



Far Eastern Federal District. Escaping an Outback Role

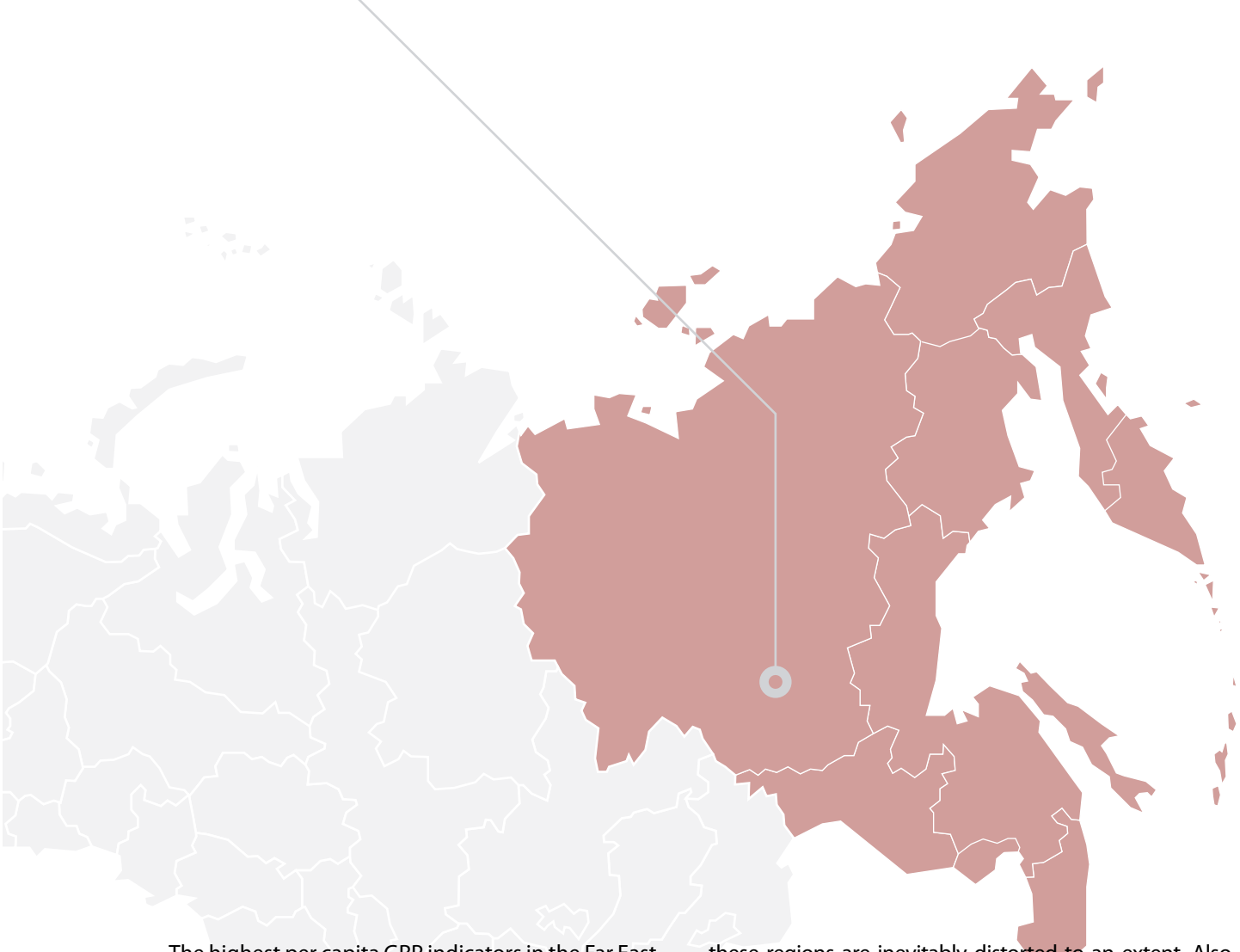
The Far Eastern Federal District (FEFD) occupies more than a third of Russia's territory, but its population is the smallest and most thinly spread of all the federal districts: the number of people living in the FEFD is equal to the number in Moscow Region (the region which surrounds Moscow, not including the city itself). The share of the Far Eastern District in Russia's population and its economy is less than 5%. The District comprises 10 regions, but the number will reduce to nine after unification of Kamchatka region with the Koryak Autonomous District. About three quarters of the District's population lives in its southern part and more than half live in two regions: Primorsk and Khabarovsk territories. The administrative centres of these territories – the cities of Vladivostok and Khabarovsk – are the largest cities of the Russian Far East with populations of about 600,000 each and are also traditional rivals for leadership in the region. Khabarovsk is the administrative centre of the Federal District and also the largest centre of higher education in the Far East. Northern parts of the FEFD are very thinly populated: population density in the Republic of Sakha (Yakutia), Magadan Region and Chukotka region is less than 1 person per sq km.

The Far East has always been regarded as a peripheral part of Russia, and its infrastructure remains underdeveloped. Transition to a market economy led to a dramatic rise in transport prices, weakening economic ties with other regions of Russia, so the economic crisis in the

Far East was more serious and protracted than elsewhere in the country. Decline in job numbers was accompanied by a sharp increase in the cost of living, provoking a mass outflow of people, which is still continuing today albeit on a smaller scale. The remotest parts of the Far East suffered particularly serious population losses: Chukotka Autonomous District lost two thirds of its population and Magadan Region lost half. Overall, the Far East lost 18% of its population between 1990 and 2005.

Recovery after the crisis of the 1990s has been much slower than in the rest of the country. Far East GRP increased by less than a quarter (24%) in 1996–2004 compared with average 43% for all regions of Russia. Sakhalin Region is the only part of the Far East with high growth rates (63% in the same period), which can be explained by new oil & gas projects. Mass emigration from Kamchatka and Magadan regions has led to GRP declines in those regions at a time when the economy elsewhere in Russia has been growing.

Differences in development levels between various regions of the Far East are not large: the highest ratio of regional per capita GRP to the cost of living is only twice higher than the lowest. This Federal District has no clearly defined economic leaders or obvious outsiders among its regions, in contrast with the Siberian and (especially) the Urals Federal District. All 10 regions of the FEFD receive federal subsidies, which partially compensate for rise in the cost of living in remote territories with severe climates.



The highest per capita GRP indicators in the Far East are found in the regions with major export industries: the Republic of Yakutia with its diamond industry and, recently, Sakhalin Region with its oil & gas industry. Faster economic growth in the Chukotka Autonomous District in the early 2000s was due to large businesses becoming chief taxpayers to the region's budget in exchange for tax remissions (the Region operated as a domestic tax haven), but this "economic wonder" proved short-lived. When the Governor of Chukotka (Roman Abramovich) sold his oil company (Sibneft) to the national gas company (Gazprom) budget revenues and investments in this autonomous district fell drastically.

Regions with medium development levels are Khabarovsk Territory – the main manufacturing region in the Far East (see Box 7.1 on achievement of MDGs in Khabarovsk Territory) – and the gold-mining Magadan Region, whose economy is largely sustained by its status as a special economic (customs) zone. Agrarian regions along the Amur River (Amur Region and the Jewish Autonomous Region) as well as regions focused on the fishing industry (Primorsk Territory and Kamchatka Region) have much lower levels of development. However, low figures for per capita GRP in the regions along the Pacific coast are not only due to major economic recession during the crisis years, but also to the fact that a large share of fishing is in the shadow economy and not recorded by statistics. Average income indicators for the population of

these regions are inevitably distorted to an extent. Also, small samplings for household budget surveys in these regions mean that conclusions about income and income inequality are not necessarily reliable.

