



# North-Western Federal District.

## The European Vector

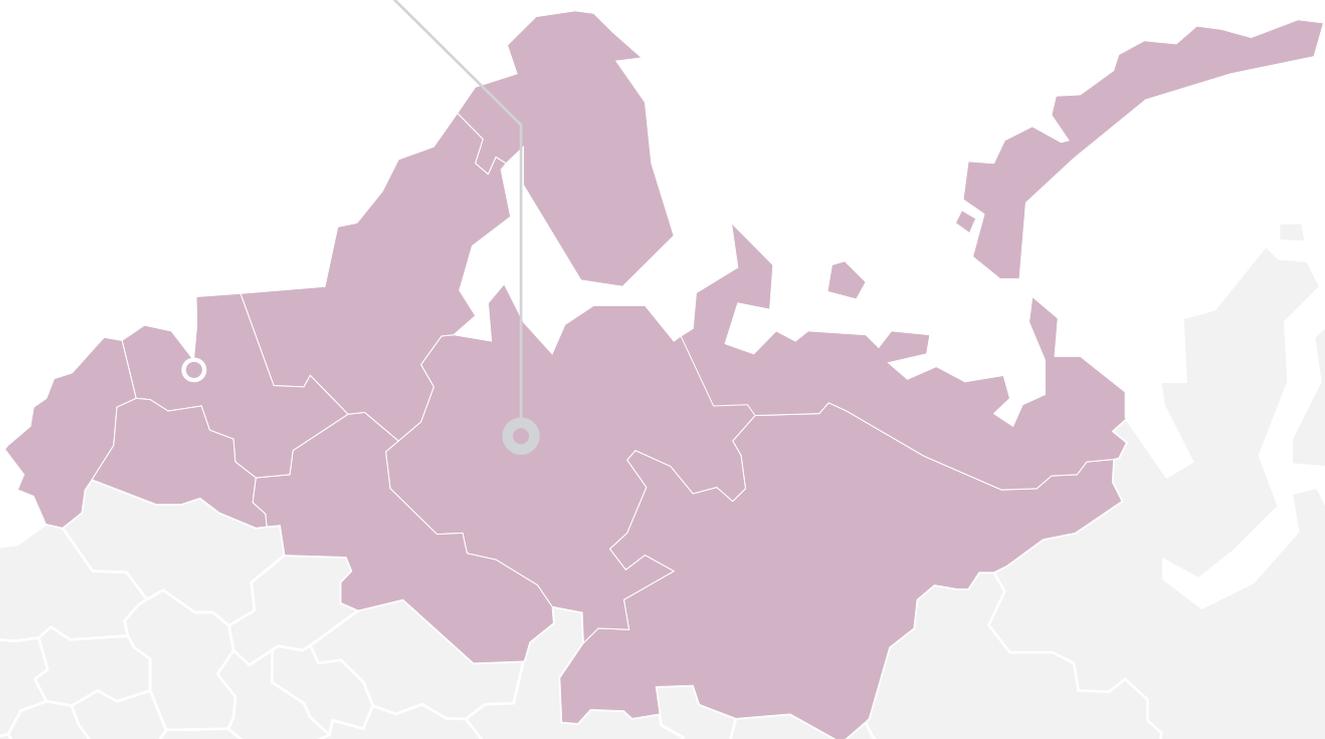
The District includes the North-West of Russia, whose centre is St.-Petersburg, but also the European Far North of the country, which is less economically dependent on Russia's second capital. There are 11 very different subjects within the North-Western Federal District: the city of St.-Petersburg,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

