



Volga Federal District.

Development In Diversity

The territory from the Urals to the Mid-Volga is one of most diverse parts of the Russian Federation in terms of both ethnic make-up and economic development. The Volga Federal District (VFD) incorporates 14 subjects of the Russian Federation, including six republics and seven regions as well as the newly formed Perm Territory (created in 2005 by unification of Komi-Perm Autonomous District with Perm Region). The VFD accounts for 21% of Russia's population and about 17% of aggregate GRP.

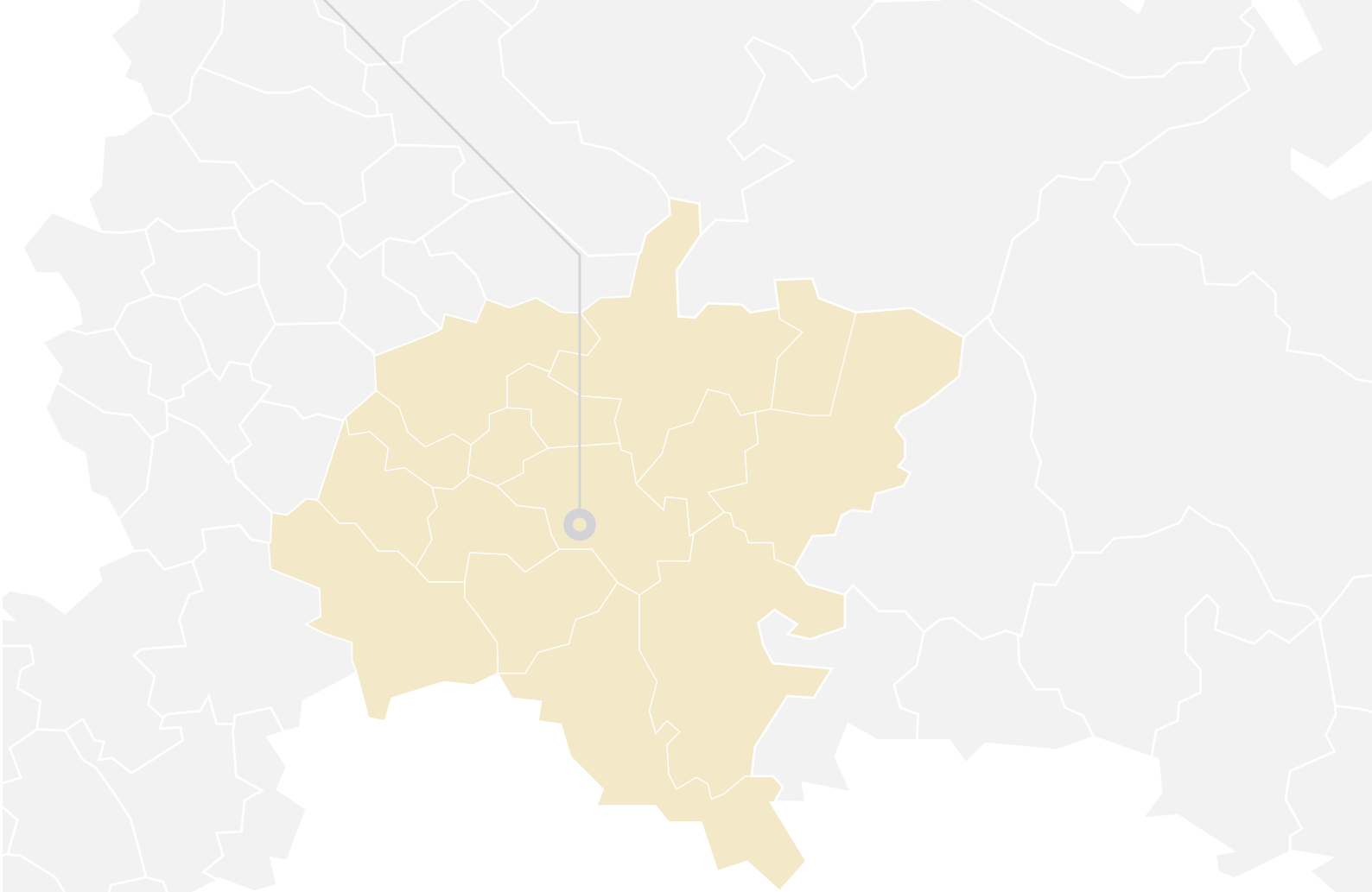
Unlike the Centre and the North-West, the Volga Federal District is polycentric. Several of its regions have roughly the same levels of development, economic weight, and population. These regions compete for leadership of the District, although its official capital is Nizhny Novgorod. As well as lacking a dominant economic and demographic centre the VFD has a disjointed geographical space and road and rail networks, which are ill-suited for transportation inside the District – all major transport arteries lead to Moscow.

Regions of the Volga Federal District can be divided into three groups on a criterion of economic development. The most highly developed are the Republics of Tatarstan and Bashkortostan, Samara Regions and Perm Territory with per capita GRPs above or close to the national average. All these regions are industrialized and diversified; their industrial structure includes export-oriented sectors such as the oil and chemical industries along with

a developed food industry and (currently less successful) machine building. Each of them has a major city with about one million inhabitants, and Samara Region has the country's third largest agglomeration (Samara-Togliatti), offering good conditions for development of the service industry. These leader regions have the highest per capita incomes in the federal district (Figure 3.1). Examples of current human development problems and efforts to address them in two leader regions (Perm and Samara) are given in Boxes 3.1 and 3.2.

The second group includes regions with average development levels and various economic profiles. The Nizhny Novgorod Region and the Udmurt Republic are mostly industrial with a high share of machine building, while the more southerly Orenburg and Saratov Regions have a mixed industrial-agrarian economic structure. Although their level of economic development is similar, these regions have markedly different social problems.

The third group, with 40% of VFD regions and a quarter of the District's population, has a lower level of development, mainly due to economic problems. The Penza and Ulyanovsk Regions, which specialize in machine building, experienced a severe recession in the 1990s and their primary industry remains uncompetitive. As a result, their per capita GRP is almost half the average across all RF subjects (adjusted for cost of living). In the northern Kirov Region, negative effects of depression in the machine-building industry are exac-