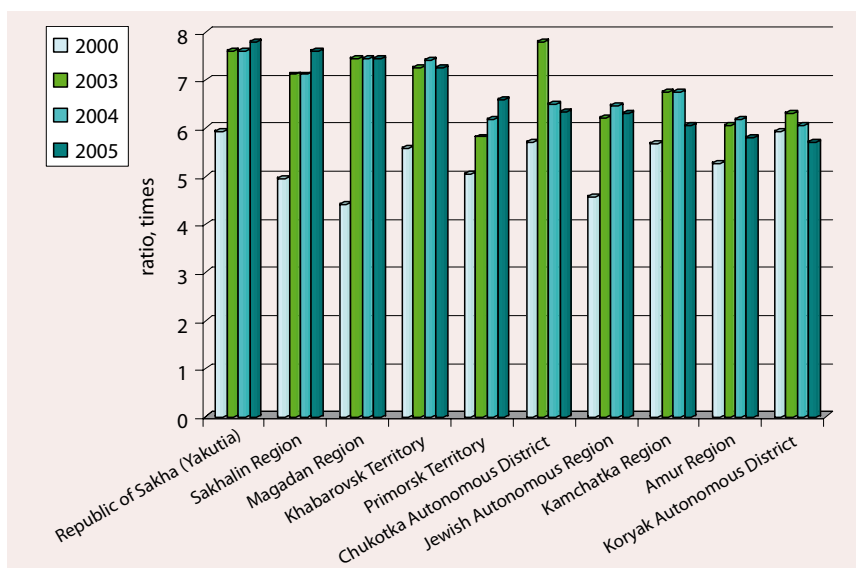
According to statistics, gaps between personal income levels in different regions of the Far East are shrinking. The reason for this is slower economic development and the "smoothing" effect of federal subsidies. In 2005 the ratio of average per capita income to the subsistence minimum in more developed regions was 2.2–2.4, while in less developed regions the ratio averaged 1.8: the divergence is much less than in Siberia. Differences between quintile ratios (income of the 20% of people who receive most as a ratio income of the 20% who receive least) in different regions are also limited: the ratios are between 6 and 7 in most regions (Figure 7.1). Even in Far East regions with economies mainly dependent on export of raw materials quintile ratios are smaller than the national average. These are surprising results: in the 1990s statistics organizations in the Republic of Yakutia recorded extremely high income ratios (more than 40 times) between the top and bottom 10% in the Republic. It seems unlikely that income inequality could be low in a region where wage differences (between those working in the diamond industry and in agriculture) are measured in tens of times.

Like other federal districts, the Far East has seen a considerable reduction in the income deficit of



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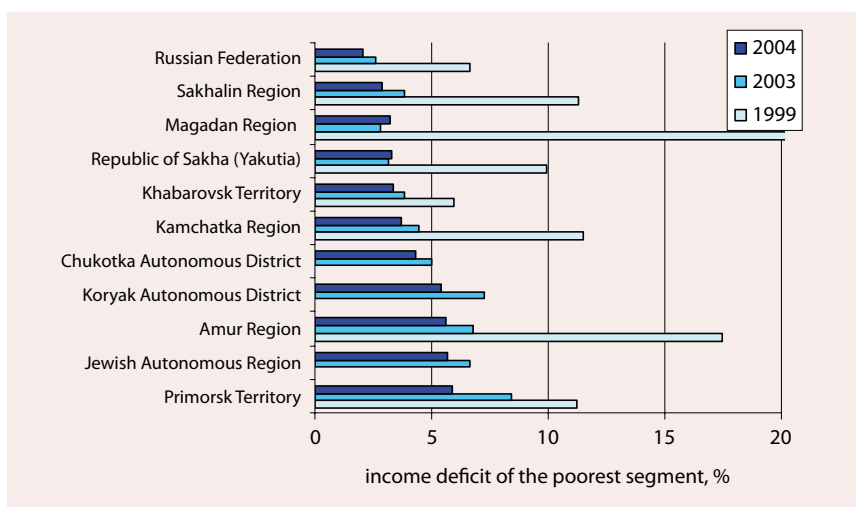
Figure 7.1. Ratio of cash income of 20% of population with highest income to that of 20% with lowest income



the poorest segment of society during the years of economic growth. This reduction has affected more developed regions, whose economies depend on extraction of natural resources, but the income deficit has also shrunk in heavily subsidised Amur region (Figure 7.2). Income deficit indicators in the FEED are now only slightly higher than the national average, and interregional differences have almost been smoothed out. Again, the statistical findings are hard to account for, especially when compared with findings for the Siberian Federal District.

Poverty levels have declined sharply, as have interregional difference in poverty levels (from two times in 200 to 1.5 times in 2005) (Figure 7.3). The share of those in poverty is under 30% in all regions of the FEED and levels

Figure 7.2. Ratio of income deficit of poorest segment of society to the total personal income, %



in Sakhalin and Magadan are under 20%. That compares with poverty levels above 30% in about a third of Siberia's regions in 2005. Generally, indicators of both income and income inequality in the FEED show considerable improvement. However, continued high levels of emigration prove that the current state of affairs is still far from satisfactory. Lower rates of economic growth in the FEED compared with the rest of the country suggest that reduction of poverty must be entirely due to redistributive policies by government.

It is unlikely that extreme poverty is declining as rapidly, since the Far East has a high concentration of people living on the margin life styles: homeless, unemployed, people not even looking for work, people from indigenous ethnic groups with no steady source of income, etc. But comparatively reliable statistics

on income rates are not sufficient even for an expert estimate of extreme poverty rates, and data on extreme poverty are never published. There is a total lack of information on economic status of both legal and illegal migrants from China, who settle in southern parts of the Far Eastern Federal District.

Current financing levels in the social sector cannot solve the problems of large-scale erosion of human potential and underdeveloped social infrastructure in the Russian Far East. This is also clear from MDG health indicators. Infant mortality rates in nearly all Far East regions, although declining, are still higher than the Russian average (Figure 7.4.). The situation is particularly serious in autonomous districts, where the problem of alcoholism is combined with high birth rates among the indigenous population. Agrarian regions east of Lake Baikal also show high mortality rates, and relatively worse rates in rural areas are a general rule: infant mortality in rural areas of Primorsk and Khabarovsk territories, Amur Region and the Jewish Autonomous Region is 1.5–1.7 times higher than in their cities and towns, due to marginalisation of rural populations and limited access to medical services. Under-5 mortality rates are high in all regions of the Far East, particularly in autonomous districts and Amur Region where the rate is 24 or more deaths per 1000 compared with the Russian average of 14 per 1000 (in 2005).

There has also been a notable reduction in maternal mortality, but improvement of mother-and-child health indicators in the Far East has been slower than in the rest of

the country. This is clear from statistics for the two biggest Far East regions, Primorsk and Khabarovsk territories. In 2003 maternal mortality rates in these two regions were respectively 1.2 and 1.6 times higher than the national average, but that had increased to 1.8 and 2.1 times by 2005.

