



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

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

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

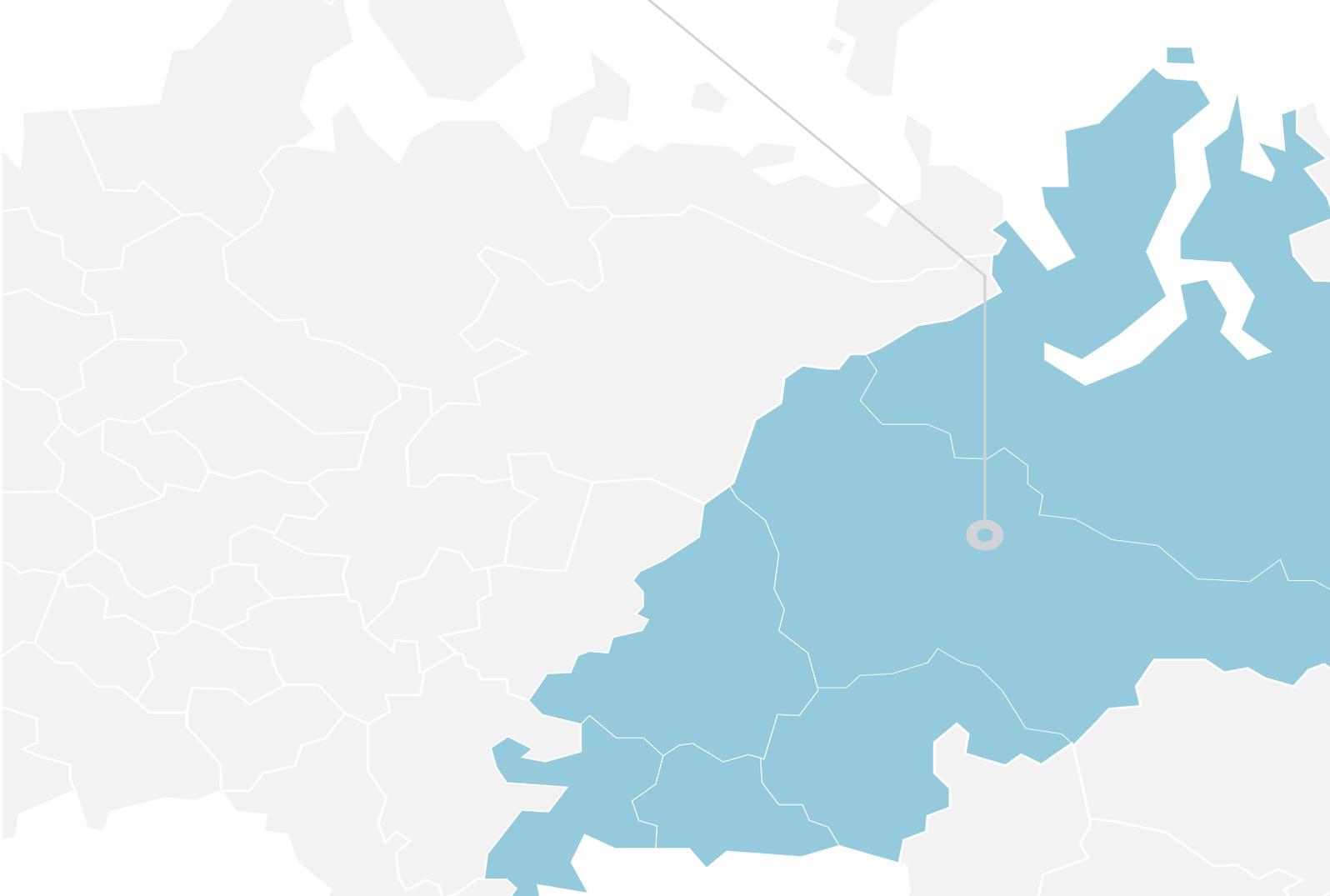
The economic and socio-demographic "nuclei" of the UFD are thus located in different regions. No other federal district has such a marked imbalance.

Regional differences in economic development are highly apparent in the Ural Federal District. Per capita GRP in Tyumen Region is comparable to that of highly

developed countries, while per capita GRP of Tyumen's oil & gas producing autonomous districts is not even measured. Although the bulk of revenues from oil & gas are redistributed by business and the state outside the producing regions, what remains is sufficient to solve many social problems.

