starvation of 1947, the war with Afghanistan, and the continuing military actions in Chechnya. The multiple tragic events of the 20th century and the passage of time have substantially changed the ratio of the numbers of each generation. More than 97 per cent of those alive today were born after World War I and the Civil War and almost 77 per cent after World War II. It is quite difficult to believe that, by the beginning of 2001, the generations born during the reform years, that is since 1985, already made up more than 17 per cent of the population of Russia.

According to data for the beginning of 2001, the largest generation was that born in 1960. It outstripped the generations born in greater numbers in previous years, primarily because of a slightly higher survival rate.

In calculating the Human Development Index (HDI), use is made of the life expectancy of the calendar period. It is equal to the number of years that, on average, an individual from the model population can expect to live, on the condition that, throughout the life of this generation, the mortality rate at each age remains the same as in the period for which the indicator is calculated. As for real generations, today the life expectancy can only be calculated at all reliably for those who were born before 1940. As Table 1.4 shows, the life expectancy of Russian generations is substantially less (by 25-43 years) than that of the same generations in other developed countries, the difference being much greater than the difference between the life expectancies in Russia and the developed countries at the end of the 20th century, which was no more than 15 years.

Table 1.4

Life expectancy of the generations (years)

	Men				Women			
	Russia	USA	France	Sweden	Russia	USA	France	Sweden
1901-1905	24.8	53.7	50.1	59.1	35.9	60.9	57.7	64.1
1906-1910	27.3	55.7	52.4	61.6	37.2	63.3	60.6	66.9
1911-1915	27.0	58.6	54.0	63.2	37.4	66.3	63.2	69.1
1916-1920	23.6	61.1	54.3	65.5	34.7	68.9	65.2	72.3
1921-1925	27.2	64.0	60.7	68.0	40.6	71.7	72.1	75.3
1926-1930	33.7	66.3	64.4	70.1	43.8	73.4	76.1	77.9
1931-1935	34.4	68.3	67.3	72.7	42.5	75.2	79.8	80.2
1936-1940	33.8	70.0	68.0	77.0	42.3	76.4	80.2	81.0

Source: Author's calculations.

The life expectancy of generations is based on their entire life history, so, for example, that of Russian generations born after 1925, which did not, because of their age, participate in World War II, is markedly higher than that of older generations. This is particularly marked in the dynamics of the proportion living from 20 to 50 years in different generations. It is equally clear that, owing to the stable rise in the mortality rate among adult males in the period after 1965, survival from 20 to 50 fell from one generation to the next.

The demographic catastrophes of the 20th century and, above all, World War II, have substantially disrupted the marriage rate among Russian generations. As a consequence of the disproportion between the sexes in generations born before 1926, resulting from the war, there was an exceptionally high proportion of women who never married and an exceptionally low one of men. By the time the disruptive effect of the war on the situation on the marriage market had stabilised, a new destabilising factor had emerged – the exceptionally high mortality rate among men. For instance, more than 25 per cent of women who married between 1950 and 1969 were widows by the mid-1990s.

Overall, however, as Table 1.5 shows, marriage as a social institution still remains very widespread in Russia. Moreover, in all generations, apart from the youngest, born in 1975 to 1979, unconditional preference (92-94 per cent of the total number of marriages) is given to registered marriage. Although, in 1994, the number of unregistered marriages was no more than 20 per cent. There are some indirect signs that, in recent years, unregistered marriages are becoming more widespread, but only the coming 2002 census will confirm this observation or otherwise.

The level of fertility fell throughout the 20th century in Russia. The oldest generation born in the 20th century produced an average of 5 children. Beginning with the 1930-1934 generation, the level of fertility has been below 2.05 births per woman and has not even provided for simple reproduction of the population numbers.

The subsequent change in fertility occurred very slowly. The measures taken in the early 1980s to raise the fertility resulted in an insignificant rise in the number of births among women born between 1950 and 1959. Overall, however, the 1940-1964 generation had, by the beginning of 2001, given birth to 1.7-1.9 children. This figure is unlikely to rise in the future, as births after the age of 35 are very rare in Russia today.



Table 1.5

Marital status of the generations (share of people with the given marital status, in %). Based on the 1994 micro-census data

Year of birth	Men				Women			
	Married	Never married	Widowed	Divorced or separated	Married	Never married	Widowed	Divorced or separated
1970-1974	38.4	59.5	0.0	2.1	56.4	37.4	0.3	5.8
1965-1969	71.2	23.6	0.1	5.1	75.1	14.3	0.9	9.7
1960-1964	80.6	12.9	0.3	6.3	79.8	7.9	1.6	10.6
1955-1959	83.7	8.5	0.5	7.3	79.6	5.6	2.8	12.0
1950-1954	85.0	6.2	0.9	7.9	77.0	4.9	4.7	13.4
1945-1949	85.7	4.8	1.4	8.1	73.7	4.6	7.4	14.3
1940-1944	85.5	4.0	2.9	7.6	68.9	3.9	13.4	13.7
1935-1939	86.7	2.9	4.0	6.4	64.0	3.9	19.8	12.3
1930-1934	86.5	2.0	7.0	4.4	55.4	5.1	30.0	9.5
1925-1929	85.2	1.5	10.1	3.2	44.1	6.9	40.8	8.3
Up to 1924	73.5	1.8	22.9	1.7	18.4	8.2	68.6	4.8

Women born between 1965 and 1969 have so far, on average, produced 1.41 children. According to the survey carried out among women during the 1994 micro-census to find out how many children they intended to produce, the representatives of this generation planned, on average, a family of 1.63 children, but judging from how events developed between 1994 and 2000, it is unlikely that these plans will be realised.

Migration data are indicative: 42 per cent of those surveyed change their place of permanent residence at least once during their lives, including 6.4 per cent who were born outside Russia. In the generations born before 1955, migrants constitute over half the population (Table 1.6).

The migratory process was inseparably linked with urbanisation of the country. More than half of the generations born before 1935 came from the countryside, and a substantial proportion of them moved into the cities.

Another flow of migrants went to economic development areas in the North and East of the country. Attempts at extensive development of these territories engendered a massive but ineffective migration. Only the mighty migration potential of the rural parts of European Russia was able to maintain the rise in the population of economic development areas. The frequency of moves increased because the migration to the east consisted of two phases, as it were. During the first, younger people moved east where wages were substantially higher. Then, during the second phase, they moved back to the more comfortable European part of the country.

We are justifiably proud of the high level of education of the Russian population. According to the 1994 micro-census, the proportion of illiterate people among the generations born after 1934 does not exceed the level resulting from medical and biological factors, rather than social ones. However, the level of education among the generations differs substantially (Table 1.7). This is a quite natural result of Russia's 20th-century history.

The many reforms in the education system make it difficult to compare exactly the number of years of study in each generation, so we have made an arbitrary calculation of an estimated number of schooling years, assuming that those with a higher education studied 15 years, with an unfinished higher – 13 years, with secondary specialised – 12, general secondary – 10, incomplete secondary – 7, elementary – 4, literate people without an elementary education – 1 year and illiterate people did not study at all. The results of the calculation are presented in Figure 1.1 of the Annex.

Table 1.6

Migrants in Russia. Based on the 1994 micro-census data

Year of birth	Share of migrants in the given generation, %		Share of migrants from rural to urban areas	
	Men	Women	Men	Women
After 1980	12.6	12.7	2.2	2.3
1975-1979	22.9	26.2	3.9	3.9
1970-1974	29.9	35.8	6.6	8.7
1965-1969	38.3	44.8	9.6	12.0
1960-1964	44.5	50.8	14.3	17.0
1955-1959	49.1	54.7	19.2	22.3
1950-1954	53.1	57.3	23.4	26.4
1945-1949	55.6	58.5	26.9	29.6
1940-1944	59.3	59.6	28.9	30.7
1935-1939	58.9	59.8	33.5	34.2
1930-1934	59.1	60.5	34.9	36.2
1925-1929	62.3	61.3	38.5	40.8
1924 and earlier	62.8	59.3	42.4	41.8



Table 1.7

**Educational level of the generations (share of people with the given level of education, in %).
Based on the 1994 micro-census data**

Year of birth	Men			Women		
	Higher, incomplete higher, secondary specialised	General secondary	Incomplete secondary, elementary, without elementary	Higher, incomplete higher, secondary specialised	General secondary	Incomplete secondary, elementary, without elementary
1970-1974	35.9	22.0	12.7	52.1	34.1	7.8
1965-1969	44.5	25.6	8.1	60.3	36.5	5.1
1960-1964	43.0	23.9	8.9	58.3	35.6	5.2
1955-1959	41.6	23.0	13.5	56.3	35.1	8.4
1950-1954	42.4	22.5	19.8	55.1	34.7	13.2
1945-1949	45.7	22.8	23.9	55.1	32.1	18.3
1940-1944	37.9	18.6	41.2	40.2	24.1	38.2
1935-1939	34.9	17.6	50.2	34.4	21.4	50.7
1930-1934	23.6	12.5	67.8	21.7	12.8	70.7
1925-1929	23.8	13.3	68.9	19.0	12.3	72.9
Up to 1925	25.3	13.1	67.6	12.9	8.3	81.8



Chapter 2 Agriculture at the Turn of the 21st Century

The country's economic situation over the last decade and the prospects for change in it were considered in detail in a similar report on human development in Russia for the past year. This chapter gives, therefore, only a brief analysis of the main features of the Russian economy in 2000 (Box 2.1). It is intended, therefore, in the chapter of the report dealing with economics, to analyse in greater detail a theme that was not given sufficient attention in previous reports, but which is highly relevant to the human development concept – the situation and problems of development of the country's agricultural sector. In the 1990s, this theme was downplayed by the Government, execu-

utive and legislative agencies, scholarly community and the mass media. The authors of this report have attempted to fill this gap.

The 1990s Agricultural Reforms

The radical agricultural reforms of the early 1990s were launched in a macro-economic situation that was highly unfavourable for the sector. A few factors need to be highlighted. The liberalisation of prices meant cancellation of food subsidies, which reached 60-80 per cent of the retail price of the main foodstuffs and constituted up to a third of the national budget expenditures. This sharply reduced the population's purchasing power.

Box 2.1

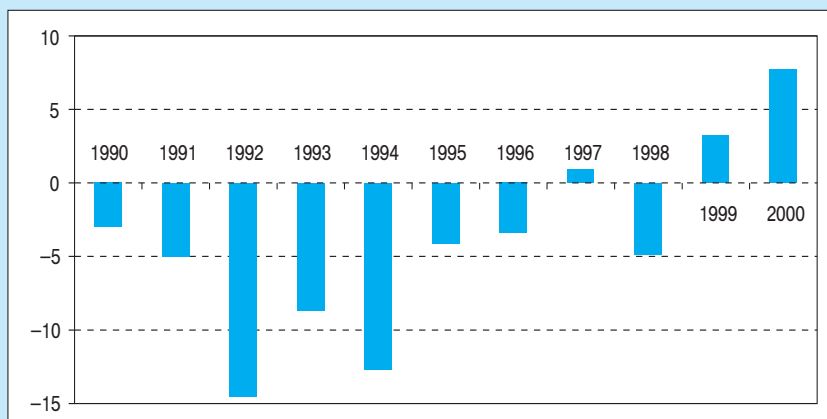
The country's economy in 2000

The dynamics of Russia's socioeconomic development over the last three years have been determined primarily by the 1998 ruble devaluation, which provided quite a powerful impetus to import substitution. In addition, the devaluation reduced real wages sharply, which improved the financial situation at enterprises in the production sector and enabled them to invest part of their revenues in expanding and modernizing production. In 2000, these two factors were supplemented by a favourable situation on the world markets for oil and other Russian exports. According to expert estimates, the contribution made by the foreign trade sector to the country's economic growth in 2000 was 35 per cent.¹

As a result, the country's GDP increased by 14.1 per cent over 1999-2000 (in 2000 – by 7.7 per cent), and industrial output rose by 9 per cent (Figures 2.1 and 2.2). The country has not experienced such high growth rates since the 1960s. During the first stage of economic growth following the devaluation, it was the branches of the consumer sector that grew fastest – mainly light industry and the food sector. As the financial position of enterprises improved, demand for capital goods emerged and growth began in the investment goods sectors. In 2000, investment grew substantially – by 17.4 per cent, outstripping the growth of the GDP throughout the year. The share of investment in fixed assets reached 16.6 per cent of the GDP.

In 2000, there was also a rise in the rating of Russia's investment attractiveness. According to the *Financial Times* Russia moved from 49th to 32nd place with respect to this indicator. The volume of annual foreign investment went up by 15 per cent, although the scale of direct investment re-

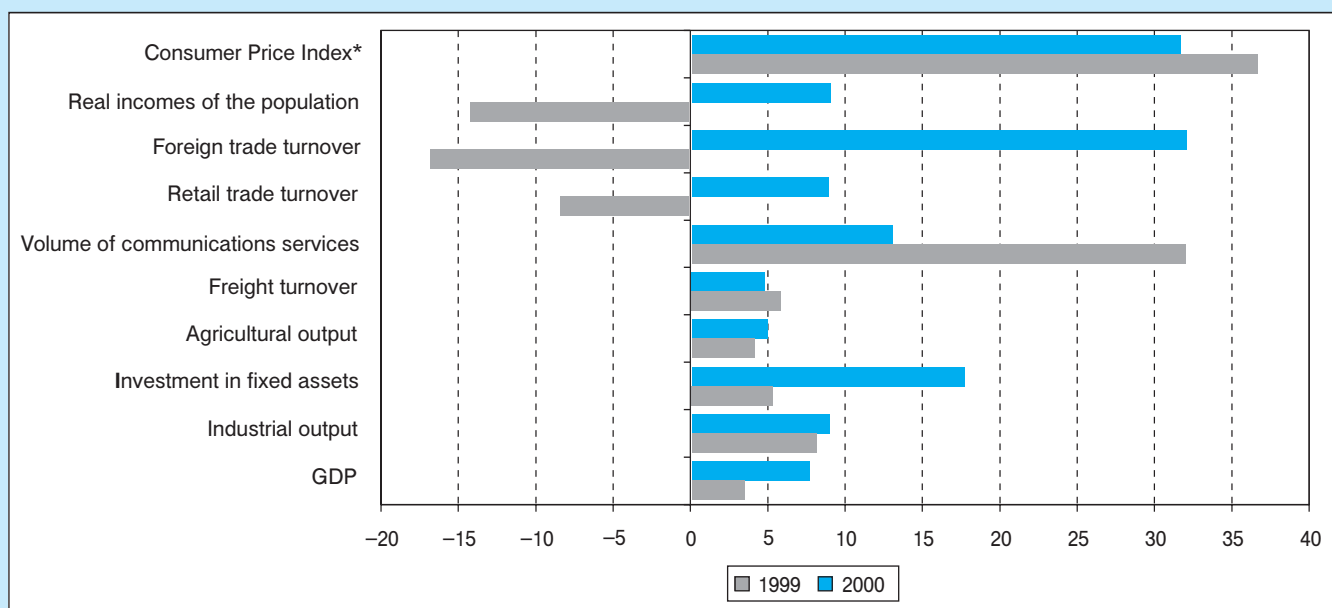
Figure 2.1. The growth dynamics of the Russian economy in the 1990s
Annual GDP increment (in %)



¹ Bureau of Economic Analysis data.



Figure 2.2. The key indicators of the Russian economy dynamics in 1999-2000. Annual growth rate (in %)



*December compared to December

mained at the 1999 level. The most attractive sectors of the economy for foreign investors are the food industry and public catering, the fuel and energy complex, and transport. It should be borne in mind, though, that according to the country's balance of payments data, the volume of foreign direct investment in 2000 decreased even in comparison with the low level of 1999, while the volume of legally exported capital for the first time exceeded the volume of foreign direct investment in Russia's economy.

Economic growth is also accompanied by an increase in the cash settlements between enterprises, a reduction in barter and mutual settlement schemes. The financial position of enterprises in all sectors of the economy improved markedly: profits rose, the proportion of loss-making enterprises fell (although it still remains very high – over 40 per cent according to official statistics). Further evidence of the still unfavourable business climate in the country is the drop in 2000 in the number of small and medium-sized enterprises and in their share in GDP.

Public finance improved dramatically in 2000. For the first time in the reform years, the budget was deficit-free, with a surplus accounting for 2.5 per cent of the GDP; revenues exceeded 16 per cent of the GDP and the volume of outlays was the lowest since 1992. This was due to, firstly, the favourable foreign trade situation in 2000: the prices of traditional Russian exports – oil, gas, non-ferrous metals, nitrate fertilisers – rose sharply. Secondly, economic growth led to a growth in tax revenues from enterprises in the production sector. In addition, tax collection improved markedly and tax arrears decreased. Another major characteristic of the budget was a considerable decline in the non-cash revenues.

Russia's trade turnover in 2000 was almost \$135 billion, which is a record figure for the last decade and a 34.4 per cent increase over the year. It should be noted that the rise in exports was achieved owing to the increase in world prices, rather than an expansion of the volume of exports. Incomes in export sectors, received as a result of the favourable market situation in the world, are estimated at \$10 billion in 1998-1999 and \$20 billion in 2000.² Imports, which fell after the ruble devaluation, started rising again in 2000, though the growth rate remained lower than that of exports, as the result of which the positive balance of trade continued to grow. Raw commodities still prevail in the structure of exports. Fuel and energy resources and metals still predominate. The structure of imports has improved somewhat: the share of foodstuffs has fallen, while that of machine-building output has risen, which is indicative of emerging modernisation of enterprises in the production sector.

In 2000, the real incomes of the population rose by 9.1 per cent, but they still did not reach pre-crisis levels. Real wages went up substantially more rapidly than the general income level – by 22.5 per cent. At the same time, a high level of differentiation in the population's incomes remains.

In spite of the fairly positive shifts in the country's economy in 1999-2000, from the end of 2000 signs of slowing growth became evident: in the fourth quarter, growth rates fell to 16 per cent compared with 20 per cent in the middle of the year. The investment growth rate fell, with a corresponding slowdown of growth in the investment sector and then in related industries along the product chain. All this provided economists with grounds for concluding that the growth factors connected with the 1998 crisis were exhausting themselves.

² Bureau of Economic Analysis data.





In addition, the process of the growth of the real ruble exchange rate had begun along with a corresponding growth of imports. At the same time, calculations show that the ruble still remains undervalued compared with its purchasing power parity. This means that a strengthening of the national currency will continue (more slowly or more quickly, depending on the government's monetary policy), while the competitiveness of Russian producers on the domestic market will continue to fall. It is very important that the remaining period be used for restructuring production and that, by the time the ruble is revalued, the local producer has not been replaced by the importer once more.

Another important problem in the country's economy at the current stage is the so-called "Dutch disease". High oil prices have engendered a rapid rise in currency earnings, accompanied by intensified monetary emissions. The growth of the money supply substantially exceeds the increase in the production sector's demand for money. The government has not managed to offer any attractive mechanism for sterilizing the excess money supply, which has naturally exacerbated inflation. The economy itself has worked out a mechanism for doing this – for several months, the country has been living with negative real interest rates (the interest rates on ruble deposits are lower than the rate of inflation). In other words, the banking sector is not operating as a mediator between savings and investments, while creditors are not striving to invest in the production sector. There is thus no normal investment process that would make it possible to raise the competitiveness of Russian producers. Although investments in the economy are growing, their structure is highly unsatisfactory: almost half of all investment in the production sector in 2000 went into the fuel and energy sector. This means that investments are greatly dependent on world oil and gas prices. Given an unattractive investment climate in the country, a lack of trust in the banking system and some of the government policies in the sphere of currency regulation, exporters prefer to repatriate their revenues and not invest them in other sectors of the Russian economy.

Although, in recent years, the development of the Russian economy has demonstrated quite positive dynamics, there are problems which render this growth unstable and unsustainable. In this context, it is highly important that the government's socioeconomic policy meets these challenges. In 2000, a new development and reform strategy was drawn up in Russia. The formal elaboration of this document coincided with the arrival of the new Cabinet. In practice, however, in the opinion of V. Mau,³ this strategy was the reflection of a new stage in the country's economic development, a change in the balance of political forces, and of political and financial stabilisation. Part of the elaborated program already began to be implemented in 2000 and it is already possible to assess its main parameters.

Above all, these include a tax reform designed to reduce the tax burden and bring the tax system into compliance with the current potential of the government's administrative system;

A customs reform envisages a cut in import tariffs and their unification, streamlining of customs procedures and greater transparency. This policy is important from the point of view of modernisation of the Russian economy and incentives to simplify import procedures of advanced technologies. At the same time, the devalued national currency still maintains its universal protective action for domestic producers.

A reform of budget expenditures is another focus area of government economic policy today. The core strategic task to be resolved in this sphere is to reduce the budgetary burden on the economy and make the national budget and the budgeting process more transparent. In order to improve the business climate in the country, a package of legislative acts has been drawn up for deregulating the economy. Today, the administrative barriers to the activities of economic agents are extremely high, the economy is enmeshed in a system of registrations, permissions, licenses, certifications, benefits and fines, inter-regional barriers to the movement of products and inputs. This has a particularly negative effect on the position of small and medium-sized businesses and newly organised enterprises, while the barriers lead to corruption among government officials and inefficient use of public resources.

The reform of the natural monopolies is today not only a vital, but also a politically resolvable problem, though this does not make it any easier to resolve it either economically or socially. All attempts to restructure the system of the power industry, rail and pipeline transport, and the gas industry come up against strong political resistance. The restructuring of the natural monopolies is geared to creating market mechanisms in these sectors of the economy, facilitating the investment process, and halting large-scale cross-subsidisation, under which higher tariffs for some consumers are used to maintain subsidised ones for others while lower internal prices are financed by exports.

The further growth of the economy depends to a substantial extent on a reform of the country's financial system – the banks must become standard financial middlemen. Apart from relevant legislative acts designed to regulate the financial system and enhance its de-monopolisation and reliability, it is the process of socioeconomic and political stabilisation in the country that has to facilitate better operation of the financial markets.

The new socioeconomic situation has raised the question of reviewing the labour legislation. The system of labour guarantees which was established in the Soviet period and is still in place cannot be maintained under market conditions and many of the statutory rights of workers have remained merely on paper or make certain categories of workers less competitive on the labour market.

Housing rents and domestic utility consumption in Russia remain consistently loss-making. Subsidising these from the production sector and local budgets has become an unbearable burden on the economy, so a reform of this sector, however painful it might be, is inevitable in the very near future.

Such are the main areas of the government's socioeconomic policy in coming years. The success of this policy will largely determine the sustainability of the positive dynamics emerging in the Russian economy.

³ *Russian Economy in 2000. Trends and Prospects*, Moscow, IET, 2001, pp. 16-17 (in Russian).





Another negative, though quite predictable factor in the development of the agricultural and food sector was the worsening terms of trade. In the last years of the Soviet period, the agricultural input/output price ratio was always in favour of agriculture. When prices were liberalised, input prices naturally started rising faster than output prices. In addition, margins in the food industry and mark-ups in the food retailing were also relatively understated in the pre-reform period. Price liberalisation led to a change in these ratios, too, to the detriment of agriculture.

As a result, agriculture found itself squeezed between the two trends and during a year was deprived of working capital. The problem was exacerbated by the absence of accessible agricultural credit: high inflation resulted in high interest rates and short (2-3 months) loan periods, with the shortest production cycle in agriculture being four months. Later, in 1994, the terms of trade somewhat improved, but the problems in the sector persisted, what with the absence of an adequate system of agricultural lending, deferred macroeconomic stabilisation and a continuing fall in production.

The third factor behind the recession in the agricultural and food sector was the poorly developed market infrastructure. In 1992, the state virtually withdrew from the distribution of agricultural produce. Through inertia, the regional authorities continued regulating markets approximately up to 1994, but then they, too, withdrew from direct participation in distribution. The centrally planned economy left behind no infrastructure capable of functioning under market conditions. Such an infrastructure cannot emerge overnight. As a result, a situation took shape almost immediately, in which producers were unable to sell their produce, while the consumer market was not yet saturated.

At the same time, trade was liberalised and, not surprisingly, the resulting gap between supply and demand was filled with imported foodstuffs. This further reduced the demand for foodstuffs produced in Russia. Although the price

difference between imported and domestic products was, at the beginning of the reform, to a considerable extent in favour of the latter, the lack of a developed infrastructure made the transaction costs so high that the consumer (the purchaser of agricultural raw materials) was sometimes prepared to pay 100 times more for imported deliveries than for local produce.

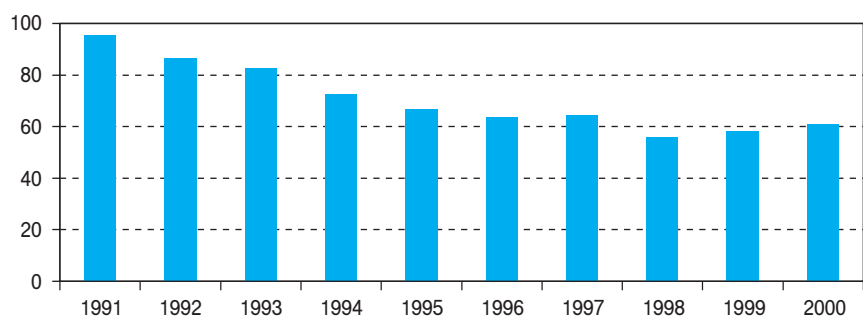
Another major factor behind the recession was that the management of the sector was unprepared to function under the new economic conditions. The rural population is known to be the conservative part of the population, so its adaptation takes longer than in other sectors of the economy.

When analysing the recession in the agricultural and food sector (see Figure 2.3), account must be taken of the purely statistical effect. In Soviet times, there were considerable incentives to the heads of farms and agricultural enterprises to exaggerate the volume of production. Now there are equally strong incentives to do the opposite. The resulting dynamics indicate a sharper recession than there probably is in reality.

The modest results of agricultural reform in Russia compared with certain other countries of Central and Eastern Europe that are facing similar problems may be explained by economic, legal, political, and attitude factors:

- the extended recession in the economy did not give economic stimuli for production units in the agricultural sector, so it did not create a need for a real transformation. Under these conditions, a huge number of agricultural producers, irrespective of their ownership form

Figure 2.3. The dynamics of the fall in agricultural production, 1990-2000 (gross agricultural product, as % of 1990)





(collective or individual), demonstrated “survival behaviour” and no interest in maximizing profits;

- Russia has no entrenched traditions of a law-governed state and strict observance of laws. Many of the passed laws are not enforced, and the contradictory and incomplete nature of legislation merely exacerbates the problem of its enforcement;
- the agricultural reforms in Russia are being implemented amid a lack of public consensus with respect to these reforms, which again acts as a powerful brake on the transformation of the agricultural sector;
- the agricultural reforms are also held back by prejudices that accumulated over the years of Soviet rule and now prevent entrepreneurial activity from developing in rural areas. On the other hand, in the majority of rural areas, people find it very difficult to adapt to the new conditions.

The Postreform Structure of Agriculture

The foundations of the concept of collective and state-owned farms reorganisation were laid down in the Soviet period and were a result of Russia’s features. One of these was reluctance of the bulk of the rural population to walk out of collective or state-owned farms in order to run their own individual farms, as was demonstrated by a multitude of national and regional polls at the time. Another specific feature is connected with the fact that a fairly long time had

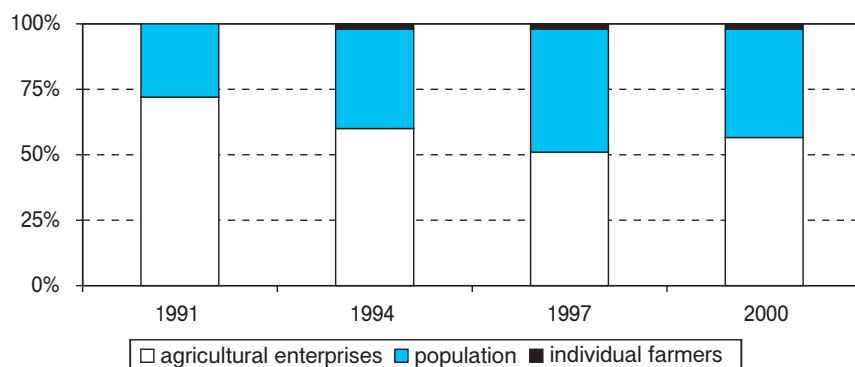
passed since the period of collectivisation, making it impossible to restate land to its former owners. However, even in the USSR the first individual farms were organised, a transformation of land tenure was initiated and the ideas of dividing the land and assets of collective and state-owned farms into shares began to develop.

The radical stage in the agricultural reforms began, however, with the disintegration of the USSR at the end of 1991. The reforms were designed to create market-oriented production units by establishing the conditions for workers to leave collective and state-owned farms, as well as by reorganizing large agricultural enterprises. Land and asset shares were provided to workers and pensioners of the agricultural units and this became the basic principle of the concept for the reorganisation of collective and state-owned farms in Russia. The shares are conditional (without demarcation on the land) and can be bought, sold, leased, exchanged, left in a will or mortgaged; they must be provided to the owner in kind when he/she quits the agricultural enterprise to run an individual farm. As a result of the transformations that had been carried out and under the impact of the new economic conditions, the structure of the agricultural sector changed substantially during the reform years in Russia (Figure 2.4 and Figure 2.5).

The appearance of an absolutely new sector should, above all, be noted: individual farming. The share of this sector remains insignificant, yet its importance should be measured not so much by its share in the gross agricultural product, as by its catalytic role in the development of agriculture. Today a process of concentration of individual farms is under way. Many private economic units registered as farms are, in essence, big commercial agricultural enterprises, working 3,000 to 5,000 hectares and hiring several dozen wage workers. The numerical growth of individual farming came to a halt back in 1994.

In the 1990s, there was also a growth and strengthening of subsistence farms owned by both urban and rural dwellers. This sector became a buffer for the

Figure 2.4. The structure of the gross agricultural product by sector



Source: Data of the Russian Committee for Statistics and the author’s own calculations.





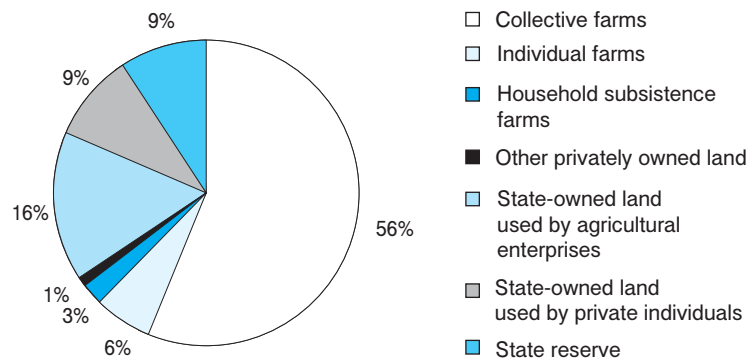
population during the most difficult reform years, but this production has no commercial significance and, as the economic situation improves, it is demonstrating a tendency to shrink.

Large agricultural enterprises remained the main commodity producers in Russia's agriculture, but today they are functioning under fundamentally different economic conditions. The legal and economic independence of enterprises has resulted in their sharp differentiation in terms of profitability. It has become clear that, given the drop in general demand for agricultural produce, some regions have become marginal in the agricultural sense: it does not pay to farm there. Government support for the agricultural and food sector so far retains very soft budget constraints for former collective and state-owned farms, but today it has become clear that this policy is coming to an end. For this reason, the farms that are incapable of finding their own place under market conditions will be simply liquidated as production units. This means that a significant part of the rural population will remain without a source of income, since present-day Russia inherited from the Soviet system a total absence of any non-agricultural occupations in rural areas. Another part of the enterprises have adapted well to the new conditions and are functioning quite profitably (although the share of these farms is quite small).

After the 1998 crisis, a trend toward the emergence of new agricultural producers – divisions of non-agricultural companies – became quite obvious. It is, as a rule, processing enterprises and traders that act as integrators of agriculture; however, the number of other companies, not directly related to the food chain, such as oil and gas companies, is growing as well. According to experts, more than 6 million hectares of arable land are today worked in this way. New investors bring to the agricultural sector new technology and a new level of management and achieve high efficiency indicators.

After the many years of government monopoly of the land, the share of ag-

Figure 2.5. The structure of ownership of agricultural land as of January 1, 1998



Source: Data from the Russian Land Committee.

ricultural land belonging to the government has dropped to one third, while the rest of the land belongs to individuals or groups of people. The concept adopted for reorganizing collective and state-owned farms and for privatizing land led to the formation of a certain para-market for land shares, which became particularly active after the 1998 crisis.

The formation of a new agricultural system is not an end in itself under the concept of reform. The efficiency of the sector depends on the creation of the necessary market institutions, which were lacking under the planned economy. In this connection, the further development of the market for produce and agricultural inputs is of major significance (Box 2.1 of the Annex).

Government Agricultural Policy

The transition to a market-oriented economy required new mechanisms for regulating the agro-industrial complex. At the same time, it turned out that many mechanisms for government support of the agro-industrial sector operate differently in a transitional economy than they do in established market economies.

The new agricultural policy passed through three evolutionary stages. During the first stage, there was a liberalisation of the prices for agricultural products and foodstuffs; government procurement in its old form was abolished, as were food subsidies and the then existing privileges to the agricultural sector. Market relations were introduced in the agricultural and food





sector, but problems arose here that the economic decision-makers among politicians and bureaucrats could not have foreseen or, importantly, opposed adequate measures for them, owing to their lack of experience in working under market conditions. As a result, the policy-makers during this period operated like a fire-brigade – any problem that arose was addressed spontaneously by introducing individual measures, taken, moreover, from the arsenal of the old economic system: attempts were made to somehow control prices, export restrictions were set for certain products and imports subsidised. Many direct subsidies for agricultural products were introduced at this stage. The most significant, which survive to this day, were animal husbandry subsidies (nowadays they are regional).

At the second stage, the euphoria of liberalism began to be replaced by agricultural protectionism. From 1994 onwards, minimum guaranteed prices, import tariffs and quotas, and export subsidies were introduced. As before, however, this policy still bore the imprint of the old system. For example, minimum guaranteed prices rarely serve as actual intervention, but are seen as prices for limited amounts of government procurement and as recommended prices for the markets. During this period, a Federal Foodstuffs Corporation was set up, and a leasing fund, commodity credit, and subsidies for mineral fertilisers were introduced.

As time went on, the Government acquired experience and an understanding of the mechanism by which the markets operate. Agricultural producers also gained experience of working in a market economy and a better understanding of their own interests. In addition, they were able to organise in order to lobby for these interests (effective sectoral unions were created instead of politicised agrarian associations). The Government has gradually switched over from subsidizing producers to regulating foreign trade flows, and this policy becomes increasingly complex – from simple ad valorem tariffs to combined ones, to tariff quotas and their sale by

auction. Phyto-medical measures are used more broadly to protect home producers. Measures are discussed for regulating the markets by means of procurement intervention.

At the same time, throughout the 1990s there was a sharp drop in budget spending for agricultural and food complex. The share in the consolidated budget outlays on this sector fell. Budget expenditures on the agricultural and food complex per unit of agricultural land and per person employed in the sector, in constant prices, also dropped (these indicators fell by more than 80 per cent and 50 per cent, respectively, from 1995 to 1999).

One specific feature of Russian agricultural policy is its high degree of regionalisation. The share of the federal budget in supporting the agricultural and food complex is about one third and has been tending to fall throughout the reform years.¹ At the same time, the regions rarely launch independent support programs, but they do co-finance similar federal ones. In addition, regional subsidies (particularly outside donor regions) are most often paid in the form of netting out accounts.

The Current State of the Agricultural Sector

The crisis of August 1998 had a dual impact on the Russian agricultural and food sector. In the short term, it led, on the one hand, to a sharp drop in the real incomes of the population, a corresponding fall in the demand for foodstuffs, above all animal products. The consumer panic on the foodstuffs market, against the background of an extraordinarily bad harvest, forced the Government to ask for humanitarian aid with all the negative consequences this entails. In addition, the panic also gave rise to a sharp increase in inter-regional trade barriers. On the other hand, in the medium term, the devaluation of the ruble made the import of foodstuffs markedly less profitable, and the export of Russian agricultural raw materials more so, compared with the pre-crisis period. This created good opportunities





for expanding the market for home producers in the agricultural and food sector: firstly, by import substitution on the domestic market, and secondly, by expanding exports.

The reduced opportunities for speculation on the financial markets and restrictions on the export of capital to a certain degree enhanced investment in sectors with short investment cycles, to which the food industry undoubtedly belongs.

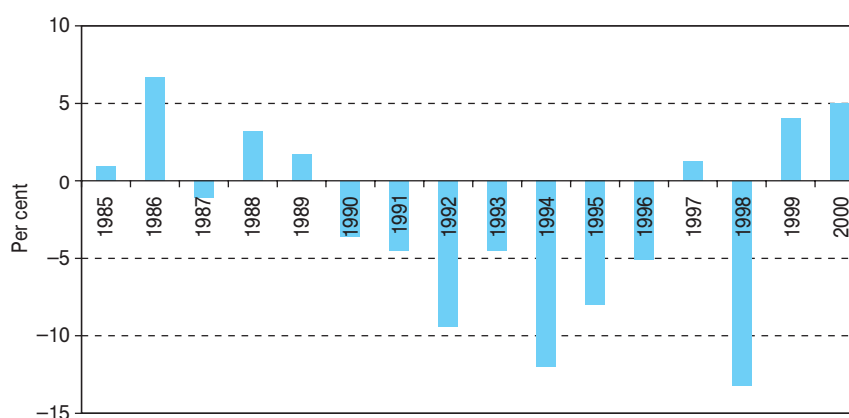
As a result of these trends, the process of import substitution in the food industry intensified and, as a consequence, agricultural output saw a marked growth (Figure 2.6), which had not been registered for 15 years.

The growth in agriculture is not of major significance in itself, what is more important is the quality of this growth. In this connection, greater investment that began in the sector is vital: from 1997, the total volume of capital investment in agriculture quadrupled, as did foreign direct investments. There was a fundamental change in the way the sector was managed: before the 1998 crisis, any profits made were not, as a rule, invested in production, while today, profits are being reinvested as the confidence in the emerging growth is strengthened. This is testified by a sharp rise in agricultural machine-building – 150-200 per cent per annum in 1999 to 2000. The use of mineral fertilisers is gradually increasing. Productivity has started to grow (milk yield, gain in weight and egg-laying capacity, animal yield and the like). The number of loss-making units is falling. The banks are beginning to show an interest in crediting the agricultural sector.

The main factor behind the growth of foodstuffs output is the rise in the real incomes of the population, and in the near future this factor will continue to raise the demand for foodstuffs.

In 2000, Russia imported 25.4 per cent less foodstuffs and agricultural products than in 1998. Even during the period from 1990 to 1993, when the start of economic reforms and the break-up of the USSR and COMECON reduced Russia's trade with other countries, the

Figure 2.6. Agricultural production growth rate in 1985-2000



volumes of imported goods exceeded the 1999 level. The negative foreign trade balance in agricultural products and foodstuffs has been shrinking since 1998. On the other hand, the export-import balance for foodstuffs remains negative. According to preliminary data, the situation has improved for grain crops, flour and vegetable oil. There has been a certain rise in the export of dairy products. However, exports do not yet provide an impetus to a growth of domestic production. The absence of mass exports makes it impossible to assess the competitiveness of domestic produce, which is still protected on the home market by the relatively weak ruble.