Social diseases are spreading in the FEFD. Tuberculosis infection and mortality rates continue to rise in the majority of regions (Figure 7.5). Tuberculosis incidence is 1.5 times higher in the Far East than in the rest of Russia (only Siberia has worse figures). Tuberculosis is particularly frequent among small indigenous ethnic groups in the North: the Koryak Autonomous District, with a population of only 18,000, has 5 times more cases relative to its population than the rest of the country and the tuberculosis mortality rate in the District is more than 3 times higher than the national average. Extremely high morbidity and mortality rates are also observed in the south of the FEFD (in regions along the Amur River as well as in Primorsk and Sakhalin), due to poverty, social problems and poor living conditions.

HIV/AIDS has so far only affected Primorsk Territory, Russia's eastern "trade gate", largely due to the number of major ports located there. The number of registered cases in Primorsk is about a quarter higher than the national average (per 100,000, taking the total figure for the period 1987–2006). Sickness rates in Primorsk are still lower than in regions of European Russia with major seaports, but increase of drug addiction is helping to spread the infection, which is likely to move beyond Primorsk into other FEFD regions, particularly neighboring Khabarovsk Territory. The biggest threat is to large cities.

Gender-related problems in the Far East have their own specific character related to geographic and ethnic peculiarities of the District. Firstly, low life expectancy is common to both men (56 years) and women (69) in the Far East, due to social problems and the severe climate. Also the Far East now has regions where social problems are concentrated among indigenous peoples (similar to Tyva in Siberia). For instance, in the Koryak Autonomous District life expectancy for men has declined to 46 years (the lowest in Russia) and to 49 years in rural areas of Chukotka. Life expectancy of women in these two autonomous districts is also the lowest in Russia, at under 62 years (the national average is 10 years higher). In rural areas of Chukotka life expectancy for women does not exceed the pension age of 55 years. This is not a gender problem, but a long-standing problem of alcoholism and social maladaptation of indigenous peoples (both men and women) in autonomous districts. Marginalization of ethnic Russian populations in

Figure 7.3. Poverty level in regions of the Far Eastern Federal District

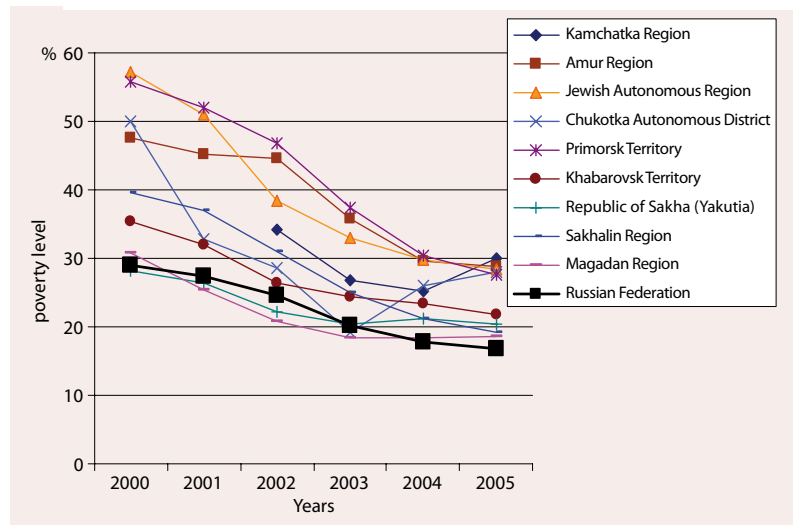


Figure 7.4. Infant mortality in regions of the Far Eastern Federal District

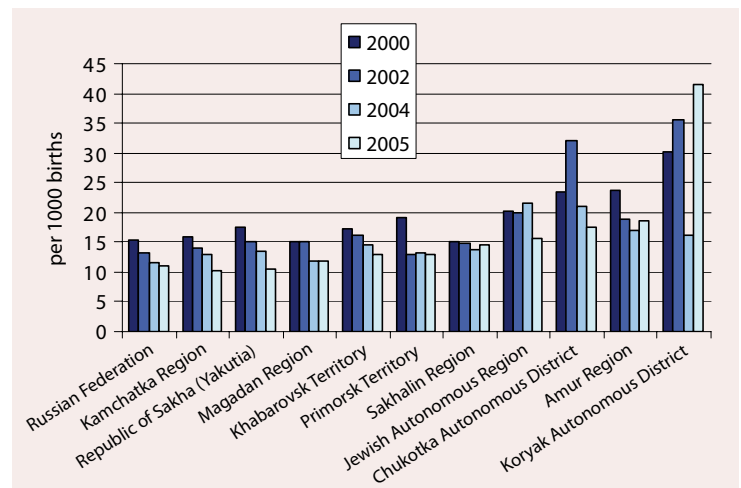
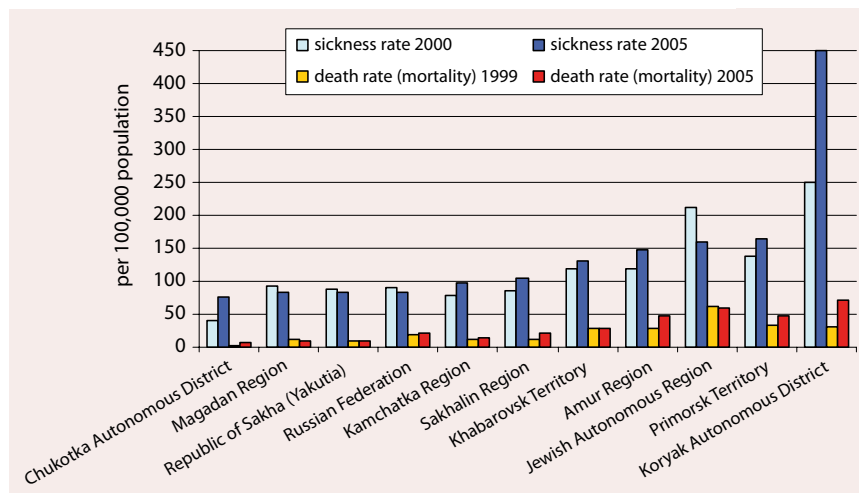


Figure 7.5. Tuberculosis-related sickness and death rates, per 100,000 population





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the less developed agrarian south has also accelerated. The regions most affected are Amur Region and the Jewish Autonomous Region (the name does not reflect its ethnic composition, since more than 90% of its population are non-Jewish Russians). Life expectancy in these regions has declined to 54 years for men and 67 years for women. Both indicators are 5 years lower than the national average.

So population decline in the Far East due to mass migratory outflows is being intensified by high mortality rates in the autonomous districts and southern agrarian territories. Problems of rural areas in the Far East deserve special attention. They arise from high unemployment rates (11–15% in rural areas of most regions), low wages, low availability of social services, and the fact that most of the rural population is not indigenous, but moved to the Far East a few decades ago. Rural areas of the Far East are turning into a vast depressive zone with marginalized populations.

Gender-related problems in employment are only found in regions of the North-East. The economy there is mainly based on extraction industries and shortage of employment for women has been a problem since Soviet times. High female unemployment rates (over 10%) are characteristic for the northern region of Magadan, but in other regions the gap is either less substantial or male unemployment is actually higher.

