

Chapter 6

Modernization and Healthy Lifestyle Policy

Ensuring that citizens are in good health and encouraging them to look after their health, achieving longevity and reducing mortality rates have been and remain priorities for national social policy and development of human potential. Considerable financial resources have been allocated in recent years for these purposes in Russia, particularly as part of the 'Healthcare' priority national project. Some results have been achieved in reduction of overall, maternal and child mortality rates; life expectancy indicators have been gradually increasing (see the Box, 'Demographic development in Russia: trends, problems and solutions'). However, Russia still lags behind both developed European countries and many of its East European neighbours by most health indicators (infant and maternal mortality; life expectancy).

It is well-known that human health depends not only and not so much on development of medicine as on many other factors, particularly genetic predisposition to certain diseases, environment and lifestyle. WHO experts say that the contribution of medicine and genetic factors to human health is not more than 30 percent, while 50 percent depends on a healthy lifestyle. Most developed countries have long recognized that it is always much easier and cheaper to prevent a disease than to cure it. Unlike modern healthcare, a healthy lifestyle culture costs little and produces a powerful effect, particularly in the longer term.

Healthy lifestyle can be defined in different ways and interpreted in a narrower or broader (sociological) sense depending on the sphere of discussion and specific research tasks. The narrower understanding includes a set of individual practices, standards and personal behavioural attitudes that lead to improvement of health or deterioration of health (health risks). They include alcohol consumption, smoking, physical activity and diet and (less frequently) safe sex, use of drugs and other personal behavioural standards. The broader

understanding of healthy lifestyle includes a broader social context: living and working conditions, state of the environment, etc. Clearly then, healthy (or unhealthy) lifestyle is, for the most part, the choice of the particular individual and of society in general.

A policy to encourage healthy lifestyle is now taking shape in Russia: such important documents as the 'Concept for State Policy to Reduce the Scale of Alcohol Abuse and Prevent Alcoholism among the Population of the Russian Federation', 'Concept for Implementation of State Policy to Combat Tobacco Consumption' and 'Basics of State Policy for Healthy Nutrition' have been approved in the last two years. However, achievement of the goals, which have been set, will require choice of specific tools that can shape healthy lifestyles. Before all else, we need to learn what shapes lifestyle and what factors can be controlled. In what follows the issue of healthy lifestyle in Russia will be discussed in terms of key aspects – alcohol and tobacco consumption, healthy diet and physical exercise – as well as desirable state policy efforts with respect to them.

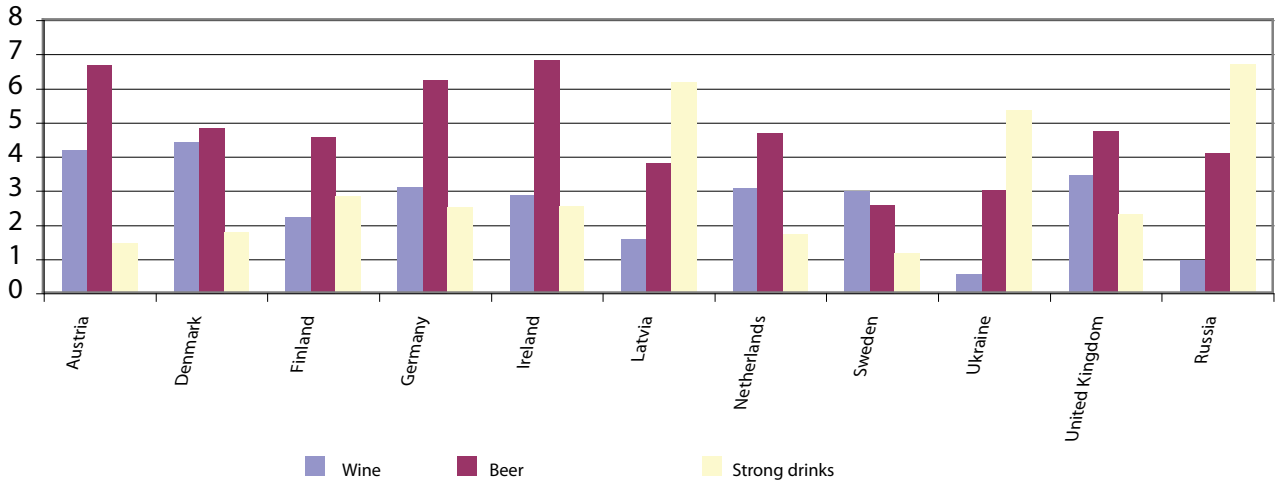
6.1 Alcohol consumption

Data compiled by Rosstat suggest that each adult Russian consumes on average the equivalent of 10.7 litres of pure spirit each year, which substantially exceeds the level defined by WHO as hazardous to health (8 litres per year). By various estimates, consumption of at least 5-8 litres per capita goes unrecorded. As well as exceeding annual standards of safe alcohol consumption, a large share of individuals in Russia drink alcohol occasionally to a degree in excess of the maximum permissible dose. For example, RLMS¹ reveals that 6.9 percent of men and 4.6 percent of women among young people aged 18 to 24 years-old occasionally abuse alcohol.

¹ Russian Longitudinal Monitoring Survey



Figure 6.1. Structure of alcohol consumption per capita calculated as pure spirit, 2006, litres



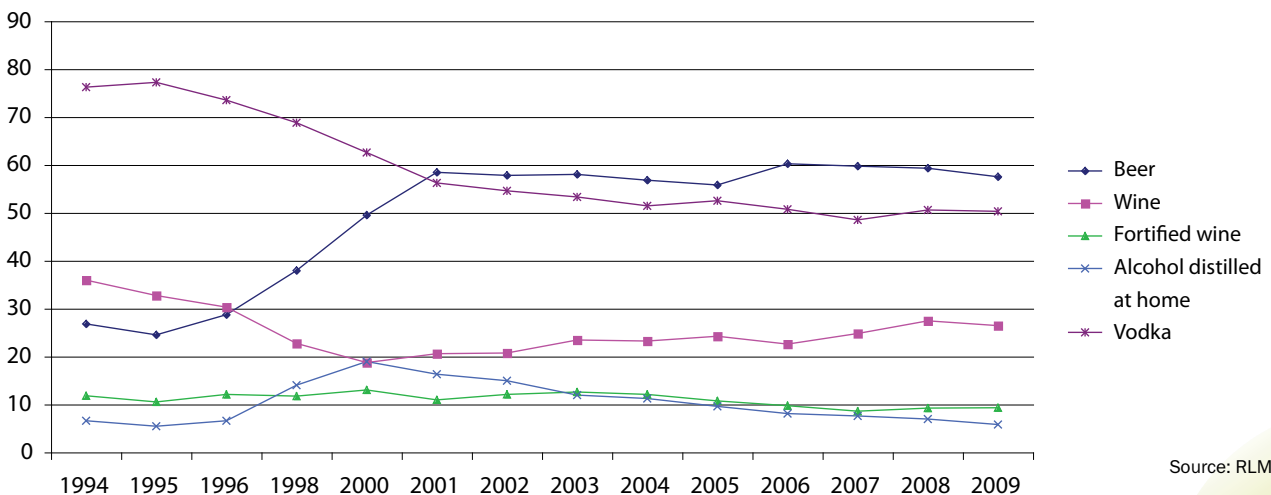
Source: Health for All, Europe (WHO database).

Another specific feature is dominant share of strong drinks in the alcohol consumption pattern (Figure 6.1). While in the historically beer-drinking countries (the United Kingdom, Denmark, Germany, the Netherlands and the Czech Republic) beer consumption has been reduced over the last decade, being replaced by wine, in Russia consumption of beer is growing vigorously, doubling in the period from 2000 to 2008. Consumption of strong drinks is declining more slowly than beer consumption is growing, so aggregate alcohol consumption is steadily growing. More than half of all alcoholic drinks consumed in

Russia (measured by pure spirit) are vodka and other strong drinks.

The trend is important to note: among drinkers, the share of those who drink vodka was in decline from the early 1990s to the early 2000s, while the share of those drinking beer was on the increase. But over the last decade the shares of those drinking vodka and those drinking beer have flattened out close to equality (50-60 percent each) (Figure 6.2). Moreover, surveys using micro data and regional statistics show clearly that these are one and the same individuals – the correlation

Figure 6.2 The share of Russian adults drinking various alcoholic drinks, %



Source: RLMS

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between drinking vodka and drinking beer is nearly 100 percent². So beer is not a replacement but a supplement to strong drinks. However, it is consumption of strong drinks, rather than beer or wine, which is significant for health statistics³. Given these statistics, it is unsurprising that alcohol abuse leads to early death of nearly half a million people in Russia each year⁴. It is also unsurprising that the problem of alcohol abuse is top of the list when discussing healthy lifestyle policy.

There are many and varied ways of combating excessive use of alcohol, and most of them have been applied in Russia to some extent. First and foremost, there is licensing of producers and sellers of alcoholic drinks. This does not greatly reduce consumption, since it only raises prices to a small extent, but it goes some way to ensuring quality of products. Age restrictions on purchase of alcohol are generally recognized as a reasonable and efficient mechanism. A number of studies reveal that restriction of the lower age limit is particularly efficient for reduction of mortality among the young from road accidents and suicide. The same refers to any regional or municipal restrictions of hours and points of sale, or restrictions on the sale of alcohol on festival days, days when football matches are held, etc. Such measures are normally straightforward and supported by the majority of people. But any restrictions require both relevant amendments to laws and regular control over compliance.