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

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

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

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



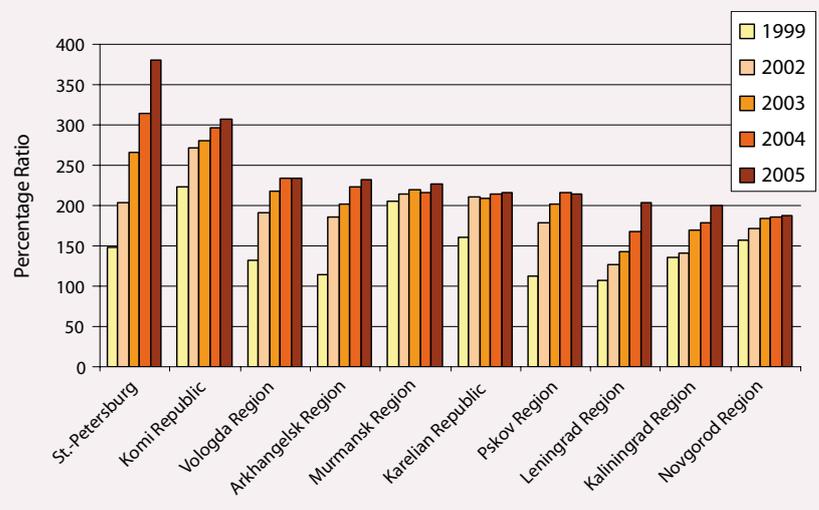
dominated by processing industries. Migratory outflow from these regions to St.-Petersburg has continued over many decades, leaving them with elderly populations (particularly in rural areas). Although they have similar social problems, Pskov is still mired in economic depression while Novgorod has achieved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

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

Differences in living standard & incomes between north-western regions (adjusted for the cost of living) are less marked than between regions in the Central District. Incomes in St.-Petersburg have begun to grow rapidly only in recent years: the ratio of per capita cash income to the minimum subsistence level increased

from 1.5 to 3.8 in St. Petersburg between 1999 and 2005 (Figure 2.1). Besides St.-Petersburg, higher incomes are characteristic of the oil-producing Komi Republic and Nenets Autonomous District. In other north-western regions, recent levels of the income-to-subsistence-level ratio are more or less equal (between 1.9 and 2.3), as more poorly developed regions have received considerable financial assistance from the federal government.

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





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

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

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

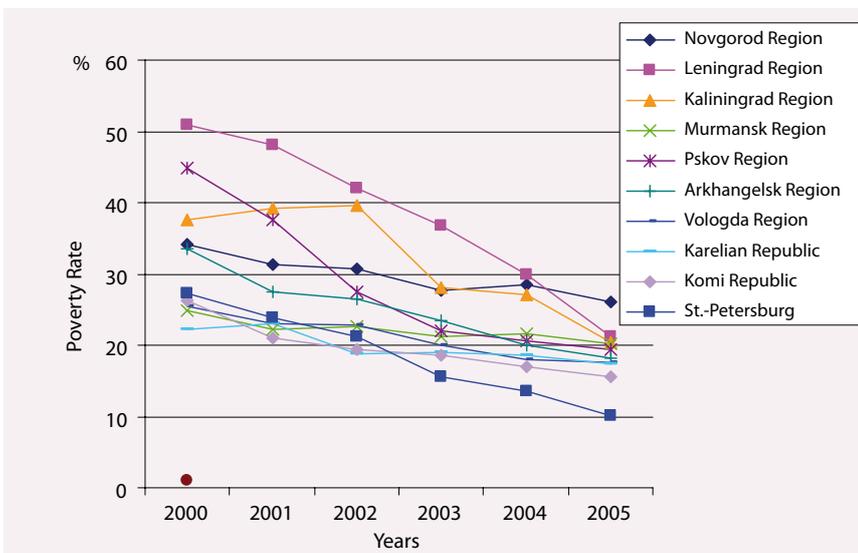
agriculture where wages are 2.5–3 times lower than the regional average – an inequality that creates a permanent layer of extreme poverty in the North.