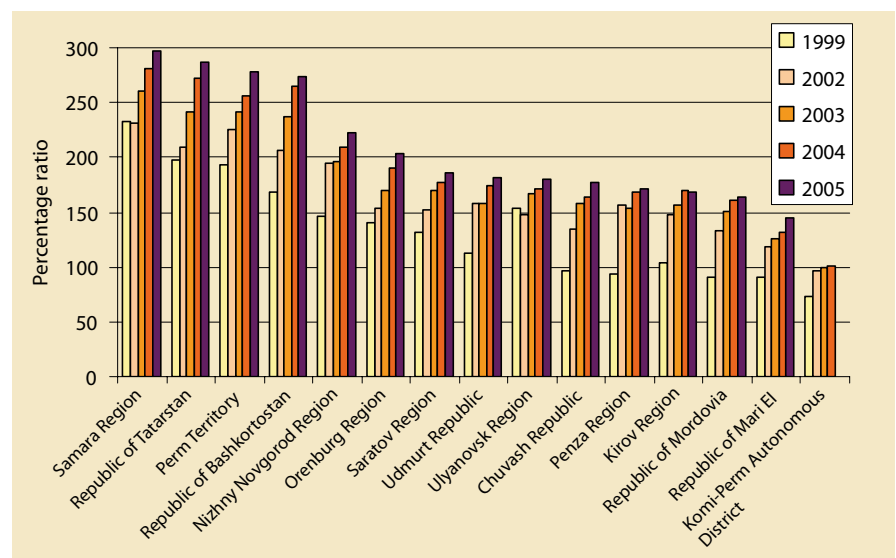
erberted by problems in the forest industry and under-developed infrastructure. In the Chuvash, Mordovian, and Mari El Republics, a general development lag is aggravated by stagnating labour-intensive machine building. The economic situation in the Chuvash and Mordovian Republics is somewhat better than in Mari El on account of more favourable natural conditions for agriculture, which provides supply inputs to the local food industry.

Despite the lag in economic development, all the problem regions have average per capita purchasing power. This levelling is the result of considerable federal aid. Nevertheless, in the under-developed Komi-Perm Autonomous District, even large-scale federal assistance, which accounts for over 70% of regional budget revenues, has not led to major improvements: the district lags behind on all socio-economic indicators, particularly per capita income.

Degrees of income inequality and poverty depend mainly on economic development levels and levels of federal support to regional budgets, and different regional governments have chosen different policies to support living standards. The Republic of

Tatarstan has a long-standing practice of redistributing part of revenues from its oil industry to agriculture. This lowers prices for food products and raises incomes in the agrarian sector, smoothing inequalities. Tatarstan also spends significant sums on support for large families, and business has been co-opted to help implement a program for replacement of housing, which is in a dilapidated or dangerous state of repair. These policies

Figure 3.1. Percentage ratio of per capita cash income to the subsistence level





Chapter 3. Volga Federal District. Development In Diversity

in Tatarstan are dependent on regional oil revenues and the federal government lends its assistance for major infrastructure projects. Similar policies are implemented in Bashkortostan, albeit on a smaller scale. Social support in Perm Territory and Samara Region is moving towards a more advanced model than in Tatarstan and Bashkortostan, with greater use of targeted assistance to the poor instead of large-scale redistribution.

Regional policies have had limited impact on inequality indicators for the time being. The level of economic development is still the key factor and the overall pattern remains unchanged: income inequality in a region is directly proportional to per capita income. The income quintile ratio (ratio of the 20% of the population with the highest income to the 20% with the lowest income) is 9-10 in the economically developed Samara Region and Perm Territory and only a little lower at 8 in Tatarstan and Bashkortostan (Figure 3.2). The income quintile ratio in less developed regions of the VFD is smaller (5-6). Income inequality is growing more rapidly in developed regions, where the more abundant fruits of economic growth accrue mostly to those who are already quite well-off.

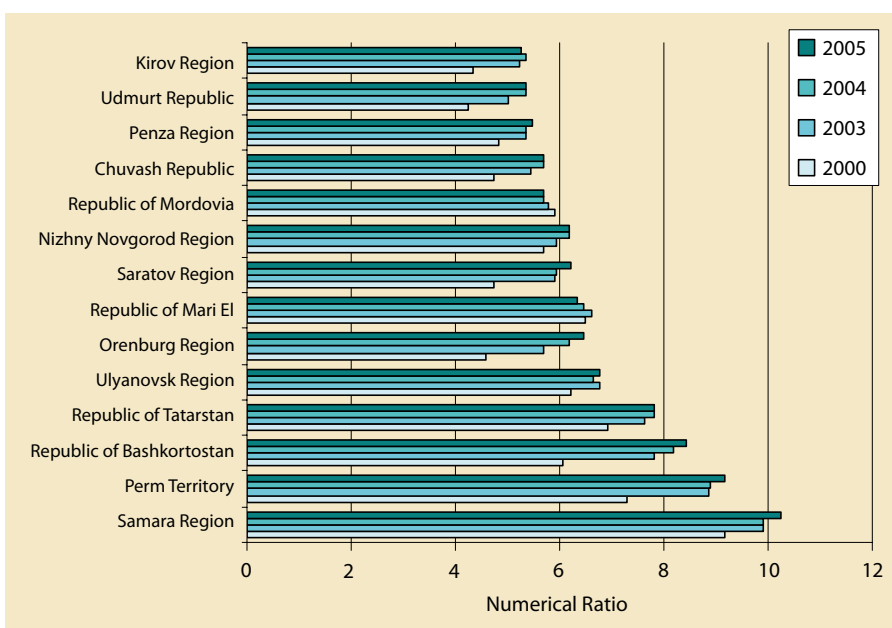
Although economic growth increases inequality, it also tends to reduce the poverty gap ratio (the amount by which the income of those in poverty falls short of the subsistence level, divided by total income of all the region's inhabitants) and the poverty rate (share of people living below the subsistence level). The poverty gap ratio in developed regions of the Volga Federal District has declined to the national average (about 2%), while the poverty rate decreased to 14-18% (Figure 3.3). Richer

regions are able to apply more efficient mechanisms of targeted assistance to deal with poverty, because the scale of the problem is manageable. However, the poverty rate in most VFP regions is significantly higher (22-30%), although the poverty gap ratio has fallen to 4-6%. Progress in the most problematic regions has been minimal: in the Republic of Mari El, 40% of the population remains poor, and the poverty gap ratio is as high as 12% of total income, while in the Komi-Perm Autonomous District poverty remains extremely high with a poverty gap ratio of 25%. The prevalence of poverty in these regions (40-50% of the population) makes it hard to focus on extreme poverty, and therefore makes it hard to switch to targeted assistance.

The unemployment rate in the Volga Federal District is relatively low at 5-10% in 2005 compared with the national average of 7.4%. The only region with significantly higher unemployment is the Komi-Perm Autonomous District (17%). The MDG indicator – unemployment among young people aged 15-24 years – is designed to determine whether young people, many of them looking for their first job, can enter the labour market fairly easily. The general trend in the Volga District is that youth unemployment is twice higher than overall unemployment. Unemployment among the young is comparable to the national average (15% in 2005) in most VFD regions and exceeds 20% only in Mari El and Orenburg, both of which also have higher overall unemployment (9-10%). So youth unemployment does not rate among most critical problems in the District.