Price policy is globally recognized as the most efficient tool for combating alcohol abuse. Many experts say that reduction of the relative price for alcoholic drinks, specifically for vodka, has been the cause of increased alcohol consumption in Russia during the last

20 years. The real price for alcohol in the country has been declining continuously through the period, making it more available to consumers. While in the mid-1990s the average monthly wage was enough to buy 25 litres of vodka or 100 litres of beer, by 2009 those numbers were as high as 79 and 358 litres, respectively. Tax policy has played the key role here. Production costs are only a small share of the retail price of alcoholic drinks, which consists mainly of indirect taxes (excise taxes) and VAT. The excise rates now applicable in Russia give particular advantages to producers of strong alcoholic drinks, as the excise rate calculated per gram of pure alcohol in vodka is considerably lower than for wine or beer. From January 1, 2011, the excise rates for alcoholic drinks were adjusted in a way that increased the charge for vodka by 10 percent only while the charge for wine rose by 40 percent.

Such practice runs counter to the policy of other countries where strong alcoholic drinks are being replaced by beer and wine. The ratio of prices for beer and vodka in Russia is about 1:4 while in other countries it ranges from 1:8 to 1:12. This is why strong alcoholic drinks are not being replaced by milder drinks in Russia. A minimum price of RUR 89 for a bottle of vodka, established from January 1, 2010 and increased to RUR 98 from January 1, 2011 has had almost no impact, judging by sales data for 2010. The share of vodka in overall alcohol consumption has dropped by just one percent and is still above 50 percent, which is substantially higher than the share of strong alcohol in consumption in most developed countries (12-22 percent). In addition, studies show that any growth in personal income levels always results in increased alcohol consumption (all other things being equal), so reduction of consumption is only possible through major price increases. The conclusion, therefore, is that substantial and differentiated increase of prices for alcoholic drinks through excise taxes should be the main instrument for

² По данным исследования «Социально-экономические детерминанты здорового образа жизни», рук. Колосницына М.Г., Засимова Л.С., ЦФИ НИУ ВШЭ, 2010.

³ Denisova I. (2010). Adult Mortality in Russia. // *Economics of Transition*, vol.18(2), pp. 333-364.

⁴ Доклад Общественной палаты РФ «Злоупотребление алкоголем в Российской Федерации: социально-экономические последствия и меры противодействия», Москва, 2009 г.

combating alcohol abuse. Any budget losses due to reduction of the tax base (because of lower sales volume) will be balanced by the significant growth of tax revenue as demand for alcohol is relatively inelastic in response to price changes: according to experts, fiscal revenue could rise by RUR 150-450 billion per year (depending on the extent of excise rate increases), even with expected 8-10 percent annual market shrinkage.

Any rise in excise taxes for alcoholic drinks carries the risk that consumers will switch to low-quality, illegally produced products. However, Russian and global studies show that growth of consumption of clandestine products is lower than reduction in consumption of legal drinks. For example, when Poland increased excise taxes by 2.5 times there was some increase in home distilling and vodka counterfeiting and smuggling. But it did not cancel out the decline of legal vodka drinking, so the overall result has been positive: average life expectancy of Polish men has increased to 70 years and Poland has been the first post-socialist country to overcome the supermortality crisis⁵. The history of Russian anti-alcohol policy shows significant declines in mortality in those years and in those regions where vodka has been more expensive relative to average salaries⁶.

So rise in excise taxes and prices for strong alcoholic drinks can make a large contribution to improvement of the nation's health, but such efforts must be supported by tightening of control over manufacture and sale of illegal alcohol products.

Another important effort is limitation on consumption of alcohol drinks in public places and increase of penalties for drunken behaviour. Estimates by RLMS show that

⁵ Халтурина Д., Коротаев А. Алкогольная политика: мировой опыт и российские реалии, 2006.

⁶ D. Treisman (2010). 'Death and Prices: The Political Economy of Russia's Alcohol Crisis.' // *Economics of Transition*, vol.18(2), pp. 281-331.

alcohol consumption per drinker is much higher if he/she drinks in the street (public park, etc.). All other things being equal, the volume of alcohol consumed increases by 800g of vodka per month for women and by 1.5 litres per month for men in such a case⁷. The number of alcohol-related crimes, injuries and fatal accidents grows respectively. Hence the importance of tougher laws on public drinking and tighter control over compliance.

Gradual and significant reduction of the number of sales points licensed to sell alcoholic drinks is also efficient. Alcohol is easily available in Russia today, with one sales point per 500 adult population in 2010 compared with only one shop selling drinks above 4.75 percent proof per 30,000 adult population in Norway and per 23,000 in Sweden⁸. Reduction of outlet numbers will both reduce consumption and simplify control over sale of illegal products.

Russian and foreign experience has proved that education and information-provision are quite efficient at improving awareness of the consequences of alcohol abuse, but seldom produce any change in consumer behaviour. Education as such, as seen from calculations based on macro data for 167 countries, only promotes alcohol consumption (as does income)⁹. So education programmes cannot be expected to significantly reduce alcohol consumption.

6.2 Smoking

The share of smokers in the Russian population is one of the highest in the world today: by various estimates at least 60-70

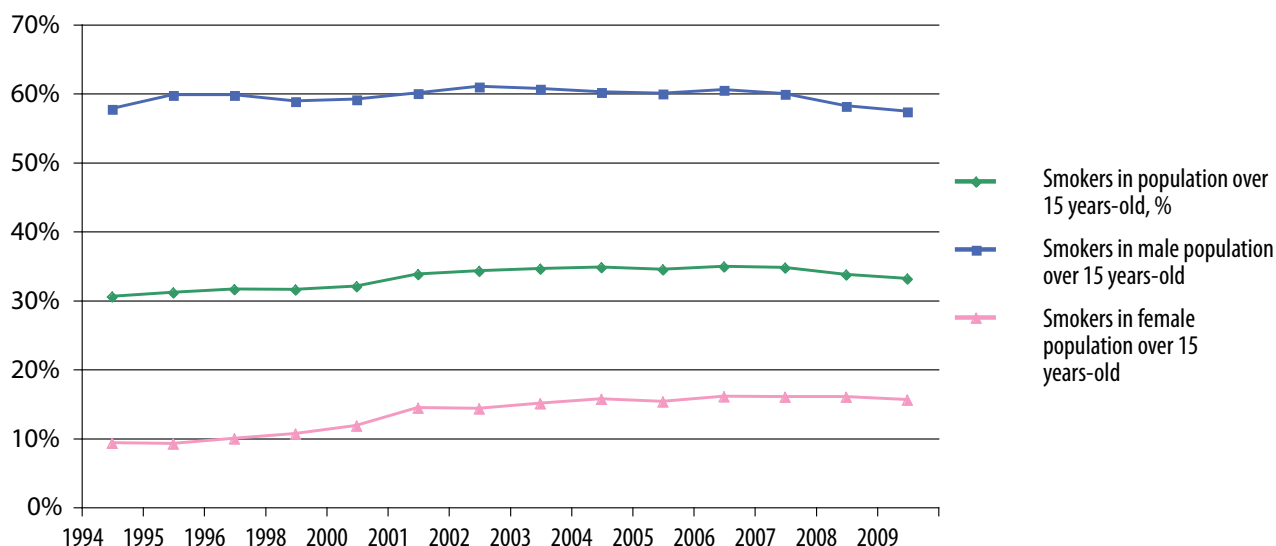
⁷ По данным исследования «Социально-экономические детерминанты здорового образа жизни», рук. Колосницына М. Г., Засимова Л. С., ЦФИ НИУ ВШЭ, 2010.

⁸ Халтурина Д., Коротаев А. Алкогольная политика: мировой опыт и российские реалии, 2006.

⁹ По данным исследования «Социально-экономические детерминанты здорового образа жизни», рук. Колосницына М. Г., Засимова Л. С., ЦФИ НИУ ВШЭ, 2010.

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Figure 6.3. The share of smokers among Russian adults, %



Source: RLMS

percent of adult men and 17-25 percent of women smoke, and the share of smokers has been growing in recent years as more and more young individuals and women take up the habit (Figure 6.3). Studies of student lifestyle¹⁰ carried out at four higher education institutions in Moscow, Perm and Samara showed that at least 31 percent of male and 23 percent of female students smoke.

In contrast with most other countries, the share of smokers among adults in Russia is increasing and the number of cigarettes per smoker is also on the rise (Figures 6.4 and 6.5). Unsurprisingly, therefore, Russia's human loss due to smoking is comparable to that as a result of alcohol abuse: smoking causes the early death of 330-400,000 Russian individuals per year¹¹. Strict economic estimates based on RLMS micro

data show that adverse effect of smoking on life expectancy in Russia is as serious as the effect from alcohol¹².

The federal law №87 'On Restriction of Tobacco Smoking' (passed on July 10, 2001) and a partial ban on advertising of tobacco products have had no significant impact on trends in smoking habits. Accession of Russia to the WHO Framework Convention on Tobacco Control (FCTC) in 2008 represented a new step in the country's anti-smoking policy¹³. Under the Convention, Russia commits to stage-by-stage implementation of a number of economic and administrative measures to combat smoking.