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

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

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

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



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

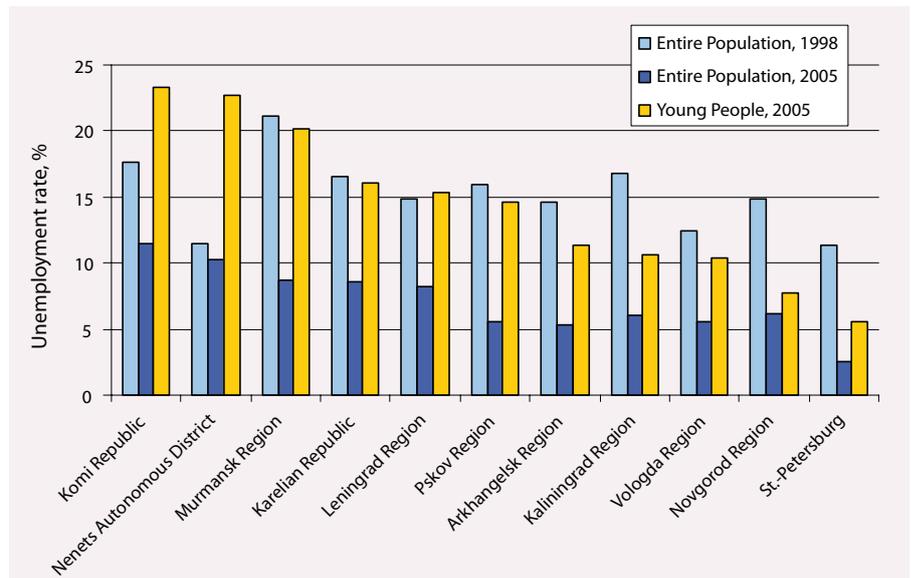
Kaliningrad Region has the worst figures in European Russia for incidence of tuberculosis and of death from the disease. The figures continue to grow and are currently 1.5 times higher than the national average (and comparable to poorly developed Kalmykia – see Figure 2.5). The region also used to have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

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

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

Political representation of women (in regional parliaments) differs considerably from region to region in the North-West: from 40% in the Nenets Autonomous District to 4% in St.-Petersburg and Novgorod (2004 statistics). Generally speaking, the proportion of women in regional parliaments is greater in the North (12–18%) due to the high status enjoyed there by doctors and teachers (both professions have strong female contingents and are strongly represented in parliaments). The share of women

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



is minimal / minor (4–7%) in both St.-Petersburg and agricultural regions in the southern part of the Federal District, even though these regions are very different in terms of economic development and education levels. The correlation is different at local level: the proportion of women in local legislative bodies tends to be higher in localities with relatively fewer resources and more serious development problems.