Child and maternal health indicators in the Volga Federal District are relatively good: infant mortality is below the national average in half of its regions and is falling in most places (Figure 3.4). The state of child and maternal health depends not only on the level of regional economic development but also on accessibility and quality of medical assistance, lifestyle, and the state of the environment. As a result, the lowest infant and child mortality indicators are found in republics, which have relatively dense populations and smaller incidence of asocial behaviour, and in Samara Region with its higher quality of medical service. In regions with higher infant mortality, the problem tends to be concentrated in rural areas: rural indicators are a third worse than urban indicators in Nizhny Novgorod Region and Perm Territory and nearly twice as bad in Ulyankovk Region. High levels of infant mortality in urban settlements are found

Figure 3.2. Numerical ratio of cash income of the 20% of people with highest income to 20% lowest



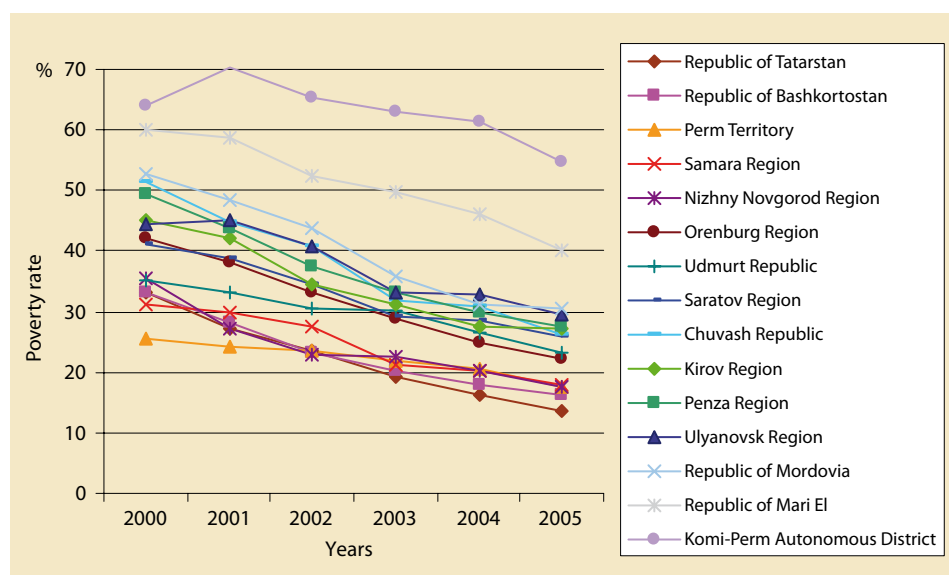
only in the Komi-Perm Autonomous District (28–53 per 1,000 live-born children in 2002–2004). Orenburg Region has high infant and maternal mortality rates due to a range of factors: environmental problems, a poorly developed health care system, and inflow of ethnic migrants.

The problem of social diseases in the Volga Federal District is focused on HIV/AIDS, which has spread rapidly through the District in recent years. Several regions have exceptionally high prevalence rates (Table 3.1). The number of registered cases in Samara Region is three times the national average (Irkutsk is the only Russian region with worse figures). The disease is concentrated in the Samara-Togliatti agglomeration, with its high per capita income and growing drug abuse, from where HIV/AIDS is spreading to neighbouring regions: the number of registered cases is double the national average in Ulyanovsk Region and 20% above average in Saratov Region. AIDS prevalence is triple the national average in the Orenburg Region, which is located in the south of the VFD on drug trafficking routes from Central Asia. Regions are unable to deal with this social problem, and the number of HIV/AIDS cases is continuing to grow rapidly.

Incidence of tuberculosis in the VFD is below the national average, but the attempts to reduce disease rates further have had little success. Incidence and mortality from tuberculosis are only a serious problem in Perm Territory, due to the large number of penitentiaries there, while higher incidence in Orenburg Region is due to inflow of migrants.

Gender problems in the Volga Federal District are not so acute as regards life expectancy and employment, but pronounced in the political sphere. The difference in life expectancies of men and women is 1–2 years smaller than in the Centre and North-West. Male life expectancy is close to the national average (58–59 years) in most regions and stands at 60 years in the Republics of Tatarstan, Bashkortostan, and Chuvashia. The Komi-Perm Autonomous District is the only region with an alarmingly low indicator (50 years). Gender unemployment problems are small: male unemployment is higher than female unemployment in most VFD

Figure 3.3. Poverty rate, %



regions and unemployment among men in the poorly developed Komi-Perm Autonomous District is almost twice as high as among women due to high male unemployment levels in rural areas. Rural women can more easily find jobs in the public sector (education, public health, etc.), but agriculture and the forest industries, which are the main sources of employments for rural men, are currently in a depressed state. Greater willingness of women to accept low-status and low-paid jobs is also a factor.

The VFD is marked by major gender inequality in political representation. The share of women deputies in regional parliaments in 80% of VFD regions is below the national average (at 9% the national average is itself low). The disproportion has become greater in recent years: in 1999–2004, the number of women in regional parliaments fell and even reached zero in two regions

Figure 3.4. Infant mortality per 1,000 live births

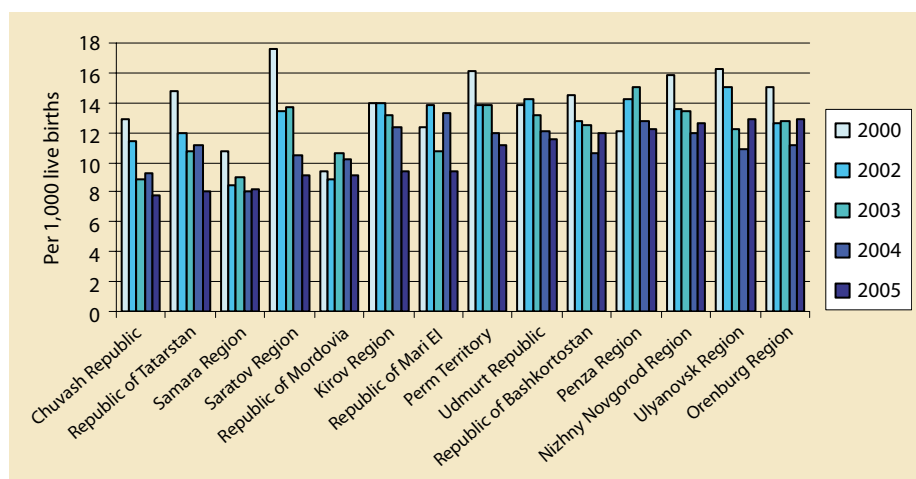




Table 3.1

Regions of the Volga Federal District with the greatest number of registered HIV/AIDS cases since 1987 per 100,000 population

	2001	2005	June 2006
Samara Region	465	694	730
Orenburg Region	410	578	678
Ulyanovsk Region	328	435	483
Saratov Region	no data	241	278
Russian Federation	144	210	235
Perm Territory	no data	no data	220
Republic of Tatarstan	no data	no data	191
Volgograd Region	no data	no data	174

(Figure 3.5). As a rule, gender inequality is highest in more highly developed regions of the Volga Federal District, confirming the general trend in modern Russia: the richer the region, the lower the political representation of women.

Living conditions in most regions of the Volga Federal District are close to the national average. However, the underdeveloped Komi-Perm Autonomous District (now is a part of Perm Territory) stands out as regards MDGs infrastructure indicators. Over a quarter of its housing stock is in a dilapidated or dangerous state (the worst figure in the country, level with

Dagestan) and only 14–16% of housing has mains water and sewerage. Relatively low indicators for mains water and sewerage in several republics (Chuvashia, Mordovia, and Bashkortostan, which show levels of 55–64%) are due to high shares of rural population.

