



Central Federal District.

More Than Moscow

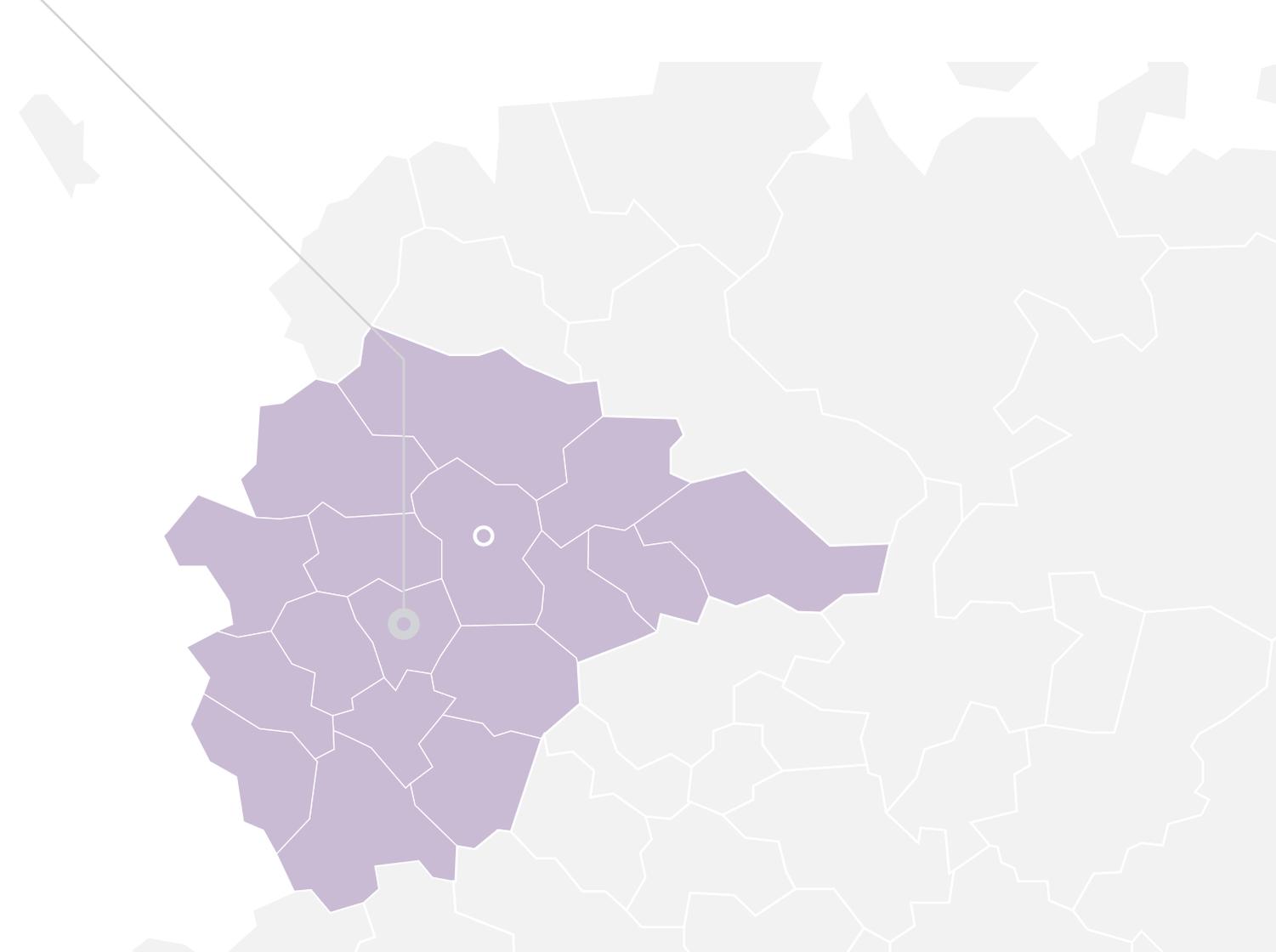
As its name suggests, the Central Federal District (CFD) is located in the historical centre of Russia and includes the nation's capital. It has the largest population (37.3 million inhabitants) and unites more subjects of the federation (Russian administrative regions) than any other federal district.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

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

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

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

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



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

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

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

Centre-periphery contrasts are particularly evident in unemployment rates and income levels. This is con-

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

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



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

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

Divergence in the poverty rate between Moscow and the periphery of the Central District declined between 2000 and 2005. The share of people with incomes under