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

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



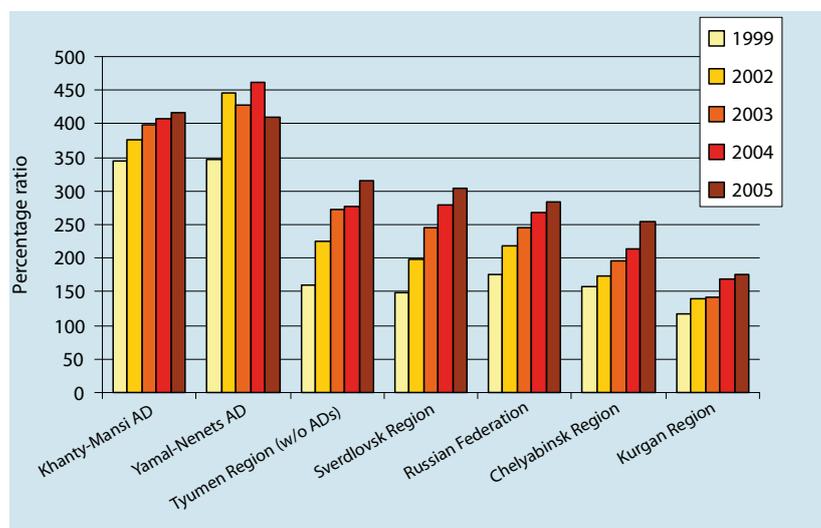
Regional differences in population income levels are smaller than differences between economic and budgetary indicators. The maximum population income difference between Ural regions is 2.5 (Figure 5.1). The UFD is unique in that most of its regions have a ratio of per capita income to the subsistence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

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

The income inequality ratio of upper and lower quintile groups is as high as 10–11 in the richest regions (Figure 5.2). However, this indicator has stopped growing after reaching this value in Tyumen Region and its autonomous districts, which is not the case in Sverdlovsk and Chelyabinsk Regions. Assuming correctness of these statistics, the obvious explanation for the different inequality trends would be as follows: the richest regions, with very high budgetary revenues, can afford to raise

public sector salaries, provide large-scale social security, and even support their agriculture. Such massive government support raises incomes of the poorer sections of society, thus slowing growth of inequality. However, budgetary funds are spent relatively inefficiently, with most welfare assistance being distributed on a category basis

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





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

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

Rosstat calculates poverty rate for Tyumen Region as a whole (with its autonomous districts), so the rate is very low at 12%. However, the indicator measured solely for the southern part of Tyumen Region is much higher at nearly 18% in 2005. Also, poverty has a different structure in the southern part of the Region, where it is predominantly rural (the share of people living in the country in southern Tyumen is 40%). Social security for rural dwellers tends to be less efficiently organized, mainly due to inadequate methods for measuring revenues from household plots. But even a better social security system would not make much impact on rural

poverty: improvements in efficiency of agribusiness in Tyumen Region would also be necessary. A discussion of ways of resolving human development problems in Tyumen Region (without the autonomous districts) as well as MDG attainment can be found in Box 10.

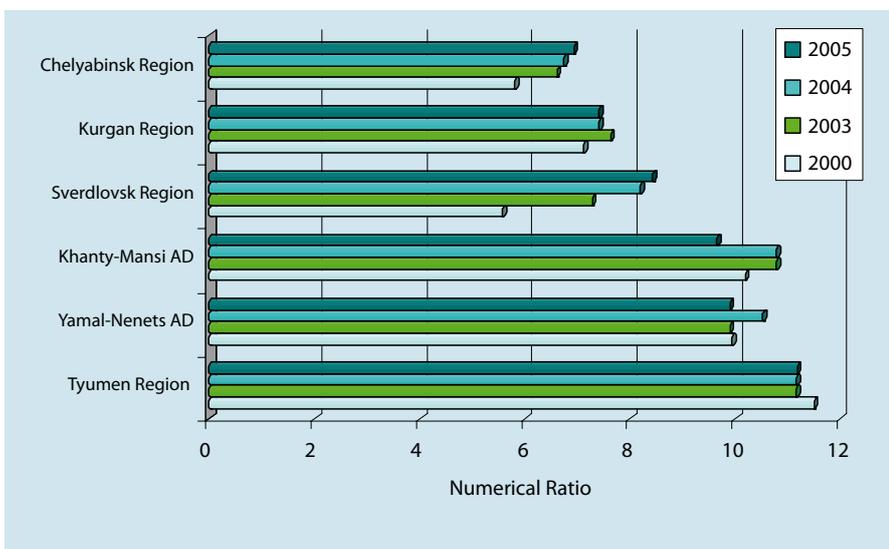
Poverty rate in Sverdlovsk and Chelyabinsk Regions has already halved to 13–15%. These are the lowest figures for relatively well-developed Russian regions. In Kurgan Region, the principal means of fighting poverty remains federal aid: federal subsidies account for almost a half of regional budget revenues.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