The environmental situation is most problematic in regions with "dirty" industries. Air pollution is highest in Orenburg and Perm Regions, while the Samara Region and Bashkortostan suffer from water pollution. The VFD hosts a number of facilities where destruction of chemical weapons is carried out, creating extra environmental risk. Nevertheless, environmental problems

in the VFD are less acute than in the Urals and Siberia: only two of its cities (Ufa and Orsk) figure in a list of Russian towns and cities with high levels of pollutant emission.

Development of telecommunications in the Volga Federal District is facilitated by high levels of infrastructure development and a considerable number of major cities. Samara Region remains the District leader for cellular communications: the number of subscribers per 100 people reached 63 in 2004, thanks to the Samara-Togliatti agglomeration and relatively high incomes. Nizhny Novgorod Region is in second place. Cellular communications are developing more slowly in agrarian regions and regions with low incomes: Penza, Kirov

Figure 3.5. Share of women in regional parliaments



and the Republics of Mordovia and Mari El. The number of fixed telephone lines per 100 population is somewhat smaller in Orenburg and Penza Regions and in Chuvashia, though the differences are insignificant.

The Volga Federal District serves as an example of the limited impact on MDG indicators of differences in regional economic development. Their influence is felt in income inequality and somewhat less in poverty indicators. It is barely visible in socio-demographic and infrastructure indicators; urbanization and the presence of major urban agglomerations have a greater impact on the latter. The spread of HIV/AIDS depends on a whole set of factors: high per capita incomes, urban agglomerations and frontier zones.

The large number of factors at play creates a mosaic of social development and makes it difficult to identify clear leaders. Tatarstan may well be the best among relatively well-developed regions in the VFD. Samara Region has a very serious HIV/AIDS problem, Bashkortostan has insufficiently developed infrastructure, while Perm Region has above-average tuberculosis prevalence and infant mortality, and no women in the regional parlia-

ment. In other regions, MDG indicators are more or less equal to the national average. Despite its considerable ethnic diversity, the Volga Federal District is socially "average". The only exception is Orenburg Region – a frontier region with a large inflow of migrants and marked by problems of drug abuse, prevalence of HIV/AIDS, above-average child and maternal mortality, and high unemployment, all made worse by the inherited problem of underdeveloped infrastructure.

Creation of Perm Territory by merger of Perm Region with Komi-Perm Autonomous District nominally eliminated a rank outsider: the Autonomous District suffered from serious economic underdevelopment and social problems, as all MDG measurements indicate. Elimination of Komi-Perm from regional statistics has not solved these problems. Financial aid must be maintained (Komi-Perm formerly lived predominantly from federal subsidies, which it now receives from Perm Territory) but there is also need for a program of socio-economic "rehabilitation" that would include creation of new jobs, considerable investments in human resources, and development of social infrastructure.

Box 3.1. Perm Territory in the MDG Context

Main economic development indicators of Perm Territory, which was created on 1st December 2005 by unification of Perm Region and the Komi-Perm Autonomous District, place it in a group of highly developed Russian regions, which are net donors to the federal budget. The Territory contributed 2% of gross national product of the Russian Federation in 2004. The relatively favourable state of the Territory's economy is mainly due to its natural resource wealth.

Perm Territory has one of the highest per capita incomes in the Russian Federation and ranks second in the Volga Federal District. However, the favourable state of the regional economy does not always mean a high standard of living for its inhabitants. Life expectancy is quite low (56 years for men and 70 years for women in 2004) and the mortality rate among people of working age is extremely high: 1,028 deaths per 100,000 population in 2005, compared with the national average of 502 per 100,000 in 2004. Accidents, injury, poisoning, murder and suicide were to blame for 36% of the working-age deaths. Perm also has the highest registered crime rate in Russia: 449 crimes per 10,000 population in 2005. The problem is being given close attention by the Perm administration, although the high indicator may be explained by various factors, including a better crime registration system than in other Russian regions.

Human development has been given much attention in Perm Territory in recent years. It is one of the five strategic goals set out by the regional administration (together with economic growth, infrastructure development, development of municipal formations, and better management of

state and municipal property). A new executive agency has been established to coordinate attainment of the strategic goals and one of its divisions, the Human Development Department, established in 2005, has the task of formulating human development policy. The Department is customer sorts with respect to other social agencies, including those with responsibility for public health, education, social security, and culture. Human development efforts of government departments are on a project basis and are described on the web-site www.human.perm.ru.

Goal 1. Reduce Poverty

Reducing the overall poverty rate is an urgent problem in Perm Territory: the share of people with incomes below the minimum subsistence level is relatively high, standing at 20.6% in 2004 and 17.7% in 2005 (indicators for the Russian Federation as a whole during the same periods were 17.8% and 15.8%, respectively). Such high poverty indicators in an economically developed region are explained by incorporation of extremely depressive regions into Perm Territory, particularly Komi-Perm Autonomous District (over half – 54.9% – of people in Komi-Perm Autonomous District had incomes below the poverty line in 2005). However, the poverty rate in Perm Territory has been steadily falling in recent years (it stood at 25.5% in 2000). If this trend persists, the overall poverty rate may fall to 12–13% by 2015, i.e. to half of its level in 2000, the year when the MDGs were adopted.

The share of people in extreme poverty (with incomes below half the subsistence level) is also quite high. At least



Box 3.1. Perm Territory in the MDG Context *(continued)*

13.6% of people in Perm Territory were in extreme poverty in 2004. But this indicator has also been falling in recent years. Depth of poverty is gradually decreasing, although the general Russian trend of income differentiation remains. Levels of indicators (adapted for Russia) of the Poverty Reduction MDG for Perm Territory are given in Table 3.2.

of children aged 1–6 years attended kindergartens in Perm Territory, down from 75% in 2003. The problem is particularly acute in cities. For example, the number of kindergarten places in the city of Perm in the first half of 2006 met only 76% of demand for 3 year-old children and 40% of demand for 2 year-olds.

Table 3.2

Indicators (adapted for Russia) of the Poverty Reduction MDG in Perm Territory

	2000	2001	2002	2003	2004
Share of people with incomes below half the subsistence level, %	approx. 19.9 (estimate)	no data	no data	no data	at least 13.6 (estimate)
Poverty Depth Index, %	3.9	3.6	3.4	2.9	2.6
Share of the poorest quintile in total personal incomes, %	5.8	5.6	5.5	5.3	5.3

The "Self-sufficiency" target programme, which has been implemented in Perm Territory since the second half of 2004, offers a good example of approaches for improving quality of life and human potential among poor families. The aim of the programme is to improve the quality of life of poor families with children in the countryside. Unlike traditional programmes involving cash handouts, the programme provides targeted cash assistance to families for development of household farming and self-employment. The programme also aims to reduce social dependency and has an educational dimension: children are encouraged to learn from the example of their parents and to contribute to improving the life of their family. The programme uses innovative principles: it enlists help of the local community in selecting recipients, helped to prepare individual plans for each family on achieving self-sufficiency, and requires programme participants to assume reciprocal responsibilities.