The steps include introduction by Russia of a ban on public smoking, as required by the FCTC. Foreign studies show that a ban on smoking in the workplace can

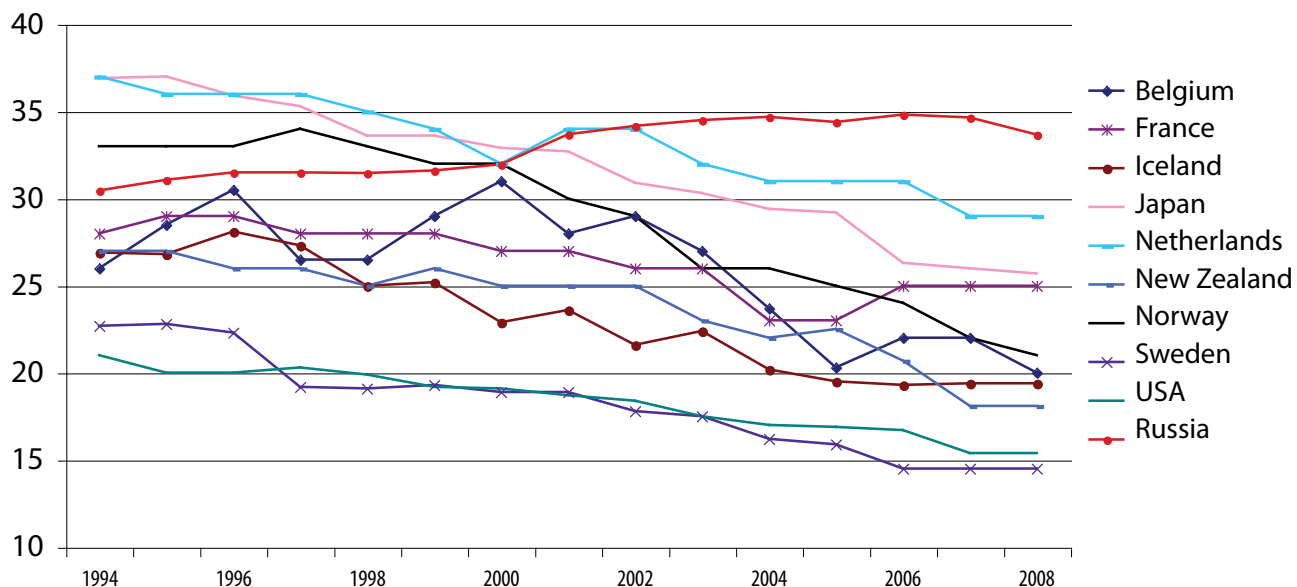
¹⁰ Опрос НИУ ВШЭ и СамГМУ «Отношение студентов к принципам здорового образа жизни», сентябрь-ноябрь 2010 г., выборка 914 человек.

¹¹ Доклад Общественной палаты РФ «Табачная эпидемия в России: причины, последствия, пути преодоления», Москва, 2009 г.

¹² I. Denisova (2010). 'Adult Mortality in Russia.' // *Economics of Transition*, vol.18(2), pp. 333-364.

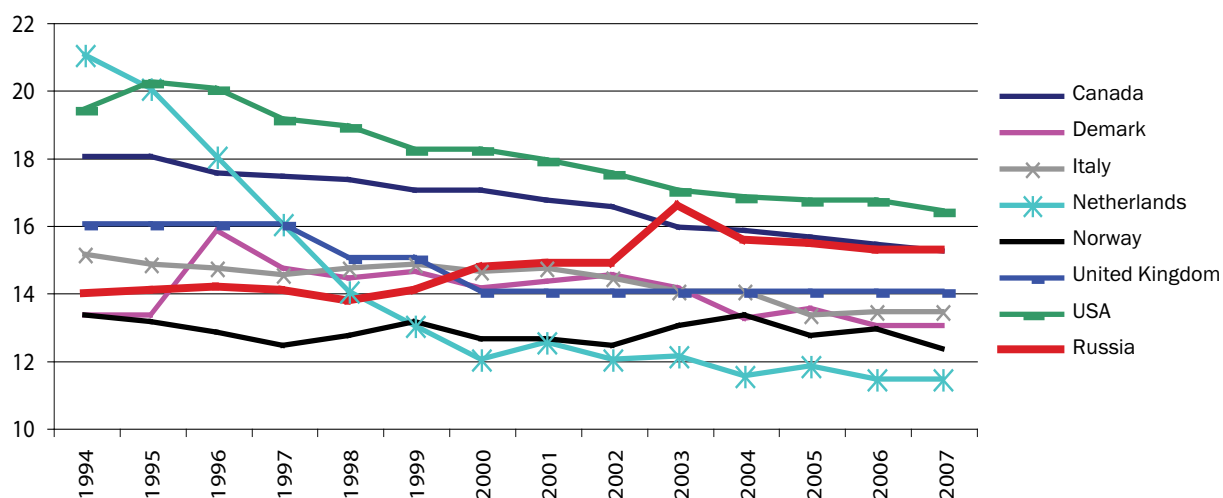
¹³ WHO Framework Convention on Tobacco Control (FCTC). The Convention became effective in February 2005 and as many as 168 countries have joined it to date. <http://www.who.int/fctc/about/en/index.html>

Figure 6.4. Share of smokers among people aged over 15 in various countries, %



Source: OECD Health Data; RLMS

Figure 6.5. Average number of cigarettes per day per smoker in various countries



Source: OECD Health Data; RLMS

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reduce tobacco consumption at work by 29 percent and absolute popularity of tobacco smoking by 4 percent, as well as doubling the number of people willing to quit smoking¹⁴. In December 2010 the New Economic School carried out a public survey on attitudes to tobacco control measures. As many as 83 percent of respondents said that they would support a total ban on smoking in public places, including bars and restaurants¹⁵. The more detailed data of the Global Adult Tobacco Survey (GATS)¹⁶ give an estimate of support for smoking bans at different public locations: schools, higher educational institutions, hospitals, etc. The GATS results show that a no-smoking rule at healthcare facilities and educational institutions is strongly supported by Russians. A ban on smoking in bars and restaurants is less eagerly supported, but still obtains majority approval (77 percent).

Surveys of smokers worldwide confirm that most of them want to quit and Russia is no exception: at least 65.5 percent of Russians would like to stop smoking¹⁷. But many say that they cannot do so without external help and special medical consultation. The cost of arranging such consultations is not high if it is combined with standard patient visits, and doctors could be trained for the purpose as part of refresher courses. At present no more than 20 percent of medical students are given such training and studies show that doctors in Russia do not make special efforts to persuade their patients to give up smoking: the survey of students in higher education found that only 9 percent of them had been warned by a doctor of the hazards of smoking, although 25 percent of the students

are smokers¹⁸. This suggests that only one third of smokers obtain smoking advice when they visit a doctor.

A Russian web-site www.takzdorovo.ru where smokers can obtain professional advice from an addiction specialist and exchange thoughts with other users represents a positive initiative. It should be remembered, though, that only 35.5 percent of Russian households had access to the Internet in 2009 (according to official statistics) and that the share of smokers is relatively larger in low-income groups, which are less likely to have access to the Internet.

For the purpose of FCTC implementation, warning texts on packs of cigarettes covering at least 30 percent of the pack surface appeared in 2010 in Russia. But the warning pictograms, which are globally recognized to be effective, are not so far mandatory in Russia. In addition to pack warnings, anti-smoking advertising is generally viewed as an important step towards raising public awareness. But such advertising has not been intensive in Russia. A survey of students at the Higher School of Economics and Samara State Medical University found that young people notice tobacco advertising more than they notice any efforts at anti-smoking advertising: tobacco advertising on billboards is noticed by 73 percent of students while the anti-tobacco billboard advertising is noticed by only 41 percent; the respective figures are 52 percent and 29 percent for Internet advertising, and 69 percent and 17 percent for advertising via mass media. Television, which offers the most powerful tool for social advertising, has not yet been used for the purpose. Russia might also consider a complete ban on cigarette advertising. At present, advertising of tobacco products in Russia is governed


¹⁴ Засимова Л.С. Государственная политика в области курения: какие меры наиболее эффективны?// Вопросы государственного управления, 2010, №4, с.68-81.

¹⁵ Результаты Всероссийского опроса населения об отношении к мерам по борьбе с табакокурением. РЭШ, апрель 2011

¹⁶ GATS = The Global Adult Tobacco Survey: <http://www.who.int/tobacco/surveillance/gats/en/index.html>

¹⁷ The Global Tobacco Surveillance System Atlas. CDC Foundation, 2009, P91-92.

¹⁸ Опрос НИУ ВШЭ и СамГМУ «Отношение студентов к принципам здорового образа жизни», сентябрь-ноябрь 2010 г.



by a special Article of Federal Law №.38 'On Advertising' (2006), which gives free rein to cigarette manufacturers. Meanwhile, comparative analysis in 102 countries found that, in countries where total bans have been imposed, tobacco consumption dropped by 8 percent, while partial bans had practically no effect. Total bans on tobacco advertising were in effect in 26 countries in 2008¹⁹. The FCTC calls for total bans on advertising, sales promotion and sponsorship of tobacco products, so there is a clear case for amending Russia's advertising law in the near future.

However, the impact of awareness and, in a broader sense, of knowledge on behaviour of smokers remains a grey area. A number of studies show that smoking goes hand-in-hand with education. It might be assumed that educated individuals will tend to smoke less as they better understand the possible consequences. However, both macro data by countries with different levels of education and micro data from country-based studies often suggest the contrary. For example, dependence between the education index and the share of smoking women is clearly seen on the macro level in 135 countries.

Micro data also show that many smokers do not believe their lifestyle to be unhealthy, and these results include those having higher (and even medical) education. Over 40 percent of smoking students judged their lifestyle to be healthy in the course of student surveys conducted in 2010, and it was found that the share of smokers among medical students was 29 percent compared with 23 percent among non-medical students. This surprising result was shown even more clearly in the course an international youth smoking survey: the data for Russia in 2008 show that future doctors are 1.5 times more likely to be smokers than students in other

fields²⁰. The same proportions are visible among adult Russians: doctors tend to smoke more often than specialists in other fields (there are 44 percent of smokers among dentists, 43 percent among pharmacists and 39 percent among other doctors²¹, while nearly 35 percent of all adult Russians smoke). So education (even medical education) by no means always changes the behaviour of smokers.