In this situation, the demand for domestic foodstuffs will be determined in the short term by the correlation between the speed at which the ruble strengthens and the speed at which the competitiveness of Russian agricultural produce rises. The Government's protectionist policy, which will evidently be further strengthened in the near future, will undoubtedly play an important role.

Rural Generations

The rural population has fallen considerably over recent decades: it has decreased by 32 million since 1939 and about 10 million since 1970 (Table 2.1). The rural population now makes up about 27 per cent of the country's total population and the past decade saw no fundamental changes in the size of this share. At the very beginning of the 1990s,



Table 2.1

Distribution of the rural population by age group	1939	1970	2000
Rural population (millions)	72.1	49.3	39.5
Rural population in the age group (%):			
under productive age	42.6	34.0	23.0
productive age	47.9	48.0	54.1
above productive age	9.5	18.0	22.9
Total	100	100	100

there was a rise in both the absolute and the relative numbers of the rural population,² but subsequently this trend petered out.

Among generation trends, there is a marked drop in the share of the youngest generation under productive age in the rural population. This share has dropped by 20 per cent as compared to 1939 (Table 2.1). Such a trend leads to a rise in the proportion of the older generations and the current rural population is ageing rapidly. Firstly, the level of fertility in rural areas has been falling over the last decade more rapidly than in the cities. This is in keeping with the normal development of society: the level of fertility is falling in all developed countries, first in town, then – in the countryside. Secondly, apart from the low level of fertility, the migration of young people to the cities does not stop: according to surveys, up to 40 per cent of migrants from rural areas in the 1990s were under the age of 30.

As a result of these two trends, the countryside gets older. Today, the share of older people in rural areas is about 23 per cent, compared to 22 per cent in 1999. The share of the older generation in the towns today reaches almost 20 per cent; moreover ageing in the towns in the postreform period is proceeding faster: in 1989 the older generation constituted only 17 per cent of the urban population.

Slower aging of rural population is related to one more specific feature of rural demography – the traditionally (since the 1960s) higher mortality rate. In rural areas, the mortality rate is to a considerable extent connected with injuries, accidents, poisoning, i.e. factors

testifying to unfavourable social conditions. This, as a rule, is also responsible for the population's low level of motivation and its social immobility.

The demographic background to the agricultural reforms is thus the ageing, poorly motivated rural population, with its low potential for social mobility. As a result, many measures of agricultural reform, which have shown themselves to advantage in the countries of Eastern and Central Europe, have proved ineffective in Russia. Thus, the small size of the individual farming sector in Russia is determined by many factors of a political, economic and legal character, with the quality of human resource playing a major role. The reforms have taken place under specific demographic conditions, but they have also produced a certain impact on the social situation in rural areas. Some aspects of this impact are considered below.

Impact of Agrarian Reforms on the Social Situation in Rural Areas

Under the conditions of a market economy, a fall in demand and production leads to marginalisation of some areas that, in Soviet times, were engaged in agricultural production. In agricultural terms it means that the potential of these areas does not allow production there to make normal profits and, correspondingly, commercial agricultural production of a type will either quickly or slowly die out on these territories.

As Russia's economy grows, the people's real incomes will, of course, increase, and together with them, the demand for foodstuffs. However, first of all, the growth of real incomes will not in the near future be rapid enough to necessitate drawing marginal territories into production. Secondly, regions with comparatively high advantages in agricultural production will restructure production and raise efficiency by that time, so the growing demand may be satisfied by the main producers (not considering the possibility of a growth in imports). The conclusion may therefore be drawn that a substantial number



of Russia's regions will, over the coming decades, stay marginal with respect to agricultural production. This means that the rural population in these regions will be forced either to migrate or to reorient themselves on non-agricultural occupations. In the main, this applies to the northern parts of the country.

A contraction of commercial agricultural production has led to the emergence of the problem not only of "excessive" agricultural territories, but also of "excessive" manpower in the major agricultural regions. With the gross agricultural output falling by almost 50 per cent, the number of people employed in the sector grew somewhat in the initial phases of the reforms, rather than falling correspondingly.³

For all the unreliability of statistical accounting in this sphere, it may be stated that agricultural enterprises are not dismissing workers even when sales go down. This is reflected in the sharp fall in wages in agriculture in relation to the average for the economy as a whole.

The specific nature of Russian rural employment consists in it having been oriented for many years exclusively on agricultural production and related branches: other sources of employment have not existed in rural areas and still do not. As the real incomes of the rural population have fallen, there has been a decrease even in the number of jobs that were available – particularly in the services. For this reason, the managers of agricultural enterprises have been compelled to keep on surplus labour in order to maintain social peace in the rural community and to pay low wages that are an average between wages and an unemployment benefit for the surplus workers. Over time, however, the "mitigator" role played by agricultural enterprises is beginning to decrease, judging from the fall in agricultural employment.

Even when the number of jobs in traditional enterprises is cut, the people thus released see their subsistence farms as the main source of livelihood, al-

though the demand for agricultural produce is already limited. The subsistence farming does not, therefore, provide any substantial monetary income, being mainly a source of foodstuffs.

In agriculturally marginalised regions having other developed industries, the population goes to the enterprises in these branches. In regions where there are no such opportunities, however, there is a degradation of the living conditions of the rural population, since it is characterised by a low level of motivation and has no inclination toward entrepreneurship, while the subsistence farming and other informal earnings do not provide adequate source of income. Meanwhile, the social welfare services are so far undeveloped in the countryside.

* * *

One major strategic task of the agricultural reforms has been to raise the standard of living of the rural population. The human development shall be based on increasing the efficiency of agricultural production, but in the initial stages of reforms this led to a deterioration in the position of the rural population. This was exacerbated even further by the slowness of the reforms and their inconsistency. At the same time, the quality itself of the rural population constituted a brake on these reforms. As a result, the growth in the agricultural and food sector that began in 1999 will inevitably come up against the inadequacy of the rural population, will create marginal territories and will make whole strata of the rural population more and more marginal. Very prominent among trends in the generations are an ageing of the rural population and a sharp reduction in the share of young people.

A strong policy for rural development is needed, including measures to develop non-agricultural employment in rural areas and an agricultural infrastructure; to improve the system of rural education and the system for disseminating information in rural areas.





Notes

¹ Compare that indicator with other federative states: in the USA and Germany the share of regional support is not bigger than 10 per cent.

² There were numerous reasons for this growth. Firstly, there was a change in statistical categories of rural localities and villages, which increased the number of rural

population. Secondly, this period saw a massive flow of migrants from the former Soviet republics, which largely settled in rural areas. Thirdly, there was migration of city dwellers to the rural areas that always happens in the socially unstable periods.

³ Employment statistics are highly unreliable and their method dubious, however they can be used for the purpose of trend estimates.

Chapter 3

The Incomes and Employment of the Population

The years of radical reform of the Russian economy have been accompanied by a fall in the standard of living of the bulk of the population and a large-scale concentration of income and wealth in the hands of a relatively small section of society. At the same time, there has been a sharp expansion of the range of goods and services offered in the consumer market while broad sections of the population have extremely limited opportunities for consuming them. The parallel development of these processes in the 1990s was largely responsible for the contradictory subjective assessments of the social results of the reforms among different population groups. Equally ambiguous have been the assessments in scientific literature and the mass media. Overall, however, throughout the past decade, the existence of mass poverty and an abrupt narrowing down of the social safety net have been admitted by all, including the Government, as the most serious issues. Correspondingly, within the framework of the annual budget process and the medium-term programmes, various scenarios for social reforms have been drawn up. Unfortunately, they have not produced positive results and the August 1998 crisis led to a new drop in the standard of living.

At the same time, Russia has entered the new millennium amid an economic growth that began in the middle of 1999. The standard of living had also started to rise, and its indicators began to pick up in mid-1999; however, a rise in income and consumption was only registered in the annual figures for 2000 (Table 3.1).

As this data shows, even taking into account this year's growth trends, the level of income as a whole and of its main components – wages and pensions – will not exceed the 1997 indicators by the end of 2001, and will constitute only about 50 per cent of the 1990-1991 level.

At the same time, according to official data from the Russian Committee for Statistics (Goskomstat of Russia), in 2000 the expenditures of the population on goods and services stood at 78 per cent of the 1990 level, while the results for 2001 may reach about 86 per cent. The actual final consumption by the population, including in-kind consumption, the consumption of free and subsidised services, and net purchases of goods and services by residents abroad, reached the 1997 level in 2000 and in 2001 will virtually reach the 1990 level.

Thus, an extremely ambiguous overall assessment of the current standard of living in the Russian Federation follows from the official data: a quite moderate fall in consumer spending, engendered almost entirely by a drop in the expenditures on services corresponds to the 50 per cent drop in cash incomes compared with the pre-reform period. It is very important to eliminate this ambiguity in order to understand the tasks and possibilities for human development in Russia. For this purpose, the traditional statistical accounting of income and consumption should be adjusted (see Box 3.1 of the Annex). The calculations we have made also show that the expenditures on non-market educational and healthcare services constituted, in 2001, about 35 per cent of the 1991 level and no more than 66 per

Table 3.1

**The dynamics of income and consumption indicators for 1997-2001
(as % of 1997)**

Indicator	1997	1998	1999	2000	estimate for 2001
Money income	100	84	72.1	78.6	82.4
Average wages	100	87	67.9	82.0	97.3
Average pension	100	95	57.6	73.7	89.3
Retail trade turnover	100	97	89.2	97.2	106.9
Paid services	100	99	105.9	112.3	115.2
Actual final consumption	100	97.1	93.0	100.0	110



Box 3.1

In addition to the material in the *Human Development Report 1999* for the Russian Federation, it is essential to note the following: the primary source of income inequality data is household budget sample surveys. Official data on income inequality for the entire population, published by Goskomstat, are the result of special calculations, based on the information provided by household budget sample surveys and macroeconomic data on average per capita income. Correspondingly, the income inequality indicators (in this case the so-called income spread coefficient*) may be calculated on the basis of both data sources.

* The income spread coefficient shows the ratio between the average income of the richest 10 per cent of the population and the average income of the poorest 10 per cent of the population.

cent of that of 1997. Consequently, the social obligations assumed by the government kept falling during the 1990s even more quickly than the population's real money incomes.

Overall, taking into account the adjustments, the actual final consumption by the population in 2000 stood at 67 per cent of the 1991 level.

Finally, for a more precise description of welfare dynamics amid a substantial widening of the personal income gap (as happened in Russia in the 1990s), use should be made of the modal income indicator, i.e. the most frequent and typical income level for the bulk the population. The results of calculations based on official income distribution indicators, published by Goskomstat, show that its magnitude in 2000 was about 30 per cent of that in 1991. As demonstrated in the next section (and in previous *Human Development Reports*¹), official indicators of income inequality are most likely underestimated; that is why the 2000 modal income level was probably lower, too.

On the basis of the above, the conclusion may be drawn that problems of

restoring the level of income and consumption among the bulk of the population of Russia are still extremely acute, in spite of the positive shifts in 2000-2001.

Income Inequality

The scale of income inequality in modern Russian society is a most debatable issue (Box 3.1).

As Table 3.2 shows, the indicators of inequality cash income for the entire population of Russia are substantially lower than their values calculated from sample survey data. At the same time, the average level of money income is substantially higher than that derived from household budget surveys (HBS).

The lower level of income established by sample surveys is quite natural. Declasse elements, having absolutely no economically significant income, are naturally left out of the sample surveys as well as people with high or super-high incomes. It is the latter that cause (or, at least, should cause) the difference between the sample survey and macroeconomic estimates of average income. This is well known, as is the fact that the chosen aggregate must, for the above reasons, be more homogeneous than the population as a whole.

Therefore, the higher degree of income inequality found in the sample surveys than that among the population as a whole seems paradoxical. In any case, if it is a matter of population distribution according to nominal average per capita income (not adjusted, for example, for price differences between regions of the country), then such a correlation simply cannot exist.²

One possible approach to estimating the true scale of income inequality might be to take the following presumption as the basis: the HBS data, not allowing the average income level to be determined precisely, give a correct assessment of the most typical, i.e. modal income. The results of calculations in accordance with this method are presented in Table 3.3.³

Table 3.2

Money income and income inequality indicators in 1997-2000

Indicator	1997	1998	1999	2000
Average per capita income, rubles per month				
official data for entire population	933.8	998.9	1,577.5	2,112.0
HBS data	616.1	651.6	1,008.6	1,383.0
Income spread coefficient, times:				
entire population (official data)	13.5	13.8	14.0	13.7
calculated according to HBS rank interval	26	27	28	25



The results of our calculations show a substantially higher level of cash income inequality compared with the Goskomstat data. Correspondingly, the share of the population with income below the subsistence level is considerably higher than that given by the official data (Table 3.3). Thus, the rough income spread coefficient stood at 40 in 1997-2000, while the population with income below the subsistence level was roughly 50 per cent of the country's total. Moreover, in 1999, the rise in the share of poor people was virtually entirely due to a fall in the average level of cash income; in addition, income inequality increased somewhat in 2000.

The Population's Income Structure

The structure of the population's income has, during the reform years, undergone major changes, the main ones being a constant fall in the share of officially registered wages in total monetary incomes (Table 3.4). The share of hidden wages stabilised after 1995 at about 25 per cent of the total incomes. It should be noted that, over the last three years, a trend has been observed towards a rise in the share of official wages, though these changes have not been on any large scale.

In recent years, there has also been a gradual rise in the share of social transfers against a drop in the proportion of incomes from property and entrepreneurial activity. It should be kept in mind, however, that in 1991, the struc-

Table 3.3

Indicators of income inequality and the populations with income below the subsistence level* in 1997-2000 based on our calculations

Indicator	1997	1998	1999	2000
Income spread coefficient, times	38.3	38.7	38.8	41.2
Population with income below the subsistence level, million	66.1	67.7	70.4	72.4
<i>Information:</i> Population with income below the subsistence level according to Goskomstat data, million	30.7	34.3	42	36.5*

*To compare the data for all years, use was made of the subsistence level indicators determined in accordance with the method applied by the Russian Labour Ministry on October 11, 1992. The official indicator of the numbers of the population with income below the subsistence level, determined according to the new methods, was 44 million in 2000.

ture of income was largely distorted by the retail price reform, accompanied by household deposits compensation. This sum is included in this case in the property income category. If these compensation payments were not taken into account, the share of wages would be considerably higher, at about 75 per cent of monetary incomes. Thus, even with hidden wages taken into account, their overall share in the total income has fallen.

The size of hidden wages constitutes the difference between the total income and the amount of all types of income officially registered or specially estimated (it would be more correct to call it "hidden mixed incomes"). The amount of income from business activities is established mainly by evaluating incomes from hidden and informal economic activities, corresponding to the volume of sales by the population of goods on the markets and the volume

Table 3.4

The aggregate structure of monetary incomes of the population in Russia

	1991	1992	1995	1996	1997	1998	1999	2000	2001*
Total monetary income	100	100	100	100	100	100	100	100	100
<i>Including:</i>									
Wages	62.5	73.6	62.8	65.9	65.7	64.9	65.4	65.6	65.6
<i>Including:</i>									
officially registered	62.5	69.9	37.8	40.7	38.2	39.9	40.9	41.0	41.5
hidden	–	3.7	25	25.2	27.5	25	24.5	24.6	24.1
Social transfers	16.4	14	12.4	12.8	16.0	13.6	13.6	13.4	15.0
<i>Income from:</i>									
property	12.8	1.0	6.5	5.4	5.7	5.5	7.4	7.2	5.9
enterprise	4.1	8.2	16.4	13.6	13.0	14.2	12.7	12.6	12.0
Other incomes	4.2	2.7	1.2	1.1	0.6	1.8	0.9	1.2	1.7

*Estimates for the first six months.



Table 3.5

Indicators of wages and entrepreneurial income by decile income groups of the population in 2000
(author's calculations)

Decile income groups	I (with lowest income)	II	III	IV	V	VI	VII	VIII	IX	X (with highest income)
As % of income in the group:										
Amount of wages and entrepreneurial income	39.5	58.0	65.6	71.4	73.8	75.7	77.1	78.5	80.1	82.8
Inc: official wage fund	34.0	47.2	51.3	53.6	53.3	52.4	50.7	48.0	43.6	28.9
Taxes on individuals as % of the amount of wages and entrepreneurial income	9.1	9.1	9.0	8.8	8.6	8.4	8.1	7.7	6.9	4.6

of services rendered by individuals. Accordingly, the sum of these two types of income characterises the size of the population's "shadow" incomes, which in recent years has accounted for 36-37 per cent of total incomes.

Calculations have shown that the share of these shadow incomes is growing sharply among the top-income groups (Table 3.5). Thus, among the richest 10 per cent of the population, official wages accounted for only 28.9 per cent of income, while the share of total wages and entrepreneurial income made up 82.9 per cent; consequently, in this group, shadow income accounted for over 50 per cent of the total.

Correspondingly, the tax burden of the population with the highest income was approximately half of that borne by the poorest population.

How do population distribution by income and age group coincide? Let us look, first of all, at the grouping in terms of income size and age bracket. As the HBS data for 2000 show, the

male population aged 25 to 34 years possesses the highest average per capita income among the adult population (Table 3.6). At the same time, also characteristic of this group is the highest degree of income inequality compared with other groups.

The average income of the female population of this age is also relatively high, exceeded only in the 45-54 age group. Thus, although such a grouping reflects the forming of income within the family, too, even this testifies to a fundamentally different distribution of income on the generational level as compared to Soviet times, when the person achieved maximum prosperity at the age of 50 to 60. In our case, this pattern is maintained for women; the male population of this age group enjoys the second highest level of income.

The difference in the incomes of different generations can be analysed more precisely using data on their personal income. In this case, use was made of data from surveys carried out by the All-Russian Centre for Public Opinion and Marketing Research (VCIOM) averaged for 2000 and the first half of 2001 (Table 3.7).

As can be seen from the data presented, the share of the group between the ages of 30 and 39 grows rapidly as their personal income rises. This trend is less evident at the younger ages of 20-29 years. The shares of the other age groups fall as incomes rise, or a rise is replaced by a fall, as is characteristic of the 40-49 year group.

Analysis of the correlation between the average incomes of different age groups (Table 3.8) can provide an ad-

Table 3.6

Average per capita incomes by sex and age groups of the population in 2000, rubles per month

	Men	Women
Total	1,436	1,423
including by age group:		
16-19	1,184	1,192
20-24	1,330	1,324
25-34	1,702	1,523
35-44	1,378	1,452
45-54	1,672	1,753
55-59	1,500	1,515
60-69	1,148	1,134
70-79	990	1,072
80 and over	1,001	1,047





Table 3.7

The age structure of the working population by personal income levels in decile groups (in %)

Group by wage level	Age groups, years					
	16-24	24-29	30-39	40-49	50-59	60 and over
First (with lowest income)	22	9	24	23	14	9
Second	15	14	25	23	13	9
Third	16	11	24	25	14	11
Fourth	15	12	26	26	16	5
Fifth	13	13	27	24	19	4
Sixth	12	15	27	28	14	5
Seventh	11	14	30	26	15	3
Eighth	16	12	29	28	12	3
Ninth	10	15	33	27	13	2
Tenth (with highest income)	13	18	37	21	9	1

ditional characteristic of income distribution between the generations.

One major factor in this case is that the personal incomes of people in the 24-29 year group are consistently above the average in the five highest income groups, and in the tenth group the advantage enjoyed by workers of this age is particularly marked. Younger people (16-24 years) also have higher incomes in the two highest income groups.

This type of income distribution between the generations in society might be considered as a means for achieving an early rise in the population's economic activity, if it were accompanied by an adequate income level for people of older and retirement age and minimum wages and child allowances being at the subsistence level. Currently, however, the minimum wage (even after it was set at 400 rubles in 2001) is only about a quarter of the

subsistence level of a person of productive age, while child allowances are only a few per cent of this (Box 3.2). In addition, it should be kept in mind that today the highest incomes are gained primarily in the spheres of trade and finance, i.e. in the sphere of redistribution. Over the past decade, the main inflow of younger people has gone precisely into this sphere.

It may thus be stated that the significant income inequality in Russia is aggravated by the fact that the majority of high incomes are illegal; at the same time, in the basic economic sectors wages (official ones in particular) are extremely low.

This situation undoubtedly has serious negative consequences. Firstly, it discredits the idea of honest, highly intensive and productive labour. It is this differentiation and structure of income that causes the loss of a large proportion

Table 3.8

Different age groups personal income levels in relation to the average personal income in decile groups

Group by wage level	Age groups, years					
	16-24	24-29	30-39	40-49	50-59	60 and over
First (with lowest income)	90	117	103	101	97	102
Second	102	99	101	101	99	92
Third	100	98	98	101	101	104
Fourth	99	98	101	101	100	96
Fifth	99	102	100	100	99	99
Sixth	98	103	101	98	100	101
Seventh	98	100	101	100	99	102
Eighth	99	103	100	100	99	101
Ninth	102	102	99	100	101	95
Tenth (with highest income)	102	118	98	89	99	85



Box 3.2

The role of individual factors in poverty growth in Russia needs to be clearly perceived. About 50 per cent of the deficit of assets in poor households (i.e. the amount of money necessary for maintaining the average per capita income at the subsistence level) is a result of the wages and pensions of the recipients of these types of income being below the subsistence level. (Wages account for about 45 per cent of the overall deficit of assets, i.e. they are the main factor). About 10 per cent of the deficit is due to the fact that there are unemployed family members, and 40-45 per cent of the deficit of assets in poor households comes from child allowances being below the subsistence level.

of the most skilled workers by the previously leading sectors of industry and science in the country. Secondly, this situation undermines trust in the basic government institutions and makes the majority of the population reject even vitally necessary reforms. Third, it is representatives of the super-rich sections of society who smuggle capital out of Russia. Finally, under current conditions the survival of the bulk of the population is connected with the merciless exploitation of natural resources (forests, fish and other marine creatures, and the like).

Consequently, the most important task of government policy must be a radical transformation of the system of people's incomes that has formed in Russia (the structure of income and the means for obtaining it). It must be dovetailed with sustainable long-term economic growth based on human and physical capital reproduction and sound natural resources management.

The Structure of Expenditures and the Factors Behind Its Change

In the 1990s, there was a sharp drop in constant prices in the share of expenditures on services, while the share of expenditures on non-foodstuffs went up significantly (Table 3.9). There was also a relatively smaller rise in the share of expenditures on food and alcohol (in constant prices). At the same time, in current prices, 1992 stands out as a year in which the structure of expenditures changed sharply – the share of non-foodstuffs fell and that of food rose. Subsequently, the 1991 structure was, as it were, restored, after which the clearest trend was towards a rise in outlays on services. At the same time, the structure of expenditures in constant prices did not undergo any fundamental changes in 1992 and, in general, throughout the period under review, it changed virtually always in the one and same direction, irrespective of the rise or fall in income levels.

This change in the structure of consumer expenditures can be explained in precise terms. It occurred as a result of the joint impact of average per capita income dynamics, a changing price structure and a widening income gap.⁴

The fall in the average income level had the greatest influence on reducing demand for non-foodstuffs and alcohol. At the same time, it had a minimal effect on the level of expenditures on services because, even in 1991, a substantial proportion of them consist-

The 1991-1999 structure of consumer expenditures (in %)

Table 3.9

	1991	1992	1993	1994	1995	1996	1997	1998	1999
<i>In current prices</i>									
Foodstuffs	28.9	35.3	32.8	32.8	32.8	31.6	30.1	31.6	33.6
Non-foodstuffs	51.8	49.5	51.6	47.4	42.9	42.2	40.1	39.8	40.5
Alcohol	8.7	6.9	6.2	6.0	7.3	5.7	6.4	6.3	6.6
Services	10.6	8.4	9.5	13.8	16.9	20.4	23.4	22.4	19.4
Total	100	100	100	100	100	100	100	100	100
<i>In 1996 prices</i>									
Foodstuffs	23.1	23.4	29.0	31.9	31.3	31.6	31.8	32.3	31.0
Non-foodstuffs	26.8	31.4	33.5	39.3	40.8	42.2	41.8	40.8	39.3
Alcohol	3.4	3.0	4.3	5.5	7.2	5.7	5.7	5.7	6.1
Services	46.7	42.2	33.2	23.4	20.7	20.4	20.7	21.1	23.6
Total	100	100	100	100	100	100	100	100	100



ed of outlays on housing, children's preschool institutions and transport, which react little to income changes. Changes in the price structure led to a drop (though insignificant) in the demand for foodstuffs and played the main role in reducing the demand for services. At the same time, the drop in relative prices engendered a rise in the demand for non-foodstuffs and alcohol. Finally, the growth in income inequality reduced the demand for foodstuffs, alcohol and services, but at the same time jacked up that for non-foodstuffs. As a result, the substantial drop in the expenditures on foodstuffs, accompanied by a much smaller drop in non-foodstuffs spending, clearly contradicted the basic concepts concerning the rules governing the change in the structure of demand when real incomes go down.

A more precise picture of the changes in the structure of demand under the impact of separate factors is provided by the analysis of specific commodity groups. In particular, the calculations made show that roughly 50 per cent of the overall drop in purchases of meat and meat products in the 1990s was due to the widening income gap. On the other hand, greater income inequality led to the demand for cars rising by 70 per cent. This was because the demand for cars rather strongly depends on the level of income. The savings rate dynamics presented exactly the same picture. Right up until the 1998 crisis, the savings rate was quite high (substantially higher than in the 1980s). This is again in apparent contradiction with the report data on a substantial drop in real incomes in the 1990s. The basic truth is that the savings rate should have fallen. The fall in the savings rate engendered by the drop in real incomes was, however, fully surpassed by its increase owing to growing income inequality.⁵

Consideration of changes in income inequality is thus of critical importance for explaining shifts in the structure of consumer demand and the savings rates in the Russian economy after 1992. An increase in the expenditures on such tangible goods and services as cars, foreign tourism, property and the like ap-

pears totally natural under the falling average aggregate incomes of the population, if account is taken of the income gap and the visible changes in the structure of prices for individual goods and services. In this light, the quite common statements concerning positive trends in the dynamics of consumption, based on the "growth points" indicated above, prove groundless.

The Main Trends in the Labour Market

Throughout 2000 and 2001, the positive trends have taken root of the development of the labour market. These positive trends were noted first in 1999, in connection with the onset of the period of economic growth, accompanied by a rise in demand for manpower.

A certain drop in the economically active population (from 72.2 to 71.5 million) and the level of economic activity (from 65.5 to 64.8 per cent) in 2000 compared to 1999 occurred primarily at the expense of the younger age groups (below 24 years) and older people (Table 3.10). The biggest drop in the level of economic activity was registered in the age group of up to 20 years, which was apparently connected with the fact that young people were increasingly choosing to continue their education. The level of economic activity among the 30 to 45 year-olds, on the contrary, rose somewhat. These trends continued in 2001.

Table 3.10

The dynamics of economic activity, employment and unemployment

	1997*	1998*	1999**	2000**	2001***
Economically active population, million	68.1	66.7	72.2	71.5	70.6
Level of economic activity	62.3	61.0	65.5	64.8	64.0
Employed, million					
data from employment survey	60.0	57.9	63.1	64.5	64.6
official statistics	64.6	63.6	64.0	64.7	64.9
Level of employment	54.9	52.9	57.2	58.4	58.5
Unemployed, million	8.1	8.9	9.1	7.0	6.1
Level of unemployment	11.8	13.3	12.6	9.8	8.6
Registered unemployed, million	2.0	1.9	1.3	1.0	1.0
Level of registered unemployment	2.2	2.6	1.7	1.4	1.4

* October
 ** November
 *** May



At the same time, the rise in the numbers of employed and the level of employment continued. According to official statistics, the level of employment increased, compared to the previous year, by 0.4 million in 1999 and 0.7 million in 2000.⁶

The sector structure of employment has undergone substantial change: the share of agriculture has shrunk somewhat (from 10.4 to 9 per cent), while that of the industrial sector has grown (from 32.6 to 34.2 per cent), against a steady 58 per cent for the services sphere. The share of young people (up to the age of 35) in the agricultural sector was 19.2 per cent, in industry – 21.5 per cent and in the services sector it varied from 9.4 per cent in science to 32.4 per cent in trade and 34.1 per cent in management; 14.5 per cent of those employed in science and related services were 65 years old or over.

The low level of income from hired labour in the formal economy prompts people to work longer hours than they are supposed to and, if possible, to seek additional employment and other sources of livelihood. Analysis of the distribution of those employed according to actual time worked at their main places of work shows that about 15 per cent work more than the 40 hours a week established by the Labour Code.

The opportunities for additional employment are not great. According to a Goskomstat employment survey, in November 2000, only 1.1 million people (1.7 per cent) had an additional job, while 3.3 million (5.3 per cent) were actively seeking one. According to VCI-OM data, secondary employment is more widespread. In July 2001, 3.4 per cent of those employed were working at an additional job on a regular basis, and another 9.5 per cent from time to time. In comparison with the pre-crisis year of 1997, the share of those with additional jobs rose by 1.2 per cent. It is important that, in most cases, additional jobs are not formal: from 1997 to 2001, the share of those working at additional jobs on an informal basis increased from 65.2 to 76.7 per cent.

Secondary employment is most typical among young people under 29 years

old, more than 20 per cent of whom have a second job, though in most cases (17.1 per cent of this age group) this is casual employment. The older generation are least likely to have second jobs: among people of 50 years or over, the share of those with regular second jobs is only 1.4 per cent and with occasional second jobs – 5.3 per cent.

In Russia, work on countryside allotments, which accounts for a substantial part of the total fund of working time, is a source of income of equal importance to second jobs in the market sector of the economy. As a consequence of the seasonal nature of production, work on these plots increases substantially in the spring and summer period. According to Goskomstat employment surveys, in May 2000, 6.1 million people (in November 4.5 million) were engaged in agricultural production for sale and 22.2 million (in November – 8.4 million) for personal consumption. The corresponding figures for 1999 were 5.7 (4.8) million and 22.6 (10.1) million.

On the one hand, the opportunities offered by personal subsidiary plots for additional work and income are a vital factor of social mitigation in a situation where the formal system of social protection is unable to guarantee adequate support for the vulnerable sections of the population. On the other hand, the wide spread of this kind of work in many cases indicates that there are insufficient opportunities for more productive labour and the high potential of manpower is not being used to the full. In this case, it is a kind of latent underemployment. It is not by chance that the age structure of those engaged in personal subsidiary farming is characterised by a relatively high share of youngsters under 20 years old and older people, i.e. the age brackets most vulnerable from the viewpoint of labour market requirements.

In 2000, the GDP continued to grow faster than employment. In 1999 and 2000, for every 1 per cent increment in the GDP, there was a 0.34 per cent and 0.21 per cent increase in the rate of employment, respectively. This testifies to latent unemployment within





enterprises being gradually dissolved. This is also confirmed by the dynamics of latent sectoral unemployment, studied by Goskomstat (Box 3.3).

Admitting the need to include the relevant indicators in regular statistical reports, Goskomstat of Russia introduced in 1999 the form "Information on wage arrears," which includes the indicator "Numbers of payroll and non-payroll employees to whom the organisation owes wages as of the 1st day of each month." According to these data, throughout 2000, the number of those to whom back wages were due fell almost by a third (31 per cent) and, at the beginning of 2001, stood at 9.1 million. Even so, more than 20 per cent of workers still do not receive their wages on time, and in the coal industry and agriculture, they constitute over 60 per cent. The rate of latent unemployment connected with non-payment of wages is still one of the key parameters determining the position of workers on the Russian labour market.

In 2000, a decrease in total unemployment and in the number of officially registered unemployed was observed for the first time. In 1999, economic recovery led primarily to a drop in latent unemployment, but the main trend (adjusted for the shock increase in unemployment at the beginning of the year) was towards a simultaneous rise in both employment and unemployment. By November 2000, however, the numbers of unemployed had dropped for the first time to 7 million, which was 1 million fewer than in pre-crisis 1997.

The improvement in the labour market situation is reflected in the public mood. The prospects for a further drop in unemployment are still assessed quite pessimistically. According to a VCIOM survey, fewer than 10 per cent of the population believe that the level of unemployment will fall over the coming year, while about 50 per cent of those surveyed think that unemployment will remain unchanged and about a quarter (23.8 per cent) predict an increase. Even so, the share of those concerned about losing their jobs in connection

Box 3.3

According to report data of large and medium-sized businesses, the share of employees compelled to take leave on the initiative of the management reached its peak in 1996 (15.8 per cent of the average payroll), after which it gradually decreased to 5.2 per cent in 2000. The same is true of those working shorter working hours on the initiative of the management: their share peaked at 7.2 per cent at the end of 1996 and had fallen to 1.3 per cent by 2000. During the first six months of 2001, the number of those on forced leave at the management's initiative decreased by 4.5 per cent, compared to the same period in 2000, while that of those working shorter working hours—by 26 per cent. The share of employees on unpaid forced leave has regularly topped 40 per cent.

It is important that whereas in 1997-1998, the drop in the scale of this form of concealed unemployment was to a considerable extent connected with the sharp growth in its other form – work without pay, in subsequent periods the practice of using unpaid labour has also fallen. The peak of wage debts of enterprises and organisations was registered as of October 1, 1998 (88.1 billion rubles), after which it began gradually to fall.

with redundancies or bankruptcies of enterprises dropped from 18.3 per cent in November 1997 to 16.4 per cent in January 2000 and 11.9 per cent in July 2001. Within the hierarchy of the most worrying social problems, the rise in unemployment had dropped to fifth place by July 2001 having occupied first place in February 1998 and second place in early 2000.

In 1999-2000, a drop in the level of unemployment was observed in all age groups (Table 3.11).

The highest level of unemployment is found among young people under 20 years of age. Groups of young people from 20 to 24, embracing most graduates of higher and specialised secondary educational institutions, also hold unstable positions on the labour market. Let us recall that in the groups with the highest wages (the 9th and 10th groups in Table 3.8), young people between the ages of 16 and 24 also have either the highest or the second highest incomes. The combination of these two factors shows how great the polarisation of living standards is among the younger age groups. It should be added that adaptation of unemployed 20-24 year-olds to the labour market is of particular strategic importance, since the lion's share of those entering the labour market for the first time and just entering on their careers is concentrated here.





Table 3.11

The dynamics of the level of unemployment by age group from 1992 to 2000

Years	Level of unemployment by age group:									
	under 20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-72
1992	20.4	9.7	5.5	4.1	3.6	3.1	3.1	2.9	3.8	5.6
1993	21.1	10.6	6.7	5.3	4.5	4.0	3.8	3.2	3.7	4.5
1994	26.5	12.8	9.2	8.0	6.7	6.3	5.4	5.2	5.3	4.9
1995	28.7	15.3	11.4	9.2	8.2	7.0	6.5	5.8	5.7	5.2
1996	31.7	15.6	10.5	9.8	8.3	7.5	6.9	6.2	6.4	5.7
1997	41.4	18.9	12.7	11.7	11.0	9.3	8.3	7.7	8.1	6.9
1998	46.3	22.5	14.2	12.9	12.1	10.7	9.6	8.8	8.8	8.7
1999	36.5	20.9	14.0	13.1	12.0	10.3	10.0	9.3	10.0	10.7
2000	35.1	16.6	10.7	9.6	9.4	8.6	7.3	6.2	8.5	8.0

As a result, the long-term consequences of unemployment in this category of the labour force may be most detrimental for maintaining and developing the country's labour potential. So, there exists a particular problem of ensuring a certain degree of social homogeneity among young people, as a necessary precondition for a sustainable development of the Russian economy.

Until recently, the lowest level of unemployment and its slowest growth rate were characteristic of the older generation (50 years and above). The average period of unemployment (except for among the age group of 60 to 72) and the share of people unemployed for more than a year are even somewhat lower here than for middle aged groups. The reasons for this are both a natural reduction in the economic activity level and the low requirements of unemployed, making it easier for many to find low-paid work, including in the informal sector of the economy. Over the last two years, the problem of unemployment has become somewhat more acute for older people. This is probably due to some unemployed who had despaired of finding a job returning to the labour market under the impact of a definite revival of the economy. This assumption is supported by a sharp rise in the economic activity among this category of the population.

One serious problem is the long duration of unemployment. Russian experience again confirms the observation that long-term unemployment,

which grows rapidly during a recession, is dissolved only very slowly as the economic situation improves: the drop in the absolute figures of the unemployed and the level of unemployment in 2000 had virtually no impact on its duration. According to Goskomstat data, the average time spent seeking a job (continuing unemployment) was consistently over 9 months during the last three years. Moreover, the group of the unemployed seeking work more than six months became the predominant one, comprising over 60 per cent of all the jobless; more than 40 per cent had been seeking work for over a year. The duration of unemployment increases in line with the age group from 5.8 months in the youngest group to 11.3 months in the oldest.

Even so, over the last 2 years, workers have become more optimistic about the prospects of finding a job. According to VCIOM, the share of those who believe that they would be able to find another job in their own profession in the event of losing their job was 44.5 per cent in November 1997 and 43.8 per cent at the beginning of 2000, and increased 56.2 per cent in July 2001. Among the unemployed, the share of those hoping to find a suitable job in the near future is somewhat smaller – 51.8 per cent. At the same time, whereas the share of people under the age of 50 who are sure of finding work is over 60 per cent, among those of the older generation, it is only half this.

By the middle of 2001, the share had also risen of people preferring the



status of officially registered unemployed to formal employment at an idling enterprise. Yet 43.3 per cent (in 1997 – 51.4 per cent) still choose to keep their jobs on any terms.

Over the last two years, there has been a change in the ratio of registered and overall unemployment. Whereas the clear trend on the labour market in Russia in the second half of the 1990s was a steady drop in registered unemployment and a rise in total unemployment (by 1999, the gap between overall and registered unemployment was already sevenfold), during 2000-2001, the dynamics of overall unemployment reversed while registered unemployment stabilised, as a result of which the indicators drew somewhat closer together. It is still early, however, to speak of registered unemployment approaching the overall level. Government influence on the key element of the labour market – the employment sphere – is still weak.

* * *

In 2000-2001, a significant rise in income and consumption of the Russian population was achieved. At the same time, this only restored the 1997 level, which cannot be considered sufficient at all. A further growth in the welfare of the broad strata of the population may be linked only to economic growth in general, the main tasks in this being a reduction in the socioeconomic differentiation of the population and a restructuring of incomes, meaning a radical increase in the share of official wages in the total sum.

The minimum wage cannot be brought up to the subsistence level of the able-bodied population exclusively by means of social policy proper. In production sector industries (that are not natural monopolies), the fulfilment of this task is hampered by the established structure of production costs with a great share of outlays on fuel, energy, transport and sales. The possibilities for a growth of wages depend, therefore, on streamlining the system of prices and tariffs, regulated by the government, as

well as the rules for forming trade mark-ups, the level of which can be regulated by market methods as well.