An evaluation of programme results in late 2005 showed that the programme has improved quality of life for those taking part in it. Their incomes had grown, their employment situation had stabilized, and families had overcome many privations in consumption, which they previously experienced. The programme in Perm Territory has attracted interest from other regions: a similar programme was launched in Tyumen Region in 2007 and others are scheduled in Volgograd, Amur and Saratov Regions.

Goal 2. Access to Education

Generally speaking, access to secondary and further education is not a serious problem in Perm Territory. The only exception at present is pre-school education, where demand greatly exceeds supply in municipal kindergartens (district and municipal administrations have sole responsibility for organizing pre-school education). In 2004, 71.5%

The Perm Education Department has a project for reform of education financing, which should equalize financing levels in different parts of Perm Territory. The project should also improve access to quality education by freeing cash and channelling extra resources for equipping educational establishments and raising salaries of the people who work there. Financing of educational establishments, which reflects their pupil numbers, was already introduced in 10 municipalities of Perm Territory in 2006 and 80% of establishments have been provided with technology for measuring their resource expenditures. These measures have reportedly saved 100 million roubles of budget funds.

Goal 3. Promote Gender Equality and Empower Women

The current state of affairs in Perm Territory as regards gender equality and empowerment of women is hard to assess due to lack of information, although a few conclusions can be drawn from the available facts.

Using regional parliaments as instances of regional government and taking the MDGs indicator, adapted for Russia, which measures numbers of women deputies in such parliaments, we find that there were no women deputies in the Perm regional parliament over the period 2001–2005 and only one woman among the 15 deputies of the Komi-Perm parliament. Elections to the new parliament for Perm Territory in first-past the-post constituencies returned just one woman out of 59 deputies.

Labour and employment discrimination against women as well as domestic violence are fairly common phenomena. They are discussed in the section "Status of Women" in the last report by the Perm Human Rights Centre on human rights in Perm Territory in 2000.

The impact of socio-economic factors on public health and life expectancy (especially those of men) is a very urgent

Box 3.1. Perm Territory in the MDG Context *(continued)*

problem in Perm Territory. In particular, mortality from unnatural causes (accidents, injury, poisoning, murder, and suicide) among people of working age is high: unnatural causes accounted for 36% of all deaths in this age group in 2005.

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

Average life expectancy in Perm Territory is 63 years (2004 statistics). However, the difference between the sexes is large (life expectancy for men is only 56 years, compared with 70 years for women), and both average and gender-based life expectancy indicators are declining: the levels for all people, for men and for women in 2000 were 64, 58, and 71 years, respectively. The mortality rate in Perm Territory has increased accordingly from 16.1 deaths per 1,000 population in 2000 to 17.6 deaths in 2004.

The under-five mortality rate has been improving, and, if this trend continues, the goal of reducing child mortality by 50% by 2015 can probably be attained. Infant mortality is also improving. Maternal mortality in Perm Territory fluctuates considerably, partly due to the small number of cases (Table 3.3).

Over the entire registration period, 743 children were born from HIV-positive mothers and 91.9% of them were born during the last five years.

The active tuberculosis prevalence rate remains high in comparison with other regions, although it has begun to fall in recent years. The number of first-time cases dropped from 133.7 to 110.5 per 100,000 population between 2000 and 2005, while the number of TB patients registered at medical treatment and prevention establishments decreased from 328.8 to 258.2. Improvement of the indicators is mainly due to lower prevalence among men (the number of first-time male cases dropped from 3,043 to 2,175). Among women, the number of first-time tuberculosis cases grew during the same period from 805 to 881. The tuberculosis mortality rate in 2005 was 28 per 100,000 population.

Spread of venereal diseases remains an urgent problem, although the transmission rate has fallen considerably in recent years. The number of annual diagnosed cases of gonorrhoea per 100,000 population decreased from 168.5 in 2000 to 115.7 in 2004 and the number of syphilis cases from 251.5 to 132.4.

Table 3.3

MDG indicators, adapted for Russia, for reducing maternal mortality and under-five mortality

	2000	2001	2002	2003	2004	2005
Maternal mortality (per 100,000 live births)	25.3	20.6	19.2	44.2	9.5	20.0
Under-five mortality (number of deaths per 1,000 children of this age)	no data	no data	16.1	17.0	14.6	14.3
Infant mortality (per 1,000 live births)	16.0	14.2	13.9	13.9	11.9	11.1

The regional health system has standardized its medical and financing arrangements in order to improve assistance to women and children and reduce maternal and child mortality. Work is being carried out to improve provision of intensive care to children of all ages.

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

A total of 5,796 HIV/AIDS cases had been diagnosed in Perm Region by July 2006, giving a prevalence indicator of 220 per 100,000 people. This is slightly below the national average of 235 per 100,000. Spread of HIV/AIDS slowed down in Perm Region during the period 2001–2004: numbers of new HIV cases were 1,702 in 2001, 1,034 in 2002, 730 in 2003, and 572 in 2004. Considerable increase in the number of children born from HIV-positive mothers gives cause for concern: the share of HIV-positive children under the age of three years increased from 0.2% in 2002 to 1.4% in 2004.

However, infectious diseases are not principal causes of mortality. The main causes in 2004 were cardiovascular diseases, unnatural causes (accidents, poisoning, injury, murder, and suicide), and cancer (928.9, 318.3 and 195.5 deaths, respectively, per 100,000 population). During the same period, the infectious disease mortality rate was 27.2 deaths per 100,000 population.

Goal 7. Ensure Environmental Sustainability

Taking availability of safe drinking water as equivalent to availability of mains water, indicators for the former have improved slightly in recent years: the share of housing in Perm Territory with mains water increased from 74.2% to 75.5% in 2000–2004. Provision of sewerage, central heating, and hot water is also growing slowly but surely, as is average living space per person.

However, the share of housing in poor or dangerous state has shown little change for the better. This indicator



Chapter 3. Volga Federal District. Development In Diversity

Box 3.1. Perm Territory in the MDG Context *(continued)*

stood at 4.2% in Perm Territory in 2004, compared with the national average of 3.2%. Regional and municipal target programmes have been implemented in recent years, aimed at renewing the housing stock. But the effect has been limited, partly due to under-financing.

Goal 8. Develop a Global Partnership

The tasks of this Goal have more overall relevance in the federal than the regional MDG context. However, Perm Territory has shown considerable progress in achievement of this MDG goal (adapted for Russia). The number of telephone lines per 1,000 population increased from 211 to 259 in 2000–2004, although demand is still far from being satisfied. In early 2005, there were 56,094 outstanding applications for a telephone line and 68.4% of rural settlements have no telephone connection.