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

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

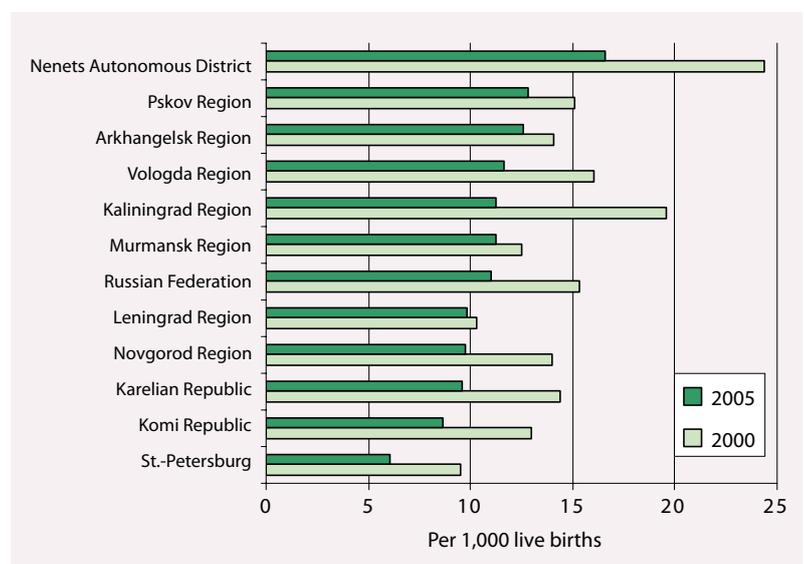




Table 2.1

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

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

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

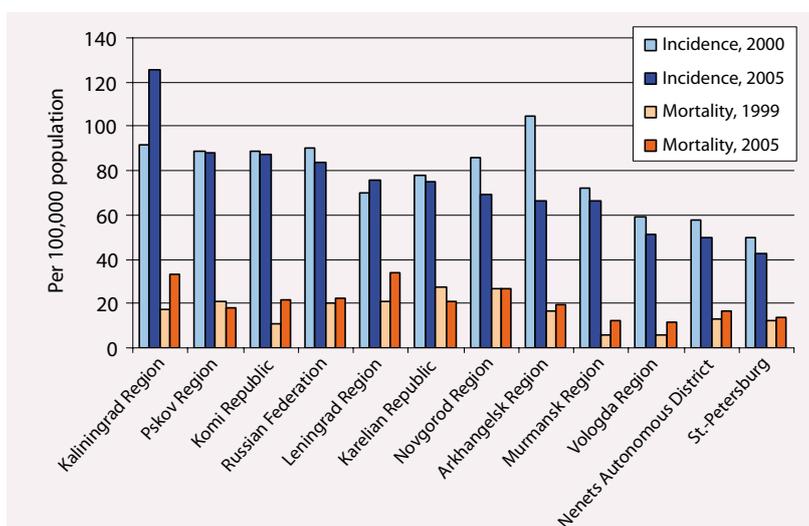
emission of pollutants, and the northern industrial towns of Vorkuta and Zapolyarny are in the top twenty. Emissions from the metallurgy plant in Monchegorsk (Murmansk Region) have turned the forests surrounding the town into a dead zone. Discharge of waste from pulp and paper plants into rivers and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

The state of housing, water supply and sewerage varies greatly from region to region in the North-West. Indicators for the most urbanized north-western regions are much superior to the national average. Over 97% of housing in Murmansk Region has a water supply

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

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

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



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

Development levels in the North-West are not defined by a centre-periphery contrast, as in the Centre. This is due to the greater importance of raw material industries in the North West, which increase per capita incomes, but at the cost of greater income inequality and environmental problems. Development in the oil-producing Far North is particularly ambivalent: rapidly growing per capita incomes and a higher share of women in the legislature exist alongside high unemployment, poor living

conditions, and inadequate child health. Only a small percentage of revenues from export-oriented raw material industries serve to accelerate human development and improve the quality of life, and indigenous northern ethnic groups see very few of the benefits.

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

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

### Box 2.1. MDG Attainment in Komi Republic

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

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

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

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

Although the number of people of working age is shrinking by 1.5% annually, shortage of labour has arisen only in certain professions, and modernization of the forestry

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

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

#### Goal 1. Reduce Poverty

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



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

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

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

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

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

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

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

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

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

Female representation in the regional parliament (17%) is almost double the national average (9%), but the share of women in top executive government jobs is negligible: there is only one female head of the Republic's 23 town and district administrations. The figures changed for the better in 2006, but the changes seem to have been more apparent than real. Numbers of women heading local administrations increased, but this was a consequence of local self-government reform, which created a large number of new administrations with

little genuine power, many of them headed by women. There are thus now 103 women among 190 heads of administrations in the Republic. There are no women among heads of Komi's court and law-enforcement bodies or among the Republic's representatives in the Federal Assembly and the administration of the North-Western Federal District. Women head only two out of nine republican ministries (the Ministry of Education and Ministry of Culture), although a woman has been elected speaker of the republican parliament, and women head two committees (out of three) of the State Republican Council.

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

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

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

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

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

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

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

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

## Goal 7. Promote Sustainable Environmental Development

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

Quality of housing and access to safe drinking water are key determinants of people's well-being and quality of life. Sustainable economic growth in the Region depends on investments in infrastructure and construction of qual-

Table 2.2

Maternal and infant mortality in Komi Republic, %

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

## Goal 6. Combat HIV/AIDS and Tuberculosis

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

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

ity housing. The International Bank for Reconstruction and Development has financed construction of a new water supply system in the town of Pechora. An agreement has been signed with the European Bank for Reconstruction and Development on a loan for modernizing the water supply system in the town of Syktyvkar, which has also received a water-supply grant as a participant in the Environmental Protection Programme of the EU's Northern Dimension project. An agreement has been signed by Ukhta Municipal Water Utility and the Nordic Environmental Finance Corporation (NEFCO) on a loan for implementation of energy-saving technologies in Ukhta's water supply and sewage systems.