An increase in the minimum wages in budget-supported organisations and raising the size of child allowances to the corresponding subsistence level runs counter to the general principles of the Government's budget policy. The capacities in the Russian economy are substantially underloaded and this fact seems to be largely underestimated. Under these conditions, the growth of government spending may promote a significantly greater rise in the GDP (the well-known multiplier effect). As a result, as the growth in the level of production takes place, so there will be additional budget revenues.⁷

A decrease in income inequality to a socially acceptable level is connected with implementation of measures to disclose the full range of taxable incomes. In this, it would be advisable to modify the current tax scale by raising taxation of people with higher income while making income (part of income) below the subsistence level tax exempt. This would make it possible to maintain the tax revenues at the current level, with real differentiation of tax rates according to income. A substantial tax on the property of individuals should also be introduced.

Over the last two years, there has been a consolidation of the positive trends in the development of the labour market, which coincided with the beginning of economic growth, accompanied by a rise in the demand for manpower. The small fall in the numbers of the economically active population and the small fall in economic activity occurred primarily in the younger age groups (under 24 years) and the older age groups. There exists a particular problem in ensuring a certain level of social homogeneity among young people, as a necessary precondition for stable development of the Russian economy. One serious problem is the long duration of unemployment. The government should enhance its influence on the key element of the labour market – employment.



Notes

¹ Human Development Report 1999. Russian Federation, pp. 46, 64.

² In household budget surveys, the grouping by welfare level is done in two ways: by interval (arranged in accordance with income growth), and by decile groups of the population.

³ This calculation method is given in the article "Problems of Analysing Income Inequality and Constructing a Differentiated Balance of the Population's Incomes and Expenditures," *Problemy prognozirovaniya*, No. 1, 2001.

⁴ For detailed account see A. Suvorov, *The Population's Incomes and Consumption: Macroeconomic Analysis and Forecasting*, MAKS Press, Moscow, 2001 (in Russian).

⁵ According to our calculations, the income elasticity of the demand for cars is about 100 per cent, while that of savings is 120 per cent. This means that a one per cent increase in income boosts the demand for cars by about 2 per cent, and savings, by 2.2 per cent.

⁶ Due to the change of the calculation method, the data on the number of the employed obtained from employment surveys for 1999 onwards are not fully compatible with the data for earlier years.

⁷ The need and possibility for the government, among others actors, to invigorate final demand is thoroughly substantiated in the draft strategy for the country's economic development, drawn up by an expert team under V. Ishayev and submitted to the State Council of the Russian Federation in 2000.



Chapter 4

The Health of the Generations

The main problem of demographic development that has pursued Russia into the 21st century is a transition to a depopulation regime of reproduction on a nationwide scale. Certain positive trends in the demographic situation that appeared from 1995 to 1998 were replaced in 1999 by a rise in the population's mortality and a drop in life expectancy. Among the positive trends in 2000 is an infant mortality decline to 15.3 per cent and a rise in the fertility rate by 52,100 (or by 4.8 per cent). One in four children was born out of wedlock. Against the backdrop of the low fertility rate, there still is the problem of a high rate of abortions in the country: in 2000, about 2 million abortions were registered, which is 80 per cent more than the number of births.

The high mortality rate among the population remains the chief problem in medico-demographic development in Russia. In 2000, the number of deaths went up by 236,600 (11.3 per cent) on the 1998 figure to reach 2.2 million. This rise occurred in virtually all the main classes of causes of death. During the period from 1998 to 2000, the rise in mortality resulting from social factors is also noted:

- from infectious and parasitic diseases – by 31.6 per cent, including from tuberculosis (TB) – by 33.8 per cent;
- from respiratory diseases – by 23.3 per cent;
- from gastro-intestinal diseases – by 17.1 per cent;
- from external factors: accidents, poisoning and injury – by 17.3 per cent;
- from murder – by 23 per cent;
- road traffic accidents – by 18.7 per cent;
- accidental alcoholic poisoning – by 44.4 per cent.

The main increment in mortality was among people of productive age. The average life expectancy in 1998-2000 dropped for the entire population from 67.3 to 65.3, for men from 61.3 to 59.0, and for women from 72.9 to 72.2 years.

There is a huge and widening gap between the average life expectancies of men and women: it is over 13 years, which is unique for the demographic situation in the world (Box 4.1 of the Annex).

The following causes of death are responsible for more than 90 per cent of the loss of the manpower in Russia in 2000:

- injury and poisoning (46.7 per cent);
- circulatory disorders (10.1 per cent) and disorders of the perinatal period (8.6 per cent);
- tumours (7.2 per cent);
- congenital defects (6.4 per cent);
- respiratory diseases (5.4 per cent);
- infectious and parasitic diseases (4.6 per cent).

Against the backdrop of negative demographic processes and Russian population decline, there is also a deterioration in human health status. Over the last five years, the overall morbidity rate increased by 15 per cent for virtually all classes of disease.

Particularly worrying are the stable negative dynamics of health indicators for children and adolescents for all classes of disease that form chronic diseases. From 1993 onwards, the following diseases began to be registered among children, with a subsequent steady growth by 2000: alcoholism – 2.2-fold; substance abuse – 3-fold; drug abuse – 20-fold; syphilis – 65-fold. Among 15–17 year-old adolescents, over the same period, statistically registered alcoholism rose by 6.8 per cent, drug abuse – 8.9-fold, syphilis – 30-fold. Among 9–11-grade schoolchildren, 70 per cent consume alcohol (11 per cent of whom constitute an at-risk group), 40 per cent smoke, and 6-10 per cent have tried drugs at least once.

From 1990 to 2000, there was more than a 100-fold increase in the incidence of sexually transmitted diseases (STD) among girls under the age of 14. This is explained by their engaging in sexual



relations at an early age and their involvement in prostitution.

The negative trend in the mental health of children and adolescents continued in 2000. Within the structure of mental pathologies among children up to the age of 14, 56 per cent are registered as suffering from non-psychotic disorders, 31 per cent from mental retardation and 3 per cent from psychoses.

In 2000, 39.5 million infectious disease cases were registered. Among the multitude of problems linked with this class of diseases, particular mention should be made of the extremely acute situation that has arisen owing to a steep rise in the incidence of TB, HIV/AIDS and sexually transmitted diseases.

The Rising Threat of TB

The rising tide of TB that began to spread in Russia in the early 1990s, keeps swelling rapidly. The Russian Federation is among the 22 countries of the world in which 80 per cent of new cases of TB have been diagnosed. In 2000, the number of newly diagnosed TB cases was about 160 per cent up on the 1991 figure, and the rate stood at over 90 cases per 100,000 population (Figure 4.1).

The maximum incidence of TB is registered in the 25-34 age group (155 cases per 100,000), among both men and women (70.5). The overall incidence of the disease among men is 3.8-fold higher than among women (139 and 37.8 cases per 100,000, respectively). In all age groups, the share of male cases is over 50 per cent, with the exception of the 7-14 age group, in which the share

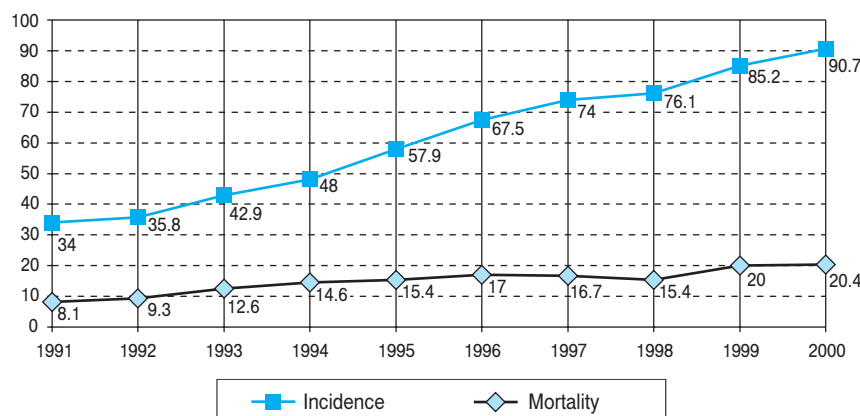
of women is 51.6 per cent. Among the total number of cases, 96.1 per cent suffer from TB of the respiratory organs. In 1992, the difference between the incidence of TB among men and women was less: in 1992 the incidence among men was only 160 per cent higher than among women. This may be explained by the fact that socially disadvantaged people (homeless, drug addicts, alcoholics, former prisoners, unemployed and so on), whose risk of developing TB is particularly high, are encountered more frequently among the male population.

Among the federal districts, the high incidence of TB per 100,000 of the population was noted, in 2000, in the Siberian, Far Eastern and Urals federal districts – 126.4, 116.0 and 110.1 cases, respectively (Figure 4.2). A higher incidence of TB than the average for Russia as a whole is found in the Maritime, Khabarovsk, Krasnoyarsk and Stavropol territories. The indicators in the Kemerovo, Tyumen, Novosibirsk, Irkutsk and Perm regions are more than 50 per cent higher than Russia's average. TB is widespread in the national autonomous areas. In 7 out of the 10 national autonomous areas, the incidence of TB is higher than the average for Russia and the situation in the Koryak and Ust-Ordynsky areas is the worst.

The incidence of TB among the child population started rising in 1989, when 2,497 children were registered with the disease. The incidence rate stood at 7.5 cases per 100,000 child population and by 2000 had risen to 17.9 per 100,000, or more than 2.5-fold (Figure 4.3). In 2000, among the children suffering from tuberculous meningitis, 72.5 per cent were in the 0-6 age group and 27.5 per cent between the ages of 7 and 14. Tuberculous meningitis in children was usually registered when they had been in contact with sputum-positive cases or social risk group members not vaccinated against TB. The highest TB incidence is observed in the 3-6 years-old group, which means that healthcare bodies should step up preventive measures with regard to this group. The growing incidence of TB among children and adolescents registered for case follow-up as belonging to at-risk groups should be noted.

Over recent years, the incidence of TB resulting from contacts with sputum-

Figure 4.1. TB in Russia in the period from 1991 to 2000 (incidence and mortality per 100,000 population)



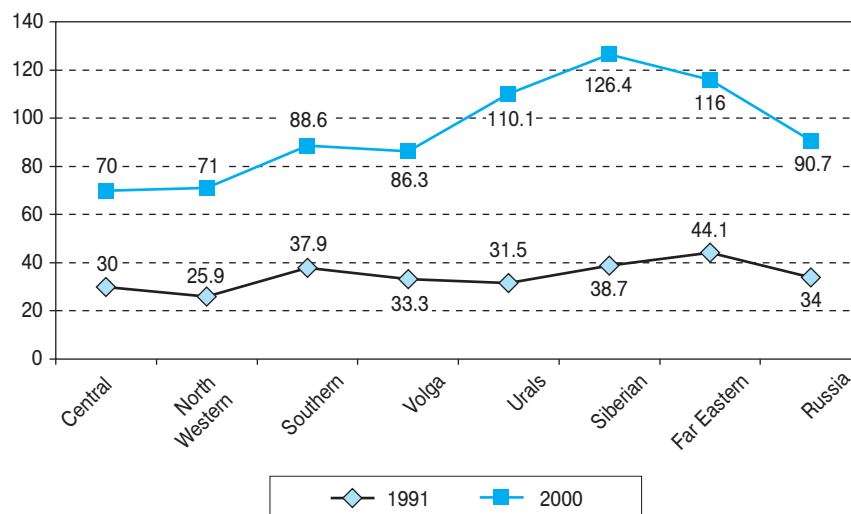
positive cases has more than doubled. In 2000, there were 865.4 such cases per 100,000 contacts as against 402.2 in 1991, which testifies to inadequate work in foci of TB infection. Patients with active TB are nowadays rarely moved out of hostels and communal apartments with a large number of residents, nor are they allocated separate rooms or apartments, which promotes the spread of TB in society and enhances the risk of infecting others.

The TB mortality rate has also risen more than 2.5-fold and, in 2000, stood at 20.4 per 100,000 population, which is the highest in Europe. The proportion of deaths among newly diagnosed cases is rising by the year, and reached 18.2 per cent of all deaths from TB in 2000. This is connected with late diagnosis and the appearance of severe progressing forms of the disease, which were observed in the country only in the postwar years.

The efficacy of the treatment of newly diagnosed and follow-up cases decreased.

All the above have led to a substantial increase in the pool of TB infection, which at the moment consists of over 120,000 sputum-positive cases in the country as a whole. Moreover, 11 per cent of the infected people excrete multi-drug-resistant mycobacteria. About 50 per cent of the active TB cases are socially disadapted people, who create serious difficulties in organising their ex-

Figure 4.2. TB incidence by Russian Federation federal districts (2000 versus 1991 per 100,000 population)

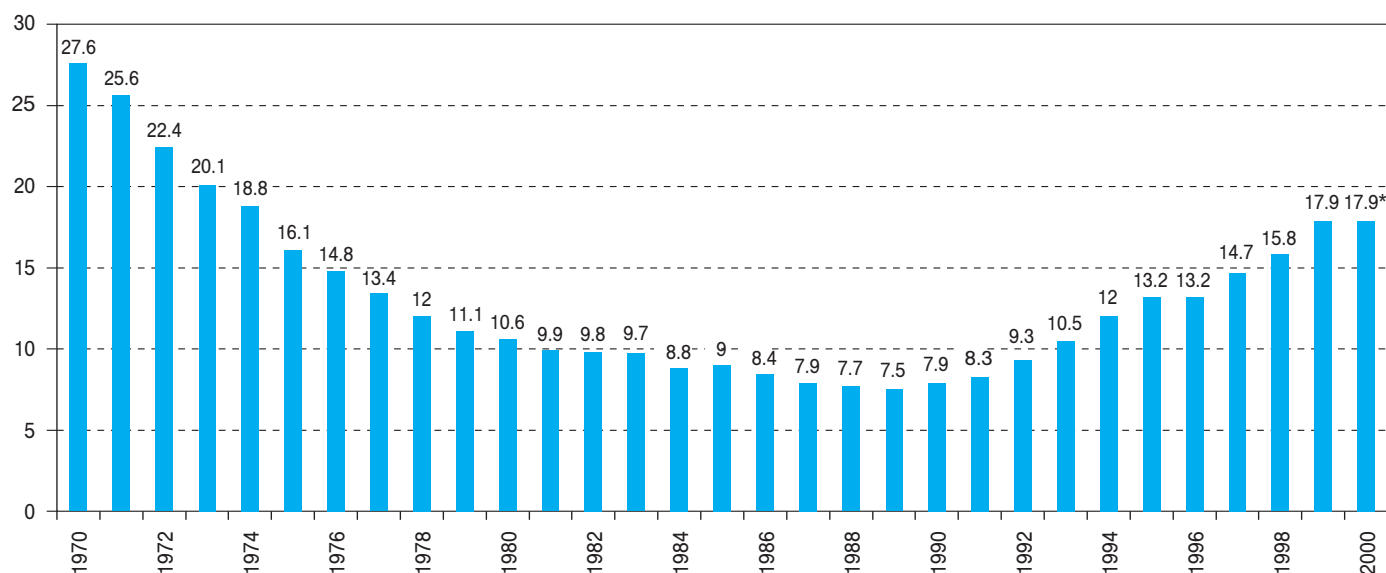


amination and treatment, since they often refuse to cooperate.

There are many reasons for the spread of TB, but among them note should be made of the change in the socioeconomic conditions in the country and the economic crisis of the 1990s, as a result of which there was a sharp drop in the people's standard of living and a cut in the financing of healthcare, including TB control activities.

The TB situation is even worse in penal institutions: TB incidence and mortality among prisoners are dozens of times higher than in civilian establishments. The share of newly diagnosed TB cases in penal institutions in 2000 was

Figure 4.3. TB incidence among children in Russia (per 100,000 child population)



* 2000 data are preliminary.



21.9 per cent of the total numbers first registered in the Russian Federation. Most frequently, TB is registered in penal institutions both among men and among women of the younger age group (18-44 years) and, as a rule, among those imprisoned more than once.

The deterioration in the TB situation in the country is also exacerbated by the decrease in the number of measures taken for the prevention, early diagnosis and elimination of foci of TB infection. Control over the holding of TB prevention measures by national sanitary and epidemiological control centres has weakened.

TB Control Activities

In recent years the TB control strategy and tactics have been revised owing to the growth of the incidence of tuberculosis and TB mortality, and the disability and major economic loss it causes. The Government of the Russian Federation and the Ministry of Public Health have adopted a number of important directive documents designed to stabilise the TB epidemic situation in Russia. The Russian Federation Government Resolution No. 582, of June 11, 1998, approved a Federal Target Programme of Urgent Measures for TB Control in Russia in 1998-2004. A special order has been issued and an Inter-agency Commission set up; in 2001, an Office for the Federal Target Programme was established. The progress of the Programme is discussed annually at a collegium of the Ministry of Public Health, with the participation of representatives from other departments. The Academic Council of Russia's Ministry of Public Health has confirmed "The conception of the national programme for anti-TB assistance to the population of the Russian Federation", which regulates the main principles and activities of TB control.

The Ministry of Public Health of the Russian Federation focuses on fulfilment of programme measures to strengthen logistic support for TB services, provide them with medicines and equipment for TB prevention and treatment. The efforts were stepped up in this direction in 1999-2001 and helped improve the financing of the Programme.

The attention paid by the Russian Federation Government to the TB control problem and its stable financing has been of tremendous significance in helping step up this work in the regions. At present, a 6-12 month stock of first-line anti-TB drugs has been accumulated in the constituent members of the Russian Federation.

Currently, more than 3 million people in the world die every year of TB, which is substantially more than of all the other infectious diseases together. In 1993, the WHO declared that tuberculosis constituted a global problem for all humanity and recommended introducing a more rational TB control strategy. The WHO strategy was drawn up on the basis of the experience of many countries as an anti-epidemic measure for fighting the spread of infectious forms of tuberculosis (Box 4.1, Box 4.2).

Experience of the implementation of the WHO recommendations in pilot regions of Russia, carried out under the guidance of the WHO and with the active assistance of the Ministry of Public Health of the Russian Federation, the Central TB Research Institute (CTRI) of the Russian Academy of Medical Sciences and with sponsorship from non-governmental organisations of a number of countries (Great Britain, the United States, Finland, Norway, Sweden, Germany and Austria), has made it possible to draw certain conclusions and to use this experience for increasing the effectiveness of the programmes that will be implemented in Russia. In implementing WHO recommendations, the following general provisions were determined:

- firstly, though WHO recommendations appeared to be quite simple for TB diagnosing, treating, recording, reporting and supervising, expenditure of considerable organisational efforts and time was required for training personnel and for re-equipping laboratories;
- secondly, the bacteriological diagnosis of pulmonary TB, especially its infectious forms, has risen substantially. The disclosure of sputum positivity by the method of simple bacterioscopy in clinical diagnostic laboratories at general healthcare institutions in the regions has risen by 52-70 per cent;





- thirdly, treatment efficacy (cured/treatment completed) indicators in the regions where the WHO recommendations were implemented, have not reached the planned level of 85 per cent. There are two reasons for this: the impossibility of ensuring directly observed treatment of cases and the level of drug resistance of TB mycobacteria. The number of unfavourable outcomes (death, failure, relapse) stands at about 20-25 per cent, which is double the target indicator. It has proved particularly difficult to carry out directly observed treatment at the outpatient stage and without the participation of primary healthcare units. This work has proved difficult to carry out, so Russian Red Cross nurses and general health units have been involved in directly observed treatment in regions. A system has been introduced of incentives to patients who regularly visit treatment institutions (reimbursement of transport costs for travelling to the treatment institutions, packs of foodstuffs and personal care items), and treatment at home has been organised. All this has made it possible to reduce the number of cases defaulting treatment to single figures;

- fourthly, a major component in the implementation of the programme is a regular supply of drugs for treating newly diagnosed cases and for reserve stocks. At the present time, an expanded programme has been introduced into civil and penitentiary medical institutions in the Tomsk Region for controlling TB, i.e. for treating patients with multidrug resistance. Preparatory work is under way for implementing similar programmes in the Ivanovo and Orel regions both in penitentiaries and civil medical institutions;

- fifthly, successful implementation of the programme is impossible without thorough quarterly monitoring of all its components: case-finding, diagnosis and treatment of the disease.

Measures to prevent the spread of TB as pursued by the Ministry of Health of Russia, health authorities of the regions of the Russian Federation, and healthcare establishments have led to an insignificant reduction in incidence rates from 90.7 per 100,000 population in 2000 to 87.3 in 2001, and in death rate indicators from 20.4 to 18.3 per 100,000 population, and a radical improvement is yet to be achieved.

Box 4.1

The establishment of the Office of the Special Representative of the WHO Director-General in Russia and the appointment of the TB Programme Coordinator in the Russian Federation were of great importance for integrating efforts of Russian and international experts and organisations to fight TB and HIV/AIDS. Establishment of a High Level Working Group (HLWG) on TB in the Russian Federation initiated by the Russian Ministry of Health and the WHO in 1999 was also a significant event.

The main objective of the HLWG is to develop recommendations on TB control strategy and tactics in the Russian Federation. The consultations and discussions held by Russian and international experts within the framework of different Thematic Working Groups (TWGs) serve as a basis of these recommendations, which, upon approval by all the participants, are taken into account by the Ministry of Health of the Russian Federation when drawing up new Orders (Prikazy) on TB control. The established TWGs are presently working on the following main aspects:

- TB surveillance;
- laboratory diagnostics of tuberculosis;
- diagnostics, treatment and drug-resistant tuberculosis;
- TB in prisons;
- TB and HIV/AIDS;
- child TB;
- X-ray methods of TB detection and diagnostics, etc.

Following the Washington Commitment recommendations and by HLWG decision a TWG was set up to draw up a five-year plan for the "Provision of Guaranteed Diagnostic and Treatment Procedures for Tuberculosis Patients and the Development of a Tuberculosis Service in Russia". The main points of the plan have been considered and approved by the HLWG members.

The reasons for this state of affairs are not only insufficient financing of anti-TB measures and participation in them of general healthcare establishments. The principal factors are a decline in the living standards, reduction in social welfare support, a surge in poverty levels, and an inadequate amount of preventative measures.

In order to strengthen TB control activities in the country, on May 24,

Box 4.2

In a number of regions and republics of the Russian Federation the WHO TB control strategy has been introduced since 1994. This strategy has been adapted to local conditions and consists of diagnosing infectious cases from among people who demonstrate symptoms suggestive of pulmonary TB and of organising directly observed treatment. The WHO recommendations have now been adapted to local conditions and introduced in 22 constituent members of the Russian Federation in civilian and penitentiary medical institutions. The experience of implementing the programmes, based on the WHO recommendations, has proved highly effective. The percentage of people suffering from pulmonary TB with bacteriological confirmation of the diagnosis has risen to 75-80 per cent (against an average figure for Russia of 38.5 per cent) and the treatment of newly diagnosed cases has become more effective. Preparatory work is now under way for introducing the WHO recommendations in another 4 constituent members of the Russian Federation.





2001, the State Duma of the Russian Federation passed a law "On preventing the spread of TB in the Russian Federation". The law was approved by the Council of the Federation and signed by the President of Russia on June 18, 2001 (No. 77-FZ). The law stresses that the provision of anti-TB care to patients is guaranteed by the government and carried out on the basis of the principles of lawfulness, observance of human and civil rights, that it is free and available to all. The Government of the Russian Federation passed a resolution on enforcement of the law, which establishes the procedure and timetable for regular medical examination for TB, the procedure for dispensary follow-up of TB cases and determining temporary disability and the procedure for official statistical monitoring prevention activities of TB.

Although TB control is one of the priorities for healthcare authorities and institutions, it will not be effective enough without strong commitment from the legislative and executive authorities of the administrative units of the Russian Federation, especially in solving social problems. The measures to prevent the spread of TB require additional finances for boosting material and technical support for TB institutions and for other treatment-preventative establishments. These additional finances are needed to re-equip the centres, especially with new diagnostic apparatus; to supply first- and second-line anti-TB drugs for treating all TB cases, including both the newly diagnosed and chronic ones; and to increase spending on social security and benefits for cases under dispensary follow-up due to TB. The salaries of medical and other workers participating in providing anti-TB care to the population must be raised and normal working conditions provided for them, since infection with TB of the staff of TB institutions is extremely high and, in 1999, there were 493.8 such cases per 100,000 health workers. This is connected not only with the unsatisfactory state of TB control services, but also with the low wages of health workers, which, in turn, tells on their quality of life.

One of the priorities of organisational problems, without which TB control

cannot be effective, is the early case finding of TB. The TB case finding, as an integral part of TB control, is carried out by general healthcare facilities, with the organisational and methodological assistance of TB dispensaries and under the supervision of the sanitary and epidemiological surveillance centres.

It is of particular importance to organise TB case finding among those who applied to general healthcare facilities with symptoms suggestive of TB. The most infectious forms of the disease are found among them. Such cases are encountered particularly frequently among social and medical groups at risk of TB, who today constitute the majority of new cases. According to 2000 data, the share of sputum-positive cases among those newly diagnosed was only 35.8 per cent, which is very low and is indicative of substantial shortcomings in the examination of patients at general healthcare institutions (the calculated indicator is 50-65 per cent, while among those with destructive forms of pulmonary TB should be 95-100 per cent).

A major problem in the control and reduction of the TB pool in the country is the organisation of directly observed and effective treatment. Depending on the status of the case, the epidemiological danger, living conditions and social factors, treatment may be carried out on an inpatient, day care outpatient, sanatorium, outpatient or home basis. Over recent years, there has been a sharp rise in the number of those refusing to undergo examination and treatment, that is why the law that has been passed envisages mandatory treatment.

Among registered TB cases, almost half belong to socially disadapted groups of the population and, in order to prevent the spread of the disease in society, centres for their adaptation and rehabilitation must be set up.

Unless, however, Russia's social problems are addressed to achieve a rise in the real standard of living of the population, improvement of living and housing conditions and better diets, the carrying out of medical measures alone cannot lead to a stabilisation of the epidemic situation and a reduction in TB prevalence. The forecast for indicators of the incidence of TB among the population of Russia by 2010, made by Prof. M. Shi-



lova, shows that, if the current trends in the formation of socioeconomic conditions and the organisation of anti-TB care are maintained, there will be a 60 per cent increase in the incidence of the disease in 5 years, and a more than 100 per cent increase in 10 years, resulting in 132.2 and 190.7 cases per 100,000 population, respectively.

Along with resolving social problems, the efforts of the Ministry of Public Health of the Russian Federation, the healthcare authorities and other agencies (the ministries of justice, defence, internal affairs, railroads and others) must be focused on improving the prevention, early diagnosis and effectiveness of the treatment of infectious forms of TB. Only a reduction of the infection reservoir will lead to a stabilisation of the epidemic situation and a fall in TB incidence, mortality, disability, and minimisation of TB-caused economic loss.

Aggravation of the HIV/AIDS Problem

One of the important reasons for the aggravation of the epidemic situation with respect to TB is the spread of HIV-infection. HIV/AIDS has become problem number one in Russia: it is a real threat to the country's national security and, above all, for its younger generations. Chronologically, from 1987 (when the first case of HIV was registered) to 2001, there have been three stages in the development of the HIV/AIDS epidemiological process and, correspondingly, measures taken to control HIV-infection.

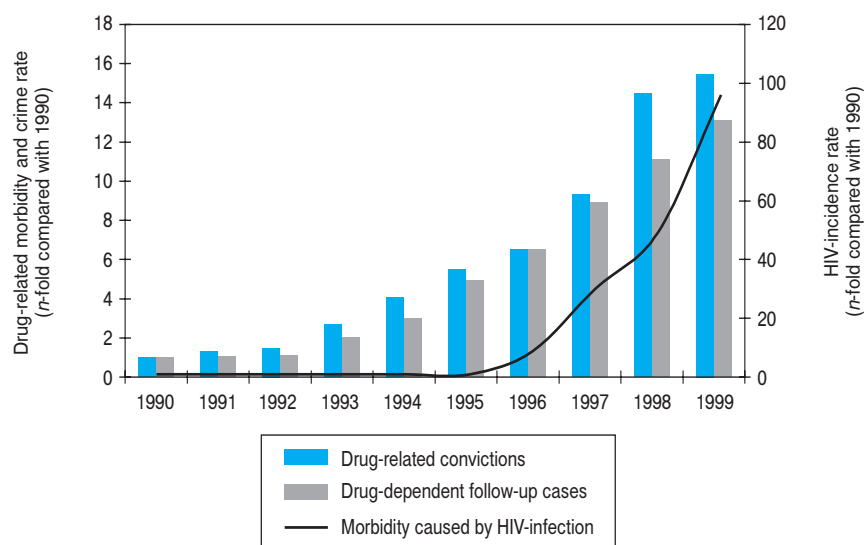
The first stage covers the 1987-1996 period when Russia was among the countries with a low level of HIV/AIDS incidence. The annual increment of new cases was 100-150 (with the exception of 1988-1989, when 256 children were infected with HIV in hospitals in the south of Russia).

The main method by which HIV-infection was spread was through homosexual intercourse. For the purpose of a comprehensive solution to the problem of preventing HIV-infection the basic documents were drawn up and adopted for the legal, organisational, resource, personnel, and medico-social

support for implementing government policy in this sphere taking into account WHO recommendations and the experience of other countries. A new service was organised, including federal, regional and territorial centres for the prevention and control of AIDS; a research base was created to deal with this issue; the principles and conditions were developed for organising treatment and diagnosis, outpatient follow-up established of HIV-positive and AIDS cases. The Government signed the Declaration on AIDS, calling for this problem to be given political, socioeconomic and healthcare priority.

The second stage in the HIV/AIDS epidemic in Russia began in mid-1996, when HIV-infection turned up amongst drug addicts and began spreading rapidly. In 1997, three times more new cases were registered than in 1996 and 60 per cent more than over the previous 10 years. The reasons for the infection were the use of common syringes or needles, as well as of infected home-made drugs. In retrospect, this period was characterised by a sharp increase in the demand for drugs, a rise in the number of registered drug addicts (155,971 cases in 1995 and 249,842 cases in 1996 of people seeking medical aid owing to the abuse of psycho-active substances), an explosion in the incidence of STD, the peak being among 15 to 29 year-olds, hepatitis B and C, and an increase in drug-related crime (Figure 4.4). The interconnection between the phenomena

Figure 4.4. HIV-infection and the consequences of drug abuse in Russia





listed above clearly outlined the new HIV-infection risk groups, above all, among young people and adolescents characterised by deviant behaviour.

At the third stage, after a relative stabilisation of the indicator of HIV-infection case finding, the epidemic situation began to worsen rapidly after 1998 in virtually all parts of the country. In 1999, 20,154 cases were registered, this being 3.9-fold more than in 1998; in 2000, 58,421 cases were registered, and the infection level in Russia reached 70.8 per 100,000 population, compared with 0.6 in 1996 (Figure 4.1 of the Annex).

HIV-infection began to be concentrated increasingly in penal institutions, with the number of HIV-positive inmates being over 15,000.

According to the Federal Centre for the Prevention and Control of AIDS, over the period from 1987 to 2001 (as of August 1, 2001), there were 138,748 registered HIV positive Russian citizens, including 1,362 infants born to infected mothers; 448 have been diagnosed with AIDS and 995 HIV-infected people have died.

Although infection is mainly contracted intravenously among drug addicts, since 2000 there has been an increase in sexually transmitted infection resulting from sexual relations with drug addicts and infected women engaged in commercial sex (Figure 4.2 of the Annex). The peak of infection by users of intravenous narcotic drugs is within the 20-29 age group.

Beginning in 1996, adolescents and young people became a high risk group with respect to HIV-infection and within this group a concentration and merging of the most serious manifestations of deviant behaviour are observed most clearly (drug addiction, crime, prostitution). It is precisely young people who have suffered most from the negative consequences of the extended systemic crisis of the period of transition in Russia. The process of rethinking the norms of social behaviour, traditions and social values has proved particularly difficult for adolescents and young people. The guarantees of the rights of the growing generation to education, rest, health, access to cultural values and security, which once were taken for grant-

ed, have become increasingly no more than declarations. The government services, educational and other institutions have cast off any real responsibility for the fate of their wards, leaving adolescents and their parents without support.

There is a dangerous development of trends that have a direct relationship to forecasts of the spread of HIV epidemics among young people:

- The onset of sexual activity is moving to the 13-15 age group. The norm in the behaviour of young people is becoming multiple sexual partnership, with partners changed at "every discotheque" or every 2-3 months.
- The practice of "unsafe" sex is still common in all age groups. Safety of sexual relations and the use of condoms (only 20 per cent of adolescents use them) for most adolescents is only regarded as a means to prevent pregnancy. The STD incidence among young people is rising progressively in the 18-19 age group. The peak incidence among females between 15 and 19 is several times higher than among males and is a sign of the involvement of girls in commercial sex.
- First experiments with "light" drugs are being transferred to the age of 10-12 and with injected drugs to 14-15. Diagnostic studies carried out in Volgograd have shown that one in four adolescents has experimented with narcotic substances. Children and adolescents use home-made drugs or acquire "ready-to-use" syringes. The older age groups of 20-29 use intravenous drugs: opium, ephedrine, and heroin. Against the background of an increasing number of drug addicts, the share of minors is growing even faster. Up to 90 per cent of drug addicts are under the age of 25 and of these, 30 per cent are women.

Against the HIV/AIDS Epidemic

The rapid development of the HIV/AIDS epidemic in Russia has necessitated a review of the system of measures used to prevent the spread of HIV-infection and a transfer of focus to more active preventative work and improved methods among the risk groups. A major role in the implementation of measures to prevent HIV/AIDS in Russia has been played by the Federal Law on Preven-



tion of the Spread in the Russian Federation of the Disease Caused by the Human Immune-Deficiency Virus (HIV-infection), passed in 1995, and the ANTI-HIV/AIDS Federal Target Programme adopted also in 1995. Within the framework of the ANTI-HIV/AIDS Programme, from 1996 to 2000 a wide-scale, multi-level, inter-departmental complex of measures has been carried out to counter the spread of HIV-infection. Since 2001, the ANTI-HIV/AIDS Programme has become a component of the Federal Programme for Controlling Social Diseases (Box 4.2 of the Annex).

In spite of the broad scale of the measures implemented against the spread of HIV/AIDS, the problem remains just as acute. This is due to the following factors. Firstly, there is no reliable information on the actual number of HIV-infected persons and those suffering from AIDS. Every year, the number of registered users of intravenous drugs and HIV-infected people trebles. According to the findings of experts and target studies, the statistics on drug addiction are only a fifth to a quarter of the real figures (about 2 million people). So as the level of infection among this risk group remains high – from 6 per cent (data for Moscow) to 35.7 per cent (data from the North-Western Centre for AIDS Control in St. Petersburg), we are here dealing with the tip of an iceberg, the part below the waterline currently being unknown. Considering the increase in the number of drug users, the situation threatens a new epidemic explosion not only among drug addicts, but also via the heterosexual transmission of HIV-infection by drug addicts to their sexual partners. Thousands of young women are involved in commercial sex, the level of infection among them being over 10 per cent (in St. Petersburg – 16 per cent).

Secondly, young people, and especially adolescents are developing an irresponsible attitude towards the risk of infection with STD (“they are easily cured”) and HIV-infection. It is particularly alarming that only a third of adolescents think that AIDS is incurable. Virtually all adolescents believe they run no risk of contracting HIV-infection themselves.

Thirdly, the prevention of HIV is not aimed directly at the high-risk group. Drug addicts and people in penitentiaries who were surveyed during the epidemiological research constituted only 6 per cent of all those tested for HIV in 2000, while it is this group that gave 49.9 per cent of the samples that tested HIV positive.

Fourthly, questions of the organisation of effective prevention are far from being fully decided upon. While verbally recognising the inter-disciplinary nature of the problem, questions of prevention usually remain under the authority of healthcare and law enforcement agencies. In addition, a young person is usually viewed as an object of influence, outside his/her social environment (family and friends).

One more problem is the focus on struggling against the symptoms rather than eliminating the causes.

Against the backdrop of the formation of an environment conducive to an explosive growth in the number of HIV-infected people, adolescents and young people know very little and have incorrect knowledge about the risk of infection, the routes of transmission, and the consequences of the disease. Analysis of the mass media participation in the efforts to prevent HIV/AIDS, STDs and drug addiction has shown that the number of TV and radio broadcasts on related topics does not correspond to the significance of the problem; the irregular and unsystematic nature of the majority of these programmes prevents them from shaping the necessary behaviour of safety to prevent HIV/AIDS.

The main question in effective control of the 20th-century plague – HIV-

Box 4.3

The main principles of the strategy of harm reduction from drug abuse are as follows:

1. Active multi-level information and education work;
2. Work directly with groups of injecting drug users – outreach work;
3. Supplying users of injecting drugs with sterile injection instruments and disinfected materials (syringe exchange programme);
4. Access to and attractiveness of sociopsychological and healthcare services;
5. Initiation into preventative measures in the early stages of an epidemic, when HIV-infection among injecting drug users is below 5 per cent, greatly increases their effectiveness.





infection – is thus, most likely, when and to what extent Russian society realises that HIV/AIDS is a problem of the entire society and takes the necessary measures of a social character.

It has to be recognised that, since HIV-infection cannot, at present, be controlled by treatment, the strategic priority should be preventive measures. More than 15 years of positive experience in other countries shows that the spread of HIV/AIDS can be controlled by adequate preventive measures among the most threatened risk groups. The strategy recognised by the WHO and the Joint United Nations Programme on HIV/AIDS (UNAIDS) for reducing the harm from using injecting drugs is a major medico-social component in the prevention of HIV/AIDS and drug addiction (Box 4.3).

Within the framework of cooperation with WHO, UNESCO, UNICEF international organisations, the non-governmental organisations Médecins sans Frontières and others, the strategy of “harm reduction” has begun to be implemented actively in the country’s 25 regions. At the same time, the spread of the “harm reduction” strategy in Russia among drug users is inadequate to cope with the spread of HIV-infection. According to UNAIDS data, so far only 5-10 per cent of injecting drug users are participating in these programmes, while according to expert estimates, 60 per cent need to be covered to halt the further spread of the epidemic.

In 1998, a new initiative was launched for preventing the spread of HIV-infection among young people and rendering help to those in need within the framework of the World AIDS Campaign. This campaign promotes active participation by young people in the life of society, helps raise the level of awareness among young people about the influence HIV/AIDS has on them and the difference that young people can make to the course of the development of the epidemic).

The key problem in protecting younger generations against HIV-infection in Russia is to mobilise the efforts

of young people themselves in preventing the spread of HIV/AIDS, to recognise young people as a force capable of really changing the crisis situation. Young people should become partners, together with government and non-governmental, public, religious, scientific and educational organisations in the struggle against HIV/AIDS.

* * *

In the Russian Federation, a rapid deterioration has been noted of the situation with respect to the incidence of TB and HIV/AIDS. The morbidity among children and adolescents is rising. A major reason for this is the fall in the standard of living of the population, the reduction in social welfare protection, a rise in the poverty level, as well as ineffective legal foundations for implementing government policy in preventing the spread of TB and HIV/AIDS.