Representation of women in FEFD regional parliaments is the highest in the country, with levels significantly higher than the national average in 80% of Far East regions, although there have been notable changes in the last 5 years (Figure 7.6). Female representation is strongest in small and less developed autonomous districts and in the Jewish Autonomous Region, and is lowest in the most populous regions (Primorsk and Khabarovsk territories). The inverse relationship between female political representation and economic

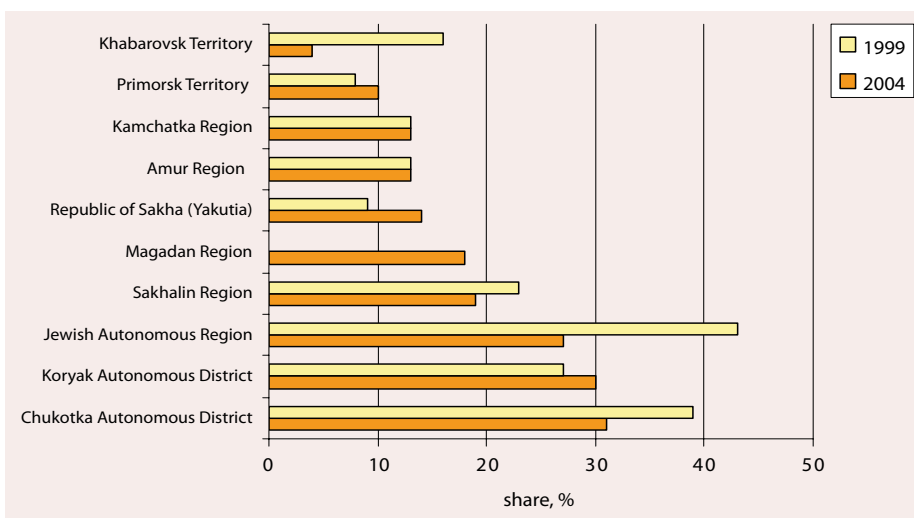
weight of regions is typical for Russia, although some increase in the level of representation of women in legislative bodies of Yakutia and Magadan (both with economies based on raw materials) should be noted. On the whole, gender-related problems (both those, which are emphasized in the Millennium Development Goals, and gender issues, which are most relevant for Russia today) are less pressing in the FEFD. This has to do with presence of women in higher status jobs in developing regions, but also with the fact that the Far East has limited economic resources.

Misuse of natural resources is a greater problem than pollution in the Far East. Tremendous harm is being done to the environment by timber poaching and its illegal export to China as well as by uncontrolled trawling. Sparse population means that environmental pollution is localized in nature: emission of atmospheric pollutants is mainly concentrated around large coal-fired power stations, but there are not many of those. Levels of water and air pollution in cities and towns of the Far East are significantly lower than in Siberia.

The Far Eastern Federal District is marked by underdeveloped infrastructure and low quality housing. This is a legacy of the Soviet era when spending on amenities was kept to a minimum. Box 7.2 below illustrates the extent of this problem in the Republic of Sakha (Yakutia). In about half of FEFD regions the share of housing in a poor or dangerous condition is 2–4.5 times higher than the national average (Figure 7.7). Mass emigration has reduced housing shortages, but quality continues to deteriorate due to insufficient budget investments. The situation is worst in remote territories of the North-East and in Sakhalin where housing maintenance costs are highest (see the discussion of human development problems in Sakhalin in Box 7.3). The situation is already critical in Yakutia and the Koryak Autonomous District, where 12–14% of housing is practically uninhabitable. The problems have been aggravated by natural disasters: floods in Yakutia and a recent earthquake in the Koryak Autonomous District. Regional budgets cannot afford to deal with the backlog of problems and the federal authorities only provide help in emergencies.

Mains water and sewerage is available to a greater share of homes in the Far East than in most other federal districts, including Siberia, but this stems from a higher level of urbanization. There are serious problems in the agrarian Amur Region and Jewish Autonomous Region (only 55–60% of housing has water and sewerage) and in the Republic of Yakutia (50%). In Yakutia the capital

Figure 7.6. Quota of women in regional parliaments, %

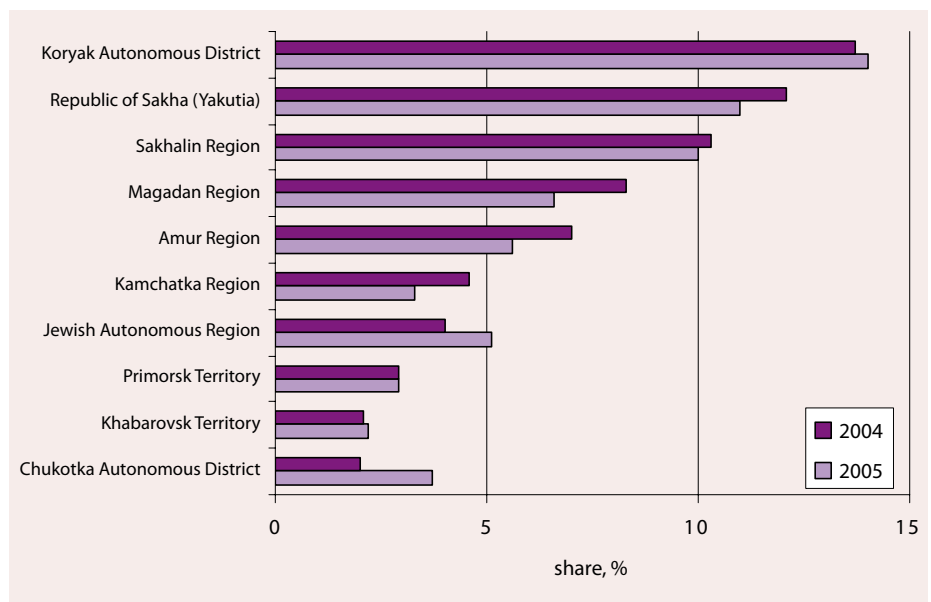


and main industrial centers, which provide the lion's share of budget revenues, are fairly well-developed, but in rural areas only 3–4% of housing has sanitation facilities (10 times less than the average for rural areas of Russia).

The FEFD is the most backward of Russia's federal districts as regards communications. This is explained by its remoteness and the rising cost of infrastructure maintenance. In 2004 only Primorsk and Khabarovsk territories had cellular penetration (40–48%) comparable with the Russian average. There has also been rapid cellular development in Kamchatka (30%). In most regions mobile phone penetration did not exceed 6–15% and in the Jewish Autonomous Region it was only 1%.

MDG indicators show that increasing incomes of the population and reducing income inequality through redistribution of budget funds are the priorities of federal policy in the Far Eastern Federal District. However, problems of low living standards and deteriorating social environment are becoming

Figure 7.7. Share of housing in poor and dangerous state of repair in regions of the Far Eastern Federal District, %



more acute. Long-standing neglect of social issues and financing shortages make it vital to define territorial and structural priorities for social policy in the Russian Far East.

Box 7.1. MDGs and Socio-Economic Policy in Khabarovsk Territory

Goal 1. Reducing poverty

Positive trends in the economy have helped to stabilize the situation on the labour market, improve social infrastructure, and raise living standards and conditions in Khabarovsk Territory. Real household incomes increased by 1.7 times in the period 2000–2005, real average wages rose by 2.1 times and pensions by 1.9 times. The share of people with incomes below the subsistence minimum fell from 35.5% to 21.9%.