Pricing measures are rightfully considered to be the most powerful means of tobacco control and much more effective than information. Current prices for tobacco products in Russia make them available to all individuals and encourage tobacco consumption. While the average price for a pack of cigarettes in Europe is USD 3.7 or about RUR 100, the level in Russia is four times lower²². Cigarettes in Russia are much cheaper even when the difference in real earnings is taken into account. This is due to excise tax policy: applicable rates, even in view of scheduled increase in 2011-2014, will fail to give any substantial rise in prices. Excise tax for tobacco since early 2011 has been about RUR 7 per pack, while in European countries (including the Baltic states and Eastern Europe) it ranges from 50 to 75 percent of the price.

Studies show that a 10 percent increase of pack prices reduces tobacco consumption by nearly 4 percent in high-income countries and by nearly 8 percent in low- and average-income countries²³. And the dissuasion effect is most marked on people who have only just begun smoking: pricing measures mostly affect young individuals with low income who have not yet become tobacco addicts. When

¹⁹ L.S. Zasimova. *ibidem*.

²⁰ The Tobacco Atlas (3rd edition). American Cancer Society, 2009, p.103.

²¹ The Tobacco Atlas (3rd edition) American Cancer Society, 2009, p.103.

²² 2010 Global Progress Report on the Implementation of the WHO Framework Convention on Tobacco Control, p.10. <http://www.who.int/fctc/reporting/summaryreport.pdf>

²³ L.S. Zasimova. *Ibid*.

asked how their behaviour would change if their usual cigarette brand doubled in price, 24 percent of smoking students of at the Higher School of Economics and Samara State Medical University said that they would smoke less and 29 percent said that they would try to give up.

Governments are sometimes nervous about raising prices for tobacco, fearing possible negative public reaction, particularly if smoking is widespread. But the experience of East European countries (new EU states) shows that such nervousness is unreasonable. The measures are generally supported by both the smoking and non-smoking public. It is reasonable to suppose that any rise in prices will not meet serious public disapproval in Russia. For example, the above-mentioned study by the New Economic School showed that tobacco price rises are generally supported by 70 percent of respondents, including 65 percent of occasional smokers and one half of full-time smokers.

6.3 Food and physical exercise

While the significance of alcohol and tobacco consumption have been long recognized, the importance for a healthy lifestyle of diet and physical exercise have only become objects of research more recently. WHO established overweight and obesity criteria²⁴ in 1995, thereby recognizing existence of the problem caused, as physiologists unanimously believe, by imbalance between calorific value of ingested food on the one hand, and energy expenditure, on the other hand. Measurement of the structure and energy value of daily meals and also of an individual's physical activity

is a complex process, so relevant statistical data are poorly represented in information bases and comparison between countries is difficult. However, indicators of excessive body weight and obesity are universal and show that this aspect of unhealthy lifestyles is as pressing for Russia as for the developed economies of Western Europe: nearly a half of the adult population is overweight or obese and the indicators are continuously worsening (Figure 6.6). It is important to note that being overweight is not merely indicative of an unhealthy diet and low physical activity, but also increases the risk of many diseases, including type-2 diabetes, high blood pressure, arthritis and certain types of tumour.

Weight problems are increasingly prevalent in Russia among both women and men (Figure 6.7). A shift in the structure of employment to service industries, sedentary lifestyles, urbanization and technological changes, i.e. transport and public catering development (including fast food) and declining prices for certain foods are the reasons commonly cited to explain the problem. Many developed countries are now achieving relative weight reduction among more highly educated social groups, but this is not the case in Russia (groups of women with higher and post-graduate education are the only exception). For men the opposite is even the case: a higher level of education makes it more likely that a person will be overweight²⁵.

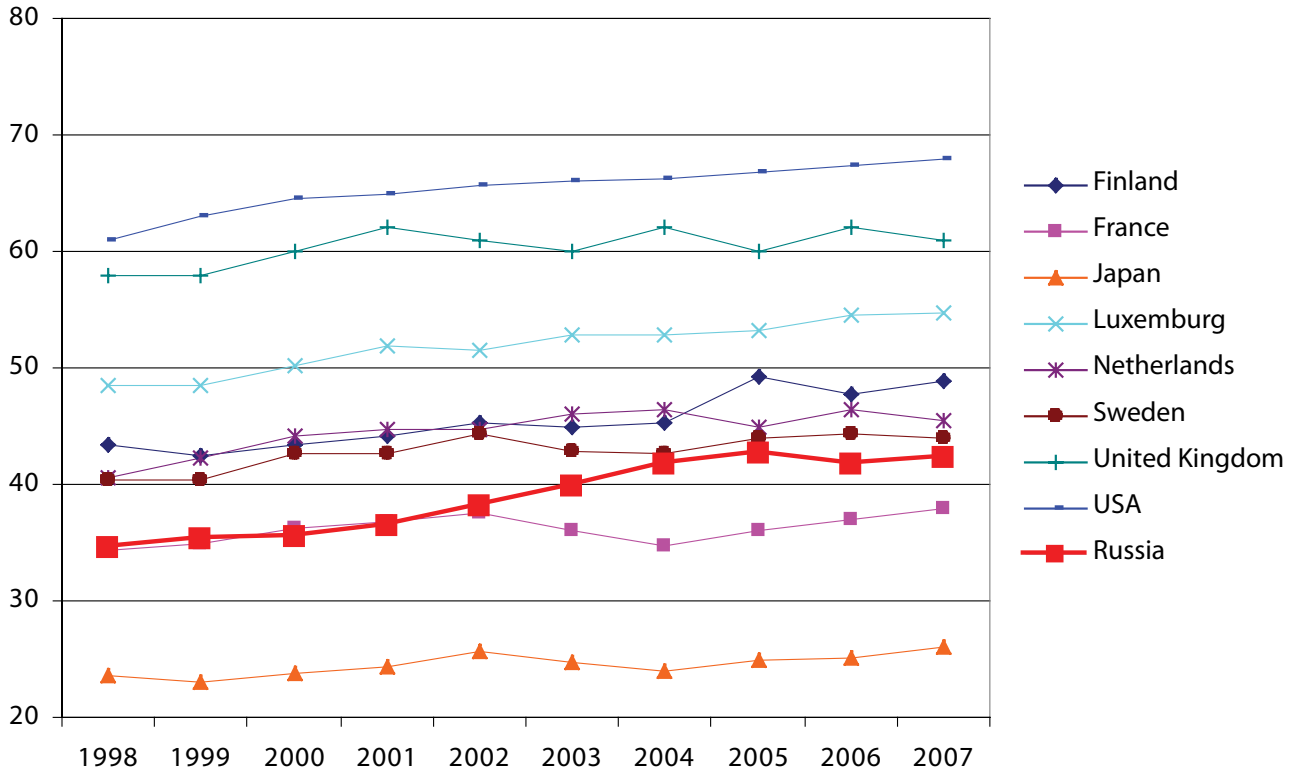
Living standards are an important determinant of weight problems. Any income growth enables increased spending on food by families (or countries), which previously did not have enough to eat. And when income levels (and weight levels) attain a certain threshold, there is a trend to control weight by purchasing healthier food products and

²⁴ Estimates are based on body mass index (BMI), which expresses the ratio of the individual's weight in kg to the square of his/her height in metres. If $30 > \text{BMI} \geq 25$, the individual is overweight, while if $\text{BMI} \geq 30$, the individual is obese.

²⁵ Колосницына М., Бердникова А. (2009). Избыточный вес: сколько это стоит и что с этим делать? // Прикладная эконометрика, №3 сс.72-93.

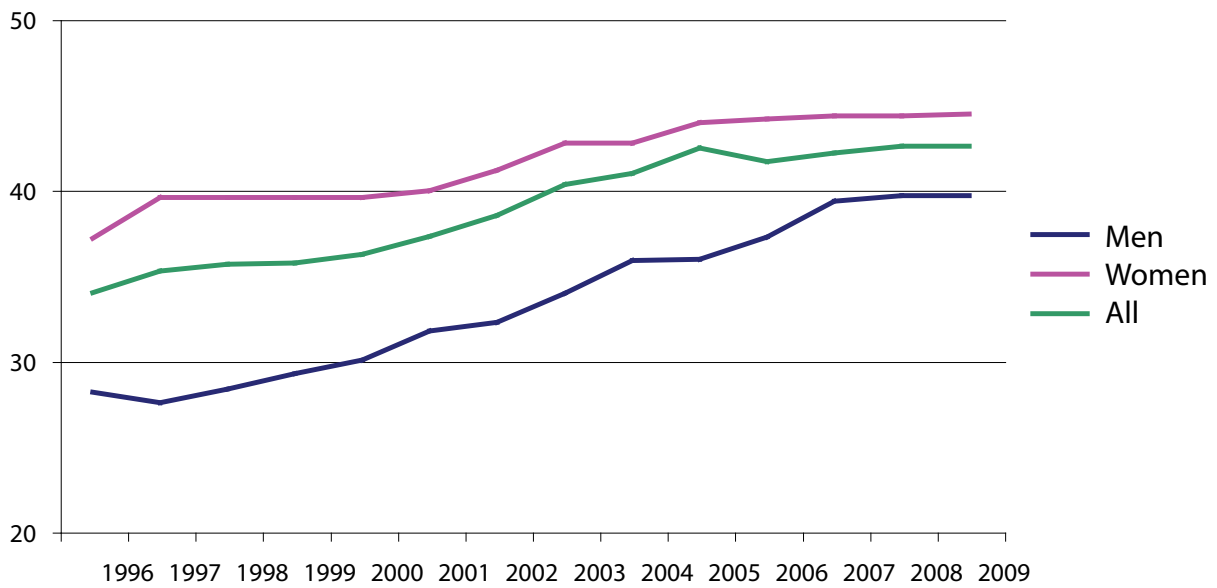


Figure 6.6. The share of overweight adults in OECD countries and Russia, 1998-2007, %



Source: OECD Health Data; RLMS

Figure 6.7. The share of overweight adults in Russia, 1996-2009, %



Source: Calculations based on RLMS data

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taking exercise. Hence many studies reveal a non-monotonic interdependence between income and overweight²⁶.