The deterioration in the situation with respect to these diseases and their rapid expansion throughout the country constitute a complex socioeconomic problem that cannot be resolved by the efforts of the healthcare system alone. The struggle against TB and HIV/AIDS requires nationwide measures, active support from government institutions and departments (the Ministries of Health, Justice, the Interior Affairs, Defence, and so on), and non-governmental organisations. The legislative and executive authorities of the Russian Federation administrative territories have to intensify their efforts, especially in addressing social problems. In order to protect new generations against HIV-infection in Russia, it is important to mobilise the efforts of young people themselves in preventing its spread. The targeted pooling of all resources, the resolution of socioeconomic problems and a fundamental improvement in the quality of the healthcare provided to the population will help stabilise the epidemic situation with respect to TB and HIV/AIDS and, subsequently, to reduce the enormous socioeconomic burden imposed on society by these infections.





Environmental pollution and the health of generations

In big Russian cities with an intensively growing number of motor vehicles, in “factory cities” with huge industrial enterprises and in localities with poor quality drinking water, the negative impact of environmental pollution on people’s health is particularly marked. This applies primarily to such weakened and vulnerable groups as pregnant women, children and the elderly.

Pollution of the atmosphere has a substantial impact on the rise in morbidity and mortality. Thus, 20 million people in Russia experience the impact of high concentrations of particulate matter suspended in the air and 2.4 million of these are subject to concentrations that are double or more the maximum allowable concentrations (MAC). About 5.6 million people live under the impact of another widespread pollutant, nitrogen dioxide, of which the concentration in the air is constantly rising.

The quality of the reproductive health of the present-day generation determines to a substantial extent that of subsequent generations. The operation of hundreds of metalworking, chemical, petrochemical and other production units has led to the release into the environment of a broad range of chemical substances with a markedly detrimental effect on the reproductive and endocrine systems. Almost one in four of city-dwellers of reproductive age might be affected by the impact of specific pollutants that lead to an increase in the frequency of infertility among women and men, various pathologies of pregnancy, miscarriages, underweight newborns and babies born with health problems. In about 40 Russian cities, a link has been demonstrated between these changes in reproductive health and unfavourable environmental factors. One of the most serious changes consists of congenital development defects in newborn babies, some of which are incompatible with survival. In cities with large metalworking plants, such as Norilsk, Vladikavkaz, the coal-mining town of Mezhdurechensk, specialised “chemical” cities – Sterlitamak, Kirovo-Chepetsk and Chapayevsk, the incidence of such pathologies is higher than in the European countries. Chapayevsk holds the world record for the degree of environmental pollution with dioxins (one of the most dangerous toxic substances) and changes in the reproductive health of boys have also been identified. There are more than 60 cities in the country with enterprises discharging dioxins and they no doubt suffer from similar problems.

The health of children. The environmental factor makes a negative contribution to the high indicators of morbidity and mortality among children in Russia. Children born in an unfavourable environment have a lower resistance and are more subject to the impact of various hazardous factors. In cities, up to 10 per cent of all children’s respiratory diseases or 240,000 to 370,000 cases a year, including 3,000 to 5,000 chronic diseases of the respiratory organs, arise under the impact of polluted air. The recent development of industrial and power production in the country and the change in the fuel and energy balance through a drop in the share of gas might lead to a further pollution of the air, which will cause more diseases, above all those of the respiratory organs among children.

Other organs and systems of the child’s body also suffer under the impact of a polluted environment. For instance, lead is known to have a negative impact on the nervous and psychological development of the child and to reduce IQ. This toxic metal enters the environment mainly from petrol, the production of which has dropped in recent years. Its use over many years and the operation of a multitude of metal works have, however, already resulted in a substantial pollution of the environment with lead. Projects carried out between 1995 and 2000, with the support of the United States Agency for International Development, for assessing the impact of lead on children’s health has made it possible to evaluate the damage caused by this substance. It has been found that, owing to the negative impact of lead on the intellect and health, up to 400,000 children may have learning problems. In the towns of Belovo, Krasnouralsk and Saratov, where operate metalworking or other enterprises discharging lead, the blood of 26-65 per cent of the children surveyed contained more lead than the normal level of 10 µg/dl, as recommended by WHO. The researchers found problems with the intellectual development of a substantial proportion of these children.

It may be presumed that the damage caused across the country to the health of children only by the impact of polluted air can be estimated at hundreds of millions of rubles. This loss consists of outlays on paying for the parents’ child care leave, the costs of treatment, hospitalisation, and the healthcare services.

The health of the older generation. Elderly people, as well as children, are more sensitive and react immediately to a change in the environment. Under the impact of the most widespread air pollutants – suspended particles, nitrogen dioxide and sulphur dioxide, an increase or exacerbation is possible of the respiratory and/or the cardiovascular diseases in older people, accounting for about 24,000 additional fatal outcomes a year. In one of the most polluted cities, Nizhni Tagil in the Urals, for instance, suspended particulate matter accounts for 3.6 per cent of the overall mortality. In order to reduce the number of deaths caused by polluted air, it is above all necessary to take measures to reduce the discharge of dust and nitrogen dioxide but, unfortunately, the observed trend is exactly the opposite.

Also characteristic of older age groups is a predisposition to oncological diseases, the main one among men being lung cancer. One of the risk factors behind the development of this disease is irradiation with radon, a natural carcinogenic gas. Up to 15 million people live in areas where there is a hazard of radon irradiation, which may be the reason for the appearance of up to 4,000 new cases of lung cancer each year. It is realistic to reduce the negative impact of radon on a person’s health but, in order to do so, special programmes that have already been drawn up must be implemented.

In order to reduce the risk of a negative impact of a polluted environment on the population’s health, a scientifically substantiated environmental and healthcare policies, based on defining priority problems at the level of an individual locality, town, district, region or country are required.



Chapter 5

The Generations and Education

Today, as a postindustrial information society is being established, the complex of interaction between educational system, society, the state, and the individual poses new problems for the educational system. They are as follows:

- providing the conditions for successful socialisation and self-realisation in a changing world;
- not so much imparting knowledge as teaching how to learn, and instilling the skills for studying on one's own;
- making secondary (and sometimes higher) education truly universal, and raising the education level of those who have had minimum schooling.

In contemporary Russia, specific demands are added to these more general requirements, resulting from the transitional period of establishing a market economy and an open, democratic society:

- inculcating a proper moral and ethical orientation, shaping a sense of culture and standards of social behaviour, and teaching practical social skills that correspond to the principles of civil society;
- guaranteeing equality of opportunity (i.e. the initial prerequisites) for self-realisation, via access to education under conditions of aggravating social and regional differences;
- modernizing the educational system itself, from its organisation to the teaching techniques it employs, to the degree called for by the social, cultural, economic, scientific, and technological changes now underway.

Major changes have taken place in the Russian educational system over the last 10-15 years. These changes have affected virtually all of its facets, from its forms of property and mechanisms for (and level of) funding, to its content and teaching techniques. Therefore, an analysis of the educational system and the trends in its development, from the vantage point of the generational approach, today virtually calls for com-

paring the Soviet system of education to the current Russian system. A sub-heading for this chapter might be: "New Generations and the New Generation System of Education".

In the context of this report, several aspects of education are examined:

- how the population's education level, structure of education and "educational trajectory", change from generation to generation;
- changes in the attitude towards education, and in the demands made of the educational system by students and/or their parents;
- to what degree the system of education itself is ready to meet the new public demand.

Russian Education: Trends of Change

Russia has entered the third millennium as one of the world's most educated nations. In 1998, the literacy rate of the adult population was 99.5 per cent¹; the proportion of 7 to 24 year-olds currently studying was 70.8 per cent; the average length of schooling was 10.6 years; and the number of students enrolled at higher educational institutions in 1999 was 279 per 10,000 population, a figure surpassing those of most developed nations.

However, an analysis of some specific indicators gives a somewhat gloomier picture.

By the end of the 1980s, the system of education was in a deep systemic crisis. The reason for this crisis could be found not just in its outdated principles of financing and deteriorating logistical base, but, most of all, in the fact that the system itself had ceased to correspond to the demands of society and, on the whole, to changed views in society. An analysis of the state of the general education's programme and methodology shows that the task of differentiating the approach to studying had yet to be set. By the end of the 1980s, teach-



ing was conducted in virtually all schools according to a single curriculum. Things finally reached the point where the country's sole educational publishing house, *Prosveshcheniye* (Enlightenment), was issuing not just the mandatory thematic plans for teaching all academic subjects, but drawing up a specific plan for each lesson as well (Box 5.1.).

The reaction to this situation was the democratizing of general education: the introduction of varied programmes, the teacher's right to choose his (or her) own curriculum and textbook, multi-channel financing, etc. The scale of structural change in general education over the last ten years is described in Table 5.1 of the Annex.

The problems of educational content and structural disproportions are largely characteristic of the system of professional education as well. The imbalance in the educational system (see Tables 5.2 and 5.3 of the Annex), with a huge preponderance of schools for training industrial experts and teachers, have been further aggravated by the structure of enrollment and, accordingly, graduation of specialists.

The proportion of students enrolled in economic programmes in both higher and specialised secondary institutions was quite stable, measuring anywhere from 7.5 per cent to 9.5 per cent. For modern, service-based economies, this percentage is extremely low.

Alongside the sectoral structure of training, another problem was handed down from the Soviet system of education to the Russian system: the ineffective ratio in the economy of specialists with higher education, and those with specialised secondary education. In the 1980s, the optimal ratio of engineers to technicians was considered to be 1:4; doctors to nurses, 1:3 (actually 1:3.5); in the realm of culture, the ideal ratio of workers with a higher education to those with a secondary education was 1:5; the ratio for trade specialists was 1:7; and so on. At the same time, thanks to distortions in the structure of professional education, the actual ratios were entirely different: in 1970, the number of experts with a specialised secondary education was 1.5 for every one with a higher education; by 1990, this figure had dropped to 1.37.

Box 5.1

The problems of general secondary education during that period are characterised succinctly by the following quote: "Having been transformed into a bureaucratic government establishment, the school functioned until quite recently under a regime of uniformity and rigid control. In carrying out the fundamental social and pedagogical directives of the command-administrative system (i.e. turning out little cogs for the system), the school was oriented not towards the development of the individual, but rather towards his complete homogenisation. The aim of the comprehensive and harmonious development of the individual was merely proclaimed, and never realised. The opportunities for a child's development were also significantly curtailed by attempts to have the school encompass all aspects of his life, and to transform it into a place for "warehousing" children.²

Table 5.1

Ratio of the numbers of graduates from institutions of higher and specialised secondary education, according to speciality (the number of specialised secondary institution graduates per one higher institution graduate)

	1970	1980	1990	1995	1996	1997	1998	1999
Overall	1.6	1.6	1.6	1.2	1.2	1.2	1.2	1.1
Industry and construction	2.0	1.6	1.5	1.2	1.3	1.4	1.4	1.4
Transport and communications	2.7	2.5	2.5	1.8	2.0	2.1	2.0	1.8
Agriculture	2.0	2.6	2.2	1.9	1.8	1.9	1.7	1.6
Economics and law	2.6	2.7	2.2	1.9	1.9	1.7	1.4	1.3
Education	0.5	0.5	0.7	0.5	0.5	0.4	0.4	0.4
Health care	3.5	2.5	3.7	2.3	1.9	2.1	2.3	2.3
Culture	2.0	3.0	2.5	2.7	2.4	2.5	2.1	2.2

The data in Table 5.1 testify to further growth of distortions in the use of technical personnel, and the depreciation of higher professional education against this backdrop.

The indicated distortions, with the exception of a declining motivation to work, brought with them some serious consequences:

- the surfeit of engineers with a higher education forced many of them to find work in the fields with a "lower content" of such technical expertise (as has already been noted, around 40 per cent of those with a higher education were, at the end of the 1980s, not working in their areas of specialisation);
- specialists with a higher education were holding jobs for which much lower levels of education were sufficient.

Transforming the Attitude Towards Education and the New Demands of the Educational System

The sharp decline in the value of a professional education, in the form in which it was shaped and functioned in



the USSR over the last decade of its existence, was first connected with the beginning of *perestroika*, and then the start of building a “socialist market”. In principle, the aforementioned decline was an expression of a significantly more general process: the change in the system of values accepted in society. According to a 1989 survey of the All-Russian Centre for Public Opinion and Marketing Research (abbreviated VCIOM, in Russian), education on the whole held only the 11th place among the priorities of the population, with healthcare, adequate housing, wholesome food, safe streets, etc., having moved ahead of it. The value placed on traditional professional activity, especially among adolescents and youth aged 16-19, dropped even lower. The idea that “those who know how to make money, make money; while those who don’t know, study”, became extremely popular. Another formula for success in life has appeared and is gaining wide currency (at least among certain segments of youth): higher, and especially specialised secondary education is no longer viewed quite so unambiguously as a social springboard. To a large degree, this has been brought about by the fact that the structure of specialised secondary and higher education that was shaped earlier reflected only government needs that were rapidly growing obsolete. It is obvious that, in a new social situation, such a structure for training personnel, and the content of education itself, already no longer met the demands of young people; this was reflected in the notable drop in the number of people enrolling in higher education.

The first half of the 1990s was characterised by such phenomena as the massive redundancy of highly-trained engineering and technical personnel; the flight of research personnel abroad and their “internal” migration (transferring to other sectors of the economy – i. e. to business and trade); an absolute and (even more important) relative decline in the salaries of engineers, technicians, and research personnel³; and the need to abandon one’s professional occupation, at any level, in order to earn a living. On the other hand, the period of the “wild” marketplace and initial ac-

cumulation of capital, in which (as it outwardly seemed) the most successful were those who were energetic and enterprising people rather than professionals, gave rise to the “loss of value” of education. These changes in the labour market led to corresponding changes in the preferences of children and parents when choosing a future profession, or deciding to continue education. The opinion took hold among young people that education, with the exception of a few professions (banking, economics, law), was in no way connected with success in life, and that time spent on education was wasted time.

In 1994-1995, the fall (which had resulted from the idea that education does not provide equal earning power) in enrollment at higher educational institutions and secondary vocational training schools was replaced by an opposite trend. To a certain degree, the increased flow of applicants to higher education institutions in 1994-1995 is explained by the escalation of military operations in Chechnya, and the reluctance of young people to go into the army.⁴ This was not, however, the sole reason for the increase; nor, as the research shows, was it the main reason.

The idea that education has, in contemporary Russian society, lost its significance, and that young people no longer feel any need for it, is actually quite far from the real state of affairs, and is not upheld by the facts. It is very important that the facts *do* testify to the individual’s need for education, since by itself, the fact of non-participation in the educational process often does not prove that there is no need for study. In order to “separate” behaviour and need, researchers have in recent years begun to ask young men and girls about the *reasons* why they do not study. It turns out that, among other reasons, the absence of any need for education is rarely given.

In describing their motivation for not participating in educational activity, only 15 per cent of all young people (aged 16-30) surveyed by VCIOM in 1995, argued that “I have a sufficiently high level of education”.⁵ (According to data from a survey done by the Centre for Research and Statistics of Science, this figure was no higher than 11 per





cent.)⁶ It is especially noteworthy, however, that this number in 1995 was three times lower than that of 1991.⁷

One should also note that even the much less radical “anti-educational” position, directed not against education in general, but only against higher education, did not receive the unqualified support of any of the social groups defined by those conducting the research. In response to the question, “What should the young people who really want to receive a higher education do now?”, only 18 per cent of those surveyed responded that “One simply must not get a higher education”.

Of course, not saying “no” to higher education is hardly the same as saying “yes” to it. In actual fact, the educational aspirations of young people aged 16 to 30 were distributed in 1997 as follows: 41 per cent of those surveyed believed they needed at least a higher education; a smaller proportion (32 per cent) were ready to limit themselves to a secondary professional education (secondary vocational training schools, etc.); and two comparatively small groups were ready to be satisfied with even less: 14 per cent wanted a primary professional education, while 12 per cent wanted just grades 8-11 of general secondary school. The educational aspirations of young people during the turbulent 1990s underwent significant structural changes. The desire for a higher education (all the way to the postgraduate level) fell by almost a third: from 69 per cent (the number of young people who in 1991 responded that this was “enough” for them) to 40 per cent in 1997, while the willingness to stop at

lower levels of education, in contrast, grew. The proportion of those who considered secondary vocational training school to be “sufficient” for them was exactly twice as high by 1997 – 32 per cent instead of 16 per cent, while the number of those who said general secondary or primary vocational school grew by 3-3.5-fold: 12 per cent and 14 per cent respectively, instead of 4 per cent.⁸ It is noteworthy that the correlation of aspirations to different levels of education just cited for 1997 had already taken shape by 1995.⁹

It is worth noting too that, even with the aforementioned decline in desire to receive a higher education, it was encountered among “children” twice as often than the actual higher education among their mothers and fathers in 1998.¹⁰ The data from various surveys of one particular group of young people (albeit a very important and numerous one) – those in their final year of secondary school – show that 80-90 per cent of them would like to get a higher education. More extensive research also shows that, at least throughout the first half of the 1990s, young people’s readiness both to enroll in higher educational institutions and study seriously, accumulating “human capital”, grew as well.¹¹

Thus, by the middle of the 1990s, young people were gradually coming to realise the importance of education for their future. At first, this was expressed in the flood of applicants for “prestigious” professions: management, economics, banking, and law. The number of these courses offered at higher educational institutions grew more than

Table 5.2

Number of students enrolling in higher educational institutions, according to level of education

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Number of first-year students admitted to public higher educational institutions (in thousands)	566	521	544	568	629	674	748	832
<i>Number of those admitted</i>								
On the basis of a secondary professional education	107	82	94	92	113	129	153	182
Share of overall number of admissions, %	18.9	15.7	17.3	16.2	18.0	19.1	20.5	21.9
With a diploma of higher education	3	3	11	8	14	17	19	20
Share of overall number of admissions, %	0.5	0.6	2.0	1.4	2.2	2.5	2.5	2.4



threefold in comparison to 1980. Demand created supply, and virtually all higher institutions (even those that had nothing to do with these studies) opened corresponding departments. At the same time, private institutions appeared offering education in these fields.

The existence of a huge demand from those able to pay even forced the Ministry of Education to limit the number of new students admitted to the fee-based departments in these subjects at public higher educational institutions to 25 per cent of the general enrolment at the corresponding departments. Alongside the desire to receive a “prestigious” (i.e. well-paying) profession, the rise in educational demand was facilitated by the fact that commercial structures (the salaries at which, as a rule, are substantially higher than those paid in the budget-subsidised sector) prefer to hire people with a higher education even for technical positions.

The growth in the number of students enrolled at specialised secondary institutions who have changed their places of study (the ratio of whom grew from 0.4 per cent in 1991-1992 to 2.3 per cent in 1998-1999), and in the number of those enrolling in higher educational institutions who already have a secondary or a higher professional education (Table 5.2), graphically illustrates the fact that people have begun to consciously choose a speciality, and to chart an educational trajectory for themselves.

In primary and secondary professional institutions, competition arose for specialities which provide (as parents and students imagined) a guaranteed high level of earnings: auto mechanics,

professions connected with modern communications, and those of the service sector.

Similar processes were at work in schools providing general education as well. The degree of interest from parents in broadening what is offered in such disciplines as foreign languages and computer literacy grew significantly. This demand was confirmed by a readiness to pay for “additional” educational services. The number of schools offering intensive studies in particular subjects and groups of disciplines grew, along with schools that offered a better quality of education in general. The number of such schools increased from 7,217 in 1991 to 9,726 in 1997, while their proportion to the total number of general schools rose correspondingly from 0.21 per cent to 0.27 per cent. In lycées and gymnasias alone, the number of students enrolled grew by almost 10-fold – from 128,000 to 1,219,000. This was brought about not merely by a rise in demand for quality education, since there was little comprehension of what “quality education” meant. But at the same time, there were increased demands being made on the studying conditions and on the psychological climate in educational institutions.

One can rightfully assert that by the end of the 1990s, the importance of education in the mass consciousness had grown considerably: among the motivations for saving one’s earnings, the aim of “giving my children a good education” now holds the first place.¹² One major consequence of the growing importance of saving for the education of one’s children is the fact that parents no longer count especially on a free education. It must also be emphasised that, if in the Soviet period the prestige of a higher education was of a relatively abstract nature, then by the end of the 1990s the idea had taken shape that the choice of a particular speciality or profession determines one’s level of earnings, and the standard of living in the future.

This trend, while by itself quite positive, carries with it in a transitional period the danger of disappointment: the unsettled labour market sends false short-term signals. One proof of this is the turning out of too many economists.

Box 5.2

The results from a survey of students at two technical schools in the city of Yegoryevsk (Moscow Region) illustrate the conscious choice of a future speciality:¹³

- Three-quarters of the students surveyed mentioned the opportunity to get a good speciality as one of their reasons for transferring to a technical school. Furthermore, 85 per cent of those surveyed said that they had had a chance to choose which technical school to enter.
- Selecting a speciality was itself conditional on two things: 54 per cent of those surveyed said “This speciality will allow me to find a good job”, while 47 per cent said “Having this speciality means I’ll always be able to find a chance to work on the side”.





Sociological studies have also revealed substantial changes in the attitude towards education over time: when comparing the attitudes of people of different generations towards education, one can see some major shifts.

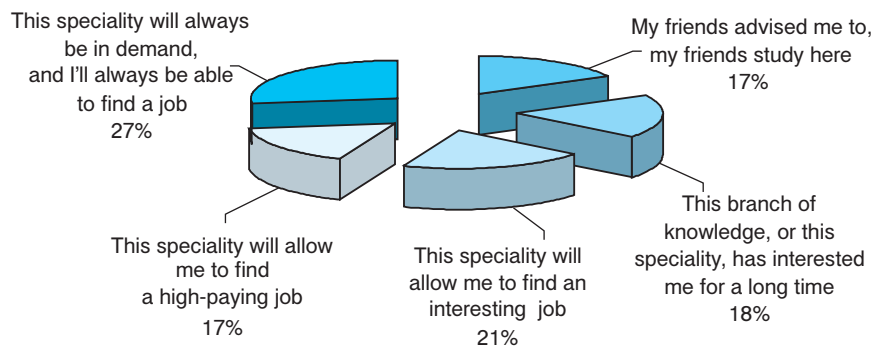
Thus, in response to the question “What do you think a person now needs most of all to acquire good social status?”, 40 per cent of those aged 18-29 chose “knowledge, skills and ability” as against a mere 32 per cent of those older than 50 (VCIOM). A similar proportion can be seen in the response to the question “Which people in Russia today find it easier to achieve success in life?” (“The knowledgeable, skilled, and able”) – 12.4 per cent and 9 per cent, respectively (VCIOM Express Survey, 1995). A readiness to pay for the education of one’s children (or grandchildren) was expressed by 26.5 per cent of those young people (aged 18 to 29) who had children, and 7.9 per cent of those over 50 (VCIOM Express Survey, 2001).

Surveys of secondary school students and their parents reveal a growing interest in concrete skills. In particular, in response to the question “Which skills are worth spending time and money on to acquire?”, the overwhelming majority of those surveyed in the cities and rural areas of eight Russian regions put the following in first place: computer skills, ability to read and speak a foreign language fluently, and to drive an automobile. These were the preferred skills of 60-75 per cent of those surveyed, while knowledge in the field of exact sciences was mentioned by only 10 per cent of the respondents.

Recognition of the importance of education and/or vocational training for one’s future was accompanied by the conscious choosing of a future speciality (Box 5.2).

Somewhat more complex is the situation with choosing a major subject in higher education. A survey of first year students and graduates from three higher educational institutions in Moscow¹⁴ showed that the choice of a major was basically determined by several factors (Figure 5.1). It is noteworthy that an entirely pragmatic factor predominates: “This speciality will always be in demand, and I’ll always be able to find work”.

Figure 5.1. Reasons for choosing a major, as given by applicants to higher educational institutions



Thus, one can assert that in the last 10-15 years, serious shifts have taken place with regard to education, which have been reflected in the facts that education/vocational training is being seen more and more as the grounds for success in life; the choice of a speciality is determined by completely pragmatic reasons; and that paying for education is now considered to be not just acceptable, but of the highest priority.

A survey of the parents of students in their last year (9th and 11th grades) of school in the cities and rural areas of a number of Russian regions¹⁵ showed that the money paid by parents for their children’s primary and secondary education made up as much as 40 per cent of the local budgetary expenditures (i.e. the money going directly to the schools), while parents spend twice as much money on additional educational literature, private tutors and paid training courses.

The readiness to bear the costs connected with their children’s primary and secondary education was confirmed by 56 per cent of those surveyed, while there was virtually no link between the

Figure 5.2. Readiness to pay for education and average per capita income of the population across regions

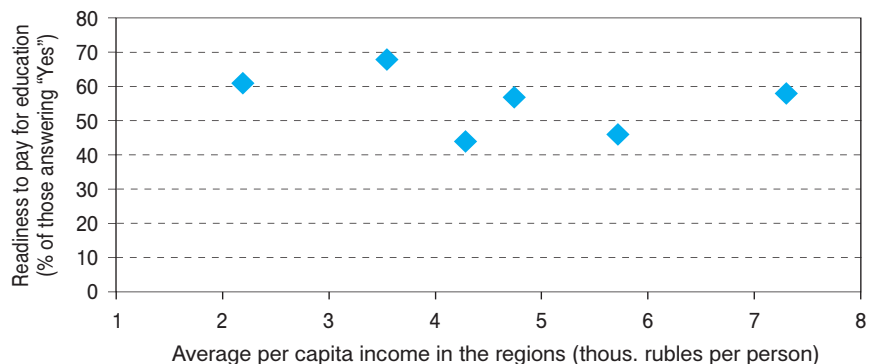




Table 5.3

Parents' preferences for an expanded educational programme

Region	Which subjects must be added to your school's curriculum? (% of those surveyed)				
	Foreign language	Computer skills	Intensive study of individual subjects	Practical skills and professional training	Other
Belgorod Region	53	98	45	62	26
Vologda Region	35	91	27	59	14
Moscow	31	32	24	36	31
Samara Region	52	93	36	41	12
Khabarovsk Territory	54	67	49	44	12
Chelyabinsk Region	69	78	43	56	15
Chuvash Republic	67	81	51	54	23
Average across the seven regions	52	77	39	50	19

willingness to pay for education and the population's level of material well-being (Figure 5.2), or the degree of inter-regional income differentiation.

Exactly which educational services parents are prepared to pay for are shown in Table 5.3.

The demands being made on the system of primary and secondary vocational education are determined not just by students and their parents, but also by the requirements of the labour market. Surveys of parents and students of primary vocational training schools show unambiguously that the choice of an academic institution is, in an overwhelming number of cases, made consciously, and is determined by the fact that one's future choice of subject gives one the chance of finding (relatively) well-paid employment, or the opportunity to earn additional income (Box 5.3).

A large portion of those applying for admission to secondary vocational

training institutions, along with having preferences similar to primary vocational training school students (i.e. high and/or stable earnings in their chosen field), see such establishments as a simpler path to a higher education. This is confirmed by statistical data as well (see Table 5.2).¹⁶

Surveys of employers yield a certain picture of the labour market's requirements for graduates of primary and secondary vocational educational institutions. It is important to emphasise here that having professional training is not a priority requirement for the hiring of this category of workers. First place is held by work discipline, one's attitude towards work, and health. Additional difficulties are created on the labour market for the graduates of specialised secondary educational institutions by the fact that employers (except in such jobs as primary school teacher, hospital nurse, or librarian) do not always understand exactly what the qualifications of a specialist with a vocational secondary education are. As a result, they prefer to hire graduates from higher educational establishments to fill technicians' posts. This is especially true now, as the conditions on today's labour market make it entirely possible to do so.

On the whole, the labour market is oversaturated with qualified specialists, and the ratio of unemployed with, in particular, higher education is growing (see Figure 5.1 of the Annex).

The demand for a higher professional education has also undergone a substantial transformation. The labour market, with its surfeit of qualified university graduates, is showing an ever-increasing demand for vocational training – "trained specialists needed" – while students are in turn inclined more and more to see getting a university degree as an element of their status. The results from a survey of students at one of Moscow's most prestigious technical tertiary institutions show that if all those enrolled in their first year intend to work in their chosen field, then only 84 per cent of its graduates do. According to other data, the share of students intending to work in their chosen field drops, on the average, to 40 per cent by the time of their final year.

In putting together their admission policies, higher educational institutions

Box 5.3

Enterprises in the city of Novgorod, as they started to recover after the August 1998 financial crisis, placed an order with the region's primary vocational schools for the training of technicians in metalworking. The firms were prepared to pay for the training, to offer their equipment for use in on-the-job training, and to grant students a stipend. However, the system of primary vocational training, despite all its accumulated experience, was unable to fill the order: enrollment was inadequate, since, as the teenagers said, the level of wages paid at the factories was too low, while the job of machine-tool operator (as opposed to, say, that of hairdresser or barber) does not give one the chance of self-employment or earning additional income in one's free time.





generally focus on their available resources, and on the current – and often market price – demand of their applicants (sometimes without regard to a lack of resources), and practically do not take into consideration the current and long-range needs of the labour market: the correlation coefficient between the dynamic of enrollment and graduates' employment in the last three years, as calculated for 32 areas of specialisation, comes to 0.51 – i.e. a quite significant negative value.¹⁷

Under these conditions, an ever-growing number of students at tertiary institutions see higher education (at least the first one) not as professional training, but as just that: an education which will permit them in the future to aspire to more prestigious work and higher earnings, or as a stepping-stone to the further education they desire. They are ready not just to undergo retraining, or to get a second degree following special programmes, but also to start completely from scratch.

The need to change the content and improve the quality of education is naturally accompanied by the need to modernise the system's organisational and economic support. The educational system's management, structure, and financing do not correspond to the new conditions in which the system is to operate, and to the demands coming from the consumers of educational services and the labour market, and hamper the development of education's content, and the raising of its quality.

Transforming the System of Education

The need for the thorough reconstruction of the system is, to an ever greater degree, realised by society at large, the professional community, and government agencies at all levels. This is being manifested in a rising tide of discussion in the press and at professional seminars; in the stepping-up of work on developing and implementing a variety of regional programmes; and in the creation (initiated by the Ministry of Education) of a package of “conceptual documents” – educational doctrine, federal programmes for developing education, and ideas for modernizing the

structure and content of general education (going over to a 12-year system). The Government has drawn up a programme of educational modernisation within the framework of the “Guidelines for the Long-term Socioeconomic Development of Russia”.

With the gap between the new demands being made on the structure of educational services (from students and/or their parents, and the labour market) and on their content growing, on the one hand, and with the educational system being slow to react, on the other, the new stage of educational reform is attempting to overcome the shortcomings of the previous stages. For the first time, the development of educational content and the restructuring of the system's organisational, economic, and financial functions are being done hand-in-hand.

The introduction of educational structures, content, and organisation that correspond to the needs of society (students and their parents, the labour market, and employers) is possible via a system of state management, and through ways of self-regulation in one matter or another. State management methods include regulating: (1) educational content through the establishment of national educational standards; and (2) the structures for graduating specialists through a government order financed from the federal budget. The first assumes putting in place a national independent system of education quality control. The possibility of effectively using the second instrument

Box 5.4

The Government's programme assumes the formation of a quasi-market in education, based on a more targeted method of government financing, supplemented by extra-budgetary funds. As a result, the mechanisms of supply and demand, and competition, will begin to operate. To change the situation in higher education, the programme calls for introducing a unified secondary school graduating exam (instead of the current school-leaving and higher school entrance exams), and the issuing to secondary school graduates, on the basis of their results, individual public grants (GIFO), with which they can enter a higher educational institution. Thus, part of the government financing of higher education will come to the institution through the students, rather than directly from the budget. A graduate who gets a grant insufficient to pay for study at his (or her) chosen institution can make up the missing funds through his/her own resources, or choose a less prestigious higher educational institution. For secondary education, the Programme is limited to introducing per capita financing.





(considering the instability of the labour market, the size of the country and the system of education, and the reduced mobility of the population) would seem to be quite limited.

Therefore, the Government's programme mentioned above, along with broadening public participation in educational management, proposes expanding the sphere of activity for self-regulating mechanisms (Box 5.4).

* * *

The foregoing analysis of the changes in attitude towards education, and the demands being made of the system, permits us to make certain proposals, primarily in two directions, concerning the development of the programme for modernizing education in Russia.

The first concerns expanding the mechanisms for targeted budget financing in general secondary education, and presupposes the following scheme: funding academic institutions out of the budget according to their student body (per capita financing) in proportion to the share of the federal or regional component in the basic curriculum and in amounts necessary to provide the educational services to suit the federal or regional component of the curriculum. Everything above the government-established standard (including the mandatory school component) would be considered additional educational services, to be paid for by everyone. Some segments of the population would be reimbursed for the costs of these services out of the budgets financing their particular educational institutions. It is assumed that most students would pay for additional educational services, either fully or partially, out of their private funds.¹⁸

Implementing this approach presupposes the availability of reliable information on family incomes and needs. However, the need for such information is quite obvious if one wishes to enhance the effectiveness of the entire social safety net, because, given meager resources, untargeted aid tends to reduce the impact of social protection outlays practically to zero.

The second direction concerns the structure and content of higher educa-

tion. We have already noted above the dissonance between the range of specialities offered by higher educational institutions, and the demands (especially the long-range ones) of the labour market. In Russia today, the higher education system exists formally as a system of higher professional training, and the people themselves are trying to imbue this old social institution with new content, while naturally using it to receive, above all, a basic higher education. This can be seen from the numbers cited earlier of those working "outside their area of specialisation". This is a manifestation of the conflict between the overt and latent functions of Russian higher education. World trends in professional education also indicate a desire to put off for as long as possible the choice of a concrete profession or speciality.

It is apparent that the forced earlier specialisation must be rejected in setting up a two-tiered structure of higher education; i.e. separating it into basic ("general") higher education and professional higher education. As a result of getting a basic higher education, students acquire universal knowledge and skills of a trans-professional nature — skills which will give them the ability for further study, professional and everyday activities, and increase their potential for professional mobility. Having gotten a basic higher education, a graduate can either begin working (once he or she has acquired some special knowledge and skills through the process of on-the-job training); or continue his or her studies, embarking on the path to more narrow specialisation.

The new stage of educational reform that has just begun touches the interests of many groups, especially those in higher education. One must consider the fact that the policy documents drawn up are necessarily of a framework nature. Therefore, the way in which the general ideas contained in it will be implemented in concrete legislative and normative acts, government decisions, financing and organisational structures and programmes, will largely determine the degree to which the goals set are achieved, and the actual results of the proclaimed modernisation of the educational system.





Notes

¹ According to data from the *Human Development Report 1999*, UNDP, New York, 2000.

² *Russia's Education System in the Transition Period: A Programme for Stabilisation and Development*, RSFSR Ministry of Education, 1991, pp. 26-27.

³ According to Goskomstat data, the average monthly salary for workers in the field of "science and scientific research" in the Russian Federation was (in per cent of the average across the economy as a whole) 116 per cent in 1990; 90 per cent in 1991; 64 per cent in 1992; 68 per cent in 1993; 78 per cent in 1994; 77 per cent in 1995; and 83 per cent in 1996.

⁴ The only legal way to avoid conscription was enrolling in an institution of higher education, which grants a deferment from being called up for military service.

⁵ See Ye. Khibovskaya, "The Orientation of Young People in the Sphere of Education", *Economic and Social Change: Public Opinion Monitoring*, No. 5, 1995.

⁶ See L. Gokhberg et al., *Skilled Manpower in Russia*, Moscow, 1999.

⁷ See Ye. Khibovskaya, "The Orientation of Young People in the Sphere of Education", *Economic and Social Change: Public Opinion Monitoring*, No. 5, 1995.

⁸ See L. Gokhberg et al., *Skilled Manpower in Russia*, Moscow, 1999.

⁹ See Ye. Khibovskaya, "The Orientation of Young People in the Sphere of Education", *Economic and Social Change: Public Opinion Monitoring*, No. 5, 1995.

¹⁰ See R. Dobson, "Young Russians' Lives and Views", USIA, September 1998.

¹¹ See *Revolution in Aspirations and Changes in the Life Strategies of Youth, 1985-1995*, V. Magun (ed.), Moscow, 1998.

¹² V. Radayev, "On the Savings and Saving Motives of the Russian Population", *Voprosy sotsiologii*, Issue 8, Moscow, 1998.

¹³ Special survey of VCIOM, ordered by the UNDP, September-October 2001.

¹⁴ Special survey of VCIOM, ordered by the UNDP, September-October 2001.

¹⁵ Seminar materials for the project "A Review of Budgetary Spending on Education", Moscow, September 19-20, 2001.

¹⁶ Source: *Higher Education in Russia: 2000. A Statistical Handbook*, TsISN, Moscow, 2001.

¹⁷ See *The White Book of Russian Education*, MESI Publishers, Moscow, 2000.

¹⁸ Pilot estimates showed that the transition to such a system will increase a school's financing by 24 per cent, given the condition that the school component of the basic curriculum is tuition-based for 40 per cent of the students. The costs for these 40 per cent of the households for the academic year may come to, say, 2000 rubles in Moscow, and 800 rubles in Voronezh.

Box 5.5

Children on the threshold of the 21st century

The conditions under which the youngest generation – i.e. the children who will determine Russia's future in another 20-30 years – is being shaped are of extreme importance.

One basic demographic indicator stands out from all the rest: Russia's birthrate. If the birthrate was 2,160,600 in 1989, then over the following decade a sustained trend towards a birthrate decline has been observed in the country. In 1999, the figure was 1,214,700 – that is, over a decade of change, the birthrate fell by 44 per cent.

One of the positive phenomena of the transition period was the decline in the 1990s of infant mortality. For September 2000, it stood at 15.8 deaths per 1,000 live births, as compared to 17.4 in 1990. The fall in the birthrate during the transition period also led to a certain reduction in maternal mortality.

The number of infections controllable by preventive vaccination has grown; hepatitis and German measles have been added to the list. Measures taken in recent years have allowed a significant increase in the number of preventive vaccinations under the National Vaccination Calendar. The immunisation coverage of children under 12 months now exceeds 95 per cent. The number of anti-diphtheria vaccinations for one-year-old children has grown by 43.5 per cent in comparison with 1990, while for whooping cough the figure is 59 per cent, for poliomyelitis, 42.7 per cent; for measles (injection given at the age of two), 20.8 per cent; and for mumps, 67 per cent.¹⁹

¹⁹ "The National Progress Report of the Russian Federation on Implementing the World Declaration and the Plan of Action of the World Summit for Children." A Special Session of the UN General Assembly on the results of the Global Summit for Children. New York, September 19-21, 2001.



Stunted growth has been noted for approximately every seventh child in Russia, testifying to long-term, chronic malnutrition, which leads to chronic changes in the child's organism. With inadequate nourishment, children become less lively and cannot focus their attention, which affects their academic achievement. In Russia, 0.7 per cent of all children drop out of school at the primary level; this is nevertheless the lowest indicator among the countries of the CIS and Eastern Europe.