The MDG unemployment indicator measures unemployment among young people aged 15–24 years. In Russia, graduates of technical colleges predominate in this age group. Youth unemployment figures depend on the state of regional labour markets. As a rule, regions that have cities with populations over one million are characterized by more flexible labour markets, and young people find jobs more quickly. This is confirmed by generally low unemployment figures in Ural regions (Figure 5.4). But high unemployment indicators are found in two different regions in the UFD: the depressive Kurgan Region and the raw-material exporting autonomous districts of the Tyumen Region with their high incomes and stiff competition on the labour market. High youth unemployment in Kurgan Region is due to the high overall unemployment, so that shortage of jobs for the young will only be resolved by reducing unemployment among all age groups. In the northern autonomous districts, especially Yamal-Nenets Autonomous District, high youth unemployment (18–26%) is due to other factors: economic

specialization in non-labour-intensive oil & gas production, excess population in towns (left over from the Soviet strategy of developing the North), and very stiff competition for jobs on account of high salaries. Another cause is younger age structure of the population: young people entering the job market tend to outnumber people who are retiring. All of these are long-term factors, so that young people will remain the most vulnerable group on the labour market for a long time to come. Factors that help to reduce youth unemployment in the North are growing mobility of young people and broad access to high-quality education, including at educational establishments in other regions of the country.

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

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

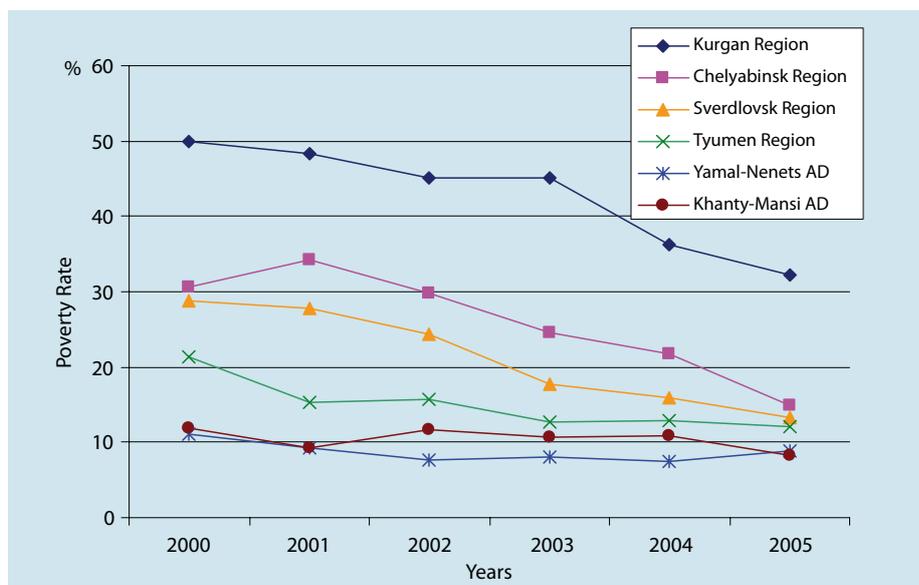


ped regions of the Ural Federal District are substantially above the national average. The Khanty-Mansi Autonomous District, which has managed to reduce infant mortality to Western European levels, deserves special attention (Figure 5.5). This success is based on early diagnosis (particularly of genetic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