Goal 2. Increasing Access to Education

Khabarovsk has much experience in adapting its education system to match demands of the market economy and labour market. The council of heads of higher education establishments in the Territory has set up an employment commission, which designs policies with respect to teaching staff, monitors quality of education and training, and helps graduates to find employment.

Demand on the regional labour market is increasing, and the Territory is encouraging school leavers to prepare for jobs in industry. Joint career-guidance programmes, organized by educational authorities and job placement services, focus on job counseling for school leavers and young unemployed people, emphasizing opportunities in industry. Promotional literature from schools and technical colleges is distributed to job placement centers throughout the Territory.

The career guidance programme provides assistance and counseling to 60,000–65,000 young people every year. Regular events include job fairs, open days at technical and higher-education colleges and at enterprises, competitions, presentation of industry professions in schools, meetings with potential employers, etc.

Regional job placement services have organized a vocational training programme for young unemployed people to make them more competitive on the labour market. The curriculum covers 138 professions and 3,500 people aged 16–29 obtained training via the programme each year from 2003 to 2005.

Khabarovsk city job centre works with teaching and health institutions, which deal with various categories of handicapped children, including the Verboton school for children with hearing difficulties and schools for retarded children. Job centre experts offer their help to psychologists and teachers at these schools as well as individual consultations to parents, pupils and school graduates.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

There has been a gradual improvement of women's representation in the regional parliament, from two to four deputies (16% of the total). The share of women among



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Box 7.1. MDGs and Socio-Economic Policy in Khabarovsk Territory (*continued*)

candidates running for the regional parliament in 2005 was 15% for party lists and 12% in first-past-the-post constituencies. Three of the four women who were actually elected are from first-past-the-post constituencies (there are 13 such constituencies in the Territory), and they enjoyed overwhelming victories with 37% or more of total votes. Such results should help to dispel the view that voters in Russia are inherently "anti-female".

Women played a bigger role than ever before in recent elections to Khabarovsk city parliament (council) and drew unprecedented support from voters: nearly half of Khabarovsk city council members are now women. However, the share of women in all local councils of Khabarovsk Territory (two urban districts and 17 municipal regions) is below 20%, and only two councils are headed by women.

Goal 4 and 5. Reducing Maternal Mortality and Under-Five Mortality

Child health indicators in Khabarovsk Territory, as in the rest of Russia, are poor, with high levels of sickness and disability among children. The share of children in a good state of health has dropped by 10 percentage points over the last 10 years (from 44% to 34%). The percentage of school-age children with pathologies that require regular supervision and treatment is particularly high.

Infant mortality in Khabarovsk Territory has been declining steadily for the past five years, from 19.4% in 2001 to 13.3% in 2005, although it remains above the national average. In absolute terms, mortality in the first year of life has declined by 20% – from 250 to 200 cases. Perinatal complications and congenital anomalies remain the chief cause of death among infants and children under five years of age (they are responsible for 60% of mortality). The maternal mortality rate in 2005 was 46.5 per 100,000 live births, which is significantly higher than the average rate in Russia.

There are 9,000 families registered with the social services in Khabarovsk Territory, including 15,000 children. Individual monitoring and medical supervision for children in this risk group is provided at clinics and hospital outpatient departments, and they receive regular medical checks. Children without parental care undergo monthly medical examinations and prophylactic checks by various specialized medical staff twice a year.

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

HIV incidence rates per 100,000 people in Khabarovsk Territory are much lower than the Russian average, but there is a clear growth trend. Total registered cases of HIV-infection at the start of August 2006 were 1066, of whom 40 were pregnant women. The number of children born of HIV-positive mothers has also been on the rise (from 11 in 2003 to 21 in 2004 and 15 in 2005).

A regional target programme for the period up to 2009 is underway to prevent spread of HIV in Khabarovsk

Territory and special measures are being implemented as part of the national project to combat HIV. Results were seen in 2005, when there was a 20% decline in HIV incidence rates. There was also a 17.8% decline in incidence of viral hepatitis C in 2005.

Tuberculosis incidence rates have been on the rise in Khabarovsk Territory (and in Russia as a whole) since the 1990s. Efforts by anti-tuberculosis services in the Territory have not been as effective as was anticipated, despite rise in the share of people undergoing regular medical checks (73% in 2005 compared with 58% for Russia as a whole). A large share (58%) of children and adolescents with tuberculosis are from dysfunctional and low-income families. The tuberculosis mortality rate in Khabarovsk Territory has doubled over the last 10 years.

Goal 7. Ensuring environmental sustainability

Serious ecological problems in Khabarovsk Territory are largely the legacy of Soviet industrialization, when cities were built around or near large plants and factories with little regard for the environment and without creating adequate buffer zones. The economic crisis of the 1990s aggravated the situation, since many enterprises closed down leaving thousands of tons of toxic waste. Khabarovsk and Komsomolsk-on-Amur still have numerous plants using dirty technologies, gas-cleaning equipment is outdated, and road use has increased. Air pollution has reached dangerous levels in these cities as a result.

Rapid development of north-eastern regions of China has a major role in polluting the environment in Khabarovsk Territory. Discharge of pollutants from all Russian regions into the Amur River is only 10% of discharges into the river on the Chinese side of the border. Growing pollution levels are causing water supply problems in the city of Khabarovsk, and there is an urgent need to reduce dependence on surface water and increase use of underground water sources, which are less subject to anthropogenic impact.

Replacement of dilapidated housing is part of the national programme for housing development in the period 2002–2010 and is financed from the federal budget. However, Khabarovsk Territory did not receive any federal funds for these purposes in 2006. The Russian government believes that the problem of replacing dilapidated housing is best addressed via a sub-programme, which aims to provide public utilities and infrastructure for land plots, on which new housing will be built. But the financing mechanism for this sub-programme is unaffordable for most municipalities in Khabarovsk Territory: of 236 municipal formations only two (the cities of Khabarovsk and Komsomolsk-on-Amur) can afford large-scale housing programmes. The largest share (70%) of housing in poor or dangerous state of repair is concentrated in districts of Khabarovsk Territory, which rely heavily on subsidies and are incapable of attracting private investments or credit to finance housing construction.

Box 7.2. Achieving MDGs in the Republic of Sakha (Yakutia)

Goal 1. Reducing Poverty

Extreme climatic conditions in the Republic of Sakha (Yakutia) require more spending to maintain decent living standards than in other regions of Russia, and the high cost of living adds to the cost of social programmes. The share of people in Yakutia whose income is below the subsistence minimum dropped during the first years of economic growth, but remains significant at 20%. One reason for slow decline in poverty levels in 2003–2005 is the high share of people in rural areas (over a third of total population of the Republic), whose incomes are significantly lower than the republican average. Per capita personal incomes in the ulus (administrative district) of Mirny – the centre of the Republic's diamond industry – and in the rural Nam ulus differ by 5.5 times. The problem of poverty in rural areas remains paramount and represents a key challenge for the region. In addition to this, Yakutia has 218,000 pensioners, of whom 61% are not working. Pensions were indexed twice in 2005, but remain below the subsistence minimum for persons of pension age.