Creating opportunities for young people to realize their professional, social, and leadership abilities is another important aspect of global partnership. In 2006, the administration of Perm Territory launched a regional project of social internships titled "Civil practices", which aims to promote socio-economic, public, civil, and creative activities of young people and insert them into the labour market. The 1,200 young people participating in the project take part in social projects and work of civil society organizations, learning how to work effectively as individuals and team members.

Perm Territory needs to pay most urgent attention to MDGs, which currently have deteriorating indicators, in order to reverse the negative trend. Key tasks are lowering

income inequality, combating social diseases and other dangerous illnesses, and improving provision of pre-school facilities. Goals with steady indicators, that do not call for special measures, can be viewed as "second-order priorities". They include reducing maternal and under-five mortality, ensuring environmental sustainability, and improving the quality of housing.

One measure that should help to attain several MDGs at once is a project being implemented by the Territory's Human Development Department for restructuring orphanages in Perm Territory. The project aims to place more orphans and children without parental care in families by transforming orphanages into authorized centres for such placement. The project also has a strategic aim: to address the social causes of crime and (in the long run) to lower mortality among people of working age from unnatural causes. These aims should be attained by placing vulnerable children in foster families, which will then receive special support. Perm Territory is already among the Russian leaders in development of family placements: by the start of 2006 one third of all orphans and children without parental care had been placed in foster families (560 out of 1,708), and the share is scheduled to increase in the future.

In many cases proper analysis of MDG attainment is not possible because the necessary information is lacking. This makes improvement of the system for monitoring and analyzing human development progress an urgent task.

Box 3.2. Quality of Life in Samara Region in the MDG Context

In 2006 the Samara regional government adopted a development strategy for the period up to 2020, which harmonizes socio-economic policy targets with such key MDG areas as reducing poverty, assuring access to education, environmental sustainability, improving maternal and child health, and reducing gender inequality and social diseases. Achievement of the Millennium Development Goals is also enshrined in strategy documents developed by the Region's localities, both urban districts (e.g., Samara, Pokhvistnevo, Novokuibyshevsk, etc.) and municipal districts (Kinel-Cherkassky District, etc.). For example, the comprehensive socio-economic development programme in Pokhvistnevo includes raising life expectancy, lowering child and maternal mortality, reducing prevalence of tuberculosis and cardiovascular disease, raising levels of education, and increasing the share of housing with essential infrastructure.

Western European levels of life expectancy, living standards, quality and accessibility of education and

healthcare, and efficiency of the social security system can only be attained in Samara Region if quality of regional human resources is high. Samara Region ranks 4th among the 89 subjects of the Russian Federation by the aggregate integral indicator of quality of life¹. Over the last five years, real per capita disposable income in the Region has increased by a factor of 1.7. The share of people with higher or technical education exceeds national and world averages and is also higher than indicators in several developed countries. Finally, over 67% of people in Samara Region express satisfaction with their current lives (according to results of a survey by the Samara Branch of the Academy of Social Sciences in 2005).

¹ S.A. Aivazyán, *Elaborating and Analyzing Integral Indicators of the Quality of Life of Inhabitants of Samara Region*. Moscow, CEMI RAS, 2005 (in Russian).

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

Goal 1. Reduce Poverty

Poverty reduction remains a significant task for Samara Region, as in the rest of Russia. Almost 18% of the Region's population lives below the poverty line, and income inequality exceeds the national average (in Samara Region income of the best-off is 18.8 times greater than that of the worst-off, compared with 14.8 times in Russia as a whole). However, poverty in Samara Region is relatively shallow: a large share of poor households have disposable resources that are close to the subsistence level (according to the NOBUS survey conducted by Goskomstat in 2003).

Efforts by the regional government to increase employment and assure a decent level of salaries for employees helps MDG attainment with respect to poverty reduction. Small business and the trade and service sectors are developing rapidly, creating new jobs (about 67,000 new jobs have been created over the past five years, and employment in the Region has grown by almost 7%). Higher minimum wages have been achieved through partnership between employers, employees and government, and wages of social sector employees are being reviewed to better reflect job specifics and improve productivity. Samara ranks 1st in the Volga Federal District by public sector salary levels.

Improvements in the welfare system for vulnerable groups also promote reduction of poverty. About 120,000 people with incomes below the subsistence level receive monthly social assistance as prescribed by the law "On social assistance in Samara Region". The Region has set its own standards (different from federal standards) for the share of household budgets, spent on housing maintenance and public utilities, which justifies subsidies to help with bill payment. The transition from rebates and benefits in kind to cash subsidies has helped to improve welfare, enabling more differentiation in benefit amounts. Monthly cash welfare subsidies in Samara Region are among the highest in the Volga Federal District and are indexed to inflation. The Region also supplements state pensions of certain categories of pensioners, disabled war veterans, members of the families of soldiers who were killed on service or died as a result of injuries, and others.

The Region does its best to provide comprehensive social support for families, mothers, and children and to address demographic problems. Foster placement of children without parents has become common: 84% of children without parental care are now placed in foster families. Since 2005, poor families with children have been receiving cash subsidies from the Region, which go beyond federal government requirements, including a monthly child care allowance for non-working mothers with children below the age of 18 months. Families with large numbers of children receive additional social assistance. According to forecasts, these measures will halve the share of people living in poverty in Samara Region by 2015.

Goal 2. Improve Access to Education

Education is a key priority of public policy in the Samara Region. A network of 166 well-equipped schools in the form of "educational centres" (118 of them in rural areas) has been set up in order to improve accessibility and raise quality of educational services, particularly to schoolchildren in the countryside. In addition to the educational centres, small rural schools continue to operate, and new small schools are being opened. The share of children aged 7–15 years attending school is 99.9%. IT systems are being installed in schools, providing a unified educational information environment: there is currently one computer per 23 school students, and 73% of schools have Internet access. Samara Region was one of the first subjects of the Russian Federation to start implementing federal pilot schemes for improvement of education management and financing (through establishment of school districts), for improved efficiency of budget spending, introduction of a single state examination, and testing models of pre-professional and professional training in senior classes of secondary schools.

Much importance is lent to integration of children with disabilities into the educational environment: a regional target programme to help schooling of disabled children and children with learning difficulties is being implemented over the period 2005–2008, schemes for educating children with disabilities at home have been adopted, and the number of specialized educational establishments for integrating children and adolescents with development problems has increased (from 36 to 113 pre-school establishments and from 187 to 358 general education establishments over the period 2003–2006).

The MDGs seek to assure universal education and fight poverty, and the connection between education and the labour market is particularly relevant for Samara Region. People in the Region have some of the highest educational levels in Russia, ranking 7th nationally and 1st in the Volga Federal District by technical, university-level, and post-graduate qualifications. Several measures are in place to strengthen links between vocational education and the labour market: the regional government places annual orders for training of specialists using budget funds; 12 professional education resource centres are in operation; a regional pre-university module of education that takes employers' needs into account has been introduced; the systems of initial and higher professional education are being regionalized and unified; and a system of social partnership between employers and educational establishments is being established.

Goal 3. Promote Gender Equality

Creating conditions for gender equality is another important MDG target. Access to all stages of education is generally equal between the genders in Samara Region (secondary education coverage is the same for boys and girls and about 55% of students in higher education are female).



Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

The principal gender problem in the Region, as in the country as a whole, is inequality between men's and women's wages (the latter are lower by 60%), which persists despite the fact that Russian women have higher levels of education. Women predominate among the unemployed in Samara Region (over 65% of total unemployment).

The Samara regional government attaches much importance to reducing inequality in political representation and wages. One in six of all heads of urban and rural settlements and one in four of all ministers in the regional government are now women. Over 20 women's organizations are active in the region. The Union of Women of Samara Region – the regional branch of the Union of Women of Russia – organizes special events including "Russian Widows", "Mother's Day", and "Woman of the Year". An association of regional NPOs "Women Leaders of the Samara Region" brings together women who have been successful in public, social, political, and professional life and a gender studies centre has been set up at Samara State University. Issues relating to improvement of women's labour conditions and labour protection are resolved through tripartite agreement (between the regional government, the union of employers, and the labour union committee) and collective agreements. Over 90% of the region's enterprises participate in collective agreements. A commission for social equality was set up at the Samara Regional Federation of Labour Unions in April 2001 and analogous commissions have been established at labour union committees of regional enterprises.

Goals 4–6 in the Public Health Domain

Development of the public health system plays a key role in MDG attainment by improving access to medicines and healthcare for all social strata, including the poor. The people of Samara Region obtain free healthcare through the Territorial Programme of State Guarantees for Provision of Free Healthcare. Over 8 billion roubles were allocated for programme implementation in 2006, most of which (64%) came from the regional budget.

Healthcare facilities are now undergoing stage-by-stage reorganization to improve access, particularly through development of outpatient medical care and introduction of a system of general practitioners. There are 755 general practitioners in the region today (nearly 20% of the total number of general practitioners in Russia), 14 general practitioner's offices are in operation, and a further 70 will be built in the near future. Development of the system of general practitioners will improve access to and quality of the entire range of outpatient/polyclinic services and raise medical and economic efficiency of healthcare, particularly in rural areas.

The regional public health system is introducing new methods for organizing and managing healthcare quality and developing high-tech forms of medical care. Samara is one of the national leaders in use of IT in healthcare.

Private-public partnership is being developed to help in computerization of work by medical establishments, provision of medicines, creation of a telemedicine network in the Region, etc. Measures are being taken to improve public health and lower the prevalence of disease by developing a prevention system, introducing early detection and treatment (improving early detection of specific diseases such as cancer, tuberculosis, diabetes, and HIV/AIDS), checking the further spread of AIDS and improving detection of infected individuals, coordinating steps by various agencies to prevent drug addiction, resisting spread of drug abuse and reducing its prevalence.

Serious measures are being taken to combat HIV/AIDS, tuberculosis, and other social diseases, as called for by the MDGs. Prevalence of such social diseases as tuberculosis, chronic alcoholism, and venereal diseases in Samara Region is below the national average. However, HIV incidence is significantly higher than the national average. Many different organizations are now working to combat AIDS in Samara Region, including regional and federal government agencies and NPOs. Much importance is attached to preventing mother-to-child transmission of HIV. A detection, monitoring, prevention, and childbirth control system has been created for HIV-positive women, perinatal preventive measures are taken in 93% of cases, and perinatal mortality in this group is 10%, which is half the national average. A target has been set of reducing rates of perinatal infection of newborns to the international standard of 2%. Blood transfusion services are being improved in order to exclude transmission and spread of viral transfusion infections through donor blood and its constituents. A regional target programme is stepping up the battle against illegal drug traffic and drug abuse, and carrying out treatment and rehabilitation of drug addicts.

Measures to improve reproductive health are showing results in the form of lower child and maternal mortality. Infant mortality rates in Samara Region have been among the lowest in the Volga Federal District and Russia as a whole in recent years, and are comparable with European levels (8.2% in 2005). Obstetrics and children's departments are now better equipped. New techniques have been introduced in care of premature infants and to reduce mortality from congenital development anomalies (including efficient artificial respiration methods). Other improvements are being implemented in prenatal diagnostics and development of surgery (including heart surgery) for newborn children.

Lowering of infant and perinatal mortality owes much to work by the regional perinatal centre and a regional medical team specialized in neonatal pathology, which makes about 600 visits to rural districts throughout the Region each year. Six perinatal centres are scheduled to open in regional towns by 2009 and the regional development strategy for obstetric and gynaecological services plans investments in modern obstetric and perinatal technolo-

Box 3.2. Quality of Life in Samara Region in the MDG Context *(continued)*

gies, genetics service, intensive care, outpatient technologies, and child and adolescent gynaecology. This strategy includes further development of family planning services, including services to help restore reproductive functions in families. Perinatal mortality fell from 10.3 to 7.6 per 1,000 live births and still births in 2000–2004 (compared with a reduction from 13.2 to 10.6 in the country as a whole), while infant mortality in the first year of life fell from 10.7 to 8.0 per 10,000 live births (compared with a reduction from 15.3 to 11.6 in the country as a whole).

Samara Region has a unified interdepartmental rehabilitation system for disabled children, based on the "Semya" ("Family") network of specialized centres. A system of early comprehensive assistance to children aged 0–3 years and their families is being introduced to help detect child developmental disorders and provide timely and adequate assistance. These services are provided to over 80% of infants.

Samara Region has relatively low maternal mortality compared with other parts of Russia: 12.8 deaths per 100,000 live births in 2005. Measures to discourage abortion are having positive impact on health of women of reproductive age. The abortion rate more than halved over the last decade, declining to 31 per 1,000 women of reproductive age. A medical and social family support system at different stages of the reproductive cycle has been put in place thanks to a network of family and child assistance centres and a family planning service, improvement of perinatal support, work to make hospitals more child-friendly, and transition to a system of general practitioners (family doctors).

The Region attaches much importance to promoting a healthy lifestyle, encouraging health, physical education and sports activities in local communities and the development of sport and other physical culture at regional schools. Measures are taken to promote all-around development of children and young people with disabilities. The Region has 22 health and sport organizations for children with disabilities, a Sports and Physical Culture Federation for the Disabled has been set up and annual paralympic games are held.

Goal 7. Ensure Environmental Sustainability

Samara is one of the most industrially developed subjects of the Russian Federation, and therefore gives serious attention to environmental issues, which are also part of the MDG programme. A proper natural resource management and environmental protection policy is essential for ensuring environmental sustainability. Main principles of such a policy are to reduce anthropogenic impact on the environment, protect natural resources, implement rehabilitation and preventive public health measures, etc.

Natural resource management programmes have been designed and are being implemented in the Region. In particular, a target programme for the period 2006–

2015 aims to increase forest coverage in Samara Region in order to improve the local environment and to further aims of the Kyoto Protocol. Another programme for 2005–2010 allocates significant funds for improving quality of drinking water. The Region is also upgrading treatment of domestic wastewater and a long-term waste management strategy is being implemented, which makes use of waste recycling and land-fill, as well as a programme for reducing urban air pollution. Measures to increase use of natural gas (as the least polluting form of energy) are having major positive environmental impact. Regional and municipal government is introducing and implementing administrative and economic measures to promote rational natural resource management by modifications and extensions of federal law.