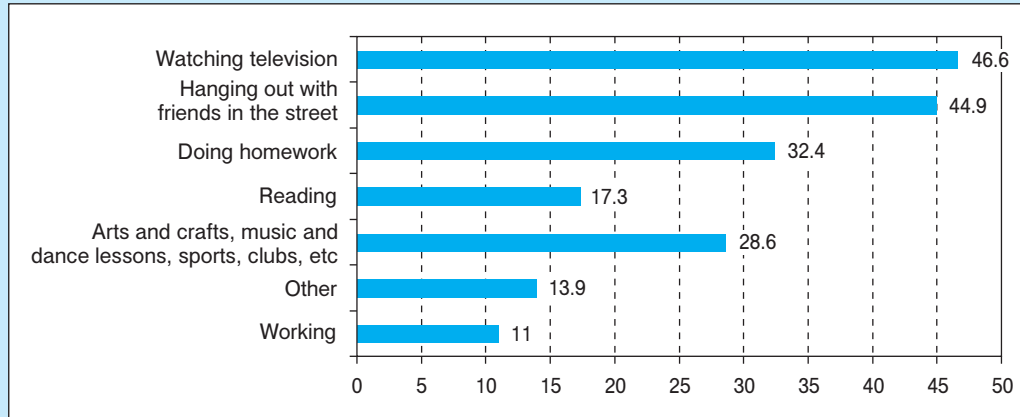
The system of education in Russia has undergone significant change in the past decade. The age frame for primary and secondary education has been widened. At the end of the 1980s, six-year-olds attended school for the first time, and a twelve-year education system was introduced at a number of schools. In 1992, the Russian Federation law *On Education* was passed providing for diverse educational establishments (such as lycées and gymnasia), for forms of study (full-time and distance learning), and for curricula. The opinion that the quality of secondary education is declining can sometimes be heard even within the educational establishment itself. Nevertheless, Russia in 1999 was in 12th place in the world for the average mark in mathematics among 8th graders, and in 16th place for the natural sciences, which exceeds the average world indicators. Although, according to preliminary data from the TIMSS provided by researchers from UNICEF's Innocenti²⁰ Centre, there is certain evidence that the high indicators for Russian students' progress are based primarily on the marks of special school graduates.

Also influencing the average level of Russian secondary education is the increased number of illiterate children, basically those left without parental care. On June 1, 2001, while appearing live on the TV current affairs programme *Segodnya* ("Today"), Albert Likhanov, Chairman of the Russian Children's Fund, stated: "It is believed that in Russia, there are from 2.5 to 4 million homeless children". In his opinion, there are altogether more than 33 million children in Russia, of whom 700,000 are orphans; 600,000 are drug addicts; and 14 million are either born out of wedlock or living in single-parent families.²¹

According to preliminary data, organised vacation and recreation were provided to 9 million children in the summer of 2000. Investment in recreation and vacations for children and adolescents not only has a positive effect on their health, it no less importantly facilitates a child's creative development, and is a substantial element in preventing child and teenager neglect.

According to the *Street Children* survey done in Moscow and St. Petersburg (see Figure 5.3), 46.6 per cent of the children polled said that they spent their free time watching TV programmes; at the same time, however, 44.5 per cent preferred going in for sport. It is interesting to note that 35.1 per cent of the children would have liked to be learning how to operate a computer; 26.6 per cent would have liked to be studying music and dance; and only 4.2 per cent of the children surveyed said that nothing interested them, and that they would not like to study anything.

Figure 5.3. How children spend their free time



Source: *Street Children: The Education and Social Adaptation of Neglected Children. A Report*, A. Mayorova (ed.), Intellect Centre, 2001, p. 127.

As can be seen from the data above, there are positive as well as negative trends in the status of children in Russia today. The nature of the country's policy towards children will determine how successful the personal development, health, education, and social condition of the new generation will be. The competitiveness of the economy, the health of the nation, and the prosperity of Russia in 20, 30 or 40 years will, in turn, be largely dependent on the outcome of this policy.

²⁰ Go to www.unicef-icdc.org for the internal differences, according to TIMSS data.

²¹ http://www.rol.ru/nes/misc/news/01/06/01_082.htm





Chapter 6

The Generations from the Regional Perspective

The transition period of the 1990s brought about major changes in the lives of the Russian people. Each age contingent – the young, middle-aged, and older generations – are experiencing their own problems with adapting to the new conditions. But these generational problems and ways of adapting have significant differences between regions and settlements. The factors which make up these differences are manifold – from natural-climatic and ethnocultural to economic. We will single out the most important ones.

The age structure of a region's population. This is a general factor which reflects the degree of modernisation in demographic behaviour and the dynamics of the migration processes in the region. In terms of age structure, the Russian population can be provisionally divided into three groups of regions:

- the rejuvenated republics of the Northern Caucasus, Kalmykia, and Tyva which have yet to complete their demographic transition;
- the newly-settled northern regions with a high percentage of productive age groups and a higher percentage of children due to a prolonged migratory inflow of young people during the previous decades;
- the long-settled regions with a much older age structure and a low percentage of children, as well as extreme depopulation.

For each of these groups, problems of adaptation have generation-related characteristics: young people entering the labour markets face different degrees of difficulty in finding a job, dependents place different amounts of demographic load on the region and, as a result, there are different per capita incomes and standards of living, different needs for pensions, benefits, and so on.

The level of socioeconomic development of the regions during the transition period has become a vital factor in adaptation of the population. The unemployment level and personal incomes, as well as the amount of social aid from the regional budgets, depend

on the specialisation and economic structure of a particular region. Three groups of regions can be singled out in terms of economic development level:

- the leading group, consisting of 10-12 regions, the economy of which was least affected by the crisis and which is oriented towards the export of raw materials and initially processed industrial products;
- the middle group, which includes most of the regions and whose economic characteristics are all but eroded;
- the group of outsiders, consisting of 10-15 underdeveloped or depressed regions.

The gap between the leaders and the outsiders became increasingly wider throughout the 1990s. The growing territorial economic inequality created a different range of possibilities for adaptation, particularly for the young and middle-aged generations.

Type of settlement and geographical location of territories. Geographic factors usually play a subsidiary role, but under conditions of polarised territorial development, they have come to the fore. The *Human Development Report 2000* showed the inequality in conditions of adaptation during the transition period for the residents of major cities, small towns, rural areas, and settlements within and beyond the boundaries of a conurbation. The Report for 1998 reviewed the human development conditions in the country's industrial centre, agrarian south, border regions, and remote newly-settled areas.

Ethnocultural characteristics are also important for evaluating the development of different generations, since Russia is a multinational country. Unfortunately, almost no studies of the ethnocultural aspect of generation-related adaptation have been conducted, so the influence of this factor can only be assessed indirectly through the degree of urbanisation and age structure of the population, which reflect the generation-related modernisation of ethnic traditions and community norms.



Regional Disparities in the Income and Employment of Age Groups

Age-related disparities in income have common features throughout Russia. The data of household budget surveys carried out in 1999 show that the poorest age group consists of children under the age of 7; 63 per cent of them lived in families with incomes lower than the subsistence level. The position of the 7-15 age group was slightly better, in which 60 per cent were poor, whereas on the whole in all the age groups, half of the population were poor. The smallest percentage of poor people (42-45 per cent) was among the able-bodied population aged 45-54 (59), which is related to the age cycle of the family: adult children are already independent, and parents are still working.

Regional differences in income and poverty level are determined by two main factors: the level of a region's economic development and the demographic load on the able-bodied population, which is the highest in republics that have not completed the demographic transition. The breakdown in regions according to percentage of poor people among the population of different age groups is shown in Figure 6.1. The trends are the same as on average throughout Russia. Poverty is most prevalent among children; in the overwhelming majority of regions, the share of poor people in this age group exceeds 60 per cent. The percentage of poor people among the young able-bodied population between the ages of 20 and 34 is slightly lower, and the peak in regional breakdown reaches 50-60 per cent. Poverty is lowest among the older productive age groups, whereby the peak shifts to the left (40-50 per cent).

The rating of regions according to the share of children living in families

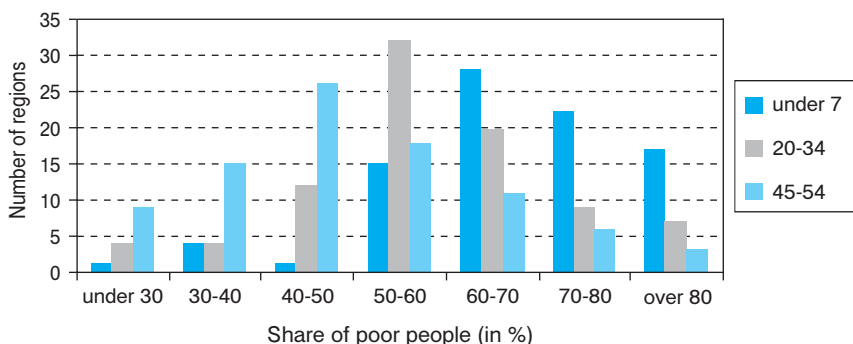
with incomes lower than the subsistence level is similar to the human development index (HDI) rating: Moscow (with less than 30 per cent of poor children) and the autonomous areas of the Tyumen Region (30-36 per cent) are the most favourable, whereas the highest percentage of poor is characteristic of the republics of Ingushetia, Dagestan, Tyva, and Kalmykia, the Chukotka Autonomous Area, and the Ivanovo and Chita Regions.

The level of poverty among the young able-bodied population under the age of 35 roughly coincides with the overall share of the population with incomes lower than the subsistence level, i.e. the state of the economy and regional labour market "dictate" their conditions to young people. For the older productive age groups, the situation is slightly different – the poverty level is lower throughout the regions and the percentage of poor people is not as closely related to the type of the economy and the degree of regional development, since the accumulated experience and a higher qualification level make it possible for workers in the older age groups to obtain better paying jobs. The northern territories, where wages increase with the length of service, are distinguished by the lowest poverty values among the older productive age groups (relative to the average for their region), as well as several developed regions in the European part of Russia (the Republic of Tatarstan, and the Samara, Lipetsk, and Vologda Regions). But in the capital, the age differences are the opposite – young people have better opportunities to raise their incomes and, as a result, are at a lower poverty level compared with the older productive age groups.

From the standpoint of subjective poverty appraisals obtained in VCIOM surveys, the residents of Moscow and St. Petersburg more frequently consider themselves poor, even if they have an average income level. The reason for this is that their demands are much higher than those of rural residents. The subjective poverty line in rural areas is 2.5-fold lower, since this is where people with the lowest incomes are concentrated.

Studies of population employment regularly conducted by Goskomstat make it possible to show the regional

Figure 6.1. Breakdown of regions by share of poor people among the age groups





characteristics of economic activity in different generations. First, this applies to a high level of economic activity among pensioners in federal cities and the most urbanised regions. In the Moscow, Leningrad, Yaroslavl, Nizhni Novgorod, Sverdlovsk, and Samara Regions, the share of pensioners in the economically active population reaches 5-6 per cent (3.5 per cent on average throughout the Russian Federation as a whole). In regions with an older age structure of the population but with smaller towns, the economic activity of pensioners is much lower. The same differences are also characteristic of employment. In the largest cities and regions contiguous to them, as well as in the highly urbanised Kaliningrad Region, working pensioners constitute 5-7 per cent of the employed population. Vice versa, in most less urban regions or those at a distance from a large conurbation, the share of pensioners in the employment structure is small (1-3 per cent). Consequently, the statistics confirm differences in the population's methods of adaptation described by sociologists: residents of the largest cities (particularly men) are more inclined to look for a second job, whereas people living outside conurbations concentrate on their personal subsistence farms. In addition, the employment level among pensioners in large cities is high because they are compelled to work due to the higher cost of living.

Secondly, there are differences in youth employment, which are to some extent related to the regional features of the population's age structure. A higher percentage of young people under 30 in the economically active population is characteristic of the republics which have

not completed the demographic transition, in particular, Daghestan, Ingushetia, Kabardino-Balkaria, and the Republic of Tyva (28-33 per cent). As a result, it is in these regions, which are also underdeveloped, that the percentage of young unemployed is the highest and stagnant unemployment is particularly rampant – up to 60-70 per cent of the unemployed have been looking for work for more than a year. In regions with an older age structure, the percentage of young people among the unemployed is usually lower than the average throughout the country, and employment problems are more urgent for the middle and older productive age groups.

A special place is occupied by federal cities. They have a small percentage of economically active members of the population under the age of 20 (4-5 per cent), which is 1.5-1.7-fold lower than the average throughout the Russian Federation, since most young people of this age in the capital cities are continuing their education. At the same time, the number of young unemployed under the age of 20 in the age structure of the unemployed is 3-fold lower than on average throughout Russia. It can be said that in Moscow and St. Petersburg there is work for almost everyone who has graduated from general education or vocational training school. The capital cities have the largest-capacity labour markets, and unemployment is low among young people aged 20-29 (10-15 per cent lower than the average for Russia as a whole).

Age-Related Features of Migration

We are inclined to believe that the difficulties of the past decade have

The age structure of migrants to the far abroad (in %)

Table 6.1

Population	1993		1996		2000	
	Total	From Moscow and St. Petersburg	Total	From Moscow and St. Petersburg	Total	From Moscow and St. Petersburg*
Under productive age	27.3	16.9	25.5	17.1	22.8	n/d
Productive age	56.9	55.5	59.6	56.7	63.8	n/d
Over productive age	15.8	27.6	14.9	26.1	13.4	n/d
Total	100	100	100	100	100	100
Percentage of federal cities in the total emigration volume		14.1		14.5		9.3

* No data have been published since 1998 on the age structure of emigrants by region.





prompted mass emigration abroad, particularly at the beginning of the 1990s, with the highest level being registered among young people in major cities. According to the data of Goskomstat, the annual emigration rate to foreign countries between 1992 and 1996 reached 100,000-130,000 people; at the end of the 1990s it dropped to 80,000-90,000; and by 2000 it amounted to 62,000, with emigration from the federal cities undergoing a particularly dramatic drop. The official statistics show that the age structure of emigrants does not correspond to the generally accepted stereotypes. Before the end of the 1990s, the share of the able-bodied population in this structure was no higher than the average for the country as a whole (Table 6.1). What is more, migration from the capitals was distinguished by a higher percentage of pensioners, and not young people. But in this case, the statistics are most likely inaccurate, since young people from the capitals not only left Russia by official emigration channels, but also to study or find a temporary job, or as tourists, although there are no precise data on this type of emigration. Labour migration is particularly prevalent among highly qualified specialists. According to the Rector of the Moscow State University V. Sadovnichy, up to half of the young scholars and professors at the department of engineering and mathematics work under contract for companies abroad.

For residents of the North, migration to Russia's more settled regions was one of the main ways to survive the crisis. Able-bodied residents and families with few children are mainly the ones to leave, that is, those most able to compete on the labour market. This conclusion is arrived at when comparing the population age structures of the North and the migrants leaving it. For example, in different regions of the North, the percentage of the able-bodied population amounts to 61-69 per cent, whereas it reached 73 per cent among migrants in 2000, with the share of children amounting to 20-27 per cent and 17 per cent, respectively. Only in terms of the older age groups does the population of the North and the share of migrants in 2000 come close (6-14 per cent and 10 per cent, respectively), but

in 1998, the share of older age groups among migrants was lower – 8 per cent. During the Soviet period, pensioners made up the bulk of the migration flows, but in 1998, the share of people aged 50 and over amounted to only 14.5 per cent of those leaving the North. However, the structural shifts show that the situation is gradually normalizing; in 2000, this share increased to 17 per cent.

The increase in labour migration to the capital from towns of the Moscow conurbation is shown in the Report for 2000, but at the end of the 1990s, the attraction of wealthy Moscow with its vast labour market became more keenly felt by the residents of many neighboring regions as well. The labour migration zone has expanded to include the entire Central Region. For example, according to the data of studies conducted in the summer of 2001 by the Department of Geography of Moscow State University, approximately 5 per cent of the young residents polled in the town of Mtsensk in the Orel Region, have been working in Moscow for the past few years, although Mtsensk is located more than 300 km from the capital. In addition, labour migration among men in the young and middle age groups from the Northern Caucasus republics to the regions and large cities of Central Russia is becoming increasingly apparent. It is difficult to assess its scope, since most migrants are employed in the informal sector of the economy and are far from fully accounted for during residence registration.

Adaptation to Change: the Generation and Settlement Cross-section

The VCIOM surveys analyzed the ways the population adapt to change. Unfortunately, the sampling of the sociological polls does not allow representative data to be obtained for individual regions. But data according to the type of settlement can be used. They reflect age differences to a certain extent, since in Russia's major cities the population is younger than in small towns and rural areas.

Studies of the behaviour of adaptation to the dynamics for the years 1994-1999 present very ambiguous results (Table 6.2). The share of those disillusioned by, and unable to adapt to, the reforms, increased in all types of





Table 6.2

Adaptive behaviour options by different types of settlement (as % of the respondents)

Type of settlement	Year	Type of adaptive behaviour				
		I cannot adapt	Nothing has changed	I have to "stay on my toes"	New opportunities have opened up	Don't know
Moscow and St. Petersburg	1994	17	20	38	7	19
	1999	28	15	38	12	8
Large cities	1994	25	27	27	6	16
	1999	33	19	34	4	10
Small towns	1994	21	25	32	6	16
	1999	31	16	41	4	8
Rural areas	1994	25	27	27	6	15
	1999	38	12	36	3	10

Source: Yu. Levada, *From Opinion to Understanding. Sociological Essays 1993-2000*, Moscow School of Political Studies, Moscow, 2000, p. 474.

settlements, with the most significant growth being not only characteristic of villages and small towns, but also of federal capitals. The "I cannot adapt" responses in the different age groups make it possible to single out two groups – the elderly population, over 55 (with an increase in the percentage of those unable to adapt from 36 to 55 per cent), and young people under 24 (with an increase from 10 to 21 per cent). It is the elderly who account for the rise in the number of disadapted in the federal cities, where the high cost of living is causing across-the-board poverty among the older-than-the-productive-age population, the share of whom reaches 23-24 per cent, and forcing them to look for any job after retirement to make ends meet. In small towns and rural areas, young people, in addition to the elderly ones, are also experiencing great difficulties of adaptation due to the absence of jobs for graduates from general education and vocational training schools and the extremely low wages for beginners if they are lucky enough to find any job.

Another significant shift relates to rapid dissemination from the centres to the periphery of such forms of forced behaviour of adaptation as supplemental earnings and second jobs ("I have to stay on my toes"). In 1994, these forms were mainly characteristic of the federal capitals, but by 1999, they were almost equally distributed among cities of varying populations and in rural areas. The decade of reforms has taught Russians to "stay on their toes" regardless of their place of residence.

Positive adaptation is more geographically differentiated – new opportunities have opened up for only some of the residents of federal cities (there was an increase in the share of positive responses from 7 to 12 per cent), whereas in all the other types of settlement, the optimism of those surveyed has subsided. This somewhat confirms the conclusion drawn in last year's *Human Development Report* for the Russian Federation that there is an immense economic and sociocultural gap between the largest cities and the rest of Russia.

Settlement differences can also be seen in assessments of the problems the population considers most important (Table 6.3). The differences in problems which bother society most – inflation and poverty – are the most obvious. They are less marked in the federal cities (57 per cent and 49 per cent of the respondents for each problem, respectively) and are particularly acute in rural areas, where the problem of inflation was noted by 70 per cent of the population. The problem of poverty is also more severe beyond the federal cities, but then is essentially not differentiated according to the type of settlement (58-63 per cent of the respondents). A reduction in negative views of social stratification into the rich and the poor is also observed – from 37 per cent to 26 per cent. The population is adapting to the social contrasts and evaluates their severity almost identically both in different types of cities and in rural areas.

The next problem in terms of severity – the rise in crime – also became less urgent in 2001 compared with 1995 (41 per cent and 64 per cent, respec-



Table 6.3

The most important problems of social life in different types of settlement* (as % of the respondents)

Problems	Year	Moscow and St. Petersburg	Large cities	Medium towns	Small towns	Rural areas
1. Inflation	1994	71	75	79	85	85
	2001	57	64	63	67	70
2. Poverty, impoverishment of the population	2001	49	60	58	63	60
3. Stratification into rich and poor	1994	36	44	33	36	36
	2001	28	24	26	30	24
4. Rise in crime	1994	74	72	75	69	56
	2001	43	43	51	41	33
5. Rise in drug addiction	2001	37	51	38	33	31
6. Insufficient medical services	2001	23	31	24	23	25
7. Increase in paid education, inaccessibility of education	2001	20	30	27	24	27
8. Moral and cultural crisis	1994	42	32	34	26	22
	2001	42	28	28	22	15
9. Deterioration of the environment	1994	41	27	36	30	22
	2001	24	23	21	20	11

* The table presents only some of the problems listed in the VCIOM surveys for 1994-2001.
Source: VCIOM data.

tively). It is still the same for large and small Russian towns, and only in rural areas is it less than one quarter. The problem of drug addiction also reached almost the same level of urgency in the assessments of the population (37 per cent now and it did not feature in the 1995 surveys). The villages, as paradoxically as it may seem, essentially have kept pace with the cities. In reality, however,

this problem, after Moscow and St. Petersburg, has already spread to large and partially to medium towns with a younger population and growing incomes, which is shown by the survey.

Assessments of the medical services problems is approximately the same in all types of settlement (about one quarter of the respondents). The problem of accessibility of education and the introduction of tuition-based schooling is also evaluated almost identically, but the residents of federal cities are more tolerant, as these cities have a large number of higher education institutions, and higher incomes, and began introducing tuition-based forms of education earlier, which helped people adapt better to the innovations.

Appraisals of the moral and cultural crisis reveal the most marked differences between settlements. The population of Moscow and St. Petersburg consistently consider these problems almost twice as severe as other city-dwellers and three-fold as severe compared with rural residents. It is unlikely that these differences are based on generational differences, they are more likely sociocultural, and closely related to the significantly higher level of education in the capitals, including among older residents. The second differentiating problem in 1995 was environmental, but by 2001, city-dwellers, particularly in the capitals, no longer considered it an urgent problem (a reduction of 1.5-2-fold), and in the villages it was viewed to be of

Table 6.4

Evaluations of the reasons for poverty in 1995-2001 in different types of settlement

	Large city		Small town		Rural area	
	1995	2001	1995	2001	1995	2001
Main reasons for poverty in society:						
<i>One's own fault:</i>						
Abuse of alcohol or drugs	24.6	46.0	33.6	47.7	42.5	38.8
Laziness	19.6	36.8	17.6	27.5	21.2	34.6
Dependency, reliance on receiving social aid	9.6	14.9	8.8	10.5	8.9	10.3
Insufficient education	5.5	13.5	6.6	8.9	3.1	6.0
Insufficient self-respect	2.8	10.1	6.0	3.7	1.9	5.4
<i>The government's fault:</i>						
The government's economic policy	48.7	31.6	41.6	28.7	30.3	26.0
Insufficient financing of the social security programmes	22.9	27.5	19.8	30.6	19.0	27.2
<i>Socioeconomic situation:</i>						
Economic situation in the country	48.2	32.7	37.5	38.9	42.4	41.7
Lack of job opportunities	27.9	33.3	32.7	30.8	30.3	35.0
Large number of people arriving from other countries and regions	5.3	7.5	4.7	5.5	3.6	8.7
<i>Social norms and relations:</i>						
Degradation of morals	14.4	15.9	16.3	18.2	14.4	11.4
Lack of support from friends and relatives	1.2	6.6	2.9	8.6	1.9	9.6
Breakup of the family or family relations	4.7	11.4	8.5	12.6	8.8	6.4

Source: Data from VCIOM surveys for March 1995 and September 2001.



little significance. Searching for a job and a source of income, as well as the need to “stay on one's toes,” have relegated worries about the state of the environment to the background.

The list of problems reviewed according to types of settlement also reveals generational differences to a certain extent, particularly with respect to such problems as drug addiction (which features among the young population of large cities), and the moral and cultural crisis (which features among the highly-educated population in the older and middle-aged groups in federal cities). But the surveys also show that quite a few problems do not have obvious generation-related characteristics and affect all the age groups of the population.

The attitude towards poverty is an indicator of the transformation in the norms and values of different generations. The changes in what people consider the reasons for poverty can be clearly seen between the crisis year of 1995 and 2001, the latter being the most favourable during the entire transition period (Table 6.4).

The data obtained from these surveys show serious changes in the mentality of residents in different types of settlement. Primarily, people are taking a much more stringent view of their own responsibility for their standard of living. In cities, almost half the respondents consider drunkenness to be the main reason for poverty, and in all types of settlement, the percentage of those who singled out laziness as the reason for poverty rose from one-fifth to one-third of the respondents. The younger population in large cities singles out the negative influence of dependency, and insufficient education and lack of self-respect (10-15 per cent); moreover, it was in the large cities that the percentage of these reasons for poverty increased most of all – by 1.5-3-fold.

Evaluations of the government's responsibility were not distinguished by any perceptible differences among types of settlement in 2001. During the critical period of 1995, when poverty problems were the most intense and ubiquitous, the residents of large cities mostly blamed the government's economic policy – almost half of the respondents believed it to be the reason for poverty. This indirectly shows that people feel less inhibited about expressing their attitude towards what is

going on, which is particularly typical of the younger population in large cities.

At the beginning of the 1990s, there was a dramatic revival in the regional elite in Russia. Generation-related and regional aspects of the power structures are reviewed in Box 6.1 of the Annex.

Regional Human Development Indices

The regional rating according to the human development index (HDI) in 1999 (Table 6.5) does not differ very much from the previous year. Just as in the previous year, only three Russian Federation constituent entities (Moscow, the Tyumen Region and the Republic of Tatarstan) have an HDI which reaches the level of developed countries (higher than 0.800). The number of constituent entities with an index higher than the world average has not changed either – this applies to 75 of the 79 Russian regions accounted for in the rating.

The main contribution to a region's position on the HDI scale is its level of economic development. The gap widened by as much as 13.7-fold with respect to the per capita gross regional product (in terms of purchasing power parity) between the regions at each end of the scale (the Tyumen Region and the Republic of Ingushetia), and by 5.6-fold between the five most economically developed and five most underdeveloped Russian Federation constituent entities. In the previous year, this gap was 12.9-fold and 5.4-fold, respectively. As should have been expected, the onset of economic growth in 1999 led to an intensification in the disproportion of regional development, and the GRP indices only confirm the trends manifested in the dynamics of industrial production and personal incomes for 1999.

In 1999, a perceptible role was also played by the decrease in life expectancy in most Russian regions. The changes in this index are having a strong impact on the HDI, since, in contrast to the gross product, they are not minimised by the calculation formula. Particularly obvious is the contribution, which a significantly reduced life expectancy is making to the drop in St. Petersburg's rating, as well as that of many regions of Central Russia and the North-West. The territorial differences in life expect-



Table 6.5

Regional human development index for 1999

Region	GDP per capita by PPP, \$	Life expectancy at birth, years	Combined gross enrolment index, %	Income index	Life expectancy index	Education index	HDI	RF rating in 1999	RF rating in 1998
Russia	7,473	66.0	0.740	0.720	0.683	0.910	0.771		
Moscow	13,956	68.1	0.991	0.824	0.718	0.994	0.845	1	1
Tuymen Region	22,778	67.7	0.723	0.906	0.712	0.904	0.841	2	2
Republic of Tatarstan	11,644	68.4	0.797	0.794	0.723	0.929	0.815	3	3
Belgorod Region	8,270	68.2	0.819	0.737	0.720	0.936	0.798	4	6
Republic of Bashkortostan	8,632	67.0	0.814	0.744	0.700	0.935	0.793	5	7
Samara Region	10,757	65.9	0.742	0.781	0.682	0.911	0.791	6	5
Tomsk Region	9,650	65.8	0.795	0.763	0.679	0.928	0.790	7	8
St. Petersburg	6,476	67.5	0.887	0.696	0.708	0.959	0.788	8	4
Lipetsk Region	8,120	67.3	0.745	0.734	0.704	0.912	0.783	9	9
Republic of Komi	11,111	65.9	0.654	0.786	0.682	0.881	0.783	10	11
Nizhni Novgorod Region	8,010	66.2	0.801	0.732	0.687	0.930	0.783	11	12
Krasnoyarsk Territory	11,729	63.4	0.706	0.795	0.640	0.899	0.778	12	18
Ulyanovsk Region	7,605	66.9	0.728	0.723	0.698	0.906	0.776	13	10
Perm Region	9,463	64.7	0.711	0.759	0.661	0.900	0.774	14	13
Omsk Region	7,114	66.8	0.743	0.712	0.696	0.911	0.773	15	16
Murmansk Region	8,377	67.5	0.609	0.739	0.708	0.866	0.771	16	14
Orel Region	6,304	66.7	0.782	0.692	0.694	0.924	0.770	17	21
Krasnodar Territory	6,547	67.5	0.718	0.698	0.708	0.903	0.770	18	27
Vologda Region	7,921	65.4	0.718	0.730	0.673	0.903	0.768	19	19
Yaroslavl Region	8,204	65.0	0.716	0.736	0.667	0.902	0.768	20	15
Kursk Region	7,216	65.8	0.739	0.714	0.680	0.910	0.768	21	17
Sverdlovsk Region	8,034	65.0	0.715	0.732	0.667	0.902	0.767	22	26
Voronezh Region	5,751	67.0	0.775	0.676	0.700	0.922	0.766	23	23
Khabarovsk Territory	8,332	63.9	0.739	0.738	0.649	0.910	0.766	24	33
Orenburg Region	6,930	65.7	0.738	0.707	0.679	0.909	0.765	25	20
Stavropol Territory	5,518	68.0	0.741	0.669	0.716	0.910	0.765	26	29
Republic of Kabardino-Balkaria	4,663	68.2	0.813	0.641	0.719	0.934	0.765	27	42
Republic of Adygeya	4,643	68.9	0.770	0.641	0.731	0.920	0.764	28	37
Chelyabinsk Region	6,395	66.0	0.745	0.694	0.683	0.912	0.763	29	24
Rostov Region	5,605	66.8	0.763	0.672	0.696	0.918	0.762	30	28
Republic of Mordovia	5,088	67.4	0.780	0.656	0.707	0.923	0.762	31	22
Moscow Region	7,321	65.6	0.680	0.717	0.676	0.890	0.761	32	25
Novosibirsk Region	5,117	66.9	0.782	0.657	0.698	0.924	0.759	33	40
Republic of Sakha (Yakutia)	7,904	64.1	0.701	0.729	0.652	0.897	0.759	34	39
Udmurt Republic	5,638	66.7	0.741	0.673	0.694	0.910	0.759	35	32
Saratov Region	5,391	66.1	0.768	0.665	0.685	0.919	0.757	36	31
Irkutsk Region	8,689	62.3	0.713	0.745	0.622	0.901	0.756	37	35
Republic of Chuvashia	4,650	67.0	0.780	0.641	0.700	0.923	0.755	38	30
Republic of Karachayevo-Circassia	3,903	68.7	0.763	0.612	0.728	0.918	0.753	39	46
Kostroma Region	6,106	64.7	0.724	0.686	0.662	0.905	0.751	40	38
Astrakhan Region	5,142	66.1	0.736	0.658	0.686	0.909	0.751	41	56
Ryazan Region	5,651	65.5	0.715	0.673	0.674	0.902	0.750	42	36
Volgograd Region	5,212	66.1	0.716	0.660	0.685	0.902	0.749	43	34
Kirov Region	4,890	66.6	0.717	0.649	0.693	0.902	0.748	44	51
Kemerovo Region	7,120	63.2	0.697	0.712	0.636	0.896	0.748	45	45
Novgorod Region	6,225	63.7	0.736	0.690	0.645	0.909	0.748	46	44
Maritime Territory	6,104	64.9	0.682	0.686	0.666	0.891	0.747	47	57
Republic of Mari El	4,653	65.4	0.793	0.641	0.673	0.928	0.747	48	54
Republic of North Ossetia	3,254	67.9	0.832	0.581	0.715	0.941	0.746	49	65
Tambov Region	5,197	65.7	0.708	0.659	0.678	0.899	0.745	50	41
Republic of Karelia	5,870	63.8	0.731	0.680	0.646	0.907	0.744	51	59
Kurgan Region	4,969	65.8	0.707	0.652	0.680	0.899	0.744	52	50
Kamchatka Region	7,420	64.4	0.576	0.719	0.656	0.855	0.743	53	62
Bryansk Region	4,860	65.4	0.733	0.648	0.673	0.908	0.743	54	53
Kaluga Region	5,281	65.0	0.700	0.662	0.666	0.897	0.742	55	52
Vladimir Region	5,482	64.6	0.698	0.668	0.660	0.896	0.741	56	47
Tula Region	5,748	64.3	0.689	0.676	0.654	0.893	0.741	57	43
Altai Territory	4,457	66.7	0.692	0.634	0.695	0.894	0.741	58	60
Republic of Khakassia	5,813	63.5	0.719	0.678	0.642	0.903	0.741	59	69
Kaliningrad Region	4,788	64.9	0.731	0.646	0.666	0.907	0.739	60	67
Smolensk Region	5,731	63.9	0.691	0.676	0.648	0.894	0.739	61	48
Amur Region	5,888	64.0	0.669	0.680	0.650	0.886	0.739	62	63
Sakhalin Region	6,796	64.2	0.581	0.704	0.653	0.857	0.738	63	71
Republic of Dagestan	2,493	70.1	0.786	0.537	0.752	0.925	0.738	64	70



Region	GDP per capita by PPP, \$	Life expectancy at birth, years	Combined gross enrolment index, %	Income index	Life expectancy index	Education index	HDI	RF rating in 1999	RF rating in 1998
Arkhangelsk Region	5,783	64.0	0.666	0.677	0.649	0.885	0.737	65	49
Tver Region	5,552	63.5	0.699	0.670	0.642	0.896	0.736	66	55
Republic of Buryatia	5,278	63.2	0.725	0.662	0.637	0.905	0.735	67	58
Penza Region	3,642	66.7	0.736	0.600	0.695	0.909	0.734	68	64
Magadan Region	5,639	65.4	0.530	0.673	0.673	0.840	0.729	69	61
Republic of Kalmykia	3,088	66.0	0.790	0.572	0.684	0.927	0.728	70	75
Republic of Altai	3,781	63.3	0.805	0.606	0.639	0.932	0.726	71	72
Leningrad Region	5,504	63.9	0.576	0.669	0.648	0.855	0.724	72	66
Ivanovo Region	4,050	63.4	0.733	0.618	0.640	0.908	0.722	73	68
Chukotka Autonomous Area	4,895	67.3	0.420	0.649	0.705	0.803	0.719	74	77
Pskov Region	4,246	62.3	0.707	0.626	0.621	0.899	0.715	75	73
Republic of Ingushetia	1,661	73.4	0.613	0.469	0.806	0.868	0.714	76	78
Jewish Autonomous Region	4,121	62.8	0.670	0.621	0.629	0.887	0.712	77	74
Chita Region	3,586	62.3	0.651	0.597	0.621	0.880	0.700	78	76
Republic of Tyva	2,419	56.0	0.761	0.532	0.517	0.917	0.655	79	79

any dynamics are rather difficult to explain. Not only are the southern regions in the best position with a consistently higher life expectancy, but so are some of the newly-settled regions (the Sakhalin, Tyumen and Kamchatka Regions).

Changes in the education index are balanced out by the literacy component, which is equally high throughout Russia. But it is very important to note the trend towards accelerated development of higher education, which became apparent in the mid-1990s and was more obvious by the end of the decade (see Box 6.1).

An analysis of the changes in separate components of the HDI is necessary to supplement the assessment of how balanced human development is in the Russian regions. According to the degree each individual index in a region deviates from its average Russian level, several groups of territories can be singled out. About one-third (35 per cent) of the Russian Federation constituent entities have a balanced ratio of the three indices (an approximately equal deviation of all indices in a particular direction), and only seven of them (9 per cent) surpass the average Russian level in terms of all the indices. The most widespread type (38 per cent) is the regions where the income index is lower with respect to the other two indices. These are mainly regions in the centre and the south of European Russia. Only 10 per cent of the regions, which include all the leading raw material exporters, have a reverse ratio where the income index is higher than the other two. Five regions,

mainly located in the North-West, are distinguished by a high level of education with a lag in the other indices. Another six regions, all of them being outsiders, are distinguished by a significant scattering of indices. The typical representatives of each group are presented in Figure 6.2 of the Annex.

What does this disproportion mean for the generation-related adaptation models during the transition period?

Firstly, for young people it means unequal opportunities in obtaining higher education, without which a successful career and increase in income are very unlikely. Russia's "closure" during the transition period is also manifested in the drop in migration to the country's largest university centres to obtain an education, primarily due to financial reasons. Consequently, in regions where universities are undergoing a boom, young people have better chances of realizing themselves. Secondly, this means differences in the values and norms of regional communities in which young people are undergoing socialisation. The adaptation conditions for young people are initially worse where mass behavioural patterns tend to ignore personal health, and where asocial behavioural models are widespread. Many Russian regions can serve as an example, but particularly the Kemerovo and Pskov Regions, and the Republic of Tyva, where the low life expectancy serves as an indicator. Thirdly, in regions with the highest incomes, there are usually more opportunities for finding a job, which makes it easier for



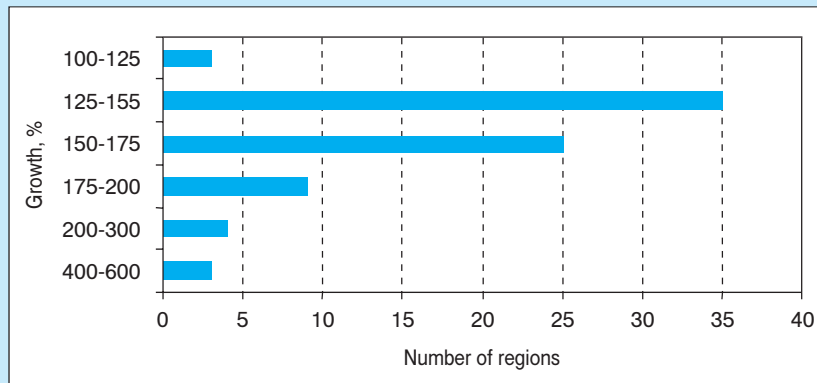
Box 6.1

Regional dynamics of higher education in the 1990s

After the number of students dropped during the first half of the 1990s, 1995 became a turning point. The growth rates are impressive, both throughout the country as a whole – 154 per cent, and by region (Figure 6.2). Even in Moscow, which has always had a huge enrolment of students, their numbers increased 1.5-fold. But some regions are becoming particularly prevalent, which previously did not have a significant number of higher educational institutions and students. This applies to northern and eastern regions (particularly the oil-producing Khanty-Mansi Autonomous Area and the Murmansk Region), and the agrarian south, including the Northern Caucasian republics. Of course, such a tempestuous rise in higher education has serious drawbacks – the quality of education in many peripheral higher educational institutions, particularly new ones, is very low. But the very fact of a mass influx of young people into universities indicates an increase in the prestige of education in society.