Yakutia has led the way among Russian regions in designing approaches and methods for reducing poverty. A plan and a series of measures for increasing motivation in the work place, boosting employment and reducing poverty were approved in 2001–2004. Their goal is to increase incomes of the working population while ensuring adequate provision of state support for socially vulnerable groups. Implementation is in stages. A first stage in 2001–2003 consisted of measures to make people more competitive on the labour market, expand employment opportunities and increase access to economic resources. The main objective of the second stage (2004–2010) is to ensure increase of public sector salaries, improve social support to families with children and the elderly, design and implement employment programmes and stimulate small business initiatives in agriculture. Key indicators of living standards (including standards in rural areas) are monitored as part of the programme. A system for measuring per capita income of rural smallholders has been introduced to improve targeted social support to people on low incomes in the countryside.

The regional law "On additional state guarantees of social protection for pensioners and certain categories of citizens of the Republic of Sakha (Yakutia)" ensures that 80,000 particularly vulnerable people in the Republic receive special benefits and compensations in addition to their federal entitlements. Another area of focus is provision of non-state pensions to people in rural areas: 13,000 contracts for provision of non-state pensions have been signed as part of this initiative.

Goal 2. Increasing Access to Education

Development of the educational system has been a strategic goal of regional government policy in Yakutia since the 1990s. In 2005 the federal government launched its national project entitled "Education", which includes encouragement for innovation in schools, assistance to talented and promising young people, and computerization of the educational process.

A network of pre-school education is maintained in the Republic in order to help ensure that general education is

available to all. Over 80% of children in Yakutia (58% on average in Russia) between the ages of 1.5 years and 7 years attend kindergartens. In 2005 a regional law made pre-school education from the age of 5 compulsory, and the share of children in that age group receiving pre-school education is now 93.5%.

There are 160,000 children attending schools in the Republic. Most schools (72%) are located in rural areas, and half of them are one-room schoolhouses. A regional law on rural schools stipulates the scale of government support, which they receive. Special financing is assigned for construction and purchase of housing, as are lump-sum benefits and subsidies to young teachers in order to encourage them to stay and work in villages. The Republic has consistently been among the leading regions in the country by scope of school-building projects. Over the past 4 years 56 new school buildings have been opened, including 16 schools with total capacity for 2767 children, which were opened in 2005. More than half of pupils in Yakutia have access to Internet, and 220 schools have always-on Internet connections.

A new, flexible basic curriculum has been introduced to help meet individual preferences and choices of parents and children, and experiments are continuing to introduce greater specialisation in the education system and to extend use of the unified state exam. There has been a 38% rise in the share of pupils studying at specialised schools, and the unified state exam has been tested at schools in remote rural districts. The number of school graduates enrolling on distance learning courses at institutes of higher education and vocational training schools has risen by 1.5 times. A decree by the President of the Republic of Sakha, Vyacheslav Shtyrov, aimed at supporting youth talent, has introduced 700 lump-sum scholarships, and the 30 best-ranking schools of the Republic receive special grants.

Goals 4 and 5. Reducing Maternal and Child Mortality

The Republic has achieved a notable reduction in infant mortality, from 15.9 per 1000 live births in 2003 to 10.6 in 2005, thanks to a series of measures, which reduced deaths from perinatal causes by 1.2 times, from congenital malformations by 1.1 times and from infectious and parasitic diseases by 1.6 times. The improvements were supported by opening in 1998 of the National Medical Centre as well as Paediatric and Perinatal Centres equipped with modern diagnostic equipment. There are plans to open an intensive-care consulting service at the National Medical Centre, which will provide distance-consulting and assistance in treatment of newborn children at maternity hospitals in Yakutia's uluses (administrative districts).

As part of its "Healthy Child" programme the Republic annually renews stocks of medicines, which are used in the first hours of life to improve survival chances of premature babies and to prevent permanent damage to children who require artificial pulmonary ventilation for long periods after birth. The federal programme "Children with special needs" helps to provide neonatal screening for possible hereditary diseases. The screening can detect congenital abnormalities in early, treatable stages. Coverage increased from 61% of all



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Box 7.2. Achieving MDGs in the Republic of Sakha (Yakutia) (*continued*)

newborn children in 1999 to 97% by 2005. Funds from the new system of state bonds issued to parents of new-born children are also being used to obtain medical equipment for district hospitals and obstetric units.

Monitoring of child and adolescent health has been helped by introduction of chip cards, which carry details of regular medical checks. A regional law makes local authorities responsible for providing free food to children under 3 years of age.

Maternal mortality has dropped by almost half in the past 2 years, thanks partly to launch of a computer-based system for monitoring pregnant women and detecting those in high-risk groups as well as creation of a centre of preventive medicine for high-risk groups.

The Region designed and implemented a family policy concept in 1995 and a similar concept for demographic policy was put into practice in 1999 to support sustainable and high-quality population growth in Yakutia. Bank accounts with an initial 10,000 rouble deposit are now opened for all new children in families after the first-born as well as for all twins and triplets. Cumulative accounts with an initial deposit of 25,000 roubles are opened for families of university and college graduates who decide to live and work in rural areas of the Republic, Orphans who marry before 30 years of age are given cumulative accounts with an initial 10,000 rouble deposit. These measures are intended to support birth rates.

Married people under 35 years of age receive housing loans with 10-year terms, which have inbuilt conditions to encourage creation of families: when a first child is born the repayable amount is reduced by 20%, birth of a second child takes off a further 30%, and a third child gives another 25% reduction. If a young family sets up an agricultural small-holding, the amount to be repaid is reduced by further 25%. i.e. the loan is entirely paid off.

The regional government's concept for family and demographic policy up to 2015 and the implementation plan for 2006–2010 offer every support to the institutions of marriage and family. Creation of three-child families is encouraged, and there are special measures to help reduce mortality rates and increase life expectancy.

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

Since the first officially recorded case in 1996, a total 626 cases of HIV-infection have been registered in Yakutia. The HIV incidence rate in the republic is still much lower than the Russian average and stood at 58 infected persons per 100,000 population in mid-2006. The AIDS rate was 3.4 per 100,000 population. Most registered cases of HIV infection are among users of intravenous drugs. The average age of the infected is 18–29 and 42% of them are unemployed. However, there has been an increase in sexual transmission of HIV in recent years (from 31% in 2003 to 43% in 2005) and in the number of infected women who come from non-marginal social groups. There have been cases of HIV detection in blood of pregnant women registering at antenatal hospitals and polyclinics. HIV transmission from mother to child is also becoming an issue: 35 children have been born in Yakutia from HIV-positive mothers to date.

A republican programme and 18 district programmes to combat HIV are now in progress and in 2006 Yakutia became a testing ground for the Mother and Child Project, which is part of the Transatlantic Partnership against AIDS. Various educational programmes on AIDS prevention have been designed for adolescents, medical staff, media and those serving custodial sentences.

High tuberculosis rates represent another difficult challenge, although some progress has been made: tuberculosis incidence rates declined from 92 to 83 cases per 100,000 people from the 1990s to 2005. Specialized treatment has become more effective, the rate of clinical recovery has risen from 24% to 38% (the average recovery rate in Russia is 39%, which is also the average figure for the Far Eastern Federal District). Tuberculosis mortality in the Region declined from 98 to 8.5 cases per 100,000 population over the period from 1999 to 2005, which is significantly lower than the average figure for Russia (22 per 100,000 people) and for the Far Eastern Federal District (29 per 100,000 people). Regular medical examinations to detect tuberculosis cover 70% of the population, which is superior to 58% for the whole of Russia and 60% in the Far Eastern Federal District.