Goal 8. Participate in Global Partnership in Conformity with Russian National Interests

A developed civil society promotes human development, and civil society formation is being encouraged in Samara Region by policies based on a concept document, which calls for partnership between regional and local government and NGOs. As part of this initiative a Regional Civil Assembly has been set up at the Office of the Governor of Samara Region for purposes of discussing regional social development issues. Over 4,000 civil organizations are active in Samara Region, participating in a large number of environmental, educational, cultural, and gender projects supported by grants awarded at socio-cultural project fairs, held at the regional and federal district levels. The "Generosity" programme, which highlights good deeds by people in the Region and promotes development of charity and social initiatives, is well-established and well-known at regional level.

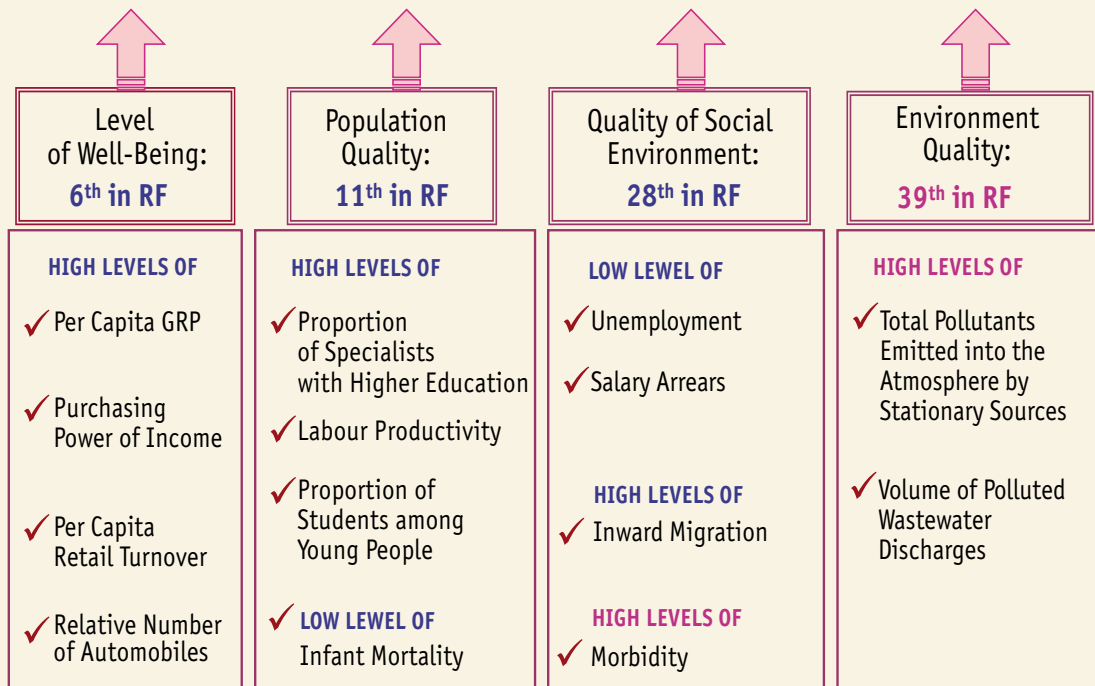
The eighth MDG sets the ambitious aim of building a global partnership for development. With its competitive economy, Samara Region has close economic and socio-cultural ties with such countries as Germany, USA, Ukraine, Kazakhstan, France, Italy, the Netherlands, Finland, Sweden, Czech Republic, Hungary, Poland, China, etc. The Region also works closely with international and national investment agencies. In early 2006, a delegation of the US Overseas Private Investment Corporation (OPIC) came to the region; the corporation assists the private sector in managing risks connected with direct foreign investments and supports investments into joint enterprises in developing markets. The International Financial Corporation has been active in the Region for a number of years, presence of foreign banks is expected to expand in the medium term and credit institutions with foreign capital have already begun to enter the Region's financial market.

Regional executive government has extensive experience in working with foreign non-commercial organizations such as the EU TACIS Programme, the

Box 3.2. Quality of Life in Samara Region in the MDG Context (continued)

Standard of Living and Quality of Life in Samara Region

Integral Quality of Life Indicator: 4th in RF



Source: CEMI RAS Statistics

Dutch Programme for Cooperation with Central and Eastern Europe, the European Bank for Reconstruction and Development, the UK Department for International Development, etc.

Samara is a pilot region for several projects being implemented by the Russian government together with the International Bank for Reconstruction and Development. The project "Educational System Reform" has been implemented since 2003, supported by an IBRD grant of USD 16.8 million and is scheduled to last 3.5 years. The aims of the project are: to provide about 130 educational establishments with modern educational, laboratory, and computer equipment as well as their own vehicles; to retrain education managers; to set up a regional monitoring, statistical, and assessment system; etc.

The Millennium Development Goals have already been partially attained in Samara Region. Nevertheless, human development policy remains important. The regional government has defined the following long-term targets (up to 2020):

- bringing the Human Development Index up to the level of the most developed Central and Eastern European countries (0.86–0.88);
- increasing real money incomes by at least 2.4 times, increasing per capita money incomes to 40,000–47,000 roubles per month;
- reducing the share of the population with incomes below the subsistence level to 7–8%;
- reducing child mortality to 7% and maternal mortality to 10 deaths per 100,000 live births

Box 3.2. Quality of Life in Samara Region in the MDG Context (continued)

MDG ATTAINMENT IN SAMARA REGION

Eradicate Extreme Poverty and Hunger	Poverty rate is 17.9% <i>Target: Halve poverty rate to 8–9% by 2015</i>
Achieve Universal Primary Education	99.9% of people in the Region have access to primary education <i>Target: Promote equal access to all levels of education regardless of place of residence and state of health</i>
Promote Gender Equality	Equal access to all levels of education has been achieved <i>Target: Eradicate inequality in political representation, discriminatory practices in wages and employment, etc.</i>
Reduce Child Mortality	The child mortality rate is 8.2 per 1,000 live births <i>Target: Reduce child mortality to 7 per 1,000 live births by 2020</i>
Improve Maternal Health	The maternal mortality rate is 12.8 deaths per 100,000 live-born children <i>Target: Reduce maternal mortality to 10 deaths per 100,000 live-born children by 2020</i>
Combat HIV/AIDS, Malaria and Other Diseases	Prevalence of social diseases is below the national average <i>Target: Improve HIV/AIDS prevention, detect and treat social diseases</i>
Ensure Environmental Sustainability	Environmental protection uses programmes and targets <i>Target: Preserve and improve the state of the environment, and protect public health</i>
Develop a Global Partnership	Strong economic and socio-cultural ties have been established with various countries <i>Target: Integrate the regional economy into international economic structures and participate fully in multilateral mechanisms to regulate international trade and economic, financial, scientific, technological and investment relations</i>