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

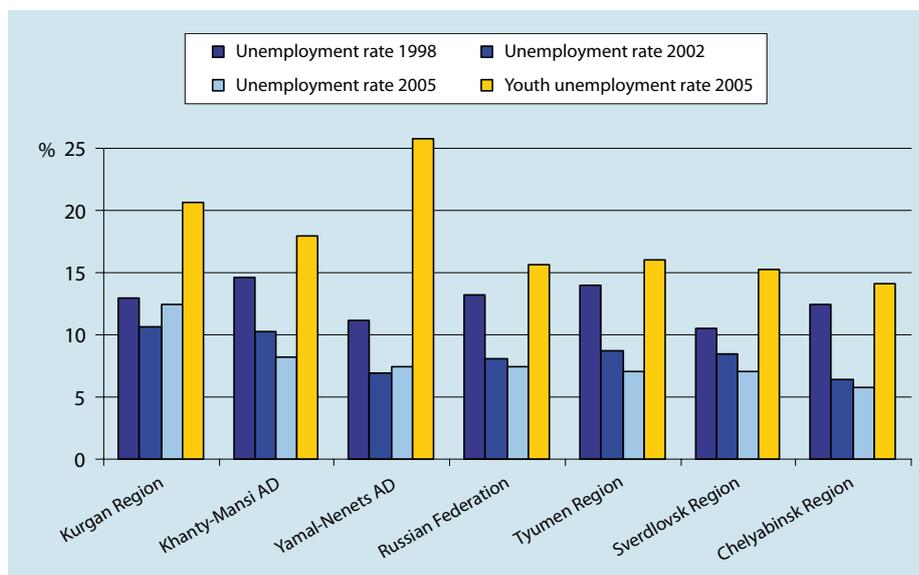
Social disease indicators point to a mixture of old and new problems in the Ural Federal District. The active tuberculosis prevalence rate is above the national average in almost all regions, particularly Kurgan and the southern part of Tyumen. Spread of tuberculosis is accelerated in these regions by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

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



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

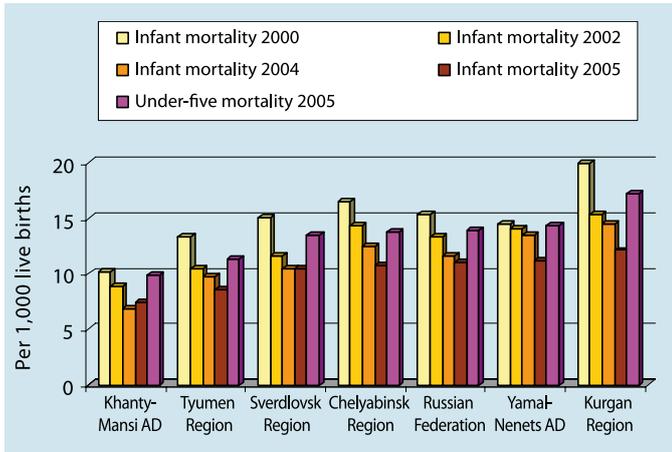
**Figure 5.4.** Unemployment rate among the able-bodied and young people aged 15–24, %





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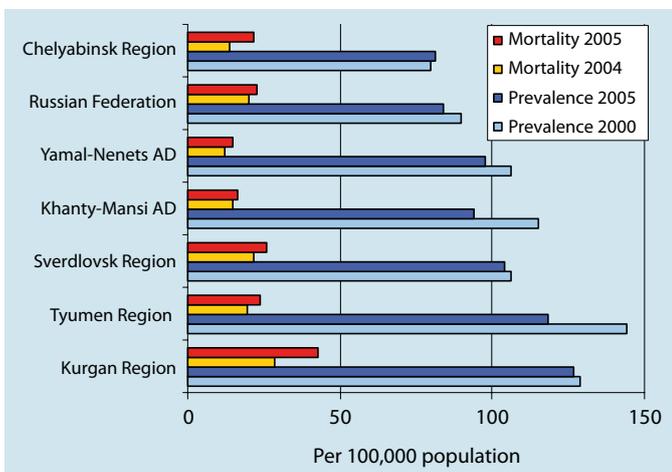
**Figure 5.5.** Infant and under-five mortality rates in regions of the Ural Federal District