In addition to federal and republican anti-tuberculosis programmes, local programmes are now being implemented in 31 of the Republic's 34 uluses and Yakutia has been included in the World Bank project for tuberculosis prevention, diagnostics and treatment since 2004 (training programmes for specialists and supplies of equipment started in 2005). These programmes have helped to contain spread of tuberculosis in Yakutia, but tuberculosis rates among children remain high, prophylactic coverage is still insufficient, and planned measures to provide tuberculosis sufferers with housing (or better housing) have not yet been implemented.

Goal 7. Ensuring Environmental Sustainability

Living conditions in the Far North are different from anywhere else, and the people of Yakutia are adapted to their harsh environment and the narrow range of bio-resources, which sustain them in this environment. The slightest disruption of fragile northern ecosystems has a dramatic negative effect on traditional lifestyles. Development of Yakutia's Arctic territories as part of energy projects and construction of related infrastructure presents a number of grave threats.

The way of life of indigenous peoples in Yakutia has always depended on hunting, fishing and reindeer breeding. The period since break-up of the USSR has brought a crisis as captive reindeer herds and wild reindeer have been slaughtered and fisheries have been depleted. Damage to the environment and biodiversity of the Region is threatening long-established lifestyles. International experience of development of northern territories needs to be applied in Yakutia, with greater attention to environmental issues and respect and consideration for lifestyles of the indigenous population. The government of the Republic is fully aware of the need for ecological sustainability, and a draft programme has been prepared for the period 2007–2010.

Despite the abundance of water resources, provision of quality drinking water remains an issue. Most settlements obtain their drinking water directly from lakes and rivers,

Box 7.2. Achieving MDGs in the Republic of Sakha (Yakutia) *(continued)*

which are not provided with purification plants and are often polluted with sewage or industrial effluent. There are rich underground water resources, but they provide only one third of total water consumption in the Republic. Factors responsible for the low quality of drinking water include poor maintenance of the mains water system, which is more than 70% depreciated. A target programme to improve the situation with drinking water was carried out in 2003–2006.

Harshness of the climate means that relocation of people from dilapidated housing is particularly urgent in Yakutia. About 20% of housing dates back to the period 1946–1970, and much of it does not meet basic quality requirements. The state of housing in Yakutia had deteriorated in recent years: the share of it, which is in a poor or dangerous condition, increased from 4% in 1995 to 12% in 2005, and the number of people inhabiting such housing has increased from 42,000 to 116,000. The poor-or-dangerous indicator for housing is 3.8 times higher in Yakutia than the Russia average and is the worst in the Far Eastern Federal District. The Republic also scores very badly for provision of amenities: about 50% of flats in the Republic lack running water, sewerage, or hot water systems, and 28% of housing lacks central heating.

The regional government is making efforts to address this situation. A housing programme for the period from 2006 until 2010 includes measures to relocate people from decrepit or dangerous dwellings. The programme has 30% federal

financing, with the rest coming from the regional budget. Financing to date has been insufficient: between 2003 and 2006 only 95 depreciated blocks of flats were demolished and only 644 families were offered new housing.

Goal 8. Forming Global Partnerships for Development

Yakutia has a predominantly young population and the number of young people entering the employment market is increasing. This entails a significant problem of youth unemployment. Helping the young to adapt to new socio-economic conditions is an important part of the MDGs and Yakutia is unique among Russian regions in having a special administrative structure for this purpose: the Youth Ministry of the Republic of Sakha (Yakutia). Great importance is also attached to career advice services at institutions of higher education.

Regional and federal budget funds are also being used to finance a programme of temporary work for graduates of technical colleges (lower- and medium-level professional education) who enter the labour market for the first time. The graduates are offered training placements, financed by the employer. Annual regional and local job markets for graduates have been held since 2002 and are attended by 7000 graduates and students. In recent years all government ministries and agencies with responsibility for economic sectors and industries have taken an increasing role in helping to find jobs for graduates.

Box 7.3. Human Development as a Strategic Goal for Sakhalin Region

Sakhalin Region comprises Sakhalin Island and the Kuril Islands in the Russian Far East. The Region is sparsely populated, with 526,200 people at the start of 2006 (8% of the total in the Far Eastern Federal District). Population distribution across the Region is uneven. Most live in the south of Sakhalin, where climatic conditions are more favourable. The level of urbanization of the region (87%) is significantly higher than the Russian average.

Sakhalin's GRP far surpasses the average for the Far Eastern Federal District. Oil & gas extraction has become the core industry of the region in the recent years, but fisheries are also well-developed. The region has very high levels of foreign investments (in oil & gas projects on the ocean shelf off the shore of Sakhalin Island).

Goal 1. Reducing Poverty

The problem of extreme poverty is not typical for Sakhalin: nominal average per capita incomes are significantly higher than the Russian average, and are continuing to rise quickly thanks to launch of oil & gas extraction projects. However, the cost of living is much higher in Sakhalin Region, so the ratio of average per capita income to the subsistence minimum is lower than elsewhere in Russia. As in other regions, income growth in Sakhalin has been accompanied

by growth of income inequality. Incomes of employees in different sectors and industries vary greatly. Average wages in the oil industry are 2.1 times higher than average wages of industrial workers, while wages in the timber and wood-working industry are 2.7 times lower than the average.

There has been steady progress in reduction of poverty levels in Sakhalin Region since 2000. There has also been a notable reduction in extreme poverty (the percentage of people with income below the subsistence minimum) from 7.8% in 2000 to 3.7% in 2005 (Table 7.1), and the index of depth of poverty has dropped from 12.4% to 5.6%. However, the gap between different income groups is increasing (the share of the lowest income quintile in total personal incomes is diminishing). This growing gap has exacerbated problems of vulnerable groups, particularly pensioners. As of July 2006, some 38% of all those in poverty (registered with social services) were pensioners (30,100 out of total 78,400), so one of every five pensioners was in poverty.

A target programme is being implemented in Sakhalin Region aimed at increasing effectiveness of social policies and quality of life of socially vulnerable groups. The programme includes targeted provision of social support to poor citizens in groups with high poverty risk: the disabled, those who can no longer help and sustain them-



Box 7.3. Human Development as a Strategic Goal for Sakhalin Region *(continued)*

Trends in poverty indicators in Sakhalin Region in 2000–2005

Table 7.1

Indicator	2000	2001	2002	2003	2004	2005 r.
Number of people registered with social services, thousands	73.4	54.7	53.8	63.1	67.8	84.7
Share of people with income below half of the subsistence minimum, %	7.8	8.5	6.8	6.2	5.8	3.7
Share of incomes of lowest quintile in total income, %	7.7	7.2	6.6	6.2	6.1	5.9

selves, and children from poor families and families with many children.

Goal 3. Ensuring Gender Equality and Improving the Situation of Women

Ensuring gender equality is a relatively new challenge for Russian society. Application of MDG indicators for employment show achievement of a gender balance in Sakhalin Region: the proportion of women employed in industry, although slowly decreasing (from 52.4% in 2000 to 48.5% in 2004), is still close to half. However, there are growing disproportions in representation of the sexes in political life: the share of women among deputies of the Sakhalin regional parliament has dropped from 22% in 2000–2003 to 7% in 2005.