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



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

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

#### Goal 8. Develop a Global Partnership

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

of the Regional Council for Development of the Barents Euro-Arctic Transport Area (BEATA).

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

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

### Box 2.2. Human Development in Vologda Region

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

#### Goal 1. Eradicate Extreme Poverty

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

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

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

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

#### Goal 3. Promote Gender Equality and Empower Women

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

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

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

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

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

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

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

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

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

Low birth rates make it particularly important to prioritize better health care and combat mortality among children, as

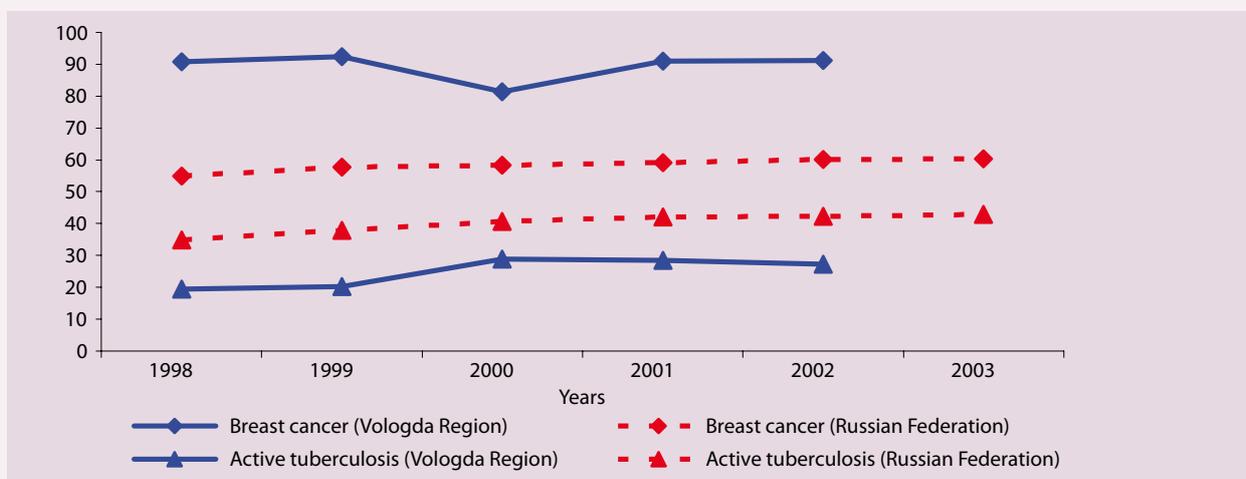
well as improving overall reproductive health. Various government agencies are working together in Vologda Region to address these issues in a systematic fashion. In 2000, the regional government drafted and approved a concept document entitled "Health-21: a Long-Term Policy for the Protection and Improvement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

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

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

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

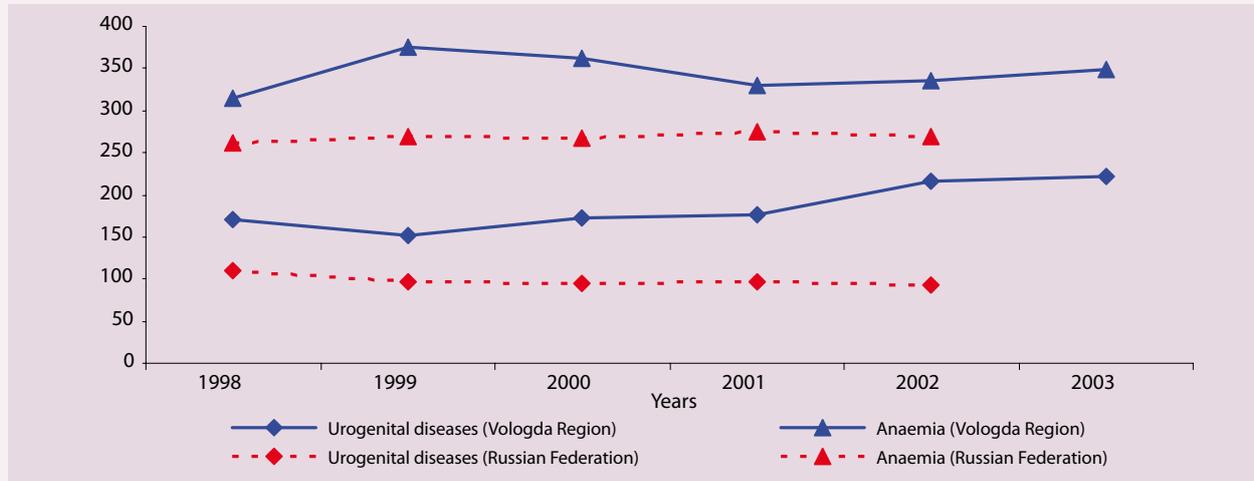
Figure 2.6. Prevalence of various diseases among women (per 100,000), %