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

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

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



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

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

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

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

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

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

Table 5.1

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

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

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

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

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

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

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

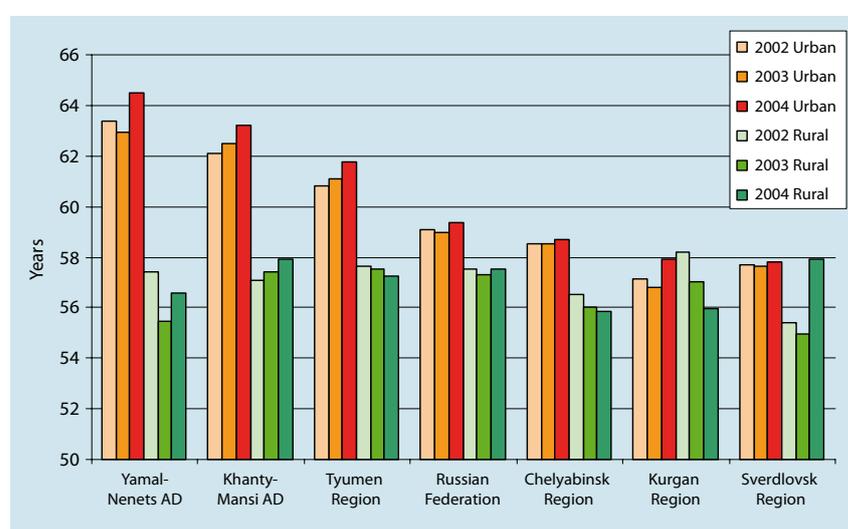
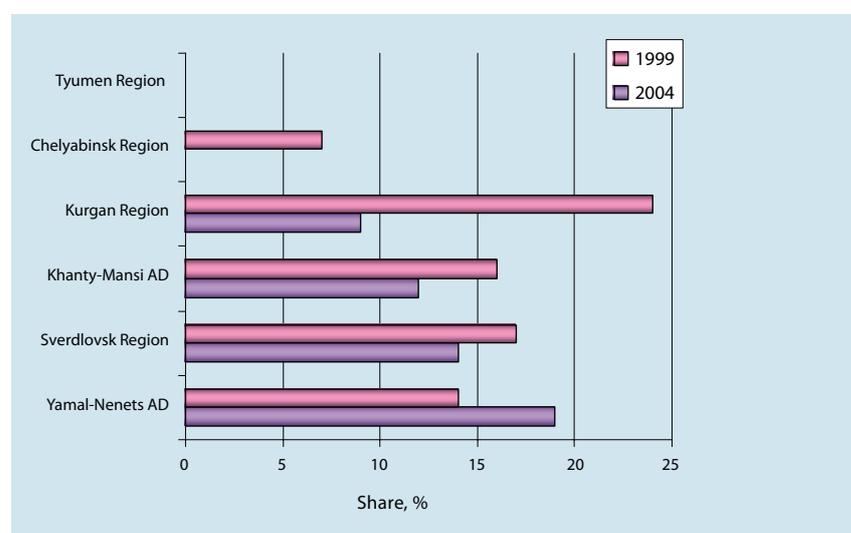


Figure 5.8. Share of women deputies in regional parliaments





The Ural Federal District is an excellent example of the close connection between levels of economic and social development. Almost all MDG indicators reflect differences in per capita GRP between the regions. This is hardly surprising, since oil & gas regions have attained

levels of economic and budgetary well-being that allow them to allocate sufficient resources for solving many social problems. Meanwhile, social crisis zones, such as Kurgan Region, exist alongside the zones of relative affluence.

### Box 5.1. MDGs in Sverdlovsk Region

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

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

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

#### Goal 1. Eradicate Extreme Poverty

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

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

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

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

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

#### Goal 4. Reduce Child Mortality

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Goal 7. Assure Environmental Sustainability

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

The Region's Natural Resources Ministry is implementing a state target programme "Ecology and natural resources in

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

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

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

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

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

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

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

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



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

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

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

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

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

#### Goal 1. Reduce Poverty

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

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

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

The regional government is financing a system of social support measures for specific groups of the population. Since 2005, social security provision has been governed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The tuberculosis prevalence rate in the Region decreased by 4.7% in 2005 compared with 2004, but it remains above

the national average. Tuberculosis mortality increased by 23.6% as a result of mortality among HIV-positive individuals (tuberculosis was the cause of death in 75% of cases). Measures to prevent spread of tuberculosis and improve treatment are being taken as part of the regional target programme for public health development in 2006–2008 and the federal programme to combat social diseases in 2002–2008.

### Goal 7. Assure Environmental Sustainability

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

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

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

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