As a rule, growth was slower in regions which already had a large student body (the Republics of Buryatia and Mordovia). But there are exceptions – in the Tula and Tver Regions, the number of students is not very high and is growing at a slow rate. There are only a few regions like this, and they are mainly located close to Moscow, to a certain extent preserving the orientation towards the capital's educational institutions.

Figure 6.2. Growth dynamics in the number of students at higher educational institutions in the Russian regions for 1995-2000



young people to launch their careers and minimise the stress from arduous searches for work. Vice versa, in underdeveloped and depressed regions, the starting conditions are much worse, which forces the younger generation either to migrate to find a job, and often they find one in the informal economic sector or even in the criminal economy, or to reconcile themselves to the prospect of occasional earnings and poverty for long years ahead. The region where they live essentially provides the vital framework – opportunities and restrictions – for young people.

For the middle-aged population between the ages of 30 and 50, the same factors come into play, but a region's disequilibrium (reduced level) in economic development can be singled out as the most important. In this case, the low

wages and salaries of the middle-aged generation, on which dependents (children and old people) place the main burden, form the low level of income of the entire population. In addition, for 40 year-olds, the longevity problem is extremely urgent. The mortality rate among men in most Russian regions climbs dramatically after this particular age. During the transition period, male extra mortality was aggravated by the fact that 40-50-year-olds had to shoulder the heaviest burden of adapting to the new conditions – forced change of profession, double employment, etc.

For the elderly population, the regional imbalance in human development was most perceptible at a low income level, which was provoked by the instability of pension payment and the inadequate medical services financed from the regional budget.

* * *

Generation-related adaptation models and problems in the regions and different types of urban settlement can be systemised using the information presented in this chapter along with other studies conducted in recent years by demographers and sociologists:

The contradictory adaptation of **the younger generation**:

- territorial inequality of “starting” conditions have intensified: there are significant advantages for young people beginning their professional careers in the major cities compared with young people entering the labour market in villages and small towns;
- there has been an increase in the diversity of forms of territorial mobility, including emigration from the major cities due to a “brain drain,” and internal labour migration from the republics of the Northern Caucasus which has a younger age structure to the large cities of Central Russia, and increased labour migration to Moscow from the periphery regions which have a crisis labour market;
- there has been an increase in the prestige of higher education along with being increasingly localised migration for study due to a reduction in the financial accessibility of education;
- there has been polarisation of demographic behaviour: educated young





people in the metropolitan centres are postponing having children due to growing career priorities; at the same time, young people in small towns and villages are still getting married at a young age, and there still is a high percentage of children born out of wedlock and to mothers under the age of 20;

- there has been an increase in asocial forms of adaptation: i. e. more drug addiction in large cities and regions with higher personal incomes, particularly in the oil and gas producing areas of Western Siberia, an increase in the AIDS incidence rate in large cities and border regions; a high rate of crime among young people, particularly in the depressed cities and regions; mass unemployment and alcoholism among the immobile youth in the republics of Siberia and the Far East.

The middle-aged generation – work to the limit or degradation of human potential:

- there has been an increase in unequal opportunities to adapt in the regions, which has resulted in employment in two jobs in the largest cities and intensive subsistence farming as a means of mass survival in small towns and rural areas;
- there is adaptation of the population through an increase in self-employment in street vending and the shuttle businesses. These types of employment are the most developed in border regions, crisis-hit industrial cities, and underdeveloped republics;
- there is greater gender inequality, higher unemployment among women of middle and pre-pension ages. During the crisis period, rural women became the family breadwinners and bore the main burden of personal subsistence farming. A new sufficiently large category appeared in big cities – non-working women from well-to-do families;
- there is polarisation of subjective poverty: adaptation to poverty by the residents of villages and small towns who have lowered their expectations about what they consider to be a normal income level, against a background of rather high expectations among the residents of federal cities;
- there are negative consequences of the inability to adapt: an increase in male

extra mortality, particularly in the older regions of the Centre and North-West, due to stress experienced from the unstable situation and alcoholism.

The older generation – loss of what has been achieved and loss of hope:

- loss of savings, which is particularly hard for northern pensioners who no longer have the opportunity to migrate to long-settled regions;
- higher poverty of city pensioners due to the high cost of living, particularly in the federal cities; increase in forced employment of pensioners in mainly low-paying and unskilled jobs;
- shrinking access for pensioners to medical services, particularly in rural areas;
- minimisation of family ties with elderly parents in large cities due to the overemployment of working children; reinforced interfamily ties in small towns and villages, particularly in the southern regions, due to helping the elderly rural parents work personal subsistence farms to obtain additional income for all family members;
- rise in the social status of rural pensioners who became the main recipients of cash incomes during the crisis period due to mass non-payments and the predominance of payments in kind in rural areas.

Notes

¹ Regional data for 2000 according to age groups were not published, so we have to use the 1999 indices, which are distinguished by extremely low personal incomes.

² M. Krasilnikova, “Subjective Evaluations of the Poverty Level in Russia,” *Public Opinion Monitoring*, No. 6, November-December 2000, p. 44.

³ *The Informal Economy. Russia and the World*, T. Shanin (ed.), Logos, Moscow, 1999.

⁴ Yu. Levada, “From Opinion to Understanding,” *Sociological Essays for 1993-2000*, Moscow School of Political Studies, Moscow, 2000, pp. 473, 474.

⁵ N. Zubarevich and A. Treivish, “Socioeconomic Status of the Regions,” *The Russian Regions in 1999*, Annual Supplement to the *Russian Political Almanac*, N. Petrov (ed.), Carnegie Moscow Centre, Gendalf, Moscow, 2001, pp. 61-75.



Chapter 7

The Generations: A Social Profile

In Russia, communities of a given generation throughout history have always been very important as the primary form of an individual's identity. Suffice it to recall the Decembrists (a generation so named after the participants in the insurrection of December 14, 1825), or the *raznochintsy* (liberal democratic intellectuals, who were not members of the gentry), or the revolutionaries. During the past decades of the Soviet authoritarian society which was marked by the absence of personal freedom of choice, a basic feature of the people of the same generation was a feeling of "historical destiny", that is a conviction that there was no other way to live. This feeling of fateful dependence of an individual on the historical destiny of his generation is even reflected in the Russian language which has only one word (*sud'ba*) for the English notions of "fate" and "destiny". Therefore, the historical predetermination of individual lives is more tangible in Russia. So it is not surprising that during periods of crisis, "solidarity with the members of one's own generation" is the only identity which has preserved its significance in the public consciousness of all the preceding Soviet identities with large social groups.

The results of a sociological survey presented below (Table 7.1) show that identity with one's own generation is

keenly appreciated by people of all ages and is essentially significant for the majority in each age group, increasing slightly only in the extreme age groups.

"Generation" is a concept which is widely used by people in everyday life. There has recently been a revived interest in the subject. It is not surprising, therefore, that the generation problem is reflected rather persistently in the mass consciousness. In answering the question about the characteristics of one's generation over forty-four general characteristics were obtained during a nationwide sociological survey conducted by VCIOM in August 2001 (1,600 people polled), with only eight per cent of those surveyed unable to formulate an answer.

The general principle of sociological analysis of the generations proposed by Karl Mannheim consists of a differentiated approach to them as relatively autonomous social communities united by a common historical destiny and, accordingly, by common historical experience.

This chapter focuses chiefly on describing the generations from the viewpoint of the similar life experience of age groups, which is transformed during the transition from one life stage to the next. It is noteworthy that the dynamics of the life course from adolescence (the most important, "formative period" in the development of a generation as a unit) to old age becomes a central term in constructing generational patterns.¹

Such is the basis for a descriptive analysis of the socio-historical characteristics of the generations conventionally called "grandfathers", "fathers" and "children", representing the current age stratification in Russian society.

There is no long-term statistical database in Russia for constructing statistically-founded generation models. For

Table 7.1

How often do you identify yourself with your own generation?

Answer	Age				
	18-29	30-39	40-49	50-59	60 and older
Always	57.5	44.5	46.5	47.2	56.1
Often	27.2	31.9	24.7	29.6	20.4
Seldom	6.9	11.8	14.8	10.2	6.2
Never, almost never	0.6	0.0	2.9	1.1	3.0
Don't know	7.8	11.8	11.1	11.9	14.3

Source: VCIOM monitoring, August 2001. N = 1,600.





that reason, a common matrix of the life practices of people belonging to about the same age group will serve as a basis for their classification. Such practices are strengthened by corresponding to norms in a certain life pattern of a generation (when and how to obtain an education, get married, change one's place of residence; how many children to have, and so on).

When drawing up a generalised social profile of the generations, the main emphasis is placed on a description of the specific features in life patterns and behavioural characteristics during the past fifteen years. This chapter also describes the crisis associated with the disintegration of values under the impact of socio-historical change. The recurrent social and cultural themes of each generation are formed by distinct socio-historical conditions during the formative years of the generations.

The Life Course and Current Self-Assessment of the Generations

Four main types of generations are usually singled out in Russian society: prerevolutionary (people born in the 1900s), Soviet ("grandfathers" – people born in the 1920s), middle ("parents" – those born in the 1950s), and "children" (people born in the 1970s).² Since the prerevolutionary generation is no longer statistically significant, it is not included in the present account.

The **Soviet generation** consists of people who were born in the 1920s and started their active social life in the 1930s. Many of them held key positions in the national economy until the middle, or even the late, 1960s. Actually, they may be described as "the generation of industrialisation".³ An ideologised educational system, coupled with a harsh information blackout, helped promote a normative-oriented model known as the "Soviet man". These people were adolescents when the Soviet system scored its major achievements; World War II, despite all its misfortunes, remained a central event in the mass consciousness, the peak of the heroic period in the coun-

try's history, the pinnacle of its unity and might. "The builder of a new type of state" was the hero of that generation. In terms of their social status, they were predominantly industrial workers with a "peasant" mentality rooted in their genealogy (over 80 per cent of the people of that generation were of peasant stock) and a "great-power" type of identity (for they associated themselves with the Soviet state as a whole). People conducting research regard this generation as adherents to the "communist modernisation project".

In a survey conducted in 2001, people in this age group associated themselves with those who are now between 60 and 90 years old. In answering an open question they define their generation primarily in terms of its socio-historical placement. In their view, the common destiny of their generation is rooted, above all, in the fact that they are "wartime people" or "wartime children" who have experienced "many hardships". They also call themselves "a generation of peasants" or "Stakhanovites" (after Alexei Stakhanov, a famous coal-miner of 1935). Quite naturally, this age group demonstrates the greatest loyalty to the values of the Soviet system and feels nostalgia for it.

Lately, the situation of the older generation has considerably worsened as a result of the social and economic stresses and the collapse of the former social safety net (curtailment of social support, social benefits and free services, small pensions often delayed in many regions of Russia, etc.). The present level of self-assessment of the older generation stems from its feeling of being pushed to the sidelines of public life. The self-assessment of their own status is clearly negative: predominant is a feeling of depression, close to that of a kind of social outcast. When answering an open question, people in this age group characterised their position as (listed in descending order): "nobody needs us", "forgotten by all", "deceived", "defenseless", "exhausted", and "sick" (the results of a nationwide survey conducted by VCIOM in August 2001). On the other hand, when giving a general apprais-



al of their generation, many respondents expressed pride in its past achievements. They described themselves as “toilers”, “honest and responsible people”, “patriots”, “people of the old stock”, and “the last decent people – much better than the present lot”.

The **middle generation** – people who were born in the 1950s or thereabouts, are conventionally called “parents”. They find themselves at that stage in life where they are actively participating in social processes both in spheres of production and in the system of government. They describe themselves more often than others as “hard workers”, “workaholics”, “conscientious” and “industrious”. Researchers regard this generation as “middle”⁴ not only in terms of their age, but also because they are an intermediate link between the communist and the liberal forms of modernisation. As for its sociocultural type, this generation was also formed within the framework of the “communist project” but during the transition to industrial society and mass education. At that time, large cities were expanding rapidly, an urban culture was being formed, the epoch of the information society was on the rise (TV was gaining momentum, the first space mission). Socialist and liberal ideals are interlinked in the consciousness of this generation: striving for progress, on the one hand, and interest in one’s historical and cultural roots, on the other. This interest was a logical consequence not only of the high educational level of the members of the middle generation, but also of the considerably more favourable (compared to their “fathers”) political and economic conditions of socialisation. However, because of reduced social opportunities and restricted social mobility, in the early 1970s the middle generation reoriented itself towards private life, family relations and concerns, and consumerism. The distinguishing features of this generation’s set of values became the special focus on literature, a critical attitude towards the ruling establishment, and an orientation towards “postmaterialist” values (according to R. Inglehart’s terminology, this means a set of intellectual, aesthetic, and moral values).

There have been two “liberal” peaks that highlighted the life course of the middle generation: the “thaw” of the 1960s – under whose influence its socialisation took place during its formative period, and *glasnost* in the late 1980s and early 1990s (although in both cases, this generation was the “object” of the process, rather than its actor). Later on, during the economic reforms of the early 1990s, there was an active cultural resocialisation of the middle generation. This manifested itself both socially – in a wave of downward social mobility involving the bulk of the generation; and culturally – as a reappraisal of the customary cultural paradigm and of the reappraisal of the former standpoint towards achievements of status.

The present generation of 50-60 year-olds may be regarded as a generation “lost” in the waves of transformation and the “struggle for survival”. In this case, it occurred not during the formative period, but at a later stage in life. The social result of such a change was an en masse marginalisation of the generation. On the whole, it may be described as a generation of a turning point in sociocultural development. It has not become the mass basis or social subject of institutional transformations: it became jammed, as it were, between two trends, with the common cultural dominant one gravitating towards tradition rather than innovation. As a result, a deep socioemotional crisis is evident in the self-assessment of middle-aged people which affects the social health of the generation as an indicator of their human development.

According to sociological studies, people in the so-called middle age group demonstrate substantial internal differentiation in the way they perceive their former life experience and their present status. They associate themselves not with the entire group but more narrowly – with those born in the same decade.

Thus, people between **50 and 60 years of age** tend to see themselves as the victims of *perestroika*, feeling nostalgia for their unrealised aspirations. And they associate themselves with “wartime children”, the “Soviet people”, “Kom-





somol members”, and “people who grew up during the years of Soviet rule”. The gap between the human potential of these people and the limited possibilities for its realisation produced the most harmful effect on this generation. The abrupt social changes and subsequent difficult resocialisation at a mature age made people grow old prematurely. Negative assessments predominate in their social self-awareness: they describe themselves as a generation of “patient”, “exhausted”, “deceived”, but “enduring” people. On the other hand, certain social optimism, mostly connected with the past aspirations, is also present. It is evident in the following characteristics: “a generation of enthusiasts”, “experienced people”, “patriots”, “decent people”, and “hard workers”. On the whole, however, the prevailing feeling is that of being “sacrificed”.

People between **40 and 50 years of age** have a social self-awareness similar to that of the older group – those between the ages of 50 to 60. More than others, they express their premature social weariness and the feeling of a lost generation which finds itself caught between two epochs. In socio-historical terms, they describe themselves as “the builders of communism”, “people of the Brezhnev epoch”, “the generation of the 1970s”, “the romanticists of *perestroika*”, and “the victims of *perestroika*”. As can be seen, their past experience is varied and contradictory, which is reflected in their present social self-assessment. The smaller but socially more successful percentage of them are convinced that people of their generation are “self-reliant” and that they are “clever and wise”, while the larger percentage (social victims) characterise their peers as “weak-willed and trustful”, “abandoned by the government to the mercy of fate”, and “spiritual slaves”. People in this age group feel that they have lost a great deal financially and characterise themselves as a “poor, destitute generation”. Social apathy and anomie are especially evident among this generation.

Thirty to forty year-olds quite often use concepts associated with the new economic situation in their social self-

appraisal. They describe themselves as “stable”, “enterprising”, “businessmen” and “workaholics”. However, they also select the opposite characteristics, such as “a disoriented generation, barely able to survive”. The epithets people in this age group use in their self-appraisal are primarily “reliable”, “purposeful”, “capable of solving our problems”, “clever”, and “talented”. On the other hand, there is a sense of being unclaimed by society, “unwanted”. As part of their social experience, they mention their “Soviet upbringing” and “former Komsomol membership”, as well as their being “the generation of the transition period” and “the children of *perestroika*”. The subjective potential of this age cohort is therefore expressed most vividly.

It is evident that the social potential of all the age groups within the middle generation varies and is fragmented within each group. On the whole, this is due to the fact that all middle-aged people have experienced, to one extent or another, the contradictory influence of the transition period. At the same time, in their present adult life, all of the groups are still under the socializing influence of the Soviet epoch. The dominant feature in their self-assessment is the comparison between past losses and present personal achievements, as well as a definite age cycle. The older group subjectively perceive their state as “prematurely old” and “having been sacrificed” (people between 50 and 60 years old); the middle age group – as “socially weary” and apathetic (people between 40 and 50 years old); and the younger group (30 to 40 year-olds) – as “enduring stability”. It is also noticeable that the younger generations increasingly feel themselves as the active generation in contrast to the older generations self-assessment as “passive victims”.

Still, all of the above-mentioned age groups identify themselves, in the sociocultural respect, with the socialist rather than the liberal project.⁵ The sum total of the features of the “Soviet man” is merely shifted to the social “periphery”, remaining most stable within the



oldest age groups (“grandfathers”), disintegrating critically within the age group of “fathers”, and noticeably rejected by the younger set.

Differentiation Within the Young Cohort

The generation of “children” – those born after 1970 – were adolescents when the first attempts at social change were made during the second half of the 1980s, with all their contradictions, conflicting values and interests, and nascent opportunities. On the whole, this is still a “silent” generation. It is only 10 to 15 years after its formative period that a generation declares itself as a social phenomenon. In this sense, we can only talk about the realisation of their potential in regard to the older part of the young cohort, people approaching their thirties.

The processes of the past decade have substantially speeded up a rejuvenation of the generation cohorts and the differentiation of the generation called “children”. Clearly, it is quite difficult to draw well-defined demographic borders between the various age groups. Nevertheless, for the purpose of a comparative analysis we can single out two subgroups by age on the basis of one principal criterion – specific historical experience during the formative period: one is the cohort of the early and middle 1970s, the other – the cohort of the late 1970s and early 1980s (“generation X”).

The older youth cohort may be described as the youth at the start of the reforms. Chronologically, they are those born in the early and middle 1970s. The period of their early socialisation (10-15 years) coincided with the start of *perestroika* (1985) and the period when the historical legacy of the “fathers” began to be publicly and vigorously criticised. The changed situation in the mass media, the lifting of the information blockade, the landslide in old values, and the scathing criticism of the government system may be regarded as the main socializing factors for this cohort. For the rising generation that downfall

took place, above all, in the sphere of informal communication: conversations in the family and with peers. Being the most sensitive, the younger generation became the main target of intensive and purposeful ideological influence. On the other hand, however, the old education system, within which the cohort was formed, was still, under the momentum of the past, oriented towards the Soviet ideological system. It was not until the late 1980s that the customary attributes of the Young Pioneers and Komsomol organisations disappeared from schools.

An all-round and growing social nihilism towards the traditional values of the older generations – a paternalistic state, disregard for personal well-being for the sake of common benefit, collectivism and anti-Western sentiments – shaped the characteristics of changing values in that cohort at the turn of the 1980s and 1990s, and made nihilism its characteristic feature. In their interviews, representatives of this cohort talk about “refusing to live the way our parents lived”, making this the main argument for their choice of lifestyle.

In the early 1990s, they were between 15 and 20 years of age. When new economic opportunities – private enterprise and possibilities to make it rich quick – opened up before them, this cohort rejected the long-term prospects of obtaining an education. In the early 1990s (particularly in 1990-1993), enrollment in higher educational institutions abruptly dropped because higher education was no longer considered prestigious. Dispensing with it, the majority of young people promptly entered the labour market, which offered a wide choice of jobs connected with small business. As a result, at the end of the decade, this cohort differs somewhat from other groups in the number of its members employed in technical and service jobs (an increase of 6 percent) and in its lower unemployment indices in general.

In 2000, this group, now aged 25-30, joined the so-called young adult category. Its financial status today is considerably better than it was ten years ago. In fact, with respect to its level of





well-being, this age group has been superior to any other over the past decade. About half of the respondents in this group believe that they have already adapted to the changes and expect further improvements in their status. The majority of them favour a market economy in Russia.⁶

On the whole, this cohort may be defined as nihilistic since its members have completely rejected the postmaterialistic values of their parents, as well as their educational and status-oriented strategies. This cohort has achieved success in the labour market and success with respect to income levels; its members have adapted favourably to the market economy. However, they have not become the bearers of any innovative matrices or models in a sociocultural respect, rather they have merely destroyed the old ones.

The youngest age group – “**generation X**” – are people who were born in the late 1970s and early 1980s. Their formative period falls within the decade of the economic reforms of the 1990s, as a result of which Russia’s state and social system acquired qualitatively new features.

Today, these people are under or near 20, and most of them are still in the process of obtaining an education. It is not possible to describe the youngest age group in sufficiently substantiated sociological terms. We can only outline the potential capacities of this group on the basis of the tendencies revealed for the older age groups and general historical prerequisites for shaping any likely distinctions between this group and the previous generations (Box 7.1).

The following features distinguish this age group from the older ones:

1. The socio-historical conditions of young people’s socialisation. This is the first generation which has no opportunity to compare the potential advantages and disadvantages of the two social systems on the basis of their own experience. Moreover, their parents’ experience (as well as the experience of the preceding generations) provides no grounds for reproduction and is of no value to them under the new conditions.

Box 7.1

To describe the general hypothetical image of this generation it would be appropriate to employ the approach of C. Attias-Donfut, a well-known French sociologist, who writes that confrontation and opposition are qualities immanent in every new generation which, in order to exist, must strive to achieve autonomy and isolate itself from the previous generation. That is how the preliminary contours of a generation’s social image are outlined. Every preceding generation formulates a certain attitude or a counter-attitude, thus giving birth to a new group of people, which requires definition and completion of its own image.

Therefore, orientation towards the past or nostalgia for it do not apply to this age group. Its daily life experience in the formative period is accumulated against the background of a demonstrative inequality in incomes, living standards, and lifestyles. A wide choice of consumer goods has appeared (in contrast to their chronic shortage which lasted for decades), but most people cannot afford to buy these goods because of the low standard of living.

The symbolic “borderline” between Russia and the rest of the world has been removed. This involved lifting the information blackout (relating to literature, the mass media, new information technologies, commercial advertising, and later the Internet), and the emerged opportunity to literally “cross the border” and travel abroad. For a long time, this was beyond the experience of most Soviet citizens.

An individual’s range of social opportunities became considerably broader: people could now freely choose a place to live, have a broader range of educational options, etc., all of which led to a rejection of the paternalistic type of consciousness. This was already present as a trend in the orientation of the older age groups.

2. Educational system. In the 1990s, the Soviet system, including the educational system, was largely destroyed. For the first time in many decades, the state machinery was unable to exert any ideological influence on the upcoming generations. Formerly a unified national system, the current educational system began to reproduce social inequality in the rising generations. Sociological studies registered a change in the educational



motivations of the “generation X”. As regards the 15-20 year-olds, the “general cultural” motivation of obtaining a higher education yielded to a “narrow professional” one. The orientation towards higher education as an aim in itself was replaced by an orientation towards education as a means of attaining other goals, above all professional and material ones.⁷ As a result, the educational potential of “generation X” is already substantially different from that of the older age groups.

3. Weakening of the influence of the traditional socialist model on social consciousness. The long and gradual disintegration of the old pattern ended in its complete rejection by the cohort of nihilists (25-30 year-olds) and the anticipation of a new one. The demolition of the old models should inevitably lead to the appearance of new, innovative ones.

4. Professional orientation. The pragmatic orientation of “generation X” towards “hard work and material well-being”, as well as towards “starting one’s own business”, is becoming predominant. The young people choose these two orientations much more often than the older group aged 25 to 29 and than on average among all young people. The youngest group has proven to be the most realistically-minded with respect to market reforms.

The new conditions of the socialisation period provide opportunities and prerequisites for forming another sociocultural model in the youngest age group. This model is qualitatively different from the previous one, which still embraces the people of the older age groups.

The Comparative Characteristics of the Generations: Human Potential Realisation

The essential differences that have appeared between initial human potential and the subsequent life experience of various age cohorts in the past decade are due to the different attitudes today. These differences concern, above all, the nature and degree of adaptation

to the social transformations that have taken place, which manifest themselves in the following types of adaptive behaviour:

- | | |
|--------------------------------------|--|
| 16-29 year-olds: | “I live as before – nothing has changed for me in recent years.” This is the view of nearly every quarter of the respondents (23 percent). |
| 30-39 year-olds and 40-49 year-olds: | “I have to go out of my way to provide a decent living for myself and my family.” Nearly every other respondent (43 per cent and 45 per cent) in these two groups shared this view. |
| 50-59 year-olds and those over 60: | “I’ve had to abandon my customary way of life, and I’ve put up with this. I live from hand to mouth.” |

All of the above-mentioned types relate to passive-adaptive types of behaviour. Nevertheless, practically all the age groups adhere to qualitatively different adaptive strategies. Naturally, since the young cohort has had almost no experience with living before *perestroika*, every fourth member holds the view that “nothing has changed”. The members of the middle-aged cohorts, who take an active part in the social processes, have “to stand on their toes”, which gives them a premature feeling of social weariness. The older age groups are compelled to adhere to the strategy of “minimum spending for the sake of survival”. Hence their pessimism and the above-mentioned feeling of having been “pushed to the sidelines of social life”.⁸

Only a minority in all of the age groups choose an achievement strategy: “I have managed to take advantage of the new opportunities to get on in life”. Moreover, this indicator has a downward trend in older groups: from 13 per cent in the youngest group to 0.6 per cent in the oldest age group (the average being 7 per cent).





So which of the generations in Russia has adapted most successfully to the social changes? Tables 7.2 and 7.3 show the self-appraisal of members of different generations regarding their professional and other achievements compared with their parents' generation.

As expected, the most successful in their own eyes are people 30-39 years old. They entered the labour market precisely at the time when broad social opportunities opened, giving them the chance to realise their human potential most fully.

Members of the older age groups failed to adequately realise their greater educational and human potential (primarily as regards their life experience). That generation became "jammed" between the Soviet period and the social changes and was deprived of social opportunities; therefore, its members do not regard themselves as successful. A key factor in this case is the discrepancy between the generation's human potential and the opportunities for its realisation provided by society. The victors were those who took advantage of the historical chance to avail themselves of these opportunities.

In Karl Mannheim's words, each social period is polyphonous, and each generation has its own way of "arranging the sounds" at any given moment. Consequently, different generations have different attitudes towards various provocative social problems of the time.

Table 7.4 and Table 7.1 of the Annex demonstrate the essential differences among the generations in their appraisal of the same phenomena, which are particularly pronounced when the two extreme age groups are compared. Substantial sociocultural transformations are taking place in society, that are associated, above all, with its growing openness and Russia's joining the world community. An indicator of such transformations are changes in society's reference points regarding normative values. These changes occur by stages, first involving young people, and gradually spreading to the older age groups.⁹ Therefore, the same social phenomena (or rather their bearers) produce dif-

Table 7.2

Do you agree with the assertion: my career is more successful than that of my parents when they were my age?

Answer	Age				
	18-29	30-39	40-49	50-59	60 and over
Agree	46.7	58.0	52.5	52.0	48.6
Disagree	43.5	34.2	37.7	35.4	28.1
Don't know	9.8	7.8	9.8	12.6	23.3

Source: VCIOM, Express-10, August 13-18, 1998. N = 1,638.

Table 7.3

Do you agree with the assertion: I'm happier than my parents were when they were my age?

Answer	Age				
	18-29	30-39	40-49	50-59	60 and over
Agree	34.1	42.1	29.8	29.6	36.2
Disagree	43.4	38.1	46.5	41.8	37.3
Don't know	22.5	19.8	23.7	28.6	26.5

Source: VCIOM, Express-10, August 13-18, 1998. N = 1,638.

ferent reactions in different strata of society – defined primarily by its age groups. Things that evoke an active protest, a feeling of "anger, indignation" among older people, merely cause "annoyance" among the young. Political liberalisation of social consciousness and a broader sociocultural tolerance is ob-

Table 7.4

"Fathers" and "children's" emotional attitude to provocative social phenomena

Attitude	What do you feel about people who carry portraits of Stalin?		What do you feel about people bearing swastikas and calling for purging Russia of non-Russians?		What do you feel about people who have become wealthy during the last 10 years?	
	Age					
	18-29	60 and over	18-29	60 and over	18-29	60 and over
Respect	8.3	20.4	7.8	2.5	22.3	1.3
Kind feelings	1.7	15.3	4.2	2	14.7	2
Sympathy	26.8	14.8	4.2	2.1	2	0.1
Envy	0.2	0	0.8	0	17.3	3.1
Annoyance	24.4	10	23	13.9	13.5	33.4
Anger, indignation	9	7	40.6	52.9	11.4	38
Fear	3.2	1.6	9.4	15.7	2.1	4.8
Don't know	30.5	33	21.7	17.9	24	21.7

Source: VCIOM, a study under the Soviet Man project, 1999. N = 2,000. Respondents had the choice of more than one answer.



Table 7.5

Interest in politics	Age				
	18-29	30-39	40-49	50-59	60 and over
Interested	7.8	13.4	13.8	14.9	15.1
Mildly interested	33.2	34.7	36.7	39.6	23.4
Not interested	59	51.9	49.5	45.5	61.5

Source: VCIOM, the Soviet Man project, January 1999. N = 2,000.

served among younger people compared with the older age groups, which indicates a general trend towards the socio-cultural liberalisation of society. This also concerns relations among the generations: the young are more tolerant in their attitude towards these relations than older people. At the same time, it should be noted that young people's tolerance does not extend to such novel social problems as the presence of people from the Caucasus and of tramps in Russia. The "annoyance" of the young regarding these phenomena is even greater than that of older people. This goes to show that tolerance with respect to politically-colored phenomena does not coincide with tolerance (compassion) towards socially-deprived groups of people.

With respect to their interest in politics and political activity, the older generations, brought up in the spirit of socialist ideals, do not differ much from each other (see Table 7.5). This is contrasted with the young group's low interest in political problems, which indicates a general movement in society

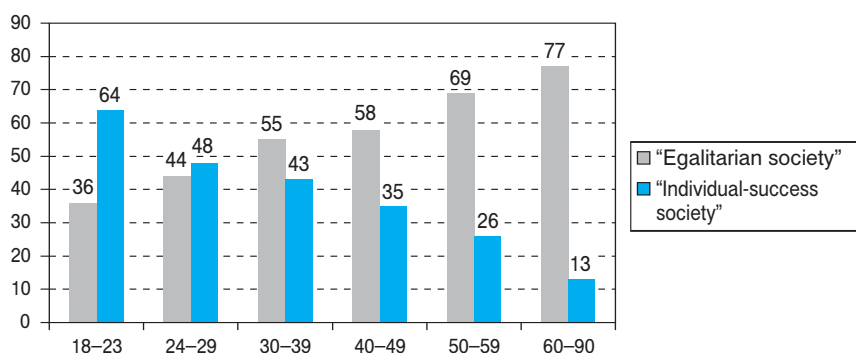
towards depolitisation and "privatisation" of social life.

Yet another indicator of the general vector of the generations' social choice is significant. When choosing "an ideal model for the future" between an "egalitarian society" (the collectivist project) and an "individual-success society" (the individualistic project), all the older groups were in favour of the socialist project – an "egalitarian society". Only the group of young people between 18 and 23 years of age made a different choice: 64 per cent against 34 per cent of them favour an "individual-success society"; the age group closest to them, that of 24-29 year-olds, is almost evenly divided in their choice: 48 per cent and 42 percent, respectively. All the older age groups chose the socialist "egalitarian society" project (see Figure 7.1).

Thus, a comparison of attitudes among generations reveals the main directions in the social development of society: towards greater tolerance, "privatisation" of social life, and individual achievement, which is typical of any Western-type democracy.

On the whole, differentiation among the generations is one of the core factors of social differentiation in Russian society. Actually, it represents the stratification of society according to age, since people with differing social experience live at one and the same time, which makes their social positions and targets widely divergent. Is this basis for conflicts between the generations in Russian society today?

Figure 7.1. Which society would you rather live in?



Source: VCIOM, the Soviet Man project. 1999. N = 2,000. In per cent to the total number of respondents in each group. Quoted from: L. Sedov, *The Problem of Changing Political Elites: Generation "Next"*. *Public Opinion Monitoring*, 2000, No. 3, p. 24.

Relations Between the Generations in Contemporary Society

From the viewpoint of relations between the generations, the self-assessment of the age cohorts is determined in terms of solidarity/confrontation and depends on the predominance of one or the other in the overall system of their relations. Since we have determined the value matrix of the older generations (starting with the 30 year-olds) as being common and genetically relating to the so-called socialist project, the so-





ciocultural consolidation of the older age groups in this sense is fairly obvious. Such a consolidation forms the basis for solidarity and stability among the generations in the near future.

At the same time, predominant in the social consciousness is the view that in recent years the relations between the older generations and the younger ones have deteriorated, and today are worse than they were 10-15 years ago. The survey revealed that this view is held by 59 per cent of the respondents (see Table 7.6).

On the one hand, competition between different social groups (including competition involving age characteristics) has grown on the whole during the past decade. In particular, this is keenly felt on the labour market where the demand for manpower is strictly correlated with age characteristics, giving rise to discrimination against older, more experienced specialists in favour of younger ones (Box 7.2).

On the other hand, older people are more categorical in their appraisal of the younger generation than vice versa. Opinion polls show that the younger generation is more tolerant, and the older one more rigid towards the “fathers” and “children” problem (see Table 7.1 of the Annex). The emotional attitude of the young towards 50 year-olds is not only more positive than that of the latter towards the former, but the nature of this attitude is different (Figure 7.1 of the Annex). For some “parents”, young people are the source of both annoyance and fear (the latter accounting for 13.3 percent). On the one hand, these feelings arise out of natural rivalry with the upcoming generation, which is taking over the social positions of the outgoing generation (quite naturally, the sense of fear is less acute among people who are 60 and over, than it is in the 50-59 group). On the other hand, these feelings indicate the emergence of a different cultural paradigm, which gains strength as the younger generation grows up. It arouses rejection in the older people (which can be likened to a kind of social “phobia” to something “alien”), and thereby gives

Table 7.6

An appraisal of changes in the relations between generations in the last 10-15 years

Answer	Age				
	18-29	30-39	40-49	50-59	60 and over
Improved	9.4	7.1	3.5	4.7	4.8
Deteriorated	47.6	57.7	58.7	62.9	66.6
Have not changed	33.2	29.7	30.2	24.3	20.4
Don't know	9.8	5.5	7.6	8.1	8.2

Source: VCIOM, Express-16, December 1998. N = 1,600.

Box 7.2

An example of a typical “help wanted” advertisement in one of the newspapers:

“The company is hiring workers below 35-40 years of age, with special training and a service record of at least 3-5 years.”

rise to “fear” of things strange or unknown.

And so the conflict between the generations, considered earlier, appears to be of a somewhat one-sided nature: it is characterised by a more evident positive feeling of respect on the part of young people (as more tolerant and liberal-minded) towards their seniors, and more intense intolerance on the part of older people towards the young. The relationship between the generations may be summed up as follows: a certain solidarity among the older generations against the backdrop of one-sided antagonism of the older groups towards the younger generation. The youngest group is the “object” of the conflict between generations rather than its “active participant” or the bearer of protest attitudes.

Meanwhile, in a situation where the government social security system for elderly people has been demolished, financial support of old folk by their children and grandchildren remains the only source of livelihood for them (see Table 7.2 of the Annex). At the same time, the young do not expect any assistance from anyone and rely only on themselves (see Table 7.3 of the Annex).

* * *

In summary, we can say that, despite the differences in their historical and life experience, the “adult” gener-



ations described above continue, by force of inertia, to be under the influence of the “socialist project” (although its impact is weakening from one generation to the next). In the sociocultural respect, the older age cohorts are traditional and for that reason they are consolidated. The younger group of the middle generation (30-40 year-olds) also gravitates towards that “socialist project” and even feels a kind of nostalgia for it despite the fact that this age group has managed, better than others, to adapt to the new situation and has achieved certain success.

In the generation of “children”, the fluctuation between the traditional and innovative sociocultural models is particularly pronounced because the cycles of their early socialisation fall within different sociocultural periods. The characteristics of the early social experience of the youngest group (people under 25 years of age) indicate that prerequisites for a different kind of sociocultural model are inherent in this group. True, the mere existence of prerequisites is not enough. The matter concerns specific sociocultural potential. However, it is only possible to talk about the formation of a “new generation” when, besides its own potential, there are social opportunities for its realisation.

In the sociocultural sense, we can expect a possible confrontation between the “older” generation (or generations), consolidated around one model and feeling, to one degree or another, nostalgia for the past, and the new generation, being formed under the conditions of a different social practice. In the present situation, sociological studies reveal only a predisposition in “generation X” towards the formation of a “different” sociocultural orientation.

Thus, it is precisely the youngest age group that may be regarded as a possible source of confrontation among the generations in society. This confron-

tation is still at the embryonic stage, since the “new generation” is still in the process of entering “adult” society. Nevertheless, its present orientations and social preferences constitute a basis for undermining the consolidation of the older cohorts.

Notes

¹ C. Attias-Donfut, *Rapports de generations et parcours de vie*, Colloque “Biographie et cycle de vie”. 1989, p. 5.

² *The Ordinary Soviet Man. A Portrait of Society at the Turn of the 1990s*, Yu. Levada (ed.), Mirovoi Okean, Moscow, 1993 (in Russian).

³ A long-term sociological project headed by Yu. Levada was devoted to the study of “the generation of the industrialisation period”.

⁴ N. Korovitsina, *The Middle-Age Generation in the Sociocultural Dynamics of Eastern Europe in the Second Half of the 20th Century*, Logos, Moscow, 1999.

⁵ A similar study of the generations of “grandfathers”, “fathers” and “children”, conducted in 1989-1994 under the guidance of Yu. Levada, demonstrated that there was no gap between the older age groups in their choice of values or of opposite reference points, there is only a tendency towards polarisation of preferences.

⁶ L. Khakhulina, “The Dynamics of the Attitude Towards the Market Economy (an analysis of youth cohorts in the early and late 1990s)”, *Public Opinion Monitoring: Economic and Social Transformations*, No. 1, 2001.

⁷ D. Konstantinovsky, F. Khokhlushkina, “The Formation of the Social Behaviour of Youth in the Sphere of Education”, *Sotsiologicheskyy zhurnal*, No. 3/4, 1998; V. Magun, A Revolution of the Claims and a Change in the Life Strategies of Youth (1985-1995), The Institute of Sociology of the Russian Academy of Sciences, Moscow, 1998.

⁸ VCIOM monitoring, May 2001. N = 2,407.

⁹ Yu. Levada, *From Opinion to Understanding*, The Moscow School of Political Studies, Moscow, 2000, pp. 20, 21.