If we trace such interdependence on the macro level, we find that Russia is still far from the point where growth in income starts to counter obesity. This is supported by available micro-level data on nutrition, which show that consumption of nearly all foods has grown steadily over recent years among all income groups, even the most affluent (Figure 6.8).

Although consumption of bread and potatoes in particular has started to decline in recent years and consumption of sugar and confectionary has stabilized, nutrition structure in Russian remains far from being balanced. More than half of daily energy is from relatively cheap bread and bread products, confectionary and potatoes, i.e. 'bad' carbohydrates (Figure 6.9).

Apparent growth in consumption of fruit and berries since 2005 is in fact explained by change in statistical measurement techniques: before 2005 juice consumption was not treated as consumption of berries. But comparable data show that Russia lags two or three times behind the majority of European countries, including neighbouring Finland where climatic conditions are by no means better than in Russia. Only other CIS countries surpass Russia by consumption of bread and bread products. There is also high differentiation inside the country depending on income levels: the sampling survey of household budgets by Rosstat found that consumption in 2009 of meat and milk products, fruit and vegetables was 2-3 times lower per capita in the two poorest groups than in the two richest.

Irregular eating habits are another factor in addition to diet as such. The healthy lifestyle survey conducted by the sociology centre at the Russian Academy of Public Administration²⁷ in 2009 showed that at least 49 percent of respondents fail to eat regular meals. Shortage of time and formation of habit are named as primary reasons (the former mainly by individuals with higher education, the latter by respondents with lower education levels). 16 percent of all individuals eat dry food on a regular basis and catering at the place of work is the exception rather than the rule. Less than half of respondents (44.3 percent) have an understanding of the concept of balanced diet, while nearly 20 percent have no understanding of it at all.

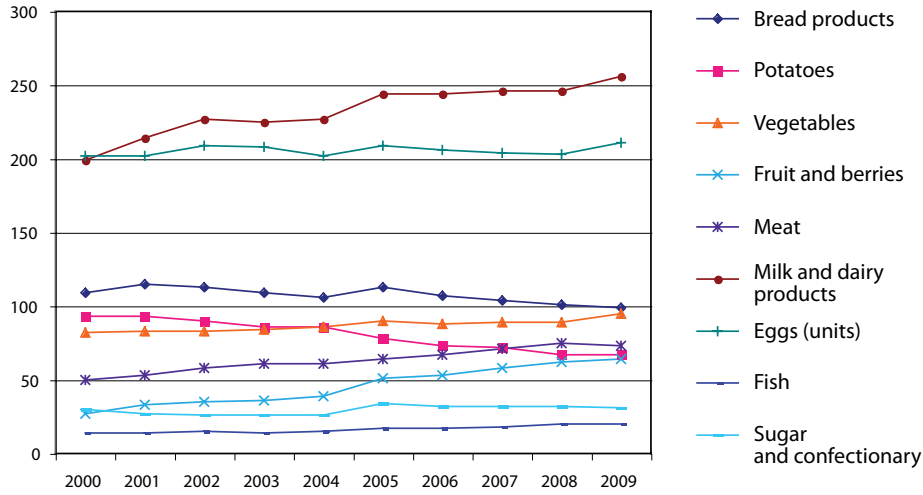
The above-mentioned sociology survey found that only 16.9 percent of individuals take exercise on a regular basis (at least 2-3 times a week). This share ranges considerably depending on age, education and income. The share is much smaller in groups over 30 years of age and particularly in groups over 40 years (30-39 years – 19.6 percent, 40-49 years – 12.4 percent, 50-59 years – 10.8 percent). Individuals with higher education are more likely to take exercise on a regular basis (24.7 percent) while those who have only completed the minimum school education are less likely to do so (12.4 percent). It was also found that 25 percent of financially independent respondents take exercise on a regular basis in contrast with only 11.4 percent of those who are below the poverty line. The reasons most often cited for not taking regular exercise are lack of time, laziness, unwillingness, poor health, and lack of money. It is worth noting that people over 40 years-old cite "absence of opportunity for people of my age to take exercise" as an obstacle, and people over 50 are even more likely to offer this explanation.

²⁶ O. Rosin (2008). 'The Economic Causes of Obesity: a Survey.' // Journal of Economic Surveys. Vol.22, No.4. P.617-647.

²⁷ «Здоровый образ жизни как социальная ценность и реальная практика». Рук. – В.Э.Бойков. М.: РАГС, 2010. Опрос проводился в 24 регионах, выборка составила 2400 человек (взрослое население).



Figure 6.8, Consumption of basic foodstuff per capita in Russia, 2000-2009, kg



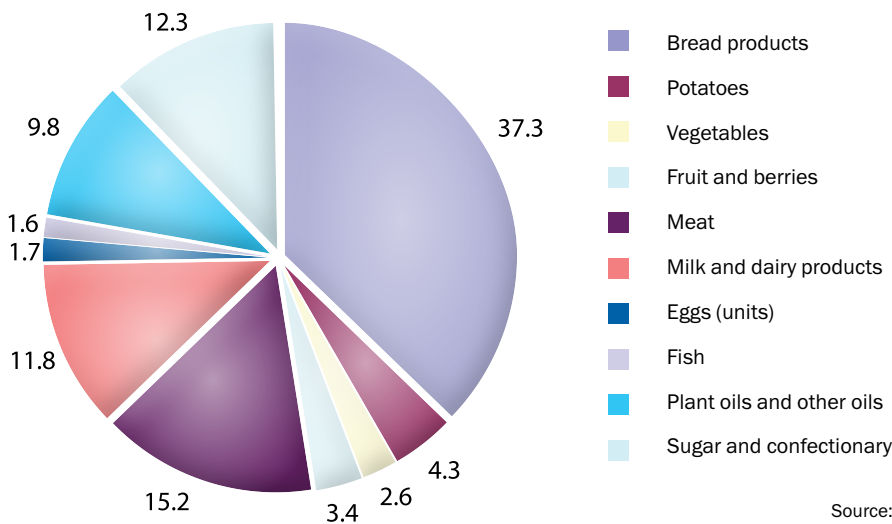
Source: Rosstat, National Survey of Household Welfare

What can be done to promote healthy nutrition and sufficient physical activity and which measures will be most effective?

Unlike the case of alcohol and tobacco, imposition of differentiated indirect taxes on particular 'harmful' foodstuffs could have undesired effect, since the diets of poorer families are dominated by those products, which would become more expensive. Theoretically, the best way forward would seem to be introduction of a non-linear tax scale, so that consumption of excessive

food would be taxed at a higher rate, but this would be hard to implement in real life. It is easier to introduce subsidies for production/sale of healthy foods, including, for example, fruits and berries (as in many Scandinavian countries). Unfortunately, no such steps are even being discussed in Russia. Nor are there any proposals for legislative control to restrict expansion of fast-food and its accessibility (geographical location), or for bans on sale of fast-food, chocolate, fizzy drinks, etc. at schools and other education institutions. Such measures are not expensive for the

Figure 6.9. Energy value structure of daily household food consumption in Russia, %



Source: National Survey of Household Welfare (Rosstat)

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state and only require the adoption of relevant laws. At present, Russian state policy in the field of nutrition is limited to control of food quality, which is undoubtedly necessary, but by no means sufficient.

Education (consultations, lectures and classes) is believed by specialists to be the most promising way forward with respect to both healthy nutrition and physical activity. Such education could be various in forms, depending on the target audience and scope (schools, local clubs, etc.) Experience of other countries shows that education is particularly effective for encouraging healthy lifestyles: most people with unhealthy diets, nevertheless believe that their lifestyle is healthy, but more than half of those who receive consultation on healthy nutrition do change their diet. School lessons on nutrition for children aged 7-11 are considered to be most efficient, since they only require relevant training of teachers and they offer a long-term effect. Attempts to provide diet consultation at health centers attached to polyclinics in Russia have again proved the low-efficiency of such an approach as healthcare facilities are normally visited by those who are already sick. Promotion of healthy eating and physical exercise must be targeted at the whole of society including people who are apparently in sound health.

Changes in living conditions and environment require special efforts at the level of city, village or district administrations, which can make a healthy lifestyle achievable and cheaper for their local population. This could include, for example, construction and maintenance of athletics fields and playgrounds, running and cycle tracks, and organization of various sports events. Such efforts could be financed out of local budgets, co-financed as a part of major state programmes and financed by sponsors. Understanding the role of city environment in shaping a healthy life-


style gave rise to the WHO project 'Healthy Cities' in the late 1980s. Today the movement is supported by 1800 cities, but only 7 Russian participants are licensed by the European WHO Network (Izhevsk, Cheboksary, Novo-Cheboksarsk, Stavropol, Kinel-Cherkassy, Cherepovets and Dimitrovgrad). Their experience offers a good example for other Russian cities, and could be propagated and adapted to various local conditions.

Programmes implemented in the workplace have not proved popular so far. Thus, the above-mentioned survey by the Russian Academy of Public Administration found that organization of sport activities by employers is uncommon (16.6 percent of respondents noted this) as is an organized catering system at places of work (16.3 percent). Incentives by employers to encourage healthier lifestyle among their employees are even more rarely mentioned (2.3 percent of respondents). The employer is willing to fund such efforts if the gain (a healthy workforce) is apparent, but encouragement could also be provided in the form of mandatory social insurance discounts or deduction of the relevant costs from the employer's taxable base.

Social advertising is needed in order to promote a healthier way of life, and TV is the obvious medium for such advertising campaigns. Whereas the objective in the case of tobacco and alcohol is anti-advertising, i.e. creation of a negative image, the objective for nutrition and physical exercise (sport) must be to make good health 'fashionable'.