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

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

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

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

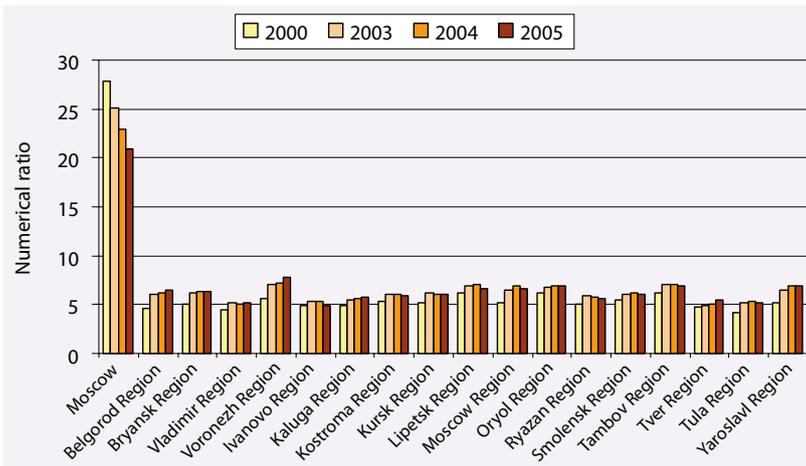
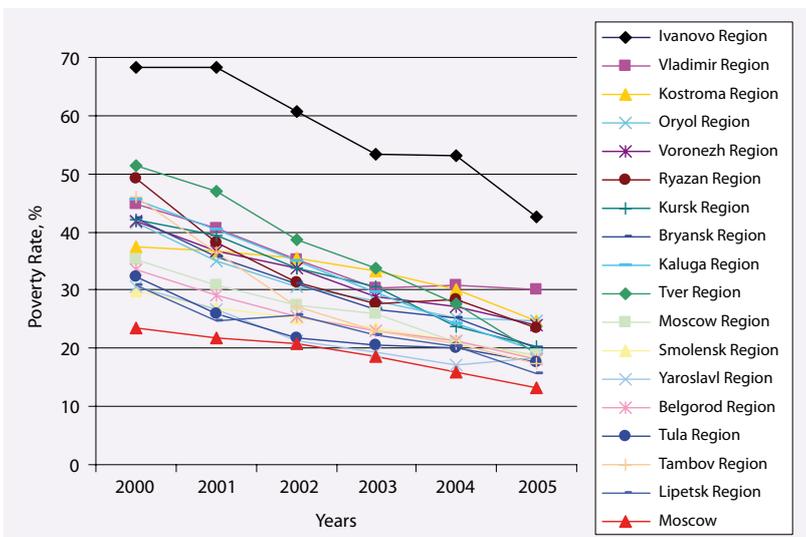


Figure 1.2. Poverty rate in regions of the Central Federal District, %



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

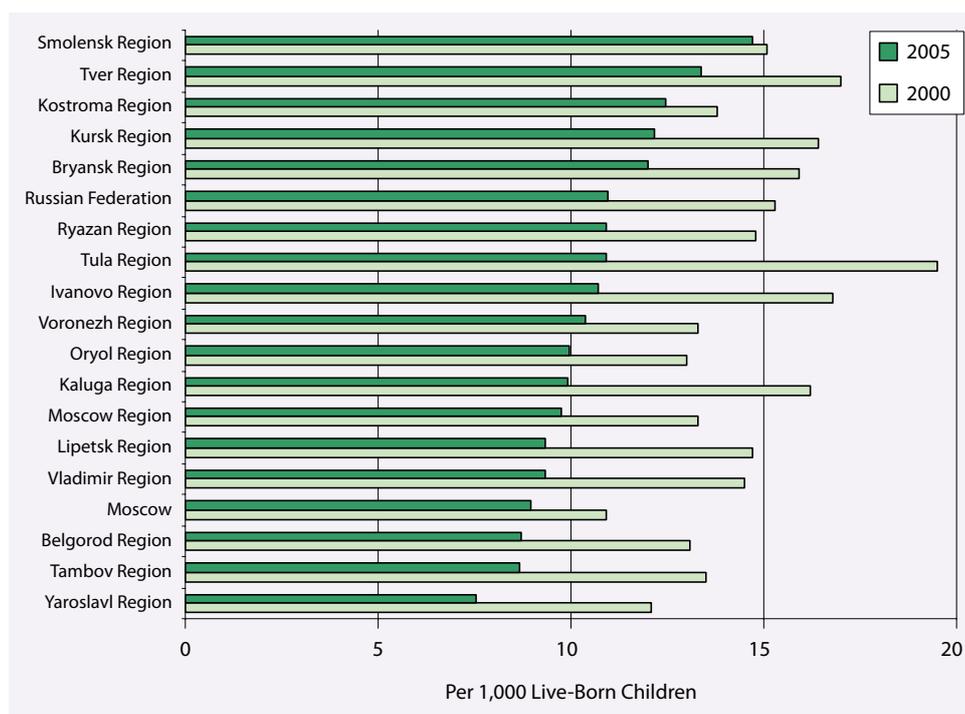
MDG indicators relating to child and maternal health (infant, child, and maternal mortality rates) are above-average in most regions of the Central Federal District (Figure 1.3). This is due in considerable part to accessibility of medical services, reflecting relatively high population density and the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