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

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



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

**Goal 6. Combat HIV/AIDS and Tuberculosis**

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

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

The HIV situation in the Vologda Region reflects the situation in the country as a whole. The Region has an average HIV prevalence indicator (65.0 per 100,000 population) by Russian standards. A serious problem in Vologda Region, as elsewhere in the country, is the high share of women of

childbearing age among HIV-positive individuals, entailing a problem of HIV transmission from mother to child during pregnancy and childbirth.

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

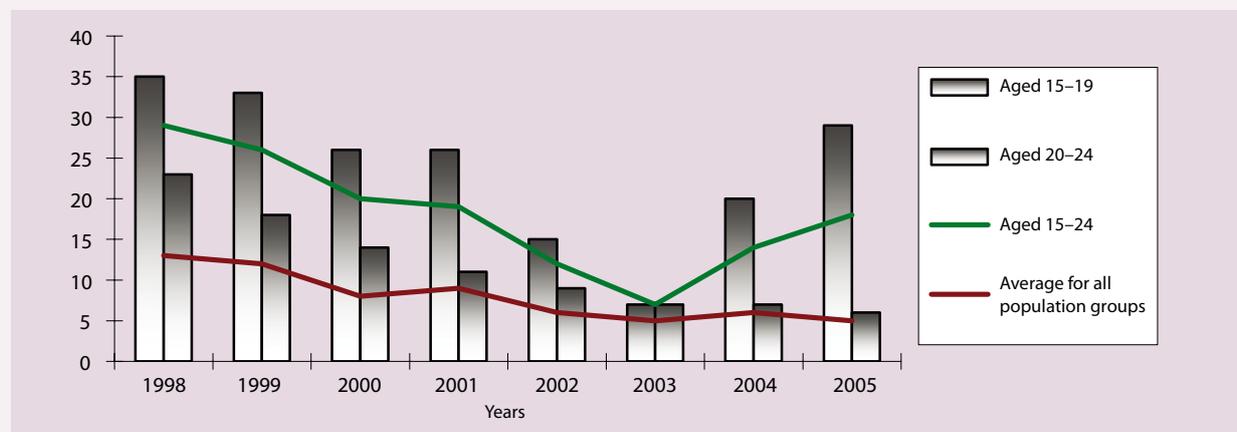
Although threats from tuberculosis and HIV require urgent attention, they only affect small population groups and do not have major impact on public health and the overall demographic situation. Greater positive impact on public health can be obtained from measures to combat cardiovascular diseases,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

**Goal 7. Ensure Environmental Sustainability**

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

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

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



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

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

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

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

### Goal 8. Develop a Global Partnership for Development

The significance of this Goal for Vologda is high in terms of creating equal development conditions for all groups of the population and uniting efforts of these groups for sustainable development and increase of Vologda's competitiveness in a globalizing environment. Young people

are a particularly important group, and a key issue for the young is employment. Overall unemployment in the region declined significantly in the years of economic growth, but youth unemployment, which also declined in 1998–2003, has been on an upward trend once again in recent periods (Figure 2.8).

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

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

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