6.4 Conclusions and recommendations

The financing allocated for measures to encourage healthy lifestyle in Russia today fails to do credit to their role as compared with financing of medicine. This is despite



the fact that contribution of a proper lifestyle to ultimate health indicators is considerably greater than that of medicine and that the measures are relatively cheap and could even bring immediate positive financial effect through growth of tax revenues. Improvement of the health of individuals will give long-run growth of the labour force and economic activities and reduce spending on healthcare. So shaping of a healthy lifestyle culture is the most promising health policy for Russia.

The main target groups for shaping a healthy lifestyle are young people and teenagers because they are at the age when life-long habits are shaped and because they are the employees and parents of the future. People with unhealthy habits should be helped to give them up, not via healthcare (these people are not yet sick), but via other means including local clubs, school classes and associations, groups and clubs at the place of work, training programmes, TV advertising, etc. Young people should be offered leisure opportunities that represent an alternative to drinking and smoking: availability of sports facilities, street playgrounds, running and cycle tracks must be increased.

Successful design and implementation of healthy lifestyle programmes depends

on statistical information, which is not now collected on a regular basis. Alcohol and tobacco consumption is estimated using sales data, which are only rough estimations (shadow sales elements are not included and only average consumption per capita can be estimated). Nutrition is shown in statistics only as the aggregate consumption of particular large groups of products. Involvement of individuals in sport activities and forms of physical exercise is estimated by the number of users of sports facilities, while self-training, training in private sports clubs and fitness centres, and sports facilities at higher educational institutions are not taken into consideration. Regular statistical monitoring is needed via sample surveys of sport and exercise, nutrition patterns, and alcohol and tobacco consumption in order to understand what impact healthy lifestyle initiatives are having.

Complexity of the concept of healthy lifestyle requires a comprehensive and independent approach to policy elaboration. It is impossible for one agency to be solely responsible for encouraging healthy lifestyles in Russia. Policy must be implemented as a part of a comprehensive inter-departmental programme involving all parties concerned, with a leading role for civil society institutions.

Box

Russia's demographic development: trends, problems, solutions

The demographic problem is one of the biggest issues facing modern Russia, influencing modernization perspectives, competitiveness of the national economy, social development and geopolitical stability. Continued decline in population caused by a low birth rate and a mortality rate, which is too high for a developed country, as well as ageing of the population and reduction in the share of people of working-age, combined with relatively low internal mobility and still ineffective migration policy, together pose a threat to the country's future.

Reduction of the population represents a threat to national security. And shrinkage of labour resources, increase of the dependency factor, and high mortality in groups of working age (primarily males) place obstacles on the path to economic growth. Ageing of the population will lead to an inevitable crisis of the pension fund and the entire pension system. Reduction of draftable age groups will impede recruitment of military personnel. Rapid shrinkage in the number of school leavers is making it hard for many higher educational establishments, particularly those not supported by the state, to survive.

Demographic development in Russia has much in common with general European trends (low birth rate, changing of the family structure, ageing of the population, etc.). But accumulation of crisis phenomena in the 1990s were determined by specific conditions and difficulties of the so-called transition period (decline of real incomes, increasing poverty, growth of inequality and unemployment, contraction of social guarantees, free medical care and education, etc.).

Demographic data for 2007-2010 show an increasing number of births, reduction of mortality and natural loss of population. However, they do not change the overall prognosis: relatively positive trends may last for a few more years, but most recent forecasts by

various (Russian and foreign) experts predict that the population loss will then, most probably, gather pace.

At present there is no reason to believe that the crisis can be quickly overcome and that population levels can be stabilized. It is hard to agree with the optimistic official forecast that by 2015 Russia will see a halt to its population decline and that by 2025 its population will increase to 145 million¹.

One reason why this will be difficult to achieve is that the age and gender structure of the population has been severely deformed by impact of social, political and economic factors in the past, which is influencing reproduction patterns now and will continue to do so in the future.

Russia's demographic development now and in the future is determined by the following factors:

Depopulation. For several decades already (since the 1960s) Russia has been among countries with a low birth rate, which is inadequate for replacement of the population. Combined with a mortality rate, which is higher than in other developed countries, the low birth rate has led to steady depopulation, observed since 1992. The scale of that depopulation is determined by fluctuations of death and birth rates as well as by migration, which partially replaces natural loss of population.

Russia's population reached a maximum in early 1993 at 148.562 million people. By the beginning of 2011 its estimated level was 141.9 million (not taking account of results of the 2010 population census) or 142.9 million (taking account of results of the 2010 population census).

The number of deaths has surpassed the number of births since 1992. In 18 years (1992 – 2010) the difference between numbers of births and deaths in Russia was over

¹ The Concept of Russia's Demographic Policy up to 2025; http://www.rost.ru/news/2007/09/101451_10753.shtml

13.1 million. That reduction was more than half compensated by migration. So absolute loss of population in that period was around 6.7 million people (5.6 million based on results of the 2010 census) (see Table 1).

If current reproduction tendencies (low birth rate and high death rate) continue, Russia's population could decline to 130-135 million by 2030 (see Table 2).

If UN forecasts prove to be true, Russia's share in world population will decrease from 2.2 percent in 2005 to 2.0 percent in 2010, to 1.8 percent in 2020 and 1.6 percent in 2030.

In case of an active demographic policy and improvement of the country's social and political status the decline could be lower, depending on the level of substitutive migration.

Deformation of the age and gender structure of the population. The age structure of Russia's population reflects the tragic events of the 20th century (famine and war) as well as social and economic

policy decisions, which have had decisive impact (Figure 1).

The main reason why the age structure is so uneven in the lower part of the pyramid is a 'demographic wave', i.e. a wave-like fluctuation in the number of births².

Quantitative changes in specific age groups take place relatively quickly and influence trends in numbers of working-age population as well as the dependency ratio. Differences in numbers between generations are very damaging to the economy due to large fluctuations of the number of people joining and leaving the labour force. Such differences influence the number of pensioners, expenditures of pension and social security funds, numbers of pre-school and school children, expenditures for pre-school and school education, the number of students, army conscripts, etc.

Russia has a huge disproportion between numbers of males and females. One

² The number of births declined from 2.8 million in 1960 to 1.8 million in 1968, then recovered to 2.5 million in 1986-87, declined again to 1.2 million in 1999 and rose again to 1.8 million in 2010.

Table 1. Components of change in overall population (thousand people)

Years	Population as of January 1 st	Annual change			Population as of December 31 st	Total increment, percent
		total increment	natural growth	migration growth		
1990	147665.1	608.6	333.6	275.0	148273.7	0.41
1991	148273.7	241.0	104.9	136.1	148514.7	0.16
1992	148514.7	47.0	-219.2	266.2	148561.7	0.03
1993	148561.7	-205.8	-732.1	526.3	148355.9	-0.14
1994	148355.9	104.0	-874.0	978.0	148459.9	0.07
1995	148459.9	-168.3	-822.0	653.7	148291.6	-0.11
1996	148291.6	-263.0	-776.5	513.5	148028.6	-0.18
1997	148028.6	-226.5	-740.6	514.1	147802.1	-0.15
1998	147802.1	-262.7	-691.5	428.8	147539.4	-0.18
1999	147539.4	-649.3	-918.8	269.5	146890.1	-0.44
2000	146890.1	-586.5	-949.1	362.6	146303.6	-0.40
2001	146303.6	-654.3	-932.8	278.5	145649.3	-0.45
2002	145649.3	-685.7	-916.5	230.8	144963.6	-0.47
2003	144963.6	-795.4	-888.5	93.1	144168.2	-0.55
2004	144168.2	-694.0	-792.9	98.9	143474.2	-0.48
2005	143474.2	-720.7	-846.6	125.9	142753.5	-0.50
2006	142753.5	-532.5	-687.0	154.5	142221.0	-0.37
2007	142221.0	-212.2	-470.4	258.2	142008.8	-0.15
2008	142008.8	-104.8	-362.0	257.2	141904.0	-0.07
2009	141904.0	10.5	-248.9	259.4	141914.5	0.01
2010	141914.5	-81.5	-239.6	158.1	141833.0	-0.06
Total, 1992-2010.		-6681.7	-13109.0	6427.3		

Note: not taking results of the 2010 population census into account

Sources: Annual Demographic Report, 2010, M, 2010, p.206; Natural flow of Russia's population in 2010; Rosstat data for 2010; http://www.gks.ru/bgd/free/b11_00/issWWW.exe/Stg/dk01/7-0.htm

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Table 2. Russian population forecasts (thousand people)

Author and time of the forecast	Probability/Forecast versions	Years			
		2010	2020	2030	2050
UN, 2010 ^a	High	142 958	144 334	143 742	145 257
	Medium	142 958	141 022	136 429	126 188
	Low	142 958	137 710	129 126	108 941
	With constant birth rate	142 958	139 279	132 314	114 125
UN 2008 ^b	High	140 367	138 447	135 368	133 535
	Medium	140 367	135 406	128 864	116 097
	Low	140 367	132 263	122 109	100 477
	With constant birth rate	140 367	133 780	125 088	105 205
PRB, USA, 2010 ^c		141900	2025 . – 140 800	127 600	
PRB, USA, 2009 ^d		141900	2025 . – 133 300	116 900	
PRB, USA, 2008 ^e		141900	2025 . – 129 300	110 100	
Rosstat, 2010 Forecast up to 2030 ^f	High	142121.5	145307.1	147589.9	
	Medium	141996.1	141908.0	139371.8	
	Low	141760.0	137015.1	127910.1	
Rosstat, 2009 Forecast up to 2030 ^g	High	141876.2	143670.4	146515.2	
	Medium	141820.5	141525.4	139366.4	
	Low	141655.9	137387.5	128511.9	
Rosstat, 2008 Forecast up to 2025 ^h	High	141807.2	143848.2	145119.0 – 2026 .	
	Medium	141539.8	139227.0	137047.9 – 2026 .	
	Low	140871.3	134622.5	129366.6 – 2026 .	
Russia's Demographic Development 2009 ⁱ	Option 1	141666.9	138107.1	132017.8	114060.7
	Option 2	141674.2	141362.2	141362.2	141794.9