Chapter 8

The Generations' Participation in Public Life

Power has never been the domain of the young. Throughout time, the older generation has always held power. Youth, as a rule, played a passive role in the political process. Its role grew only during periods of crisis and changing governments.

It is fair to say that these general principles were, on the whole, true too of the political life of the Soviet Union on the eve of *perestroika*, and the revolutionary changes of the 1990s that followed it. The ruling elite in society (the *nomenklatura*) became more feeble with each passing year. Young people were organised into special “reserve detachments” which “awaited the summons” of the Party, and were virtually 100 per cent removed from the making of important sociopolitical decisions. The paradox of the Soviet system was that, while working constantly with youth and including it in various forms of social activity at its very earliest stages, the government later offered such a slow pace of advancement in a political career that the way to the heights of power theoretically consumed the rest of one's life.

The revolutionary changes in Russian society in the 1980s and 1990s began when the power conflict between the “older” (aged 70–80) and the “younger” (aged 45–60) generations of politicians came to a head: the former did not want to leave the posts they had occupied for so many years, while the latter felt themselves to be a bunch of old men from whom power was slipping away. After the election of Mikhail Gorbachev as General Secretary of the Central Committee of the Communist Party of the Soviet Union, the “young” *nomenklatura* got the chance to change the situation, and did everything they could to make reforms possible (Box 8.1). A trend can be discerned in the accelerated pace of the *nomenklatura* members' careers. All the structures of power and

leadership started to move, and the rapid rise upward of the second and third echelons of officials got underway.

The process of “rejuvenating” the elite had begun. On the whole, the age of the country's top leadership has become substantially lower in recent decades; this group in the Putin cohort is an average of ten years younger than in the Brezhnev cohort, and younger than in the Gorbachev and Yeltsin cohorts (Table 8.1). The trend towards rejuvenation can also be seen in the comparative analysis of elite groups in the cohorts (i. e. top leadership, government, and the regional elite), with the exception of the permanently aging parliamentary elite.

One of Gorbachev's most important reforms was the introduction of the so-called Komsomol (Young Communist League) economy, which allowed young *apparatchiks* to try their hand at private business. Created in 1987–1988 on the basis of the Moscow district Komsomol committees and granted unique privileges, the Centers for the Scientific and Technical Work of Youth (CSTWY) were the first business structures in the USSR. The success of the CSTWYs marked the beginning of a new process: exchanging *nomenklatura* power for property, which led eventually

Box 8.1

Gorbachev's reform work began with an active search for allies. More than 80 per cent of the Politburo that elected him its leader was made up of Leonid Brezhnev's people. Only four members of the Politburo in 1985 had been appointed by Yuri Andropov. The average age of the team that initiated *perestroika* was 68.5 years. Every second member of the top leadership of that period began their Party career under Stalin. In getting rid of the Brezhnevites, Gorbachev built himself a true career “meat grinder”. He carried out an unprecedented purge of the elite in 1989, when he forced 74 members and 24 candidate members of the CPSU CC into retirement. By this time, he had also dismissed 23 people from the Politburo, and replaced them with his own allies. After these multiple changes, the average age of the Politburo was seven years younger, while that of the government was five years younger (see Table 8.1).





Table 8.1

Average age of elite groups (in years)¹

	Top leadership	Parliamentary elite	Government	Regional elite	Cohort as a whole
Brezhnev cohort	61.8	41.9	61.0	59.0	55.9
Gorbachev cohort	54.0	44.0	56.2	52.0	51.6
Yeltsin cohort	53.1	46.5	52.0	49.0	50.2
Putin cohort	52	48.9*	48.9	53.6	50.9

* *Kommersant-Vlast*, January 25, 2000, p. 22.

Source: Research data from the Russian Academy of Sciences Institute of Sociology's Section for Studies of the Elite, 1989-2001.

to the formation of a “second government” – the financial oligarchy.

The functions of the CSTWYs boiled down simply to cashing in the money that was lying inactive in the accounts of most Soviet enterprises, which were unable to make use of their own funds. Having got the right to perform this perfectly straightforward operation, the CSTWYs acted as intermediaries between government-owned enterprises. Private individuals earned profits as high as 18 to 33 per cent of the amount of a deal, with 5 per cent going to their patrons, the Party organs.

In the Gorbachev period, being able to conduct legal commerce was itself a privilege. Only the “authorised class” was permitted by the *nomenklatura* to engage in those types of business which brought in high profits. Komsomol functionaries who had had enough of sitting inside dusty offices energetically got into show business; international tourism; the founding of banks, construction and realty firms; and import-export operations. These

were all young people, many of whom were not even thirty.

The more it became obvious that exchanging power for property was extraordinarily profitable, and that the commercial risks were minimal, the greater the flood of Party and Komsomol functionaries that was pouring into the new structures of the “alternative” economy. In the period from 1987 to 1992, the proportion of those leaving the *nomenklatura* for the business elite increased from 38 per cent to 61 per cent.² The most intense transfer of cadres into the business structures took place between 1987 and 1989.

It must be noted that the average age of these “New Russians” was not all that low: in 1992, it was 41.2 years, and in 1994, 44.6 years (see Table 8.2). This testifies to the fact that, besides the young Komsomol members, representatives from the middle-aged (and even older) officialdom who had occupied leading posts in the economy were making the transfer to the private sector of the economy even before massive privatisation took place. A rather typical situation of those years was leaving one’s post as manager of a government-owned bank, or director of a government-owned enterprise, to become the president of a private company. Such an exchange of posts and titles was substantially different from creating a private business from scratch, just as the mentality of the old directors who had assumed the new title of “president” was different from that of the “young wolves” who had never been weighed down by the burden of Soviet experience.

Table 8.2

Age distribution of Russia’s business elite

Group of businessmen	Average age	Age groups (in %)			
		30-39	40-49	50-59	60 and older
Bankers	44.8	33.4	37.5	20.8	8.3
Financiers	44.6	30.0	50.0	15.0	5.0
Merchants	37.8	75.0	25.0	–	–
Manufacturers	48.3	23.5	47.1	17.6	11.8
Non-manufacturing sectors	40.2	40.0	60.0	–	–
Business executives	51.8	25.0	25.0	25.0	25.0
TOTAL	44.6	26	35	12	6 people

Source: Data from the *Leaders in Russian Business* study, conducted by the RAS Institute of Sociology's Section for Studies of the Elite, 1994-1995.**The Generations in the Legislative Branch**

After the abolition of quotas in the communist Supreme Soviet, elections began to be held under different conditions. Each “citizen of the Russian Federation who had reached the age of 21 and was eligible to take part in elections”³ could be elected a deputy. In the 1990s, however, the number of young people trying to get elected to parliaments at various levels declined rapidly.

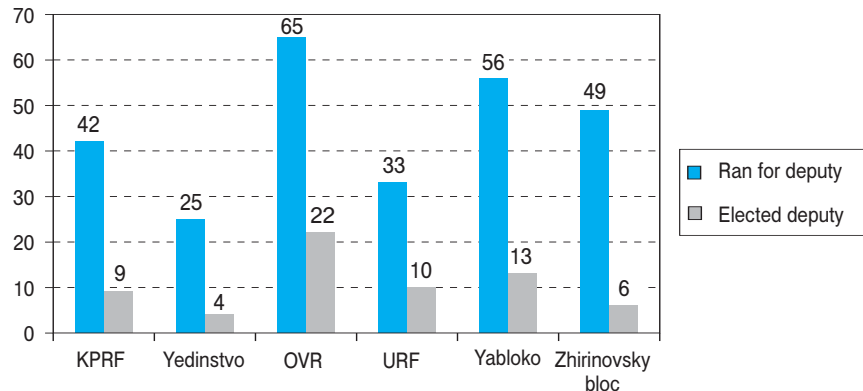


It must be noted that it was not only the desire of young people to get elected that declined, but also their chances of winning an election which declined. The chances for different age groups to be elected to the State Duma in 1999 were as follows: youth up to the age of 30 had the lowest probability of winning – a mere 9.6 percent. Other groups had significantly higher chances: 30-39 year-olds – 26.1 percent; 40-49 year-olds – 24.1 percent; 50-59 year-olds – 25 percent; 60 and older – 23.2 per cent.⁴ One can see that the chances for the older generation of candidates for deputy were approximately equal to those of the middle-age groups. How can one explain this discrimination against youth in elections? The reasons for it are rooted in the organisational weaknesses of youth movements, and the absence of extensive youth organisations having regional branches and authority among the electorate. After the Young Communist League ceased to exist, there emerged no other mass youth organisation to stand up for the interests of this generation in the representative organs of government. The financial factor was also no less important: young people got more modest support from private business (see Figure 8.1).

By rearranging the data on how many candidates for deputy were put up by each electoral bloc in the last elections to the State Duma, and how many of them won and were granted deputy mandates, one can calculate the probability of each age group winning, relative to the political party they supported (see Figure 8.1 of the Annex). As one can see, the greatest chances were those of young people who were up for election from the Zhirinovskiy and Yedinstvo (Unity) blocs. Young people from all other parties who tried to get elected had no real chance of winning. This data, like the data on the participation of youth in the 1995 State Duma elections, show that the younger generation has no clear-cut political preferences.

Are Russian political parties betting on the youth of today? This can be said only definitely with regard to two parliamentary parties: the Liberal Demo-

Figure 8.1. Correlation of candidates for deputy and those elected deputy below the age of 40, from different parties in the 1999 State Duma elections (no. of people)



Source: Calculated from Aivazova S. and Kertman G., *Men and Women at the Polls: A Gender Analysis of the 1999 and 2000 Election Campaigns in Russia*, Moscow, 2000, p. 14; "All the Duma", *Kommersant-Vlast*, January 25, 2000, pp. 19-44.

cratic Party of Russia (LDPR) and the Union of Right Forces. The reasons for this are varied: the LDPR has built its activities upon the popularity of its charismatic leader, Vladimir Zhirinovskiy. It is typical of such leaders to seek support from youth acting "over the authorities' head". The Union of Right Forces relies on the younger generation in the belief that it is precisely the new generation that is more inclined to follow democratic ideals and Western values. Whether or not this is true is an open question. Below are data from the American researchers T.J. Colton and M. McFaul at the Carnegie Endowment (see Table 8.3).

According to this data, young people up to the age of 30 are more inclined to consider Western-style democracy the most preferred political system, compared to other age groups. Howev-

Table 8.3

Preferred political system	Age groups					
	under 30	30-39	40-49	50-59	60-69	Older than 69
Unreformed Soviet system	10	20	21	29	36	45
Reformed Soviet system	36	40	46	46	41	29
The current political system	23	17	10	8	9	8
Western democracy	15	13	8	8	5	4
No answer	15	11	14	10	9	14

Source: T.J. Colton, M. McFaul, *Are Russians Undemocratic?*, Washington, DC, Carnegie Endowment for International Peace, No. 20, June 2001, p. 17.





Age cohort representation in parliaments at various levels

Table 8.4

	Age cohorts (in no. of people)				
	below 30	30-39	40-49	50-59	60 and older
RF republic parliaments	1.1	13.7	47.9	28.7	8.6
RF territory parliaments	3.3	14.6	41.03	35.9	5.1
RF region parliaments	2.2	15.7	47.2	29.1	5.8
RF autonomous area parliaments	0	18.4	58.1	20.7	2.8
Share of age cohorts in the overall number of deputies of regional parliaments (in %)	1.5	12.9	40.9	24.7	5.7
Share of age groups in the RF State Duma (in %)	2.9	18.8	33.9	32.3	12.1

Source: Calculated from *Elections to the Legislative (Representative) Bodies of State Power in the Members of the Russian Federation, 1995-1997. Election Statistics*, Vyes Mir, Moscow, 1998.

er, the younger generation is still more inclined to believe that the best path for Russia to follow would be the reform of the old Soviet system. Data from ROMIR, cited by the British Sovietologist, Steven White, also testifies to this: in the 1995 State Duma elections, young people below the age of 30 preferred the Yabloko party (with 21.9 per cent of them voting for it), Our Home is Russia (with 18.95 per cent of their vote), and the LDPR (with 18.3 per cent of their vote).⁵ One can see here as well the fuzziness of young people's electoral preferences. The only thing that can be said with certainty is that youth clearly does not sympathise with the die-hard Left (headed by the Communist Party of the Russian Federation), and that the Communists certainly cannot count on the support of the younger generation.

Youth below the age of 30 comprises a minority (no more than 3 percent) among the deputies of parliaments at all levels (see Table 8.4). However, their representation is twice as high at the federal level than it is in the regions. The ethnic republics and autonomous areas in the Russian Federation have the most patriarchal age structure among our parliaments: the smallest number of young deputies, and the largest number of the aged. Deputies older than 60 make up 12.1 per cent of those at the federal level, and 5.7 per cent of those at the regional level. In all representative organs

of power, the most numerous age group is that of the 40 year-olds.

In many areas, an age limit has been set for candidates for the post of head of the region's executive branch. In a number of them (republics of Bashkortostan, Kabardino-Balkaria, Karelia, Komi, Tatarstan; Krasnodar Territory, Irkutsk Region), the law stipulates that the candidate shall not be older than 65. In others (republics of Kalmykia, Sakha, Khakasia; Stavropol Territory, the Taimyr Autonomous Area, and the Ivanovo, Kirov, Kursk, Nizhni Novgorod, Ryazan, Samara, Sakhalin, and Tambov regions), the limit is 60 years of age. The law further specifies that a candidate cannot be younger than 35 (in Adygeya, Bashkortostan, Kabardino-Balkaria, Karelia, Komi, Northern Ossetia, Tatarstan, and Khakasia) or 40 (in the Republic of Sakha).⁶ Thus, the generational structure of the political elite is regulated through legislation.

The Generations and the Executive Branch

At the beginning of the 1990s, the process of "opening up" the governing elites began when the older channels for promotion were disrupted. The laws which created the Soviet *nomenklatura* were no longer being observed and the government was having difficulty controlling the turning out of officials. For around ten years, the path to joining the elite positions was wide open, and representatives of all the generations were trying to get into them. The many years of cadre stagnation were replaced by a period of dramatic change in the country's political arena. This process affected not just the legislative branch of government. Changes on a massive scale began to take place in the very hearts of the executive structures as well. Inside the Kremlin, in Boris Yeltsin's inner circle, in the president's staff, and in the government as a whole, a revolution in personnel was taking place: quite young people, with virtually no *nomenklatura* experience were coming to power. This process affected the regions, where the pace of political change was signifi-





cantly slower, to a lesser degree. The institution of the *nomenklatura*, as the main instrument for training the cadre reserve and perpetuating the elite, was virtually destroyed. Attempts were made to revive it only in 1997. By that time, the number of personnel working in the Russian Federation organs of state power and institutions of local government totaled 1,108,900.

Under Yeltsin, the average age of a higher official dropped by 10 years, in comparison to the mid-1980s. If it was 61 year in 1985, then it was closer to 50 in 1993.⁷ In the 1990s, every fourth official in the federal organs of government was not a product of the *nomenklatura*.

This indicates that the new Russian holders of power are not only younger than their predecessors: their social composition has changed and brought new ideas and values to political life. This is not due merely to the fact that its members are younger; they are also significantly more educated than their fore-runners. If 87.8 per cent of the elite under Brezhnev had a higher education, then 89.1 per cent of the Gorbachev cohort had one, and the number under Yeltsin was 97.8 percent. The ratio of those with Candidate and Doctoral degrees was 22.2 per cent among the Brezhnev elite; 29.1 per cent among the Gorbachev elite; and 48.2 per cent among the Yeltsin elite.⁸ If earlier, it was individuals with an engineering and technical education who mainly wound up in positions of power, then the proportion of economists and lawyers has now risen substantially: it was 25 per cent under Yeltsin, in contrast to 7.9 per cent under Brezhnev, and 8.8 per cent under Gorbachev.

The form of retirement has also changed: pensioners from the government elite have become younger and more active. Retirement now no longer means political death. On the contrary: sometimes only by leaving government service can such a "pensioner" begin a new life in business or public politics.

As can be seen from Table 8.5, the oldest government elite groups among the Yeltsin cohort were the Presidential

Table 8.5

Age changes in the Yeltsin era government elite (in % of group size)

Decade of birth	Presidential staff and advisers	Members of Presidential Council	Members of Government	Party leaders	Heads of regional administrations
Total	100	100	100	100	100*
1910s	0	8.3	0	0	0
1920s	9.5	25.0	0	11.1	1.2
1930s	38.1	29.2	25.7	33.3	38.3
1940s	33.3	25.0	42.8	33.3	38.3
1950s	19.0	8.3	18.6	19.4	18.6
1960s	0	4.2	2.8	0	3.5
Average year of birth	1942	1936	1945	1941	1943
Proportion of those younger than 40	14.3	8.3	22.8	5.5	9.3

*As 1993 regional leaders, we have counted 68 heads of territory, region, and autonomous area administrations, along with 21 presidents or Supreme Soviet chairmen of the republics included in the Russian Federation.

Source: Calculated by the author from materials by Barsenkov A., Koretsky V., and Ostapenko A., *Political Russia Today*, Moskovsky Rabochy Publishers, Moscow, 1993; *A Contemporary Political History of Russia (1985-1998)*, Vol. 2: Faces of Russia, RAU-Korporatsia, Moscow, 1999.

Council and the party leaders. If the first was created as a kind of "council of elders", then the same cannot be said for the party leaders. The average age of the party leaders during that period was more than 50, which reflects both the influence of the Soviet era, and the almost total lack of interest among young people in party structures.

According to data from Goskomstat, the bulk (60.8 percent) of government servants in 1998 were from 30 to 50 years old. Pension-age personnel account for approximately 3.9 per cent of these. Almost one-third of all government posts in the legislative and "other federal organs" are held by people aged 50 or more; of these, 8 per cent are of pensionable age.⁹

The proportion of people younger than 30 in municipal posts is 12.3 per cent, which is almost 10 per cent few-

Box 8.2

In Figure 8.2 of the Annex, one can see that the number of people under 30 employed in category C posts is 17 percent; category B posts, 9.8 percent; and elected category A posts, 2.1 per cent.¹⁰ On the whole, 26 per cent of those holding government posts have spent more than 15 years working in government organs. This contingent accounts for 47.2 per cent of the personnel in legislative organs; 25.4 per cent of the personnel in the executive branch; 26.1 per cent of the personnel in the judiciary and prosecutor's offices; and 38.8 per cent of those in other government organs.



er than in government posts (Box 8.2). Among municipal workers, the proportion of pension-age personnel is higher than that among government servants. Almost one-third of those holding municipal posts spent 1 to 5 years working in government or municipal organs, while 26.1 per cent worked in them from 5 to 10 years. Almost one-fifth had more than 15 years' experience working in these structures.

The formation of the political elite in the executive structures of government during the 1990s came about in two main ways. The first may be called "the great leap", where a young person with no government experience was invited to assume a post of responsibility. The first examples of such an elevation to power could be observed in the early 1990s, when Yeltsin invited many deputies from the Interregional Group of the 1989 Congress of People's Deputies of the USSR to work in the Kremlin.

Former staff members from the Russian Academy of Sciences – the historian S. Stankevich, the sociologist G. Starovoitova, and the mathematician G. Satarov – and the former academics S. Shakhrai and G. Burbulis became advisers to the Russian Federation President. Yeltsin also brought into the Government the young and inexperienced (in matters of governance) Ye. Gaidar, S. Glazyev, I. Khakamada, S. Generalov, and others. Such unbelievable ascents to power were, to a certain degree, characteristic of the President himself. At the same time, however, they also reflected the signs of the times: Russia's democratic system took shape under its own laws.

Another, more traditional path to the governing elite continued to exist, however: rising gradually on the ladder of government service. The revival of the institution of government service led to a return to the step-by-step advancement of one's career. By the beginning of 2000, almost no instances of a "great leap" career, so typical of the Yeltsin era, could be seen. An exception to this were the people from Vladimir Putin's inner circle, which is entirely logical for a new president who, in his own time, also made his career in a great leap. The majority of young people entered the structures of power through the lower echelons of government service. In the Russian heartland, this gradual process is only rarely upset by elections – which, in the first years of democracy, shook the entire political system of the regions. With time, however, the regional authorities mastered the art of using their "administrative resources". The cadre revolution of the Yeltsin era was gradually replaced by the predictable advancement of personnel, following the resurrection of the institution of government service in a form somewhat resembling the Soviet *nomenklatura*.

Political Activeness of the Generations

The collapse of the Soviet system resulted in the disappearance of the network of political organisations that had

Table 8.6

Do you now belong to any kind of public organisation (trades union, women's council, worker council, religious or environmental organisation, etc.)? (in %)

Answer	Age groups			Total
	under 30	30-49	50 and older	
I currently belong to a public organisation	8.5	26.3	8.2	15.1
Currently, no, but I did after 1991	2.5	7.7	6.8	6.2
I have not belonged to any public organisation since 1991	79.2	61.4	78.1	72.0
Refused to answer	9.8	4.6	6.9	6.7
Total	100	100	100	100

Source: Data from VCIOM survey of September 2001.

Table 8.7

Do you now belong to any political party? (in %)

Answer	Age groups			Total
	under 30	30-49	50 and older	
I currently belong to a political party	3.4	5.7	4.4	4.7
Currently, no, but I did after 1991	2.8	5.2	5.2	4.7
I have not belonged to any political party since 1991	85.9	84.1	82.3	83.8
Refused to answer	7.9	4.9	8.0	6.8
Total	100	100	100	100

Source: Data from VCIOM survey of September 2001.



bound the whole of the country's population. Children now entering school do not go grade by grade, from the Young Octobrists to the Young Pioneers, and then from the Young Pioneers to Komsomol. However, de jure the number of public organisations and political parties has grown many times over in comparison to the Soviet period. In Russia in the last ten years, a great number of charitable and humanitarian organisations have been created that now work in the areas of protecting human rights; ecology; culture; research work, and women's issues. Lobbying and advocacy groups have also been formed. Nongovernmental organisations now exist in large cities on the regional level (although a great many of these are on paper only). Some 100,000 nongovernmental organisations were registered with the Russian Federation Ministry of Justice in 1997; of these, 15,000 were in Moscow, and 4,000 were in St. Petersburg. However, not all of these are active. Only around one-third (about 35,000) were reregistered in June 1999.

The largest youth organisation today is the Russian Union of Youth, which has become the direct successor to Komsomol. However, its role in society is incomparably less than that played by Soviet Komsomol in its time.

Data from the nationwide survey done by VCIOM in September 2001 testifies to just how poorly the current generation of young people is involved in sociopolitical activity (see Tables 8.6 and 8.7). More than 79 per cent of all young people below the age of 30 do not belong to any public organisation, and 86 per cent of those under 30 are not members of any political party. When comparing the figures for different age groups' involvement in public affairs, one has to say that youth is the most politically passive group in society.

The undeveloped nature of the institutions of civil society in contemporary Russia evokes a sense of alienation from politics among the majority of citizens. Essentially, there exist no mechanisms of public control over officials' actions. Grassroots initiatives – ecology movements, soldiers' mothers committees, associations for consumers and

defrauded investors, etc. – do not fit into the traditional political party spectrum, have no representation in government structures, and are pushed onto the sidelines of political life. Often, the creation of public nongovernmental organisations and political parties is the initiative not by the people, but by the authorities themselves. Such institutions of a quasi-civil society cannot be attractive to youth, which is increasingly tuning out of the political process. This de-legitimises the idea of “participatory democracy”, and narrows the field of public politics.

* * *

In the last 15 years, the role of the generations in sociopolitical life has changed noticeably in Russia. The one-party system that permeated all of society was destroyed. The links between the authorities and society were disrupted; there were no longer any institutions which could provide interaction between the ruling elite and the people. At the same time, the ruling elite temporarily opened up; i.e. new ways appeared of rising to the top, bypassing the old *nomenklatura* methods. A flood of young people, with no experience in the Soviet system of government, poured into the governing elite. The elite as a whole became younger, both as a result of ousting the patriarchs of Soviet times, and thanks to the appearance of new channels for promoting talented people. Simultaneously, all quotas for the formation of the electorally representative branch of power were abolished; this led to a substantial increase in the average age of Duma deputies at all levels. Thus, the Russian Parliament aged in comparison with the Communist Supreme Soviet, while the personnel making up the executive branch of power became younger.

The inclusion of the generations in the political life of society has, as a whole, undergone the following changes:

- after the destruction of the Soviet system for including youth in the sociopolitical life of the nation, the new generation was left in a political vacuum, cut off from the possibility of mak-





ing any decisions, and robbed of the experience of social activity;

- at the same time, new opportunities appeared in the 1990s for youth to make a career in the executive agencies of power. Russia's higher officialdom grew noticeably younger;
- the reverse process took place in the representative organs of power: with the development of the democratic process in the country, the body of deputies at all levels grew older as a result of abolishing the quota principle of forming parliaments.

Notes

¹ Each elite cohort (of Leonid Brezhnev, Mikhail Gorbachev, Boris Yeltsin and Vladimir Putin) is viewed at its leader being at the second year in office.

² The *Young Millionaires* study done by the Elite Studies section of the RAS Institute of Sociology (1994).

³ Article 97 of the Constitution of the Russian Federation adopted by popular vote on December 12, 1993, Yuridicheskaya Literatura Publishers, Moscow, 1997, p. 41.

⁴ Calculated from Aivazova S., Kertman G., *Men and Women at the Polls: A Gender Analysis of the 1999 and 2000 Election Campaigns in Russia*, Moscow, 2000; "All the Duma", *Kommersant-Vlast*, January 25, 2000, pp. 19-44.

⁵ Steven White, *Russia's New Politics. The Management of a Postcommunist Society*, Cambridge, UK, 2000, p. 55.

⁶ *Elections of Chief Executive Officers in the Members of the Russian Federation in 1995-1997. Electoral Statistics*, RF CEC, Moscow, 1997, p. 17.

⁷ Data from *The Transformation of Russia's Elite* study, done by the Elite Studies section of the RAS Institute of Sociology (1989-1995).

⁸ Ibid.

⁹ *Statistical Newsletter*, No. 8 (58), The Russian Agency for Statistics, Moscow, August 1999, p. 20.

¹⁰ Ibid., p. 21.

Box 8.3

The phenomenon of charity in Russia's civil society

Charity in Russia is a concept that is both young and old. On the one hand, charity and patronage are associated with such names as Tretyakov, Ryabushinsky, Mamontov, Sytin, Tenisheva, and others. On the other hand, charitable activity is more and more becoming a modern reality. It is an integral part of the tasks of the growing sector of nonprofit organisations (NPOs), or – in the standard terminology of the UN – nongovernmental organisations (NGOs), one of the structural elements of civil society. In the current situation, charity is ceasing to be understood as just making narrowly-targeted material donations for the needy, or supporting socially important projects. Charitable activity is increasingly composed of financial and material contributions, plus those of time and resources, made not according to the size of income, but from the standpoint of social responsibility, conviction, and civic position.

For Russia, the legislative foundations of charity were laid in the Constitution of the Russian Federation, the Civil Code, and the Federal Law on Charitable Activity and Charity Organisations (adopted on August 11, 1995), and corresponding regional legislative acts. Nevertheless, by itself, the presence of legislation regulating charitable activity is still not a stimulus for entrepreneurs and private persons. Experts say that the mechanisms for bringing in traditional (cash) donations at present function poorly; and that the accounting system and credit and tax policies are such that they discourage businessmen from actively participating in charitable activity.

In the world today, two main ways are known for building up charitable institutions. The first of these involves a system of benefits, where there are well-functioning government mechanisms for motivating businessmen to give to charity (as in Great Britain and the United States). The other way is more characteristic of developing nations and countries with transitional economies, like Russia. There, charitable organisations are allowed to engage in business. However, this approach is vulnerable to criticism: nongovernmental organisations are often fragile, and spend a great deal of time providing for their own continued existence.

Charity in this country differs to a considerable degree from Western models. This results from Russia's peculiar legislative and legal environment and access to information, plus a number of economic, historical, sociodemographic, and cultural factors. For example, among traditional Russian traits is a clearly expressed social orientation towards such types of action. Around 80 per cent of all charitable projects and donations are directed towards the needs of the socially disadvantaged.

Charity in Russia is gradually being incorporated into a system. This is a network of groups and organisations whose work goes beyond the intermediary function of transferring assistance from donors, and permits the creation of new procedures which make it easier to either solve or ease one problem or another. Yet another important feature of charity in Russia today is its multi-level structure. Work in this area is being done by international corporations, large and mid-sized Russian companies, small businesses, private citizens, NGOs, and other organisations. They contribute completely different kinds of resources, which gives some researchers grounds for dividing them into two categories: material resources (providing money, equipment, special privileges, discounts, company products, etc.) and intangible resources (donating time, co-participating in projects and events, and offering their authority, expertise, know-how, etc.).





NGOs play an important role in charity. One must admit that their growth in the post-*perestroika* decade has been impressive. The NGO sector (or the “third sector”, as compared with the first, “government”, sector, and the second, “commercial”, sector) has successfully traveled the path from individual initiative to massive social movement. According to data from the Russian Committee for Statistics, there were 485,000 non-profit organisations operating in Russia on January 1, 2000. Around 22 per cent of these were engaged in socially oriented activity, with 5,000 registered with “charity” status. People conducting research estimate that around 2.5 million people (about 2 per cent of the population) participate in NGO activities as consultants, volunteers, and staff members. Every year, their work results in assistance and services being rendered to tens of millions of people.

Companies set up with foreign capital (Chevron, Procter and Gamble, the SUN Group, e.g.) are among the most active participants in Russia’s charitable process. Guided by corporate rules, they began working in the area of “honest” charity comparatively early. Many now view charity as one of the instruments of professional marketing, with social responsibility as one component of a successful business. In recent years, building a reputation and winning the trust of clients have been increasingly used as arguments for the charity programmes of different firms.

As a rule, the priorities of donors are determined either by the nature of their professional interests, or by their personal preferences. An analysis of their priorities shows a clearly expressed generational approach. Children, youth, and the older generation – as the most vulnerable categories of beneficiaries – are the primary objects of donation.

There are many compelling motives for business people to become involved in charitable work: a positive image in the mass media, the possibility of tax relief, the demands of corporate standards, the patronage of influential people, a personal desire to support a socially important project, sympathy with an organisation’s mission (or the fate of an individual), past experience in collaborating with NGOs, and seeing the act of giving as an “indulgence” for one’s sins. Motivation can be either simple or complex.

Diversification into different forms of charity has been taking place in Russia since 1998. In the opinion of some experts, this is connected both with what is “fashionable”, and with the partial discrediting of such widespread forms of charity as funds. Many organisations with fund status were created at the beginning of the 1990s, some of them with fictitious aims, as a way of evading taxes. Exposure of these in the mass media made the very collocation “charity fund” less attractive (although there are more completely trustworthy funds in the NGO sector today). The stage of institutionalizing charity has now been reached, with the development of more advanced ways of donating (on-line methods, the creation of separate funds and trustee councils for administering grant competitions, other competitive mechanisms, etc.). For example, Rosbank has established the New Day Programme, which awards stipends to outstanding students chosen through competitions at their academic institutions. The bank sees this as an element of “social investment”. Community foundation funds, with the equal participation of the public, business, and the local authorities, are registered in more than 20 Russian cities (Moscow, Togliatti, Tyumen, Kaluga, etc.). Unfortunately, however, a large part of the charitable deeds being done in the country remain, for various reasons, in the shadows. A more thought-out policy in this area could increase the influx of much needed means dozens of times over.

One must admit today that the scale of charitable activity in contemporary Russia, considering the less than favourable economic and taxation climate, is quite substantial. According to some data, 80 per cent of all business people have donated money for social projects (for helping particular individuals, former workers, non-profit organisations, cultural institutions, etc.) at least once. The “turnover” of charity funds is, in individual cases, impressive by domestic standards. Thus, a large company’s “charity budget” might consist of \$100,000 annually, or even more.

The attitude of the Russian Federation population towards charity is extremely ambiguous. In 2001, research staff from the British Charities Aid Foundation concluded that, under current conditions, Russians generally view the idea of charity as an organised activity with scepticism. Nevertheless, for a variety of reasons, they are ready to make donations, both periodically and on a one-time basis. This is an important prerequisite for the development of charity (personal as well as corporate) in Russia. Based on the experience of countries where both models co-exist, the volume of private contributions taken in holds second place among the sources of financing for charitable projects. However, collecting funds from private individuals undoubtedly calls for the professionalisation of the soliciting organisations. It demands special work for motivating private persons, accountability to donors, transparency, and sustainability.

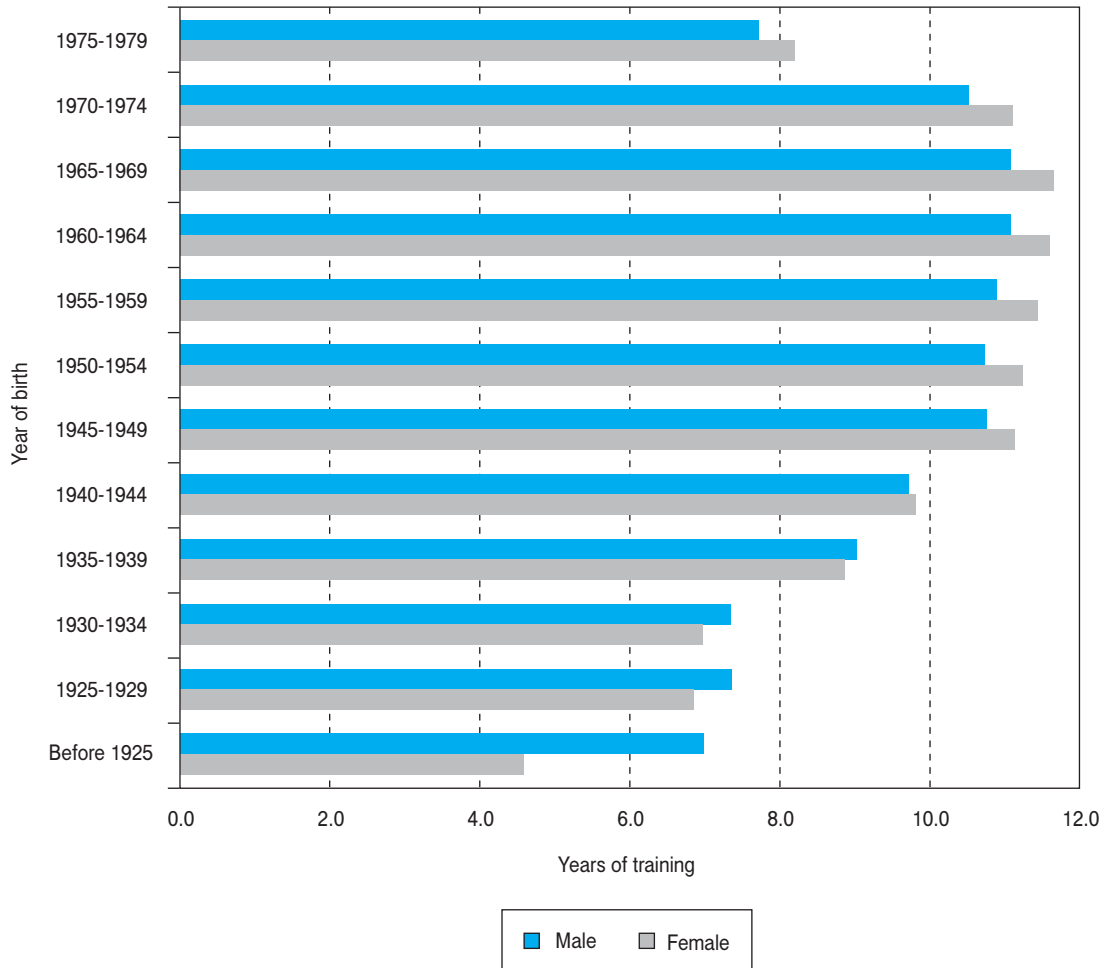
Sociological surveys allow the identification of priority groups and organisations to which Russians are ready to donate. For example: according to one survey, primacy is given to rehabilitation centers for orphans (67 per cent). After this come children’s homes (64 per cent), the victims of ecological and natural disasters (58 per cent), those affected by the wars in Afghanistan and Chechnya (58 per cent), charity organisations that work with the disabled and handicapped (58 per cent), homes for the elderly (45 per cent), oncological centers (44 per cent), AIDS centers (42 per cent), street beggars (42 per cent), and green organisations (36 per cent).

The Russian government’s current social policy fails to consider adequately the need of citizens not merely to receive services and assistance, but also to invest their time, efforts, talent, and energy in social projects. Thus, thanks to this desire, organised volunteerism is developing within the framework of the charity movement. This process began early in the 1990s, and was given new impetus with the proclamation by the UN in 2001 of the International Year of Volunteers. The work in NGOs is directly involved with volunteering, and with bringing in tens of thousands of people to serve as volunteers. At the moment, volunteering is becoming increasingly popular among young people, under the influence of the new cultural values of independence and openness. In many of Russia’s regions, projects have been launched to create volunteer youth services such as Little Homeland and Volunteer Assistance for the Population; to initiate progressive models for civilian alternative service; and so on. In the future, charity (as a field of work) could offer more opportunities for job creation, and realizing the labour and civil potential of the population.



Annex

Figure 1.1 of the Annex. Average years of training of generations born in different periods





Agricultural products and resources market development

The **market of agricultural products** has undergone notable changes over the years of reform. As early as 1994-1995, the channels for marketing these products were fairly diversified and the number of transactions executed in a manner unconventional for the Soviet economy, i.e. via private intermediaries and the like, was growing. Wholesale markets appeared for a number of products (mainly vegetables and fruit). Exchange of goods trade gradually developed. In other words, a market infrastructure was being formed to enable the Russian agroindustrial complex to enjoy the advantages of the 1998 ruble devaluation. In 1992-1994, the gap between the domestic and world prices was much higher than in 1998, and since the domestic infrastructure was inadequate for delivering local produce to home markets, the demand was satisfied by imports. The 1998 devaluation led to import being gradually replaced with home-made goods on a wide scale.

Nonetheless, infrastructure development has been fairly slow. This is due not so much to internal agrarian problems as to the general macroeconomic situation in the country. Agriculture suffers from the same diseases as the economy in general. For instance, every kind of barter exchange is highly widespread in agricultural produce marketing. In addition to the simple exchange of products very popular in the agrarian sector is barter in the form of commodity credits, tolling, offset arrangements and wages paid in kind. (It should be noted that like in the country's economy in general the share of barter in agricultural production has notably shrunk since 1998.)

Cash transactions are widespread. Whereas in other economic sectors they are used as a means of tax evasion, in the agrarian sector, which is exempted from profit tax, this is a method of operating under conditions of blocked bank accounts. Cash turnover accounted for up to 50 per cent with regard to some kinds of products.

Major stimuli for vertical integration appeared on the agricultural produce market. Shortage of raw materials, unwarranted contract performance, working capital deficit and regional trade barriers prompt foodstuff chain players to integrate. This trend towards integration became particularly strong following the 1998 crisis. Until recently interregional trade barriers were an essential feature of the country's agricultural market.