Infant mortality has declined more slowly in Moscow than in other central regions, and the capital no longer has the lowest rates in the Central District, as it did in 2000. One can identify a whole set of environmental and social fac-

tors that have a negative impact on maternal and child health in the capital. Environmental conditions in the megalopolis are deteriorating every year. The primary cause of pollution is the growing number of automobiles: even a developed public health system can not mitigate their negative impact. Another important factor is that working women in Moscow are postponing childbearing. Childbirth at a later age more often results in complications and requires particularly stringent medical supervision, for which the Russian health system is not prepared. The concentration in Moscow of pregnant women from risk groups (drug addicts, illegal migrants, etc.) has also had an impact. The under-five mortality rate depends more closely on the level of development of the public health system, for which reason it is lowest in Moscow and the economically developed Yaroslavl Region (less than 11 deaths per 1000). The corresponding indicators in the peripheral non-Chernozem regions (Kostroma, Tver and Smolensk) are higher by a factor of 1.5–1.7.

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

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





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

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

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

This employment parity makes the disproportion in political representation of women all the more striking. Taking Moscow City and the Kostroma and Bryansk

Regions as examples, the share of women in their regional parliaments is only 15–20%. Trends are not encouraging: the share of women in two thirds of central regions has not changed or is even falling (Figure 1.4).

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

Another group of MDG indicators refers to living conditions, including environmental conditions. Most of the approaches used by the MDG need to be adapted to Russian regional statistics, and the only MDG environmental indicator, which is directly measured in Russia, is the proportion of forested and protected natural areas. However, this is a very important indicator for the CFD, which is the most densely populated area of Russia and therefore particularly in need of conservation areas and forests to maintain ecological balance. In the Moscow agglomeration, the green belt around Moscow city is gradually disappearing due to construction of recreational facilities, disorganized building of country cottages, and uncontrolled expansion of towns in Moscow Region. The forest belt around Moscow has shrunk by 10% in the last decade, according to expert estimates¹. The overall proportion of land area covered by forest in Moscow Region has stayed the same (41%), according to official statistics, but the quality of forests has deteriorated, particularly near to the city. Authorities in Moscow City and Moscow Region have been unable to work out a common urban development and planning policy that would zone the territory around Moscow and protect forests there.

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

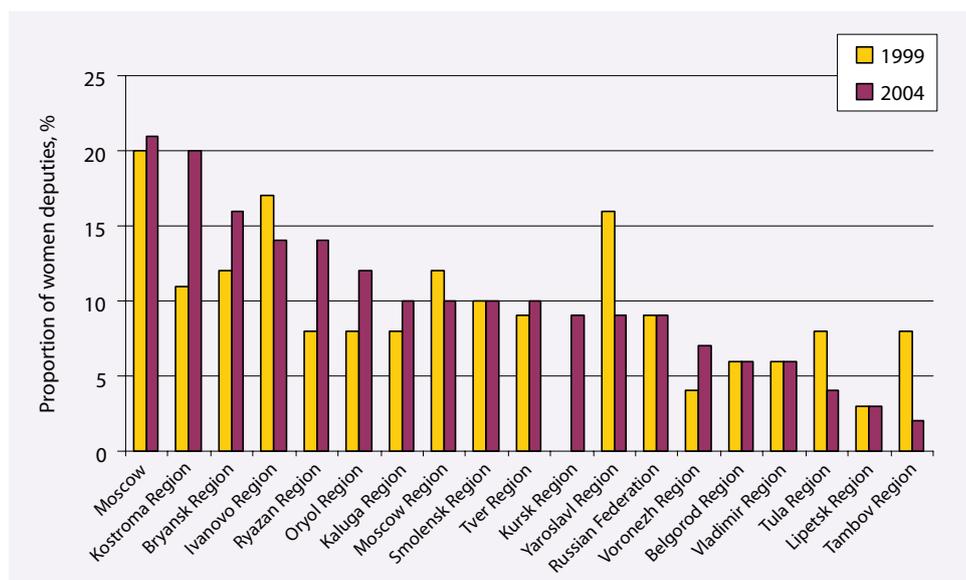
¹ Moskovsky stolichny region. Moscow, 2004.

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

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

MDG indicators confirm that the Central District is marked by enormous internal disproportions in development. Social problems are different in Moscow and most other central regions, except for the ubiquitous gender asymmetry in politics. The principal problems in the Moscow agglomeration are high cost of living, enormous income inequality, poverty, social exclusion of people with limited resources for adaptation (retired people, the handicapped, etc.), spread of HIV/AIDS and

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



environmental issues. Many of the problems in peripheral regions stem from economic factors. They include higher levels of youth unemployment, higher incidence of poverty (including extreme poverty), poorer access to medical services, poorly developed social infrastructure and public utilities, etc. These problems and efforts to address them are presented in Boxes 1.1 and 1.2 using the example of Tver and Belgorod Regions.