- a) World Population Prospects: The 2010 Revision.- Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat. -<http://esa.un.org/unpd/wpp/index.htm>
- b) World Population Prospects: The 2008 Revision. Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat - <http://esa.un.org/unpp/>
- c) Population Reference Bureau. 2010 World Population Data Sheet. - http://www.prb.org/pdf10/10WPDS_Eng.pdf
- d) Population Reference Bureau. 2009 World Population Data Sheet. - http://www.prb.org/pdf09/09WPDS_Eng.pdf
- e) Population Reference Bureau. 2008 World Population Data Sheet. - http://www.prb.org/pdf08/08WPDS_Eng.pdf
- f) Demographic forecast up to 2030. Population changes in accordance with forecast scenarios. http://www.gks.ru/free_doc/new_site/population/demo/progn1.htm
- g) Estimated population of the Russian Federation up to 2030. http://www.gks.ru/bgd/regl/b09_105/Main.htm
- h) Russia Demographic Yearbook. 2008. M., 2008, pp. 532-533.
- i) Russia's Demographic Development in the 21st century. M., 2009, pp.244-245. Calculations by V.N. Archangel'skiy (The Center for Population Studies of Moscow State University).

Table 3. Age structure of the population and the dependency ratio

Age groups of the population	2002 census	2007 (January 1 st)	2010 (January 1 st)	2020 ^{***}	2030 ^{***}
Below working age	26327	22718	22854	25935.1	22845.4
Working age*	88942	90152	88360	79033.2	76770.5
Older than working age	29778	29351	30700	36939.7	39755.9
	145167	142221	141914	141908.0	139371.8
Dependency**	631	578	606	796	815
Below working age	18.2%	16.0%	16.1%	18.3%	16.4%
Working age	61.3%	63.4%	62.3%	55.7%	55.1%
Older than working age	20.5%	20.6%	21.6%	26.0%	28.5%
Total population	100	100	100	100	100

* Males aged 16-59 + females aged 16-54

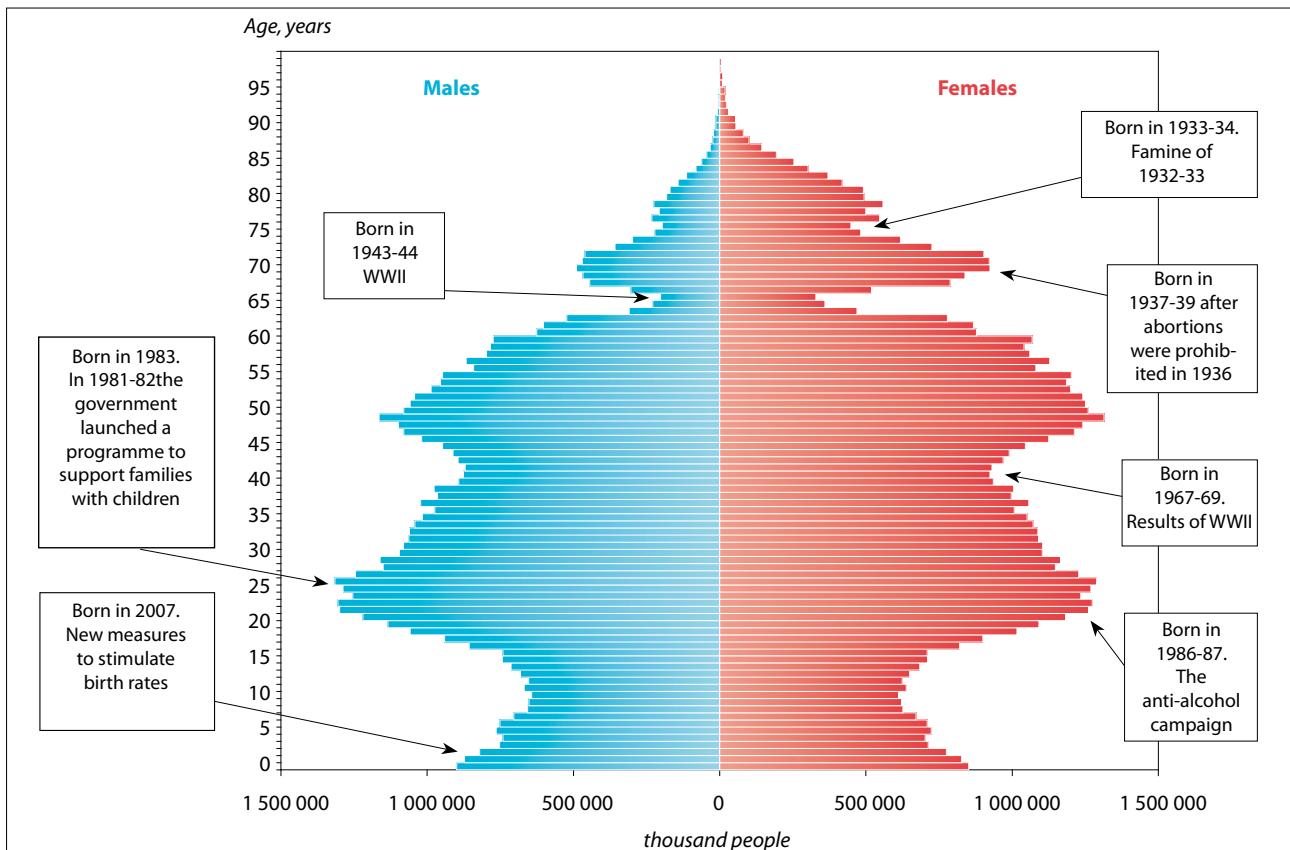
** Number of people of non-working age (children + pensioners) per 1000 people of working age

*** 2020 and 2030 – Rosstat forecasts (2010, median scenario)

Source: Demographic year book 2010, M, 2010, p.41

Rosstat forecast: http://www.gks.ru/free_doc/new_site/population/demo/progn3.htm

Figure 1. Age and gender structure of the Russian population as of early 2010



reason for this is super mortality rates among males, even though the number of newborn boys is consistently higher than the number of newborn girls (105-106 boys per 100 girls on average). Males and females with the same year of birth become equal in number at about 30 years of age (depending on the changing mortality levels per age group), so there is no deficit of males at the age of family-making, but the preponderance of females increases steadily in older and senior age-groups. Among groups older than working age there are 260 females per 100 males, and the proportion in the age group above 80 years of age is 380 females per 100 males.

Ageing of the population. The main reason for ageing of the population is the long-term decrease in the birth rate, which is steadily reducing the numbers and share of children in the overall population. The share of senior and old people continues to grow, although more slowly than in the 1960s. Population censuses

show the following share of people older than working age: in 1989 – 18.5 percent; in 2002 – 20.5 percent; in early 2010 – 21.6 percent (see Table 3).

The Russian population will continue to age in coming years. By 2020 the share of people of pension-age will reach 26 percent and by 2030 it will exceed 28 percent. The necessary response to this is either to raise the retirement age or to increase revenues of pension funds. Continued employment of people above retirement age requires special consideration, although the available reserves are not large in any case, due to weak health among senior citizens. The impact of ageing of the population on market trends and on the amounts of financing required for social programmes has yet to be measured.

Reduction of labour resources. Demographic trends in the past (low birth rates) will inevitably lead to a significant reduction of the number of people of working age, by up to 1

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million per year. According to the average forecast by Rosstat, their number will decrease by 8.5 million people between 2011 and 2020³. This could become a serious stumbling block for economic growth, unless adequate growth of productivity is ensured. Demographic limitations are becoming an important factor for medium- and long-term development of the Russian labour market. **Russia will face a labour deficit as early as 2012–2014 and that deficit will grow thereafter.** Depending on the development scenario this deficit could be as high as 20 percent of forecast labour requirements. The national economy already suffers from a lack of skilled labour. Lowering the average age of specialists in high-tech industries, including defence, will therefore be very problematic.

Growth of the dependency ratio.

The number and share of people of working age reached a maximum and the dependency load (the ratio of children and pensioners to people of working age) reached a minimum level in 2006-2007. The dependency ratio of senior citizens (calculated based on the existing retirement age) will grow quickly in coming years (see Table 3.), causing growth of the overall dependency ratio from 606 dependents per 1000 people of working age in 2010 to 700 by 2015 and to 800-820 and above by the period from 2020 to 2025, which will have negative impact on the labour market and growth of the national economy.

An increase of the dependency ratio caused by growing numbers of senior citizens is usually preceded by a period when the ratio is, on the contrary, reduced due to decline of the birth rate. This phenomenon, called the 'demographic window'⁴, usually lasts for 10-20 years and gives a certain 'demographic bonus' to countries that are affected, offering an opportunity to increase economic growth thanks to reduction of the demographic burden. Russia's demographic window has al-

ready been open for a long time. Russia will still enjoy a relatively low dependency ratio in 2011-2015, which could be a factor of economic growth and higher competitiveness. Parameters of the dependency ratio and time limits of the 'window' could vary if working age is not defined as in UN reports (15-65 years), but as in Russian demographic statistics (16-60 years for males and 16-55 years for females). Increasing the upper limit for working age automatically reduces the dependency ratio and optimizes incomes and expenditures of the pension fund, and could become a factor of economic growth and increased competitiveness of Russia's economy.