Despite efforts made in this field by the Russian Federation Ministry of Agriculture, the market information system is very weak. According to results of polls, three quarters of producers urgently need such information.

However, the agricultural market infrastructure is far better developed than that of the factoring of production.

As the turnover of capital in agricultural enterprises dropped sharply in 1992, the **purchased resources market** also substantially narrowed down. The volume of production of basic resources for the countryside over the reform years has decreased more than any other line of production; manufacture of certain kinds of machinery (for instance, potato harvesters) has been terminated altogether. This market is so far notably less liberalised than the agricultural product market. The bulk of their resources agrarian producers purchase under commodity credit or government leasing schemes.

Agricultural production growth following 1998 brought about changes on the market for purchased resources. In the first place, demand has grown, which led to a fast buildup of production in agricultural machine building. The free market of agricultural machinery has also expanded, barter and offset delivery arrangements shrank, and dealer networks and leasing companies began to be established.

The situation on the fertiliser market differs from that on the agricultural machinery market. Mineral fertiliser production has decreased insignificantly over the reform years, but up to 80 per cent of output is exported. Export prices have long been below internal prices, but no redistribution of exports for domestic supplies is observed.

The **market for land** is only emerging in Russia. A long period of decline in the agrarian sector has kept the demand for land low and market development was unlikely, despite fairly liberal federal land law. Until 1999, demand for agricultural land was low and even shrinking from year to year. Nonetheless, a conception of collective and state-owned farms' reorganisation based on the land sharing principle brought about a quasimarket of land shares. This market provides a certain mechanism for land to be concentrated in the hands of most effective producers. Surveys show that only one-third of land is owned by producers, with the rest being rented, primarily as shares. Furthermore, some farms vigorously adapt the size of ploughed land to the current market situation, changing it once in 1 to 3 years. The average size of farms grew from 43-44 hectares in 1991-1996 to 57 hectares in 2000, and even more in some regions. This is done largely by leasing land shares and, to a lesser degree, plots of land. Surveys also indicate that such redistribution also occurs in large farms although this is not reflected in official statistics. Up to 60 per cent of land shares are owned by pensioners and social workers who have relatively greater freedom of action to dispose of these shares at their discretion (because they have no labour relations with the parent farm). Primarily such shares are marketed.

In 1999-2001, the agricultural sector began to grow and land became an object of keen interest. Today companies willing to invest into agriculture acquire land by leasing land shares from a great number of owners. According to some estimates, vertically integrated holdings work more than six million hectares of ploughland today.

Enactment of the new Land Code (2001) and especially the anticipated law on agricultural land turnover will make this turnover even more intensive.

Agriculture has long been one of the less attractive sectors for **capital**. This was apparently due, on the one hand, to the vague structure and ownership rights and relative overproduction that had persisted in this sector for a long time. On the other hand, the sector is potentially attractive for investors: fast capital turnover and small lump-sum investment with a relatively high profit rate on certain products (grain, oil-bearing crops, and, lately, meat). It was not by chance that after the 1998 crisis when foodstuffs imports were dramatically cut down, investors began to show interest in the agricultural sector. However, investment



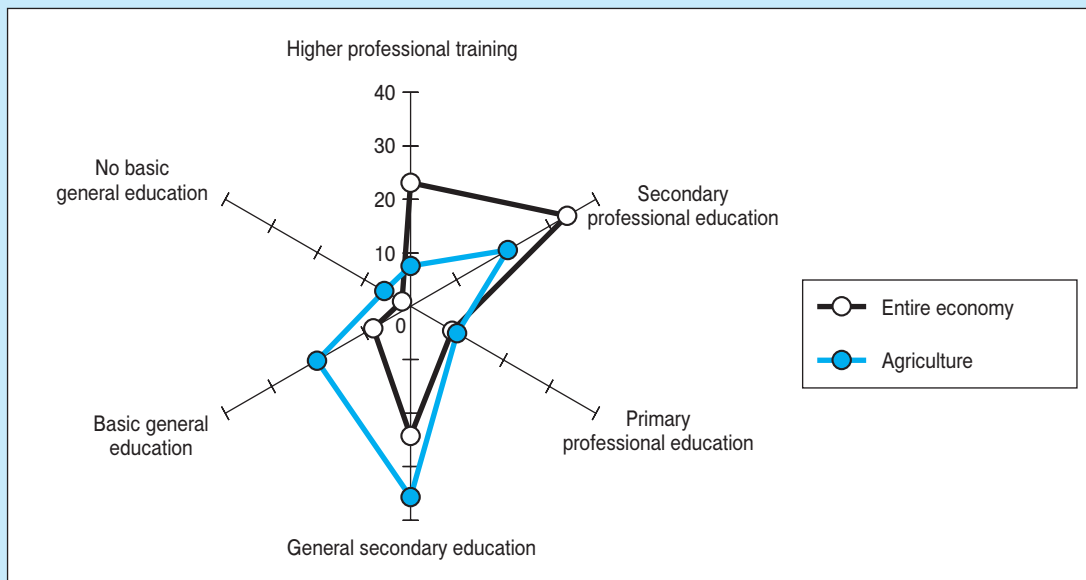
takes specific forms in this field – investors are primarily vertically integrated firms interested in sustainable deliveries of agricultural raw materials. And given nontransparent procedures of land sale/purchase, the land factor is not involved in integration processes.

Workforce. In Soviet times, the rural population was traditionally employed in agriculture. The drop in demand for food-stuffs, growing imports and a corresponding decline in agricultural production would have required a substantial reduction in the number of employees (up to three-quarters, according to farm managers' estimates). Nonetheless, employment in agriculture remains almost without any change. The key reason is lack of nonagricultural jobs in the countryside. Dismissal of workers with no prospect for them of finding alternative employment leads in rural areas to lumpenisation of the population and theft at operating farms. Therefore managers prefer to retain the personnel of their enterprises to safeguard their own production. This, in turn, leads to a very low level of earnings in rural areas (actually, the lowest in Russian economic sectors), which reflects latent unemployment and acts as a brake on the genuine restructuring of the sector.

Apart from low wages, surveys demonstrate that the excessive workforce also generates unwarranted labour relations in rural areas: a substantial part of labour contracts are concluded verbally without any clear specification of functions. On the other hand, employers display demand for low-skill manpower and rarely dismiss their workers. However, basic reasons for dismissals are low discipline, theft and hard drinking, rather than low skills or productivity. So the labour market in rural areas is very poorly regulated by laws, low-skill manpower is in demand, supply is excessive and also of low quality.

One of the effects of the reform is a drop in the skills of workers in basic specialisations: against the background of general unemployment the number of vacant jobs has been growing in recent years. This trend is particularly obvious in agriculture, especially given a dramatic decrease in relative wages. The share of persons holding higher education diplomas is the lowest in agricultural production as compared to other economic sectors, whereas the share of those with basic general education or without it is the highest (Figure 2.1 of the Annex).

Figure 2.1 of the Annex. Distribution of the employed by level of education in agriculture and the entire economy



Whereas in 1987, 99 per cent of farm managers had a higher or secondary specialised education, today a substantial part of them has no such education. Even promising farms are faced with the shortage of skilled labour for basic agricultural operations – tractor drivers and harvesting combine operators. For instance, LUKOIL-Market had to bring machine operators from Israel to work its fields in 2000; the Orel Region sent its machine operators to Germany for training.

The demand for skilled labour is sure to grow as agricultural production expands.





Evaluation of volume and dynamics of the population's money income and spending on goods and services

Since 1992, a total amount of income is estimated by summing up all kinds of expenditures and savings of the population, foreign currency purchases (before 1991 this item naturally did not exist) and cash in hand increment.¹ This is due to the fact that no autonomous direct calculation of the population's income by individual type is possible, given the multistructural nature of the economy, large-scale income concealment, etc.

A crucial point in modern income calculation methods is that the indicators of the population's spending on goods and services provided by official trade statistics are additionally calculated on an expert evaluation basis to include disguised and informal economic activity ("shadow economy").² In recent years the share of such components within the overall volume of the population's spending on goods and services accounted for 35-40 percent. Therefore, fairly widespread speculations in the press on income underestimation as a result of "shadow" earnings are groundless. At the same time, it fails to explain the discrepancy in the current level of income and consumption in relation to 1990-1991.

The latter circumstance is connected above all with a large gap in the dynamics of income and spending on goods and services in 1992: real available incomes accounted for 52 per cent of the 1991 level, whereas there was practically no decrease in the total volume of commodity turnover and paid services rendered (99 per cent of the 1991 figure). This gap was only slightly conditioned by the growth of the share of expenditures on goods and services in the population's income in 1992.

Apparently, the official index of the physical volume of commodity turnover in the said year was overrated (primarily due to the dynamics of nonfood items sale). Rough estimates made according to a methodology established by the Russian Committee for Statistics in 1995³ show that if this circumstance is taken into account then the level of the population's total spending on goods and services in 2000 made some 52 per cent and in 2001 will be some 57 per cent of the 1990 level. In other words, indicators of changes in consumption spending and monetary incomes of the population are consistent and indicative of the per capita standard of living reduction by approximately half over the recent decade.

¹ *Methodological Provisions of Statistics*, Issue 2, Goskomstat, Moscow, 1998, p. 127.

² *Methodological Provisions of Statistics*, Issue 2, Goskomstat, Moscow, 1998, Sections 1.3-1.4.

³ See, for instance, *The Socio-Economic Situation in Russia. January-March 1995*, Goskomstat of Russia, Moscow, 1995, p. 66.

Demographic effects of reforms

A fast birth rate decline in Russia in 1990-1994, considerable mortality rate variations and, what is most important, a dramatic decrease in life expectancy in the period of 1992-1994 led to the conclusion that *perestroika* and especially the transition to a market economy had an extremely negative effect on demographic indicators of Russian generations. At the same time, a more thorough analysis demonstrates that this is not the case.

In order to estimate the impact of changes in mortality rates in the 1980s and 1990s on generational mortality, we compared the actual number of deaths in each generation over the period from 1979 to 1999 with a hypothetical number of deaths if age indices of mortality have not changed since 1979 (Table 4.1 of the Annex).¹ Calculations show that in many generations the actual number of deaths is above the hypothetical figure. However, the total result is very small: the actual number of male deaths in the 1908-1998 generations exceeds the hypothetical figure by a mere 1.3 percent. In respect of female mortality the figure is 0.3 per cent.

Table 4.1 of the Annex

Difference between the actual and hypothetical number of deaths in 1979-1999 by generation groups: gain (-) or loss (+)

Generations (years)	Men		Women	
	Actual less hypothetical	Actual less hypothetical as % of hypothetical	Actual less hypothetical	Actual less hypothetical as % of hypothetical
1989-1998	-61,654	-23.3	-43,509	-23.3
1979-1988	-47,584	-9.5	-34,758	-10.3
1969-1978	35,209	8.5	16,152	11.8
1959-1968	-3,800	-0.4	4,580	2.0
1949-1958	23,156	1.3	6,481	1.3
1939-1948	140,534	7.2	28,829	4.0
1929-1938	264,815	7.1	62,289	3.4
1919-1928	98,411	2.7	129,116	3.8
1909-1918	-130,599	-4.3	-109,509	-2.0
1899-1908	-77,592	-4.8	-45,282	-1.0

However, thanks to the anti-drinking campaign with which changes in the mortality rate actually started in Russia, many deaths were shifted from 1985-1988 to 1990-1995. As a result, those who died in 1979-1999 lived much longer than they would have under a constant mortality level (Table 4.2 of the Annex). Losses were suffered by only the oldest generations. The average gain was 173 days for males and 89 days for females.

Table 4.2 of the Annex

Man/years lived on the average by one person who died in 1979-1999 and gain (+) or loss (-) in days per one deceased person by generation groups

Generations (years)	Men			Women		
	Actual number of man/years	Hypothetical number of man/years	Gain (+), loss (-), days	Actual number of man/years	Hypothetical number of man/years	Gain (+), loss (-), days
1989-1998	0.7	0.7	1	0.6	0.6	9
1979-1988	3.1	2.9	76	2.3	2.1	78
1969-1978	13.5	12.8	234	11.0	10.1	342
1959-1968	13.0	12.3	255	12.7	12.2	170
1949-1958	12.6	11.9	283	13.1	12.6	206
1939-1948	12.5	11.7	310	13.1	12.6	185
1929-1938	12.0	11.4	220	13.0	12.6	153
1919-1928	11.1	11.0	53	12.7	12.6	48
1909-1918	9.3	9.4	-35	11.4	11.4	3
1899-1908	6.7	6.9	-76	8.3	8.1	64

As can be seen from the *Human Development Report 2000* for the Russian Federation, it is incorrect to treat the latest changes in mortality rates as a consequence of reforms, and in the final count, the same is true of real generation mortality.



Viewed in terms of generations the birthrate problem also presents a picture different from the current statistics according to which the fertility level in Russia in 2000 was 1.21 per woman and was one of the lowest in Europe. At the same time, each member of the female generations over 35 gave birth to at least 1.7 children on the average. (The average value of the overall birthrate in the European Union in the 1990s was even lower – no more than 1.65).

Decline in birthrates in the mid-1990s is largely connected with social benefits to families introduced in the USSR in early 1980s. Longer child-care leaves and higher children's allowances prompted families to have a second and third child earlier than they planned before. Furthermore, the couples' plans concerning a total number of children in the family remained unchanged (Table 4.3 of the Annex) and earlier appearance of planned children led to the body of potential parents being largely exhausted.² This was also the reason for a drop in birth frequency in the late 1980s and early 1990s.

On the other hand, increasingly fewer young women have their first child under the age of 20 and ever more births are being shifted to the age of 25-29. Such birth calendar changes enable them to get a higher level of education and suit their careers perfectly well.

Table 4.3 of the Annex

The average number of expected children according to opinion polls and actual number of births by early 2001

Generations (years)	Expected number of children from married women according to surveys			Average early number of births by 2001
	1981	1985	1994	
1970-1974	-	-	1.45	1.01
1965-1969	-	2.01	1.72	1.41
1960-1964	1.93	2.01	1.93	1.70
1955-1959	1.94	2.06	2.05	1.85
1950-1954	1.99	2.06	2.04	1.86
1945-1949	2.01	2.00	-	1.79
1940-1944	2.04	2.06	-	1.86

Source: Ye. Andreyev, G. Bondarskaya, "Can Expected Children Figures Be Used in Population Forecasts?" *Voprosy statistiki*, No. 11, 2000, pp. 56-62 and calculations made by the author.

As can be seen from Table 4.3 in the Annex, only married women born in 1965-1969 have seriously altered their plans, but it should be borne in mind that in 1985 they were under 20.

It is particularly obvious that the average number of births (the last column in the above table) is substantially lower than expected in all generations. The thing is that this figure refers to all women, including those who are not married at the moment or have never been married. According to a microcensus held in 1994, the number of births among married women in various generations is from 0.15 to 0.35 as high as a respective generation average.³

There can be no doubt, however, that the fertility level, beginning with the 1960-1964 generation, has been steadily declining, although not so catastrophically as calendar period indicators show. But the assumption that this decline is caused by economic difficulties which are certainly experienced by many families seems to remain unconfirmed. At least, our study based on 1994 microcensus analysis data showed that specific features of birthrate decline in different population groups do not satisfy this assumption. In particular, the birthrate level in low-income families in 1993 was even somewhat higher than among higher-income families.⁴ The probability is that the birthrate decline in Russia is the continuation of a long-term demographic transition trend and the crisis just served as its catalyst.

¹ *The Population of Russia. 2000. The Seventh Annual Demographic Report*, A. Vishnevsky (ed.), RAS IEP Demography and Human Ecology Center, Moscow, 2001, pp. 88-90.

² *The Population of Russia, 1996. The third Annual Demographic Report*, A. Vishnevsky (ed.), RAS IEP Demography and Human Ecology Center, Moscow, 1996.

³ Ye. Andreyev, G. Bondarskaya, "Can Expected Children Figures Be Used in Population Forecasts?" *Voprosy statistiki*, No. 11, 2000, pp. 56-62.

⁴ Ye. Andreyev, G. Bondarskaya and T. Kharkova, "Birth Rate Decline in Russia: Assumptions and Facts", *Voprosy statistiki*, No. 10, 1998, pp. 82-93.



Legal aspects of HIV/AIDS epidemics prevention

The legal framework and guidance for the organisation and implementation of HIV/AIDS preventive and anti-epidemic measures in the Russian Federation are provided by the Federal Law on Preventing the Spread in the Russian Federation of the Disease Caused by Human Immunodeficiency Virus (HIV-Infection), passed by the State Duma on February 24, 1995.

According to Russian and foreign experts, the HIV/AIDS Law provides a sound framework for the organisation and implementation of measures aimed at epidemics prevention and the mitigation of its effect on the individual, community and national levels. At the same time, a number of barriers exist hampering adequate implementation of statutory regulations:

1. Legal requirements are not known to those who are duty-bound to face various aspects of HIV/AIDS.

For a long time HIV/AIDS issues have been considered – and still are considered – as the responsibility of healthcare services. Moreover, in 1989, a special service for preventing and combating HIV/AIDS was established within the healthcare system to deal with all tasks relating to the organisation and implementation of preventive and anti-epidemic measures in respect of HIV-infection. As the epidemic was spreading HIV/AIDS issues acquired a far greater scale and demanded energetic involvement of other divisions of the healthcare system and other departments – education, the interior, justice, social security, etc. Regrettably far from all workers and even heads of these divisions and departments are acquainted with the Federal Law on HIV/AIDS.

Ignorance of the law leads to its violation. The most widespread violation is the extension of the list of persons subject to compulsory HIV testing. Under the law, subject to compulsory medical examination are donors of blood and tissue, as well as workers of certain trades, industries, enterprises, institutions and organisations included in the list approved by the Government of Russia. The Government approves the rules for compulsory medical examination for the purpose of public health protection and HIV spread prevention, as well as the rules for penal institution inmates examination. These rules are revised no less than once in every five years.¹ However, in actual fact compulsory HIV tests are applied to all pregnant women registered for case follow-up, patients placed into surgical (and frequently also in non-surgical) hospitals, conscripts and others. In the majority of cases, tests are not preceded or followed by anti-HIV consultations as is required by the law,² and quite frequently the examined person has no idea of what kind of test is made and why.

2. Conditions for the observance of guarantees are lacking.

Resources, above all financial, allocated for the HIV/AIDS control programmes are obviously insufficient for securing all guarantees referred to in the law. Due to the high cost of HIV-infection treatment, it cannot be provided free to all those who actually need it. According to Professor Pokrovsky, head of the Federal Research and Methodological Centre for AIDS Prevention and Control, free treatment in Russia is provided to no more than 500 HIV-infected persons, of them almost 300 in Moscow. The shortage of funds inevitably affects the logistical support base of social sphere facilities, including healthcare, and the level of professional training and retraining of their personnel, especially in the provinces. For instance, no consultation is given to people prior or after a HIV test not only due to ignorance of the law and high work load of the personnel who have no time to spare for this, but also because healthcare personnel are not trained for this kind of work.

3. Mechanisms for law implementation are either inadequate or lacking.

This concerns in the first place prevention efforts among the most vulnerable social groups, including young people. Sexual education matters remain unresolved and primary prevention of drug addiction in the country is conducted in a fragmentary manner and with no noticeable results.

The prevention of HIV spread among marginal social groups (injected drug users; prostitutes; street children and others) has its own specific features and does not fit into traditional frameworks of government institutions' efforts. Throughout the world, this work is conducted by government-funded nongovernmental organisations (NGO's). The NGO sector in this country is still underdeveloped, nor have mechanisms been created for government funding of NGO's work of social significance.

Inadequate mechanisms of law implementation sometimes have very painful effects for HIV/AIDS victims. For instance, the law bans any restriction of the rights of HIV-infected persons, as well as any restriction of the rights or lawful interests of their family members on the grounds of HIV-infection.³ In actual practice, this requirement is not always complied with. Mechanisms for securing confidentiality and physician/patient privilege have not been finalised.

4. Provisions of other federal laws do not promote or hamper full-scale observance of the HIV/AIDS Law.

Whereas the federal law on preventing the spread of HIV-infection provides the general framework for implementing epidemic prevention and control measures, organisational issues of specific prevention efforts are solved according to provisions of other laws and regulations. At the current stage it is important to carry out effective HIV prevention among injected drug users and prostitutes. This task is hard to solve today.

Issues connected with drugs and psychotropics use, production and transportation both within the country and across the customs border of the Russian Federation are regulated by the Federal Law on Narcotic Drugs and Psychotropic Substances passed in 1998. This law contains no provisions under which HIV-infection prevention could be carried out among drug addicts. Moreover, under the provisions of this law, the training of drug users in HIV-infection and overdose prevention methods (including individual use of sterile disposable syringe) can be interpreted as the propaganda of drugs, advantages of the use of individual narcotic drugs or psychotropic substances, and of methods of their making and using. This propaganda shall be banned under Article 46 of this law.





HIV-infection prevention among prostitutes is not easy as well. Officially, this social group does not exist. The conception of prostitution is not defined under Russian law and practicing prostitution is treated as administrative offence.⁴ Many prostitutes do not apply for medical aid at all being afraid of criminal responsibility for communicating an STD⁵ or HIV.⁶

¹ The HIV Control Law, Articles 7-9.

² Ibid., Article 7.

³ Ibid., Articles 17, 14.

⁴ The Code of Administrative Offences, Article 164 (2).

⁵ The Criminal Code of the Russian Federation, Article 121.

⁶ Ibid., Article 122.

Figure 4.1 of the Annex. Registered HIV-induced diseases (ratio of 1995)

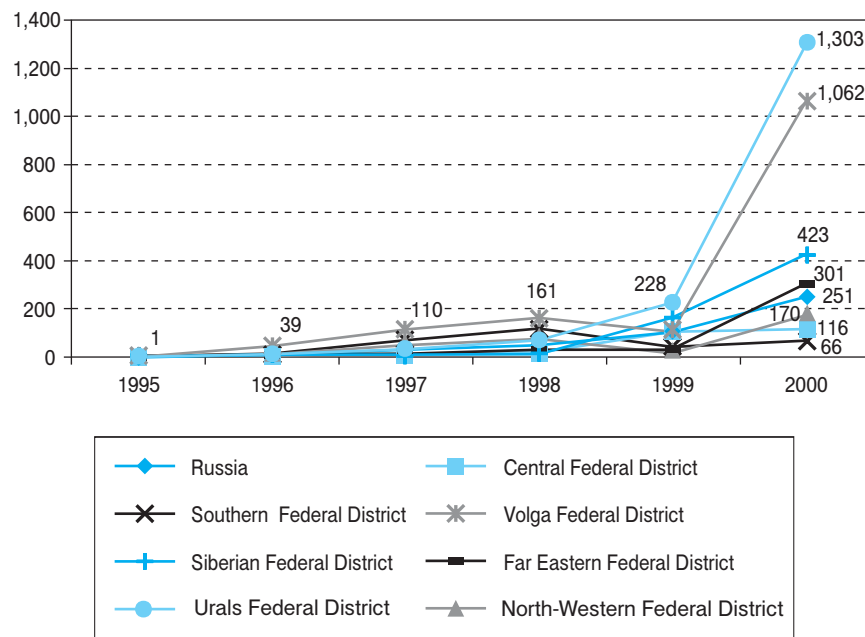




Figure 4.2 of the Annex. Key factors of HIV-infection risk in Russia (% of total investigated cases)

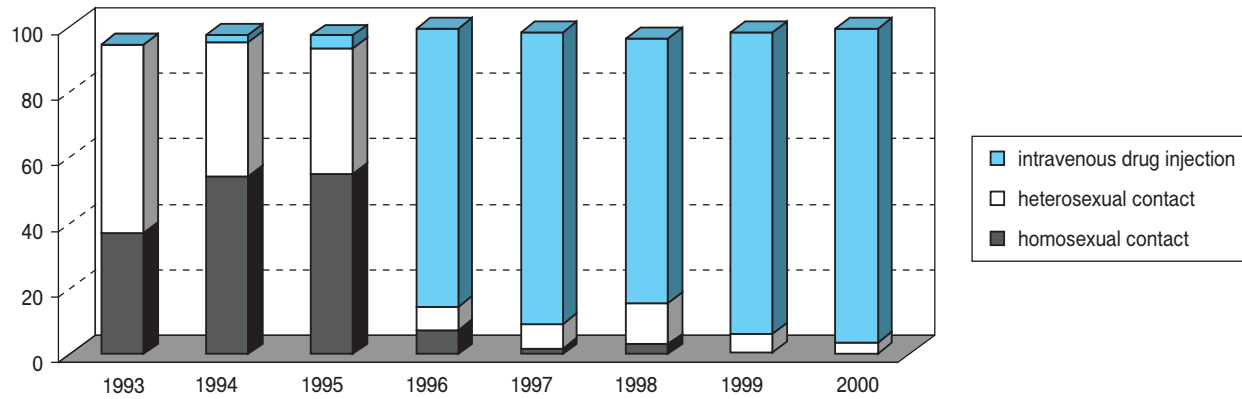


Table 5.1 of the Annex

Number of general education establishments and size of student body 1989/90-1998/99

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Number of public general education day schools	67,270	67,571	67,891	68,270	68,110	68,187	68,446	68,259	67,862	67,321
Complete (secondary) education	...	32,835	33,813	34,650	34,859	35,222	35,661	35,974	36,216	36,381
<i>Including</i>										
Establishments with a number of major subjects	...	...	6,955	7,026	6,849	7,525	8,200	8,097	7,580	6,159
Lycees	...	...	77	337	447	505	568	627	657	692
Gymnasias	...	...	100	581	743	822	913	979	1,034	1,027
Number of private general education establishments	-	-	-	-	368	447	525	540	570	568
Student body of government-run general education establishments (thous.)	19,897	20,328	20,427	20,503	20,565	21,104	21,521	21,682	21,683	21,429
<i>Including</i>										
Lycee students	-	-	117	214	284	345	391	426	446	72
Gymnasium students	-	-	235	433	553	659	739	793	836	847
Student body of private general education establishments (thous.)	-	-	-	-	32,6	39,5	45,8	46,9	50,5	50,2





Table 5.2 of the Annex

Graduates of public secondary vocational training schools by sectoral groups

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Total (thous.)	647	640	637	623	585	546	532	473	494	538	545
<i>Per cent of total number by sectoral groups</i>											
Industry and civil engineering	36.2	35.3	34.4	33.9	32.8	31.1	32.6	33.2	35.6	38.3	38.9
Agriculture	14.4	13.6	12.7	12.0	11.5	10.6	10.9	12.0	12.3	12.6	11.9
Transport and communications	7.3	7.7	7.5	7.9	6.8	6.7	6.2	6.6	7.3	7.6	7.8
Economics and law	13.3	13.4	13.2	12.8	11.1	13.7	15.0	14.4	14.6	13.9	13.6
Healthcare, physical training and sport	13.3	14.4	16.0	16.7	18.9	19.1	18.0	15.0	12.8	12.4	13.0
Education	13.8	13.9	14.6	14.9	16.8	17.0	15.2	16.3	15.0	13.0	12.8
Arts and film-making	1.7	1.7	1.6	1.8	2.1	1.8	2.1	2.5	2.4	2.2	2.0

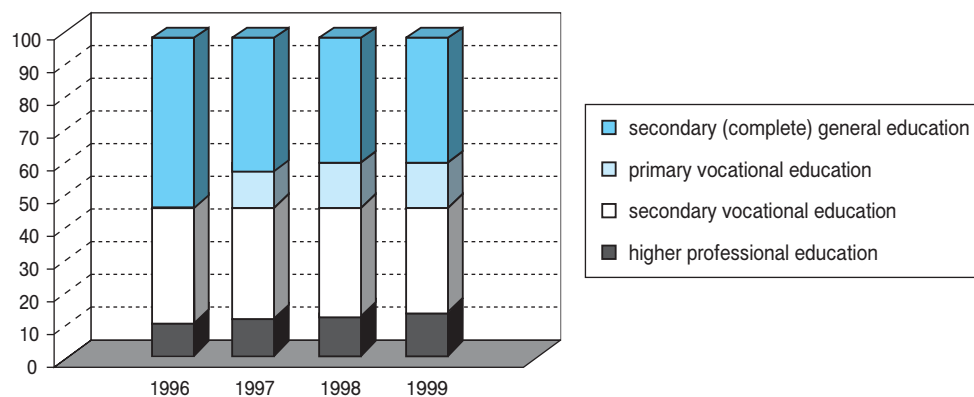
Table 5.3 of the Annex

Graduates of public higher education establishments by sectoral groups

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Total, thous.	438	433	401	407	425	444	407	396	415	436	471
Total, %	100	100	100	100	100	100	100	100	100	100	100
<i>Including by sectoral groups</i>											
Industry and civil engineering	39.0	37.2	35.9	35.6	36.2	37.2	35.6	33.6	33.1	32.8	32.1
Agriculture	8.6	8.8	8.9	8.8	8.2	9.2	7.6	7.8	7.9	8.2	8.1
Transport and communication	5.7	5.1	4.7	5.2	5.2	5.0	4.7	4.3	4.3	4.6	4.4
Economics and law	9.4	8.8	9.6	9.6	8.2	6.7	8.1	9.1	9.4	10.2	11.1
Healthcare, physical training and sport	7.8	7.4	7.0	6.9	8.0	7.4	8.4	7.8	7.9	7.3	6.6
Education	28.6	31.8	32.9	32.9	33.3	33.6	34.9	36.1	36.2	35.8	36.6
Arts and film-making	0.9	0.9	1.0	1.0	0.9	0.9	0.7	1.3	1.2	1.1	1.1

Sources: Science Research and Statistics Center, 1999.

Figure 5.1 of the Annex. Change in the share of unemployed by education level (%)





Regional authority and society – generation and settlement cross-sections

In the early 1990s, a dramatic change occurred in Russia's regional elite and in many regions – a younger generation came to power although the new leaders for the most part came from the traditional Soviet elite. But during the transition decade regional leaders became much older (Figure 6.1 of the Annex). The share of the youngest age group (30-40 years) decreased less notably largely due to the latest elections in autonomous areas won by young top managers of big Russian corporations. The average age of the republic's leaders is 55, administration heads in territories and regions – 52, and autonomous areas – 45. The young age of the elite should by no means be associated with the provinces' socioeconomic development level, but nonetheless statistics present an interesting picture: in ten regions leading in terms of human development, the average age of leaders is 56 years, while in ten outsider regions they are 10 years younger. In all probability, the fact that the outsiders lag behind in socioeconomic development and are burdened with outstanding problems creates conditions for faster change of generations in their elite.

Figure 6.1 of the Annex. Age distribution of heads of Russian Federation constituent members, %

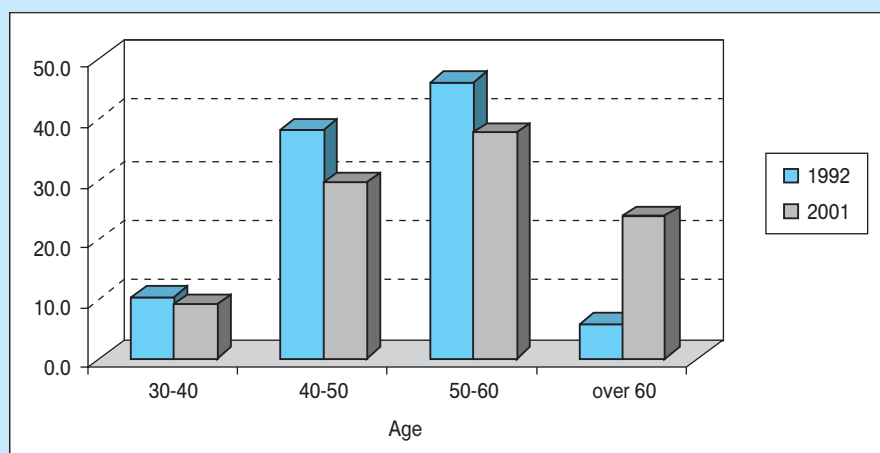
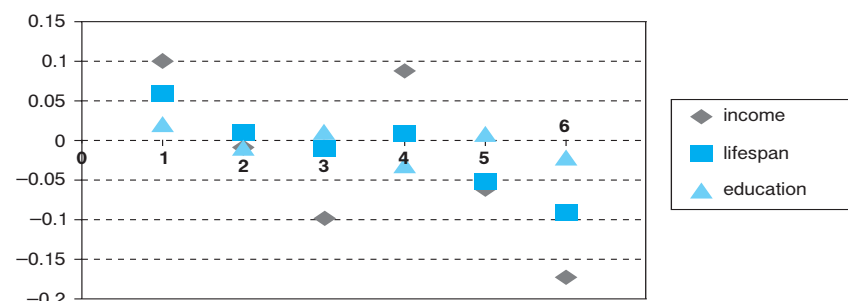


Figure 6.2 of the Annex. Diversion of specific indices from the Russian Federation average



1 – Tatarstan, 2 – Kursk Region, 3 – Bryansk Region, 4 – Komi Republic, 5 – Karelia, 6 – Chita Region





Table 7.1 of the Annex

Which of the following statements do you think most accurately reflects the current intergeneration relations?

Answer	Age				
	18-29	30-39	40-49	50-59	60 and over
No understanding, they have different life experience	18.6	18.5	20.6	20.8	27.9
They can understand each other because they live in one and the same country	51.5	58.4	47.4	48.9	43.9
They understand each other well, no reason for conflict	19.2	16.8	24.7	20.4	15.2
There is no such problem as generation gap	7.5	2.5	5.5	4.9	6.5
No answer	3.2	3.8	1.8	5.0	6.5

Source: VCIOM Monitoring, August 2001. N = 1,600.

Table 7.2 of the Annex

Assessment of material well-being sources in old age. Question: Do you think your situation in old age will be no worse than it is today? If so, from what sources?

Answer	Age				
	18-29	30-39	40-49	50-59	60 and over
I shall work and earn enough money	27.1	15.8	8.6	3.8	2.4
I shall have a sufficiently big pension	5.6	6.1	4.5	3.8	4.2
I shall live on my life savings	12.1	7.9	3.2	5.8	6
I count on my children and grandchildren to support	7.8	12.3	13.8	15.4	19.8
I count on other circumstances	10.7	7.7	10.1	7.1	6.2
I think my situation will be worse than it is today	7.6	13.5	18.1	31.2	28.3
I am not sure I shall live to an old age	15.6	19.9	26.8	14.8	8.8
No answer	13.5	16.8	14.9	18.1	24.3

Source: VCIOM, Express-10, 1999. N = 1,600.

Table 7.3 of the Annex

How much is the youngest age group – school children (9-17 years) – integrated in society?

- 17 per cent of respondents trust, and 47 per cent do not trust the Government. The level of distrust is growing among teenagers of 14-17 (55 per cent do not trust the Government).
- 38 per cent trust, and 36 per cent do not trust the police, 48 per cent trust, and 23 per cent do not trust the military, 70 per cent trust, and 12 per cent do not trust doctors. Basic reasons for distrust are as follows: they "are bad doctors" (52 per cent), "are unworthy of trust" (22 per cent), "want only to get money" (11 per cent).
- 43 per cent of respondents trust, and 14 per cent do not trust adults in general.
- Mothers are trusted most – by 89 per cent and only 3 per cent do not trust them.

Source: UNICEF survey "Voices of the Young". A national survey of children and teenagers carried out within the international comparative study made in 35 countries of the world. The survey in Russia was carried out in May 2000 with 800 school children polled.



Figure 7.1 of the Annex. What young people and fifty year-olds feel towards each other

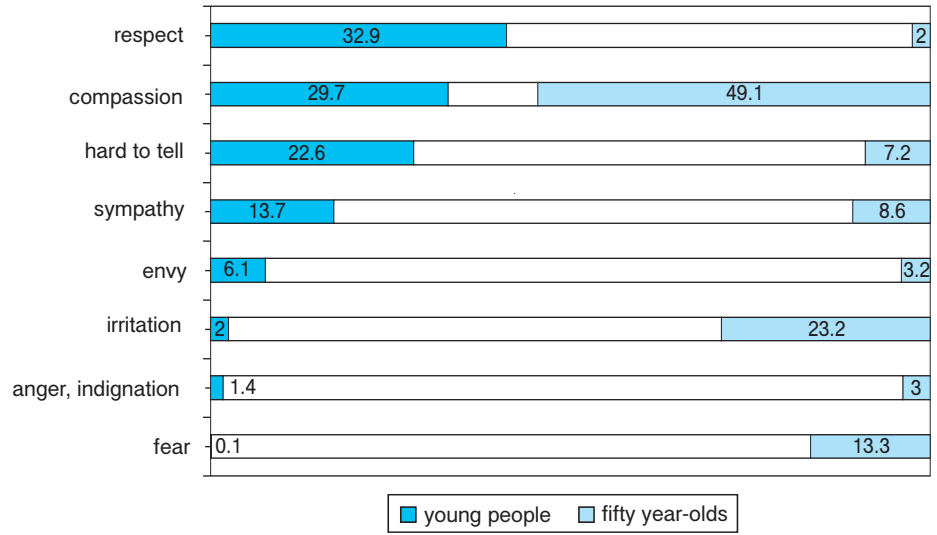


Figure 8.1 of the Annex. Chances of being elected State Duma deputy for different age groups

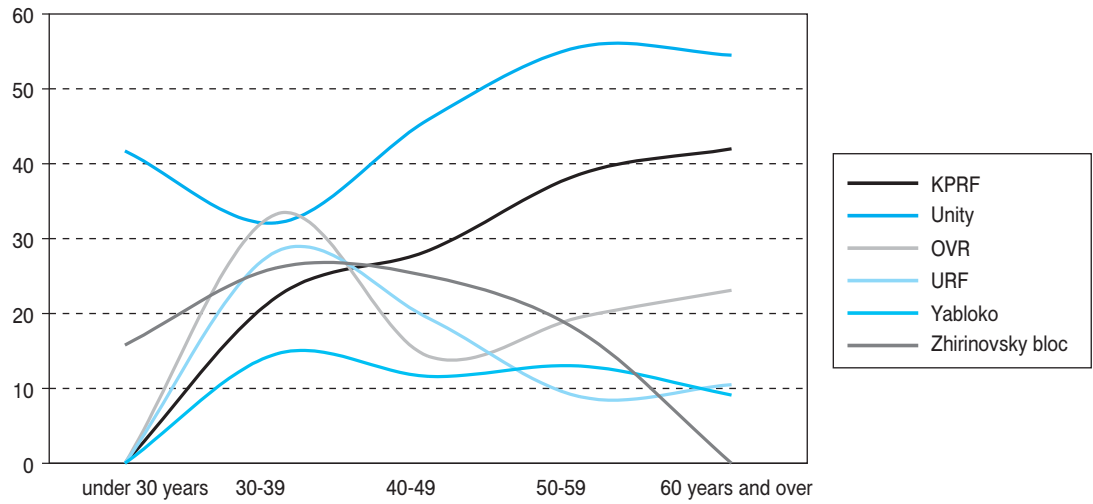




Figure 8.2 of the Annex. Composition of the body of persons holding official posts by age, category and official post group as of January 1, 1999 in per cent of total number and in a respective category or group of posts