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

Box 1.1. MDG Attainment in Tver Region

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

MDG attainment is hindered by economic and socio-demographic problems. The Region lacks successful economic sectors that could support modernization in free

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

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



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

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

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

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

Goal 1. Reduce Poverty

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

The structure of poverty has traits that are typical for many Russian regions. The poor include both people who are working and those who are not (retired and handi-

capped individuals). The working poor are mainly people in low-salary sectors of the economy. Information on recipients of housing subsidies (19.4% of all families in 2005) also helps to understand the poverty structure. Subsidy recipients in rural and urban districts have different profiles: in towns, subsidy recipients are predominantly single retired people, while in rural districts the share of families with working parents and children is much greater, due to low incomes of rural workers. Wage levels differ considerably across industries as well as across large and small businesses.

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

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

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

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

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

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

Table 1.1

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

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

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

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

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

- lowering poverty risks, improving quality of life, and making social assistance more efficient and better targeted;
- assuring equal access to social services and expanding the range of services;

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

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

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

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

The development strategy for social security in Tver Region aims to link assistance with incentives. Plans include

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

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

Goal 2. Promote Access to Quality Education

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

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

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

Goal 3. Promote Gender Equality

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

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

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



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

Table 1.2

Mortality from external causes in Tver Region

	1990		1995		2000		2005	
	Men	Women	Men	Women	Men	Women	Men	Women
Working-age mortality, of which	4,335	922	7,024	1,393	6,890	1,713	8,051	2,038
– share of total mortality, %	38.8	6.6	44.0	8.7	40.6	10.6	45.6	13.0
– accidents, poisoning, and injury	1,644	277	3,083	557	3,015	265	3,007	605
– murders	161	46	347	82	391	85	311	72
– suicides	327	43	551	64	476	51	350	49
Total mortality from external causes	2,132	366	3,981	703	3,882	401	3,668	726

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

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

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

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

Gender differences in salaries are even more apparent. They become evident from a comparison across industries (predominantly "female" areas of employment are mostly marked by low wages), as well as within industries (better-paid, senior positions tend to be occupied by men). Salaries of men are 50% higher than those of women in

industry, construction, and the financial sector; a third higher in public health and education; and almost twice as high in science. Only in agriculture, which is marked by the lowest salaries, women's labour is remunerated a little more highly than men's (due to higher educational levels among women, which entitle them to work as specialists).

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

Goal 4. Reduce Infant and Child Mortality

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

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

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

Box 1.1. MDG Attainment in Tver Region (continued)

Table 1.3

Infant mortality indicators in Tver Region, %

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

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

Goal 6. Combat HIV/AIDS and Other Diseases

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

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

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

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

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

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

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

Goal 8. Communication Infrastructure in the Tver Region

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

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



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

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

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

Nevertheless, a number of regional social programmes designed to raise per capita income, eradicate poverty, support demographic potential, and reduce social inequality have been designed and are being successfully imple-

mented in Tver Region. Several important achievements in support to rural populations should be emphasized:

- organisation of mobile social security services;
- creation of a system of general practitioners providing qualified medical services;
- reform of the rural school network by defining which schools should be developed and organizing transportation of children from outlying areas to these schools (the "School Bus" Programme).

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

Box 1.2. MDGs in Belgorod Region

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

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

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

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

Goal 1. Reduce Poverty

There has been a sustainable reduction in the poverty rate over recent years. The share of people with incomes below the poverty level was 18.1% in 2005 as opposed to 33.6% in

2000. Growth of real salaries and retirement pensions has lifted many people, mainly working families and pensioners, above the poverty line. Numbers of people in extreme poverty (with incomes less than half of the subsistence level) have also fallen, from 9.4% in 2001 to 4.9% in 2005, and the poverty acuteness index has fallen by 1.5%.

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

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

Goal 2. Achieve Universal Access to Quality Education

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

Box 1.2. MDGs in Belgorod Region (continued)

Goal 3. Promote Gender Equality

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

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

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

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

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

income, eradicate poverty, improve demographic potential, overcome social inequality, support small business, and develop private residential construction. Positive results have already been achieved in improving access to important social services for people in rural parts of the Region.

Goal 7. Ensure Environmental Sustainability

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

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

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

Table 1.4

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

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

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

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

Belgorod Region remains in a better situation with regard to human development than most other Central regions (the Moscow agglomeration is the exception). A number of regional social programmes have been designed and are being implemented, aiming to increase per capita

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