The demographic window is followed by a stage when the population starts to get older quicker and the dependency ratio, pension expenditures and the cost of maintaining senior citizens and people incapable of working grow correspondingly. So every country should use the demographic window as effectively as possible. Lost opportunities will result in reduction of economic growth, quality of life and life expectancy.

Low birth rate. For 45 years (since the mid-1960s) the birth rate in Russia has not been sufficient for replacement of the population. The net replacement factor only attained a level of 1⁵ in 1986-1988. After reaching its minimum (1.157) in 1999 the cumulative birth rate grew steadily for the next 10 years, reaching a value of 1.537 in 2009. This is lower than in Northern and Western Europe and 1.4 times lower than in the US. The largest increment of the birth rate was in 2007-2008 and was definitely connected with the launch in 2007 of a new state programme for supporting families with children.

According to the 2002 census, 65.1 percent of all families in Russia with children aged under 18 had only child, while the average number of children was 1.44. That com-

³ http://www.gks.ru/free_doc/new_site/population/demo/progn3.htm

⁴ See: World Population in 2002, UNFPA Annual Report, pp.23-25

⁵ Net factor of 1 means that the generation of women can be fully replaced by their daughters if the level of births and mortality remains the same for a long period. When the factor is lower than 1 replacement is narrowed.

... ..

compares with the 1989 census, which found that less than half (50.8 percent) of families had only one child, while the average number of children was 1.63.

The factors, which caused growth of the birth rate growth in 2006-2010⁶, are nearing exhaustion⁷ and we will inevitably face another stage of falling birth rates (number of births) after 2011-2012 caused primarily by declining number of young females of the most active reproductive age (20-34 years): their numbers will decline by over 6 million in the next 15 years. It is highly important to use the next three to four years for preparation of qualitative improvements to demographic policy beyond 2014-2015 through development and upgrading of federal and regional demographic policies. If this is not done, Russia will face another decline of birth rates, which will be much more severe than that of the late 1990s. The number of births could go down from 1.8 million in 2009-2010 to 1 million or less by 2025. Even the mass trend towards two-child families will not be enough to stop the decline in births. The solution is to gradually reshape public opinion and persuade young families to have not only two, but three children.

High mortality and low life expectancy. Russian life expectancy at birth (about 69 years in 2010) is 8-9 years less than in developed countries. Mortality of males in groups of working age is extremely high, exceeding that observed in developed countries by 2, 3 or 4 times. The greatest mortality impact is from cardiovascular diseases and external causes. Mortality has declined in recent years, but this trend is very unstable and uneven. Russia's Demographic Policy Concept sets a life expectancy target of 70 years by 2015, while two dozen developed countries have either passed the 80-year barrier (Japan, Iceland, Sweden, Spain, France,

Italy etc.) or are about to reach and surpass this very prestigious threshold. Russia has the worst life expectancy of all countries with comparable per capita GDP values.

Russia is characterized by a huge difference between the life span of males and females, as well as super mortality of males in working-age groups. Life expectancy of females is 12 years higher than that of males. Age mortality coefficients for males in working-age groups are 3-3.5 times higher than for females. In 2009 as much as 28.2 percent of all mortality was in working-age groups, and 43 percent of male mortality was in those age groups compared with only 12.1 percent of female mortality. Most deaths among people of working age are due to cardiovascular diseases and external causes (alcohol poisoning, murder, suicides and road accidents). Of all males who died when of working age, 32 percent died from cardiovascular diseases and 31 percent from external causes. Out of all females who died when of working age, 25.7 percent died of cardiovascular diseases, 23.5 percent from external causes and 21.7 percent from tumors⁸.

The principle cause of loss of life expectancy (and, therefore, economic losses) is found to be death from external causes. The explanation for this is simple: external causes claim the lives of young and middle-aged people, while cardiovascular disease is more prevalent in senior age groups. Thus, in 2009 the average age of those who died from external causes was 44.9 years for males and 51.6 years for females, while the average age of those who died of cardiovascular disease was 69.4 years for males and 79.0 years for females⁹.

The influence of migration and migration policy on demographic and economic development. Migration is one of the most important factors determining economic and social development in modern Russia.

⁶ The summary birth rate factor (number of children per 1 female) was below 1.3 in 2005-2006, but rose to nearly 1.6 in 2010.

⁷ In January-July 2011 the number of births decreased by 8,700 compared with the same period of 2010.

⁸ Демографический ежегодник. 2010. М., 2010. С.101, 180, 184, 332, 333.

⁹ Демографический ежегодник. 2010. М., 2010. С.358, 359, 365.

International migration slows down the decline in population and labour resources. In the period of globalization migrants are an invaluable resource, and Russia will have to compete for them not only with the EU, but also with Ukraine and Kazakhstan. Russia today has an objective interest in attracting various groups of migrants: those who want to obtain permanent residence and Russian citizenship; temporary workers who stay in the country for both seasonal and more prolonged periods of labour; students; and visitors who come to see their relatives or as part of family reunification programmes. Strong levels of migration to Russia for permanent residence in recent years (over 200,000 per year in 2008-2009 and about 160,000 in 2010) have compensated over a half of natural population loss. But huge numbers of temporary labour migrants (including unregistered migrants, those violating immigration laws, or those in the country illegally) and related problems (low-cost unskilled labour, social vulnerability of migrants, ethnic conflicts, criminal issues, etc.) result in negative public attitudes towards all migrants. Migrants are mostly concentrated in lower segments of the labour market, taking onerous and non-prestigious jobs, which Russians themselves are not willing to do, in the construction, transport, agriculture and service segments.

Trends in **internal migration** are contradictory and have tended to worsen Russia's demographic problems. When the economy is on the rise internal migration activity should also rise, spurred by labour market deficits, particularly in rapidly developing regions. But internal migration in Russia is hampered by unavailability of housing in large cities, rapid growth of sale prices and level of rents for apartments, underdeveloped housing loan mechanisms and their unavailability to many groups of the general public. Investments should be redirected to creating jobs in regions and towns, which today supply migrants to Russia's largest cities.

Russian demographic policy. The first stage of Russia's Demographic Policy Concept up to 2025 (approved by Presidential Decree № 1351, dated October 9th, 2007) was completed in 2010. The Concept is to be implemented in three stages (2007-2010; 2011-2015 and 2016-2025) with specific targets and results expected from each of the three stages.


The first stage included measures for reducing mortality due to road accidents and cardiovascular disease; improving the quality of medical care for pregnant women; development of perinatal technologies to reduce probability of unsuccessful pregnancies and deliveries; inflation-indexed benefits to families with children; psychological, pedagogical, medical, social and financial support to foster families, etc.

In 2008-2010 administrative regions of the Russian Federation developed their own demographic programmes to improve the demographic situation taking account of regional specifics. These programmes and provision to them of financial, methodological and informational support are being constantly monitored.

The first stage of the Concept was aimed at reducing the rate of natural loss of population and achieving increase of the population through migration. These tasks were accomplished.

The second stage of the Concept in 2011-2015 consists of further actions to stabilize the demographic situation in Russia.

Despite the apparently large scale of actions taken in 2007-2010, we think that they were clearly inadequate to make young families take independent and responsible decisions on whether or not to have children. Analysis shows that even doubling of expenditures to support families in 2007 (as compared with 2006) and indexation of that support in 2008-2010 still left those expenditures 1.5-2.0 times lower as a percentage of GDP than in 1995 and 4-5 times lower than in



1990-1991. The share of state support in the income of families remains insignificant.

The assistance provided to families with children today and the amounts, which are scheduled to be spent in 2012-2015, are **clearly insufficient for encouraging families to have second and third children and for stimulating birth rates, and also for changing the value system and raising the prestige of families with several children.**

Families with children are more at risk of poverty due to low salaries and small mother and child bonuses. For many young families having a child entails a dramatic fall of living standards. The number of children in a family has become a determining factor of poverty.

The more children a family has, the lower its per capita incomes, and the higher the share of poor households with incomes below the subsistence level. Families where the mother receives the state bonus for having a child under 1.5 years old and families with pre-school children and only one wage-earner are the hardest hit. Severe shortage of places at pre-school educational establishments and inability to arrange high-quality, low-cost care for their children mean that mothers cannot go to work after their maternity leave ends (when their child is 1.5 years of age). The existing deficit of pre-school places (about 1.8 million) is too great to be overcome in the next few years.

Creation of an environment where decisions on having a second, third, etc. child can be taken by families freely and conscientiously depends on further provision of state-backed financial support to families with children, together with public advertising campaigns to strengthen family values.

Russia needs a law on state guarantees of support to families with children, which would establish a comprehensive, accessible

and properly financed system guaranteeing state support for the process of giving birth to and raising a child. Such a law should include: a commitment to gradual increase of expenditures for supporting families with children (to 1 percent of GDP by 2012, then 1.5 percent of GDP by 2015, followed by 2 percent by 2020 and 2.5 percent by 2025); additional ways of using the recently introduced maternal capital (one-off payments to families for birth of a child); bringing of plans to increase the minimum wage into accordance with Article 2 of the Labour Code, which states that wages should provide an adequate standard of living **for the wage-earner and for his/her family**; and increase of tax bonuses to families with children. Successfully combating mortality depends on further development of high-tech medical assistance, increasing the role of preventive medicine and regular health examinations, and developing healthy lifestyle consciousness among children and young people.

Scientific support for development of new demographic and family policies requires reinstatement of the volume of demographic statistics that was available up to 1998 (this could be done by relevant changes to the Law on Acts of Civil Status), more scientific research into social and demographic issues, and monitoring of the results of demographic measures that are implemented.

Finally, the country requires greater awareness of demographic issues at all levels of management, and it requires skilled social and demographic assessment of draft projects, strategies and budgets, i.e. of all issues that have direct or indirect impact on population replacement (birth rate, creation of families, health, mortality, migration) and on the status of families with children.