A special employment support programme has been launched to help ensure gender equality and improve the situation of women on the job market in Sakhalin Region. The programme supports teaching of professions, which are in demand on the labour market, and offers help to business start-ups and job seekers. Every year up to 300 women study basics of business administration at "Introduction to Business" seminars, and about 150 of them each year start up their own firms.

Goals 4 and 5. Reducing Maternal and Child Mortality

Problems in Sakhalin Region relating to public health and development of health care are numerous and varied. The most urgent among them are as follows:

Increase in sickness rates among children and adolescents: 53.8% of children examined in 2004 were suffering from some kind of health problems; one in five of all 6-year-olds are not fit to attend school; 5.3% of school-age children have bone or muscle development pathologies, 4.2% suffer from various cardiovascular maladies, and 2.5% suffer from hypodynamia; sickness rates of children in rural areas are significantly higher than in cities and towns.

Shortages of doctors, general practitioners and paediatricians in primary health-care and emergency units ("double accounting" of those who work as both doctors and paediatricians implies 99% sufficiency of the two specializations, but the level is only 70% if such dual functionality is not admitted).

Inadequate equipment and medical supplies in health care institutions, including primary care institutions (emergency ambulance, obstetrical centres, clinics, etc.)

Infant and child mortality indicators have been on the rise in Sakhalin Region since 2003, despite decline in Russia as a whole. Infant mortality rose by 13% in 2003–2005 and now stands at 14.2 per 1000 live births. This regional indicator is 30% worse than the national average.

Structure of infant mortality in 2005 showed that 36% of infant deaths were due to perinatal abnormalities (such abnormalities account for 49% of infant deaths in Russia as a whole), 27% were due to development anomalies (the average figure for Russia is 27%), traumas, poisonings and accidents were responsible in 17% of cases (9% in Russia), respiratory diseases caused 3% of the deaths (6% for Russia), and infectious diseases claimed 1% of victims. Half of the remaining 15% were put down to sudden infant death syndrome. Perinatal mortality rate is steadily declining, from 12.9% to 10.4% in 2002–2005 (the average for Russia is 10.6%). Still births are down from 8.2% to 5.7% (5.8% in the whole of Russia). Neonatal mortality rates (death before the sixth day of life) have been fluctuating within a range of 4.8–6.6%.

Measures are being taken to improve this situation. A perinatal centre set up in Yuzhno-Sakhalinsk in 1997 provides medical assistance to pregnant women in high-risk groups, a standard pregnancy monitoring procedure has been designed, and training for future mothers has been organized at 15 of the Region's obstetrics centers (up to 93% of pregnant women attend the training). Those in high-risk groups (20–24% of all future mothers) deliver their babies at centers in Yuzhno-Sakhalinsk, and procedures to assist delivery have been reviewed and improved. These measures have reduced probability of complications during pregnancy and delivery. Functioning of obstetrical and maternity departments is now based on the "Mother and Child" principle, helping to reduce illness and mortality in the first years of life. Breast-feeding is strongly encouraged.

The number of women of childbearing age in Sakhalin Region is decreasing as the overall population declines (the number of women in this age group fell by 1.9% in 2005). Maternal mortality has declined significantly in recent years, and in 2005 there were no registered cases of maternal mortality.

Box 7.3. Human Development as a Strategic Goal for Sakhalin Region *(continued)*

Goal 6. Combating HIV/AIDS, Tuberculosis and other Diseases

Social diseases – tuberculosis, drug addiction, HIV/AIDS – are still on the rise in Sakhalin Region. First-time tuberculosis diagnoses increased by 22% in 2000–2005 (per 100,000 population), significantly exceeding the national average. Tuberculosis mortality in the region rose by 60% in the same period, but remains below the Russian average (see Table 7.2). Sakhalin is also in a better situation than the rest of the county as regards HIV/AIDS, with a significantly lower than average rate of infection.

in the period from 2006 to 2015 has been approved in the framework of the federal housing programme, with special attention to development of civil engineering and transport infrastructure. A pilot project for construction of affordable housing is underway: 6 potential sites have been selected for construction of low-rise and high-rise housing in Yuzhno-Sakhalinsk and Anivsky urban district.

Goal 8. Forming Global Partnerships for Development
IT and telecom development in Sakhalin (as in other Far Eastern regions) is at a lower level than in European

Table 7.2.

HIV/AIDS and tuberculosis trends in Sakhalin Region

Indicator	2000	2001	2002	2003	2004	2005
Share of HIV-positive pregnant women in the 15–24 age group, %	1	1	no data	1	5	11
Share of people using contraception, %	17.4	16.3	12.9	15.3	16.7	17.2
Incidence of active tuberculosis rate, per 100,000 population	85.2	76.3	70.6	75.2	97.2	104.2
Number of patients registered at patient care and prophylactic medical institutions, per 100,000 population	324.8	344.7	343.9	383.2	309.4	no data
Tuberculosis mortality, per 100,000 population	13.9	15.6	19.3	18.7	19.7	22.2

Goal 7. Ensuring Environmental Sustainability

Human impact on the environment is increasing rapidly in Sakhalin Region. Offshore oil & gas production is starting on the continental shelf, and forests are being cut down for timber. Ensuring stability of ecosystems in the Region is therefore of prime importance. Priorities are:

- to preserve and ensure reproduction of biological populations, and individual species of flora and fauna;
- to ensure efficient use of resources during raw material processing, by use of ecologically safe, resource-saving and waste-free technologies.

At present only 80% of air-pollutant emissions are captured and neutralized and 23% of polluting liquid discharges reach coastal waters without purification. Solution of the liquid discharge problem requires investments in water recycling. The plan for 2007–2009 is to continue work on new water disposal plants, reconstruction of drainage systems and gas cleaning systems as well as forest regeneration and measures to support biodiversity. Oil & gas projects on the Sakhalin shelf are being closely supervised by environmental groups and the regional government.

Sakhalin Region is relatively well provided with housing amenities: over 86% of urban housing (more than 91% of total housing in the Region) has running water, 82% has sewerage and 77% has central heating. A regional target programme for construction of new residential housing

Russia. According to the Institute for Development of an Information Society, Sakhalin Region ranks 35th among 88 subjects of the Russian Federation as regards IT readiness in the public administration. However, certain branches of the Region's economy are making full use of IT tools: fiscal, economic, social and legal databases have been assembled and various sectors of the economy have their own communication networks.

TV broadcasting coverage of the entire territory of the region was achieved in 2002 and fixed telephone lines rose from 195 to 285 per 1000 urban population over the period 2000–2004 (the latter indicator is now higher than the Russian average). Mobile phone penetration has grown very rapidly: from 0.8% of the population (4400 subscribers) in 2002 to 56% (379,400 subscribers) in 2005. More than 30 mail and telecom providers are now operating in Sakhalin Region, providing traditional services (mail, fixed line telecom, telegraph, radio) and new services (cellular, improved types of radio communication, satellite networks, datacom).

An extensive fibre-optic network has been installed in Sakhalin Region over recent years. Combined TV reception and directional transmitters have been installed in 15 settlements, so that regional TV broadcasting from Yuzhno-Sakhalinsk can now be received in 38 settlements. Work is underway on centralized connection to the Internet for educational facilities.